Legislative Assembly

Tuesday, 8 May 1984

The SPEAKER (Mr Harman) took the Chair at 2.15 p.m., and read prayers.

HOMOSEXUAL ACTIVITIES

Legislation: Petition

MR TRETHOWAN (East Melville) [2.17 p.m.]: I have a petition from 260 residents of Western Australia expressing great concern that the Government's intention to decriminalise the act of homosexuality between consenting adults will lead to a lowering of moral standards in the community which the Government is elected to protect. The petition is couched in similar terms to others which have been presented previously, and I certify that it conforms to the Standing Orders of the Legislative Assembly.

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

(*See petition No. 112.*)

PORNOGRAPHY AND VIOLENCE

Video Films: Petition

MR TRETHOWAN (East Melville) [2.18]: I have a petition from 477 residents of Western Australia which is couched in similar terms to petitions previously presented, requesting that the Parliament will not legalise the sale, hire, or supply of any video tape, video disc, slide, or any other recording from which a visual image can be produced, which portrays scenes of explicit sexual relations showing genitalia detail; acts of violence and sex; sexual perversion such as sodomy, mutilation, child pornography, coprophilia, bestiality; or the use and effect of illicit drug taking.

I certify that the petition conforms to the Standing Orders of the Legislative Assembly.

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

(*See petition No. 113.*)

PORNOGRAPHY AND VIOLENCE

Video Films: Petition

MR McIVER (Avon—Minister for Works) [2.20 p.m.]: I have a petition which is couched in similar vein to that presented by the member for East Melville. It bears 162 signatures, and I certify that it conforms to the Standing Orders of the Legislative Assembly.

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

(*See petition No. 114.*)

IRON ORE (CLEVELAND-CLIFFS) AGREEMENT AMENDMENT BILL 1984

Introduction and First Reading

Bill introduced, on motion without notice, by Mr Parker (Minister for Minerals and Energy), and read a first time.

Second Reading

MR PARKER (Fremantle—Minister for Minerals and Energy) [2.21 p.m.]: I move—

That the Bill be now read a second time.

The purpose of the Bill is to ratify a variation agreement between the State and participants in the Cliffs Robe River Iron Associates project which provides the necessary mechanism for normalising Wickham.

It has been recognised for some time that there is a growing need for the normalising of company towns in the Pilbara; and the Bill places before the House the third variation agreement related to normalisation.

Normalisation is essentially undertaken to ensure land availability for private development and for Government, both State and local, to assume its normal responsibilities in respect of services and infrastructure.

Members would be aware that variations have previously been made to the Iron Ore (Mount Newman) Agreement Act and Iron Ore (Hamersley Range) Agreement Act to allow for the normalisation of the towns of Newman, Tom Price, Paraburdoo, and Dampier to proceed. The majority of normalisation arrangements are now fully implemented in Newman, Tom Price, and Paraburdoo. Negotiations concerning the take up of local authority function in Dampier are progressing.

The original development of Wickham as the port township for the Cliffs project proceeded under approved proposals which envisaged eventual surrender of the company townsite lease. The company has, however, continued to develop Wickham substantially as a company town to the present time.

As an integral part of the normalisation of Wickham, both the State Government and the company will contribute towards the cost of a new community centre in the town. Cliffs will contribute $1 million towards the multipurpose building and the State Government will provide $500 000.

A significant feature of the variation agreement is that it recognises the company's intention pursuant to proposals first approved by the Minister to surrender the whole of the townsite lease granted

to it under the original Cliffs agreement and to obtain substitute title in respect of specific areas within the townsite. Other land within Wickham will be freed for development by the State and others.

I turn now to the specific provisions of the variation agreement scheduled to the Bill before the House.

The normalisation of Wickham is mainly provided for in clause 6(3) of the variation agreement by the addition of four new clauses to the principal agreement; that is, clauses 7C, 7D, 7E and 7F.

The new clause 7C provides an opportunity for the company to submit additional proposals setting out the arrangements by which infrastructure and services, provided and owned by the company, can be transferred to the State and local authority. The additional proposals will relate to—

> The transfer to, or vesting in, the State, appropriate instrumentality, or local authority of the ownership, care, control and management, maintenance, or preservation of any service or facility owned and/or operated by the company;
>
> the vesting in, transfer, surrender, lease, or sublease to the State, appropriate instrumentality, or local authority of any land owned or leased by the company;
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> the sale of land at Wickham the subject of a sublease by the company for commercial, community, or welfare purposes, to the sublessee or any other person with the consent of the Minister; and
>
> any other purpose concerning the maintenance, use, or operation of the company's services or facilities situated in or near Wickham as the Minister shall approve.

This proposals mechanism relates only to matters of normalisation and provides that the proposals must be acceptable to the Minister and not subject to arbitration.

Clause 7D provides that the State shall, in accordance with an approved proposal, following surrender of the whole of the townsite lease by the company, grant in fee simple or lease to the company such part or parts of the land so surrendered as the proposal provides. The price to be paid by the company for any grant and the terms and conditions of any lease are to be determined by the Minister for Lands and Surveys.

This clause also enables the company to apply for and be granted freehold title to lots within the area coloured green on the plan marked "B" attached to the variation agreement for housing for residential use by employees engaged in the operations of the company under the agreement. It would be appropriate if I table a copy of the plan marked "B". The size and position of the lots to be granted to the company are to be determined by the Minister for Lands and Surveys after consultation with the company, and the sale prices of the lots are to be determined also by the Minister.

Provision is made for consultation between the Minister for Lands and Surveys and the company to ensure the future housing requirements of employees engaged in the operations of the company under the agreement are given consideration when the State is releasing land in this area for other parties.

Subclause (d) of this new clause 7D deals with the preservation of subleases by the company to third parties. If any land which is surrendered by the company and granted back in fee simple pursuant to an approved proposal is the subject of a sublease, that sublease shall remain in full force and effect as if the special lease, out of which it was granted, had not been surrendered.

Authorisation for Ministers of the State, instrumentalities of the State, and local authorities to enter into and carry out agreements set out in the normalisation proposals under clause 7C of the variation agreement or proposals, under the proposals variation clause 14(3) of the principal agreement is provided in the variation by the new clause 7E.

Under clause 7F the company is released, following the surrender of its townsite lease and approval of the normalisation proposals under clause 7C, from the responsibility for schools, hospitals, and police station facilities, and associated staff housing at Wickham. It does not, however, provide release from the provision of such facilities at Wickham if required to meet the needs of a construction work force involved in the company's operations.

Modification of the Land Act with respect to normalisation is provided for in subclause 6(4)(b) of the variation agreement.

Subclause 6(5)(a) of the variation agreement provides that the powers and authorities of the company in respect of water and power supplies shall be modified to accord with any proposals approved under the normalisation proposals clause 7C.

Subclause 6(5)(b) is to ensure that the effect of any determination of the agreement does not flow on to lots granted in fee simple to the company under a clause 7C proposal and sold to a third party before determination, or on lots sold to the company at prices to be determined by the Minister for Lands and Surveys, in the area coloured green on plan "B" set aside for future develop-

ment at Wickham and in which the company is entitled to apply for lots as I have previously explained.

The variation agreement provides a new clause 10(n) which specifically removes nominal consideration and peppercorn rentals for lands granted in fee simple or leased to the company within or near the port townsite, Wickham.

Subclause 6(7) of the variation agreement acknowledges that the company shall have no further obligations to the State with regard to any obligation covered in a clause 7C proposal by which the company has entered into an arrangement with a person—including an instrumentality of the State or a local authority—whereby that person has agreed to assume the obligation undertaken by the company under the agreement.

Other provisions of the variation agreement are common to agreements of this nature and in the main are consequential amendments to the principal agreement to provide the surrender and transfer of land in accordance with the various normalisation procedures outlined.

Members will, I believe, see the move towards achievement of the normalisation of Wickham as another important step forward in the social development of the north. With the increasing numbers of families settling in the Pilbara, it is appropriate that towns should be normalised and brought into the local government structure. The company's efforts in this regard have been appreciated by the Government and deserve the full support of Parliament.

I commend the Bill to the House.

The document was tabled (see paper No. 744).

Debate adjourned, on motion by Mr MacKinnon (Deputy Leader of the Opposition).

STATE ENERGY COMMISSION AMENDMENT BILL 1984

Introduction and First Reading

Bill introduced, on motion without notice, by Mr Parker (Minister for Minerals and Energy), and read a first time.

CHILD WELFARE AMENDMENT BILL 1984

Introduction and First Reading

Bill introduced, on motion without notice, by Mr Wilson (Minister for Youth and Community Services), and read a first time.

Second Reading

MR WILSON (Nollamara—Minister for Youth and Community Services) [2.35 p.m.]: I move—

That the Bill be now read a second time.

The Bill before the House is based on a private member's Bill introduced in the Legislative Council in November 1982 by the Hon. Lyla Elliott. I would like to thank her for the background research which she did.

The Bill has two aims. The first is to protect young people under 18 years from hucksters trying to make money by satisfying their customers' perverted tastes.

There is considerable concern throughout Australia about the sexual exploitation of children and in particular about the amount of child pornography available. Although much of this originates overseas it should not lead to complacency. Often child pornography is produced for consumption outside the place of origin in order to avoid public revulsion and action by law enforcement agencies.

In a paper given to the congress on child abuse and neglect held in Paris in 1982 Mr Tyler of the San Bernadino County sheriff's department pointed out that paedophiles who possess child pornography in any form virtually always use such material to facilitate the "seduction" of new victims. "As long as any nation allows child pornography it will continue to be used to perpetuate the 'cycle of victimisation' of the world's children" he said.

The second aim of the Bill is to regulate the employment of children under school leaving age particularly in the entertainment industry. All States except Western Australia and South Australia require young children appearing in commercial stage shows, films, television features and advertisements to be licensed. I am advised that in this industry parents can be so anxious to arrange an opportunity for their children to perform publicly that they may be prepared to overlook conditions which would otherwise be regarded as unacceptable. The licensing provisions proposed in this Bill are broadly similar to those operating in the Eastern States.

A new section 108 of the Child Welfare Act makes it an offence to employ any child for indecent, obscene or pornographic purposes. The provision also extends to people who arrange the employment and to parents or people caring for a child who condone the employment. The maximum penalty is a fine of $5 000 or imprisonment for three years or both.

The words "indecent", "obscene" or "pornographic" as defined include prostitution, other sexual activity, bawdy behaviour to stimulate masturbation, and stripping and erotic modelling designed to give prominence to sexual or excretory organs. The section will apply both where

the child appears before a live audience and where the child is employed in the preparation of pornographic material in private. The same section also makes it an offence to employ or cause or allow the employment of a child under 15 years who is not the subject of a children's employment licence in an entertainment or exhibition or in offering anything for sale. For this the maximum penalty is $1 000.

This provision is subject to exceptions. It does not apply to street trading which is regulated elsewhere in the Act. It does not apply to an occasional entertainment in aid of a school or a charity, nor in cases where the Minister has granted an exemption. "Employment" is defined widely to prevent the provision being evaded.

The new section 108A provides for the granting of children's employment licences. The licences will be granted by the Minister and may be subject to general provisions prescribed by regulation or specific conditions imposed by the Minister.

Before granting the licence the Minister must be satisfied that the child is fit to be employed and that proper arrangements have been made to safeguard his or her health welfare and education. The licence may not authorise a child to be employed between the hours of 11.00 p.m. and 7.00 a.m.

In commending the Bill to the House I advise that it is intended to allow this Bill to lie over until the next session to allow for proper consideration of the proposed measures.

Debate adjourned, on motion by Mr Spriggs.

HEALTH: ALCOHOL AND DRUGS

Select Committee: Report

MR GORDON HILL (Helena) [2.38 p.m.]: I present the report of the Alcohol and Other Drugs Select Committee and move—

That the report be printed.

I express my gratitude to those who have given evidence and presented submissions to the committee, and also to the members of the committee who gave a considerable amount of time and effort in preparing the report before the House. The committee met over a period of nine months, during which time it held 31 formal meetings and a number of informal meetings during visits to the Eastern States, goldfields, Pilbara and Kimberley regions. The committee discovered a number of Government inquiries, Royal Commissions and Select Committees had been held since 1965. Not many of the recommendations of those Royal Commissions and Select Committees have been adopted by Government, so this committee urges the State Government to take cognisance of the recommendations in this report and to implement those recommendations. We believe that although a lot has been said about the overall question of alcohol and drug abuse and treatment methods, not much has been done in recent years.

I conclude by again expressing my gratitude and that of the committee to all the people who put forward submissions, and in particular my own gratitude to the members of the committee; namely the members for Balcatta, Pilbara, Subiaco, and South Perth, for their valuable input.

Question put and passed.

The papers were tabled (see papers Nos. 745 to 747).

FIRES: BUSHFIRES SELECT COMMITTEE

Continuation: Motion

MR TONKIN (Morley-Swan—Leader of the House) [2.43 p.m.]: I move—

That unless otherwise ordered, the Select Committee on Bush Fires in Western Australia, appointed during this current session of Parliament, be so appointed, without further authority being required than this resolution, for the duration of the Thirty-First Parliament.

Question put and passed.

HEALTH LEGISLATION ADMINISTRATION BILL 1984

HEALTH LEGISLATION AMENDMENT BILL 1984

Second Readings

Debate resumed from 4 May.

MR GRAYDEN (South Perth) [2.45 p.m.]: Last week when I spoke in the cognate debate on these two Bills prior to the debate being adjourned I described the proposal to amalgamate the three departments responsible for health care in Western Australia as a major one. I was questioning the reasons that the Minister for Health and the Government should be thinking in terms of an amalgamation. I was pointing out that no attempt had been made by the Minister when he introduced the two Bills to justify the amalgamation. There has been no public inquiry and no exhaustive inquiry within the Public Health Department, nor has there been any public discussion on the need for and the desirability of this amalgamation.

I want to emphasise the importance of that, because in New South Wales about 10 years ago the Government integrated and regionalised its health system. I understand, from talking to people who are conversant with what is taking

place in New South Wales, that the experiment has proved disastrous. The New South Wales Government is now thinking of trying to dismantle the structure which was set up 10 years ago. Here we are attempting to amalgamate the Public Health Department, the Department of Hospital and Allied Services, and Mental Health Services.

I mention the New South Wales experience because I have never been able to find anyone who has a good word to say for the New South Wales system. Similarly, I have never heard anyone criticise the system we have in Western Australia with the three departments.

This amalgamation will take us back 80 years to 1903, when it was decided to separate the mental health services from the Public Health Department. That was done for a specific reason, and the reason is this: In 1903 mentally-ill people were the responsibility of the Lunacy Department. It was separated at that time so that, in the words of the Colonial Secretary, Walter Kingsmill—

> ... instead of the Inspector General's reports filtering through the Medical Department ... the care of the insane will be vested in the Inspector General, who will be an expert and a specialist, and that officer will be directly responsible for the conduct of his office to the Minister.

That was the situation in 1903. As I said, the Lunacy Department was separated from the Public Health Department in the interests of efficiency and in order that that particular department would be directly responsible to the Minister for Health.

In 1962 the Mental Health Act was introduced. It established the Mental Health Services. At the same time it made the director responsible to the Minister for the medical care and welfare of every person treated by the department and for the proper operation of every approved hospital.

At the moment, of course, the 1962 Act is still in existence. The relevant portion reads—

> 8.(1) Subject to the control of the Minister, the Department shall be administered by the Director, who shall be a psychiatrist appointed by the Governor.
>
> (2) The Director is responsible to the Minister for the medical care and welfare of every person treated by the Department and for the proper operation of every approved hospital and every service established under section nineteen.

The 1962 Act was a continuation of the move started in 1903.

A former director of Mental Health Services in Western Australia, A. S. Ellis, made a comment on that move in a letter to the editor of *The West Australian*. Referring to making the Director of Mental Health Services directly responsible to the Minister, he commented as follows—

> This safeguarded the civil rights of patients treated by the Department by nominating one person who was to be responsible for ensuring that adequate treatment was given consistent with the utmost possible liberty of the subject.
>
> The proposed "single department" may be an adequate pattern for the twenty-first century, and certainly times have changed since the nineteen sixties, but fifteen years ago we opposed the idea of a Health Commission or monolithic structure because of the resulting loss of contact between the Director and the Minister. It was only because of the direct personal contact with the Minister that the mental services in this State were improved and have been maintained at their present high level. The Director of the mental health services is obliged to explain and to justify to the Minister policies on funding and staffing, so that these can then be explained to Cabinet and to Parliament.
>
> The mental health services here brought to the people of Western Australia the benefits of innovations from interstate and overseas, and functioned well when it was an equal partner with the Departments of Public Health and Hospital and Allied Services in the Health Executive Committee of the sixties and seventies. Free and informed discussion between these departments enabled appropriate advice to be presented to the Minister. It is doubtful if the proposed monolithic structure would improve or maintain the present high quality of the State's mental health services, and whether a Minister could continue to be adequately informed about the functioning of this highly specialised area of his responsibilities.

When one looks at the structure of the proposed new department we will have the Minister, then the permanent head of the department, and an executive of seven people, made up as follows: an Executive Director of Public Health, an Executive Director of Personal Health Services, an Executive Director of Nursing Services, an Executive Director of Corporate Services, an Executive Director of Health Promotion and Education Services, an Executive Director of Administrative Services, and an Executive Director of Financial and Management Services.

The permanent head is in charge of the executive, which comprises seven executive directors, each of

whom is responsible for a unit. For example, let us take the case of mental health. In charge of Personal Health Services is an Executive Director and he in turn is responsible for five units. He is responsible for the General Medical Services, Psychiatric Services, community and child health services, dental services, and Allied Health Services.

This appears to be a very cumbersome structure. It would mean this: An individual in Psychiatric Services who has a problem would take up that problem, through another individual, to the services group which is comprised of these five units. Having been through that committee the problem then goes to the executive director of the unit. From there, it goes to the executive which comprises a body of people and a chairman who is the permanent head. It is then discussed, and through the permanent head it goes to the Minister. The problem has to go through three individuals and two committees before it reaches the Minister. The same would apply to any other section of health care in Western Australia. If the problems applied to Nursing Services, again it would have to go through a service group comprised of several units, through the Executive Director of Nursing Services, then from the executive to the permanent head, and ultimately to the Minister.

It would appear to be an extraordinary situation; hence the Government leaves itself open to criticism, because if there are problems in the new structure; in many cases they will be filtered out before they get to the Minister. In 1903, the Government of the day for that reason decided to separate mental health services from the Public Health Department, and again in 1962, when the present Health Act was passed, the separation remained because the Government wanted to make the head of the Mental Health Services directly responsible to the Minister. The same applied to the Public Health Department. The Government wanted a commissioner or director to be directly responsible to the Minister. As for Hospital and Allied Services, it was desirable that the head of the department be directly responsible to the Minister.

Public health in Western Australia falls broadly into three departments, Public Health, Hospital and Allied Services, and Mental Health Services. There has never been any criticism of this structure. It works admirably and more emphasis could be placed on promotion and efficiency as it stands without amalgamating the three departments. If they are amalgamated, they will be hopelessly scrambled, and it will not be possible to unscramble them.

Ten years ago, the New South Wales health service had that experience. It has regretted that it cannot undo the errors it made. I express extreme concern about the cumbersome nature of this proposal.

I quote briefly from a comment made by the former Director of Mental Health Services on this same aspect, and it is to this effect—

> ...in the new organizational structure the mental health component of the total health care system receives inadequate recognition. The Director of Psychiatric Services becomes a member of a Personal Health Team consisting of the Directors of general medical services, community and child health services, Dental health services and Allied health services, with supporting clinical and allied health professional staff.
>
> The directors of the Personal Health Team report to their Executive Director, who is one of seven members of a Management Team which reports through the Permanent Head to the Minister.
>
> In this structure the needs of psychiatric patients and staff must be communicated through three officers and two committees before reaching the Minister, and in the process run a grave risk of being inadequately represented and having their significance underrated.
>
> Under the present Mental Health Act the Director of Psychiatric Services has direct access to the Minister, with the responsibility of informing him of the specialized needs of the mentally ill. This system has served Western Australia well, and the State already possesses a psychiatric service which with all its faults, is still the envy of other States.

He concludes by saying—

> In New South Wales a Health Commission was established some 10 years ago, with a structure closely approximating the proposed Health Department here. In the opinion of those qualified to know, that system has proved deleterious to the mentally ill. Hospitals which were formerly "open" have had to return to the locked door system, with increasing medication taking the place of modern psychosocial treatment. This is because of staff shortages, inadequate emphasis on specialised nurse training, and the loss of skilled professionals and teachers, who leave the Service because of inadequate promotional opportunities and job satisfac tion.

Mr Hodge: Who was making the comment in the quote?

Mr GRAYDEN: Dr Ellis, the former Director of Mental Health Services. In the light of those comments the new structure appears to contain many unsatisfactory features.

I mentioned last week that it may well have been that investigations had been carried out somewhere within the health department by the Minister, which may have produced some facts to justify the amalgamation. In the absence of facts like these being put forward, one cannot help but form the conclusion that this will be in every way a retrograde step, and the situation will worsen rather than improve.

A few days ago the Minister for Education commented on the amalgamation of four colleges into the Western Australian College of Advanced Education about three years ago. He made a statement, which can be checked in *Hansard*, to the effect that had a Labor Government been in office at the time, it would never have proceeded with the amalgamation. I point out to the House that when the amalgamation took place, it was at the specific direction of the Commonwealth Government. We were told that no money would be forthcoming from the Commonwealth for advanced education unless the amalgamation took place. We wrote all sorts of letters objecting to the amalgamation. Some of the colleges costed the Commonwealth's proposals and came forward with facts indicating that, far from saving money, the amalgamation would cost the State another $1 million.

The other day the Minister for Education said something to the effect that the amalgamation had resulted in increased costs. When we were resisting the amalgamation, we pointed out to the Federal Government, based on the figures I mentioned, that it would cost an additional amount and that no savings would be effected. However, the Commonwealth insisted on the amalgamation.

The Minister mentioned the other day that one or two States stood out; but I assure the House that they stood out for one reason only. In New South Wales, for instance, the Commonwealth had proposed the amalgamation of five colleges which had absolutely nothing in common. Naturally, the colleges resisted that amalgamation. New South Wales was happy about the amalgamations when the colleges had something in common.

Of course, our four colleges had plenty in common. They were the Claremont Teachers' College, the Nedlands College of Advanced Education, Churchlands, and Mt. Lawley. The amalgamation took place and we went out of our way to ensure that each college maintained its autonomy to the maximum extent, and also maintained its individuality. We were horrified at the thought that four colleges of that kind would be amalgamated and lose their identity.

When the Minister for Education raised this subject the other day, he said that a Labor Government would never have entertained an amalgamation of that kind. The Leader of the House interjected and said that the present Opposition—the Government of the day—had been too weak-kneed. The point I make is that even though we resisted the amalgamation, it was justified to some extent because it co-ordinated advanced education in Western Australia. According to the Commonwealth, it would have effected economies, although we held contrary views.

There we have the situation of a Minister in the present Government saying the amalgamation would not have been entertained by a Labor Government; yet as far as health is concerned, the Government is going ahead with a proposal to amalgamate the Public Health Department, the Hospital and Allied Services, and the Mental Health Services. Surely there is less justification for the amalgamation of those three departments than there was for the amalgamation of the colleges of advanced education.

Recently we have seen a series of *fait accomplis* in respect of Government proposals. The situation at Rottnest Island is that while an environmental study was being done and public submissions were being invited, the Government called for the submission of plans for developments from four firms. That is one instance of a *faits accompli*. While the public submissions were being made, and while an environmental study was under way, the Government called for plans for development from four developers.

Then we had the situation in respect of the casino. The legislation has not yet been introduced into this House, although the Government needs the approval of the Parliament for such a move, but notwithstanding that, the Government has gone ahead and made it quite clear that there will be a casino, and that it will be on Burswood Island. Another example of a *fait accompli*.

Here we have an even more graphic instance, if that is possible, of a *fait accompli*. The Government presented legislation in the last few days in respect of this amalgamation, but months ago it commenced planning it. In *The West Australian* of Saturday, 11 February 1984, an advertisement appeared. I think it appeared in a number of papers, and it read as follows—

EXECUTIVE DIRECTORS
HEALTH DEPARTMENT OF WESTERN AUSTRALIA

Applications are invited from suitably qualified persons for appointment to the following positions in a new Health Department of Western Australia to be established on July 1, 1984.

Applications were called for the positions of Executive Director of Public Health and Scientific Support Services, Executive Director of Health Promotion and Education Services, Executive Director of Nursing Services, Executive Director of Personal Health Services, Executive Director of Administrative Services, Executive Director of Financial and Management Services, and Executive Director of Corporate Services. Seven positions were advertised, and that will cost the State a total of $431 986 a year.

At about the same time, applications were called by the Government for the positions of the 22 directors. In the *Public Service Notices* of 28 March 1982 the following list appeared—

Director—General Medical Services
Director—Psychiatric Services
Director—Community Health Services
Director—Infectious Disease Control
Director—Allied Health Services
Director—Health Promotion
Director—Pharmaceutical Services
Director—Staff Development
Director—Public Affairs
Director—Central Administration
Director—Personnel and Industrial Services
Director—Service Unit Co-ordination
Director—Support Services
Director—Facilities Development
Director—Building Services
Director—Budgeting and Financial Planning Services
Director—Accounting Services
Director—Management Services
Director—Internal Audit
Director—Corporate Development
Director—Planning and Research
Director—Information Management

The 22 directors will be in addition to the seven executive directors; in addition the Government has called for applications for the position of permanent head. The salaries for the 22 directors would cost a total of between $1 060 000 and $1 140 000 a year. That is in addition to some sort of infrastructure to administer the directorates.

It could well be a number of these people are already employed in the Public Health Department. I emphasise that the advertisement in the *Public Service Notices* commences with the following words—

Directors
Health Department of Western Australia

Applications are invited from suitably qualified persons for appointment to the following positions in a new HEALTH DEPARTMENT OF WESTERN AUSTRALIA to be established on July 1, 1984.

We have one advertisement calling for seven executive directors, and a notice calling for applications for 22 directors' positions.

However, it did not stop there. I emphasise the Bills before us are virtually a *fait accompli* as far as the Government is concerned, because it has made its plans for the amalgamation and at this very late stage it is bringing the Bill before the Parliament seeking its approval.

An article appeared in *The West Australian* of 25 April last under the heading "New job for McNulty in health shuffle" and reads, in part, as follows—

> The Commissioner of Public Health, Dr Jim McNulty, has been appointed executive director of public-health and scientific support services in the new combined Health Department of WA, which will come into force on July 1.
>
> The position carries a salary of $67,519 and is one of the two highest paid of the seven executive-director posts. These will come under the authority of the recently appointed commissioner for Health, Dr Bill Roberts, when he takes up the top post in the Health Department on July 1.
>
> Mr Noel Smith (38), at present assistant director of finance in the Department of Hospital and Allied Services, has been appointed executive director of financial and management services in the new department, at a salary of $61,146.

Again we see the advertisements calling for applications and appointments being made. Of course, there is much other evidence to support what I am saying.

One of the documents circulated by the Public Health Department is an introduction sheet which indicates what will take place in January 1984, February 1984, March-April 1984, May-June 1984, and July-December 1984. In other words, it lists the broad timetable.

The Minister made a further statement in the "Integration News Bulletin No. 3" as follows—

> We now have a name . . . . .
>
> It's official!! We are now to be called Health Department of Western Australia which will take effect from the 1st July, 1984.

I mention those matters to illustrate yet another example of the Government's attitude. First of all we had the position in respect of Rottnest Island, then the casino situation, and now a further example of what, as far as the Parliament is concerned, is a *fait accompli*. The Government has made the plans for the integration, the eggs are scrambled hopelessly, and at this late stage the Minister comes along and asks for the approval of Parliament for the amalgamation.

I am perplexed as to how the new department will aid efficiency. If any economies are to be effected within the health care section of administration in Western Australia, they could have been effected through the present system of the Public Health Department, the Hospital and Allied Services Department, and the Mental Health Services Department.

I am at a loss to know how a new organisation of this kind will aid efficiency. On the contrary, it seems that the new organisation will be cumbersome and, far from being more efficient, it will be less efficient.

Similarly, I am at a loss to know how the new department will aid in health promotion. The Minister has laid a great deal of stress on health promotion and he must be commended for it. Indeed, the Government is to be commended for the stand it has taken in this respect. It is setting an example to other States. Any money that is spent on health promotion is completely justified in my view. However, I am at a loss to see how this new structure will aid health promotion.

It seems to me the vital ingredient of any move in that direction is money. If the money is forthcoming everything that the Government wishes to do in respect of health promotion could be done through the existing structure. Apparently the Minister thinks otherwise. I hope the Minister is justified in his attitude, because health care is the most important facet of the Government's responsibilities and it would be a tragedy if we embarked on an amalgamation of this kind without adequate thought and without knowing that it will improve the situation rather than make it worse. Therefore, we must have an assurance from the Minister somewhere along the line to the effect that the proposal has been researched thoroughly and will improve the position.

I conclude by reading the comments made by a Consul of the Roman Empire, Caius Petronius, in 22BC, because they are so relevant. They read as follows—

> We trained hard, but it seemed that every time we were beginning to form up into teams we would be re-organised. I was to learn later in life that we tend to meet any new situation by re-organising, and a wonderful method it can be for creating the illusion of progress while producing confusion, inefficiency and demoralisation.

On the face of it, it would seem the Government has no justification for the amalgamation. I ask the Minister when he replies to produce any facts which will justify the decision the Government has made.

MR BRADSHAW (Murray-Wellington) [3.17 p.m.]: I support the comments of the member for South Perth because they are valid. I have examined the Bills with an open mind. In some cases, the amalgamation of departments can lead to efficiency. The main objective of the Bills is to improve efficiency and cut costs while maintaining the high level of health care which we enjoy in Western Australia. However the Bills will not necessarily improve our health care system.

In his second reading speech the Minister said that a quarter of the Budget of Western Australia is spent on the health care system. Therefore, it is very difficult to believe that, by combining these three departments—the Public Health Department, the Mental Health Services Department, and the Hospital and Allied Services Department—we will increase efficiency.

If anyone can make this scheme work, it is Dr Bill Roberts. He has the capacity and ability to do so, but I still have grave reservations as to whether he will be able to achieve that end.

The idea that big is beautiful does not necessarily always stand up to scrutiny. As we have three departments already, they should retain their autonomy, and if we want better efficiency, we should look at each department on an individual basis, rather than try to put them together under one umbrella saying that we intend to achieve efficiency by putting them all under one boss.

Recently I was speaking with someone from the health administration area, and he indicated that he saw a disparity in the funding arrangements for the various health departments. This will always occur, and I do not believe we will see a great difference with just one department headed by Dr Bill Roberts. Once we get down to the lower levels of administration, things will still be run in the same fashion. The person to whom I spoke said that he saw no real advantage in the amalgamation although there might be more of a chance of overcoming this funding disparity if the departments came under the one umbrella.

Clause 5 contains the objectives of the Bill, one being the co-ordination of the administration of the Acts to which this Act applies, and the second

being the effective and efficient provision of health and related services to the people of the State. As I have said already, if anyone can make the system work, it is Dr Bill Roberts. But I am not convinced we will achieve the two aims.

The cost of health care in Australia has climbed dramatically over the years to the stage where it has become prohibitive. We must look very carefully at containing these costs; we cannot allow them to escalate in the present manner.

I hope the Minister is not making these changes for the sake of change and to give the impression he is doing something. For a while at least this change will disrupt the health care system in Western Australia and I am sure it will cost the State money.

The Minister said that he wanted this change in order to overcome duplication in health care services. I do not believe we have a great deal of duplication at present, so any cost savings will be minimal. Having one large department will not mean we will have efficiency, and it is likely to lead to more inefficiency.

I agree that the Commissioner of Health need not be a doctor, although he certainly needs to be someone with administrative abilities in order to make this new health system work so that the Minister might achieve the efficiency he is looking for. It is arguable that the person needs any medical knowledge at all, because the most important thing is that he be an experienced administrator. He need not be someone who has come up through the system, because such a person may well bring with him various prejudices and biases. A person from the outside is more likely to be objective and less inclined to be influenced by personal acquaintances or biases picked up when serving with various sections of the health care system.

The Minister in his second reading speech indicated that some 86 per cent of our health dollar is spent on institutionalised care and that this is to be changed so that preventive medicine and early intervention are given high priority. Preventive medicine has been carried out for years. To increase the emphasis on preventive medicine will be to increase the cost of health care, because as the Minister has indicated, 86 per cent of our health dollar is spent already on institutionalised care. The Minister obviously is not suddenly going to throw people out of hospitals and institutions, so obviously more money is to be spent in future.

Presently we have a fairly effective approach to community awareness programmes such as "Life. Be In It". We have money being directed to community recreation centres, dietary programmes in schools, and antismoking campaigns. This is some indication of the preventive medicine system already in place.

The place to promote preventive medicine is in the schools, and what work is being done in this area presently should be stepped up. Schools already have some health subjects, but there should be more. In this way a preventive medicine programme could be achieved at very little extra cost, the only extra cost being for a person to sit down to work out different programmes, different literature, and the odd film or two, to show people how to look after their bodies to provide for better health in future years. These extra programmes should be introduced in schools because our young people need to be better educated in this field. Most adults have formed their ideas on how to live their lives, so if we take care to educate our children, with luck in future years, if this information has sunk in, they will live better and healthier lifestyles rather than health-degrading lifestyles which lead to various forms of health troubles in later days.

A form of preventive medicine in my electorate is carried out in community houses where people are brought together from the community. Whether they be married people with children or otherwise, those in the community who are unable to live fulfilling lives and unable to get enjoyment out of life are given health programmes and literature by the community health sisters. Such people are taught various occupational activities such as macrame and knitting, and the centres provide them with a chance to converse with other people in the community with whom they would not normally mix. These programmes can prevent people developing various mental problems, many of which are brought about by sitting at home brooding. So, we do have a preventive care system in the community at present, which leaves me a little nonplussed as to what the Minister has in mind.

Clause 11 will provide the Minister with the means to establish consultation with a considerable number of organisations, because previously there has been no formal structure for a system of consultation. However, over the years consultation has taken place, and whenever we have been confronted with a matter of major concern, I am sure we have not needed a formal structure to provide for consultation. This is a minor part of the Bill, although I am not saying that consultation is not important.

In his second reading speech the Minister said—

> Its mission will be to promote, maintain, and improve the health and well-being of the people of Western Australia through the pro-

vision of an effective and efficient health care system.

I do not know what the previous departments were doing if the Minister can say this, because I have been under the impression that they have always tried to promote the health and well-being of Western Australians. The Minister's comment might be seen as something of an indictment of the previous work done by the departments.

I do not believe the Bill will achieve what it sets out to do in the areas of efficiency and saving money. We have one of the best health systems in the world, and by placing it under this one proposed monolith we could be faced with inefficiency and more costs. This will lead to the screws going even harder into various sections of the health system in order to cut costs, and the result will be a lessening of our health care system in Western Australia. I oppose the Bill.

DR DADOUR (Subiaco) [3.30 p.m.]: These Bills seek to give many powers to the Minister, most of which he already possesses. The comments of the member for South Perth—if they are accurate—about the committees operating between different heads of departments, etc. worry me. I am a little flabbergasted as to how this will work. The Minister must tell us much more about what he plans under the Bills.

In the past, I have wondered whether we should have a health commission in this State. I have seen only one health commission work, and it worked extremely well. That was the Hospitals and Charities Commission of Victoria. However, that was only a hospitals commission. The health area is far too wide for a health commission. We have seen health commissions in Victoria and New South Wales, and they were by no means a success.

The Minister, I am sure, has ideas of providing greater efficiency, avoiding the undue duplication that has occurred in the past in our hospital structures, and the like. However, mental health enjoys an area of its own. It has its own special difficulties and, because of certain facets of mental health which are very poorly understood by the general public and also the problems which occur within this area, it is vitally important that mental health should remain on its own.

I asked the people in charge of the Hospitals and Charities Commission of Victoria why they had not extended into the total health field and they told me it was far too complex a field, and that if they could continue to control the hospitals area, they would contribute a great deal to the health care system of Victoria.

Victoria at that time had fewer beds *per capita* than any other State, yet provided an excellent health delivery, particularly in regard to hospitals, at much less cost *per capita* than that of the other States.

We in this State have always suffered the highest *per capita* costs of health of all the States, and that has been due to a number of factors. One such factor was that the teaching hospitals were previously permitted to do their own planning, and the plans were sent to the executive officer of the Department of Public Health, who at that time was Mr Horrie Smith. As members would know, that man's name will go down in history as the greatest hospital-bed builder of all times! His ambition to give us more beds *per capita* than any other State in Australia has cost this State dearly and I want to see this sort of situation avoided. The Minister could avoid this simply by forming a commission or advisory committee through which each of the teaching hospitals must make their plans available before they are authorised by the Minister. We would then not see duplication occurring.

Duplication has occurred in the operations of the Royal Perth Hospital and the Sir Charles Gairdner Hospital. It was visualised when the Sir Charles Gairdner Hospital was first built that the medical centre which is now called the QE2 Medical Centre would become the campus for the university medical school, but this plan broke down because the physiotherapy department and other departments were separated. It did not eventuate. It was visualised that the Sir Charles Gairdner Hospital would slowly and surely become the main hospital in this State and that the Royal Perth Hospital would be downgraded to become a specialist hospital, but this never occurred and we found ourselves with more beds than we could manage. Some of the wards at the Sir Charles Gairdner Hospital were not opened, and one has only to look at the sheer luxury of that hospital to see that the previous Government made a blue in not preventing the construction of those beautiful, wide corridors along which I am sure four double-decker buses could drive abreast of each other. There seems to be a great waste of space at that hospital which is costing a great deal by way of capital works and maintenance. When I asked why the hospital had such wide corridors I was told that in the event of a great catastrophe, or a war, they would be able to be converted into wards. That answer did not leave me very pleased.

To get away from the establishment of a commission, I will deal now with what the Minister is attempting to do. I would like to know much more about the structure, because we will find ourselves with more directors in more areas, each of whom will be responsible to an executive committee of

directors, who in turn will be responsible to the permanent head, and he to the Minister. I find it difficult to visualise how the three health areas can be brought under one banner, other than by the Minister. These areas all have different problems and their problems could be dealt with by the head of each department. The Minister has three excellent heads of department now and I can see no reason for altering this situation. It will cost the State a great deal more because the administration will be more top heavy and more committees will be more top heavy and more committees will be formed.

Clause 11(1) is an important part of the Health Legislation Administration Bill because it provides that the Minister may establish such groups, committees, councils, and panels as he thinks are necessary for the purpose of advising him on the administration of this Act and any Act to which this Act applies, etc. That clause is all-embracing and I want to know the Minister's plans exactly. I know he probably does not have definite plans at this moment, but he would have an idea about what will happen.

I want to see this legislation work, but I do not know whether it will work. If the previous Minister for Health had brought this legislation to the party room he would have been kicked out on his ear because we would have wanted to know a lot more about it. I cannot find this proposal anywhere in the Labor Party platform, and I just wonder why the Minister is setting up this great superstructure. I know he has ideas of it being a great thing and that he wants to stop unnecessary duplication, which is most important because it has cost this State dearly. We have two hospitals within a couple of kilometres of each other, both of which deal with the "high" specialities. Duplication, which we can ill-afford, has occurred, and it has been only in recent years that regulations have been laid down whereby each hospital has been given particular specialities to care for.

I am really at a loss to understand how this legislation will improve the present structure. As I have already stated, mental health comes under a banner of its own and duplication is occurring here because in each of the teaching hospitals are mental health departments. They do not necessarily come under the Mental Health Services, they come under the hospitals. That is an area in which the Minister could do a great deal. The university department is even worse. We have three areas which relate to mental health, and this must cease.

Mr Hodge: You are doing a good job answering your own questions.

Dr DADOUR: I am trying to be fair to the Minister.

Mr Hodge: You are giving yourself the answers half the time.

Dr DADOUR: I am trying to be as fair as I know how, and I am trying not to knock the Minister.

Mr Hodge: I am saying that you are homing in on your questions.

Dr DADOUR: I do know something about the health area. I am just wondering whether money will be wasted when such a structure is set up, if it is set up in the way it is proposed. I am wondering whether it should be done in another way, so that the Minister can control it. Is legislation necessary for the control of the hospital and mental health areas? Do we need the mental health banner? We have our ancillary services within the hospital area. Some hospitals are doing metallurgy work which should be done by the State Engineering Works.

We have many departments which are building their own empires, and people become jealous every time an empire grows a little larger. With the present structure, to start at the bottom, we have a service group or a directorate which makes a decision which in turn goes to the Executive Director of Personal Health Services. That position is forwarded to another executive directorate comprising Public Health, Personal Health Services, Nursing Services, Corporate Services, Health Promotion and Education Services, Administrative Services, and Financial and Management Services. A decision in these areas will subsequently go to the permanent head who finally makes a submission to the Minister. I wonder how top-heavy these areas will become because these new directorates will be formed, according to the graph I have before me.

We must spend more money on preventive medicine and allocate more money to public health, because that is the preventive medicine area. However, we have unnecessary duplication. We all know that the planning within the administrations in some of the hospitals, in particular the teaching hospitals, has got out of hand, and great monoliths have been built. A considerable amount of money has been spent on extra beds in hospitals. I suppose this is not bad in some respects, because the Government will not have to build any more for now. We have enough for Medicare purposes, and anything else as well.

We must look at the efficiency of our health system. This Bill could work, but I question the areas of unnecessary duplication and the reason the public health section has been brought into it. The present structure consists of the Public Health Department and the Hospital and Allied Services, as well as the Mental Health Services. It would be

cheaper and more efficient in the long run if there were no unnecessary duplication in those areas. Money should be spent on preventive health. At the moment too much money is being spent in the area of established diseases.

I look forward to the Minister's reply.

MR COWAN (Merredin) [3.45 p.m.]: Members will recall that some time ago we had to endure, for something like 40 hours, a debate in this place about Sunday trading within the Liquor Act. Yet, here we have a Bill which I believe is far more important than Sunday trading, or whether one can buy two bottles of beer or two dozen bottles of beer on Sunday, but the length of time spent in debate will represent less than 10 per cent of the amount of time we spent dealing with the Liquor Act. We could draw the conclusion that people consider their personal liberty more important than their personal health. Perhaps it is just a matter of being able to relate to what is being discussed.

The National Party has some questions to ask of the Minister. I know they have been raised by previous speakers, so I will be brief. The four major goals of the new department are to develop a corporate plan to make the administration of health more efficient; to avoid duplication; to help meet the health expectations of the public and to increase public awareness by the introduction of preventive medicine. These are admirable goals.

I would like the Minister to explain to members, and to me in particular, whether the existing Acts do not have the same goals.

Mr Hodge: I have never said they have.

Mr COWAN: I know. I hope the Minister will tell me whether they have the same goals, but really it is people who are involved.

Mr Hodge: We are just formalising it now.

Mr COWAN: I do not know that the structure the Minister is hoping to introduce will make any difference to the health system we have in Western Australia, with one exception with which I will deal later.

I assume the objects contained within this Bill are already in the three major Acts—the Health Act, the Hospitals Act, and the Mental Health Act. The issue is not contained within this legislation or what is on the Western Australian Statute book at the moment. It is the people who are involved in the administration of those Acts who should have that objective.

I do not see any difference between what the Minister is trying to do and what we have at present, either in the objects stated in the Bills or the goals the Minister hopes the administration will achieve when the new legislation is enacted. I would assume the objectives and goals are the same and that the people involved will be the same. There may be some changes in the upper echelons, but I believe the people involved in health care in Western Australia will not differ greatly after this Bill is enacted.

The National Party has no objection to the uniformity given to the terms of employment of the people who come under the auspices of this Bill. Neither do we have any objection to the delegation of the power of the Minister. In the past, we have always taken exception to the excessive delegation of the powers of Ministers, and the delegation of the Parliament's legislative powers to the Government and, has a consequence, government by regulation.

I was quite intrigued by the wording in clause 12 of the Health Legislation Administration Bill which gives power to make to regulations. I have never seen a clause quite like this; perhaps the Minister in his reply or when we get to clause 12 in the Committee stage can say why this wording was used. Clause 12 states, in part—

> The Governor may make such regulations as are contemplated by this Act—

I have never seen a clause written in that way. The words "as are contemplated" are completely superfluous. I did not know a Bill could think, but perhaps that is a minor matter.

The most important part of the Health Legislation Administration Bill is to be found in clause 11. A great deal of feeling has existed in the community, mostly recently, that people involved in preventive medicine—for example, the people involved in areas of health care which are not related to a medical practice as such, and for argument's sake, I use the example of the recent campaign to prevent smoking in which, of course, many doctors are involved, and other people as well—have never had a great influence over the direction in which the Health Department or the various health bodies move.

The advisory committees which the Minister will be empowered to appoint will, if used correctly, give these groups of people a much greater input into the direction in which public health care in Western Australia is moving. That is a very good proposal. It has been my opinion for some time that we have spent far too much money in the provision of medical beds rather than provision of good quality nursing care. It has always been more important to look after people who come in for a quick repair job, if I can put it that way, and who are then able to make a contribution to the workplace and society. Of course, we also have to look after those who are terminally ill or who have a serious illness. I do not deny them that, but we

have overemphasised the level of care given to medical cases, and not placed enough emphasis on preventive medicine or the provision of general nursing beds.

In my view, and I speak for the National Party, there is very little difference between the "formalising" proposed by the Minister in these Bills and the present situation. I do not see anything to which we should object strongly other than to have reservations about the size of the bureaucracy the Minister will create by bringing all these departments under one roof. That could be a cause for concern. Some efficiencies may be effected by the avoidance of duplication, but generally size itself can create other inefficiencies which may not have been experienced in the past. The Minister will have to watch that carefully.

I would like him to indicate where he will place the advisory bodies, how many he intends to have, and what sort of advice he expects them to give. Does he have any particular ideas of which fields will be involved?

The other important issue raised by these Bills, and one I should have mentioned earlier, relates to the appointment of officers and employees of the new department. Four positions are created, but again the Health Legislation Administration Bill contains that all embracing addition, "and such other officers as are necessary for the purposes of carrying out the provisions of the Act to which this Act applies". I ask the Minister to indicate how many other officers will be appointed, and how many will be senior appointments.

This is quite important because administration may end up costing the Government a lot of money. We will spend much more of the massive amount expended on health on administrative costs than we have in the past.

The National Party has reservations about creating a rather large department, but we see no reason to oppose the Bills outright.

MR HODGE (Melville—Minister for Health) [3.56 p.m.]: I thank all members who have contributed to the debate. Obviously, some have put a considerable amount of time and effort into studying the legislation and thinking about it, and some of the points raised were pertinent and reflected the work those members did.

I must admit I was surprised at the critical attitude towards the legislation adopted by the member for South Perth. I was surprised he was so pessimistic about the likelihood of the new department being successful. I feel his views have probably been unduly influenced by a former director of Mental Health Services who obviously has given him some advice, and the member appears to have relied fairly heavily on that person's advice.

The member for South Perth raised a number of important issues, and I have taken some notes and will attempt to respond to all the main points. One on which he put considerable emphasis was that no outside inquiry had been carried out into the reason the three departments should be amalgamated. He said no seminar, conference, or inquiry had been held into the need to amalgamate the departments, and that the Government had gone ahead and made the decision. I do not apologise for the Government's going ahead and making a decision to amalgamate the three health departments to form one new department. Cabinet made the decision and that is properly where the decision-making process should rest. That is not unusual.

The Government to which the member for South Perth belonged, and of which he was a Minister, made many similar decisions, some of them relating to the health field. Others related to different areas, and I will give some examples.

On 11 July 1979 the Public Health Department was amalgamated with the Medical Department to form the Health and Medical Services Department. The Government made that decision in consultation with the Public Service Board, and no outside inquiry, conference, or anything else was held; it was a Government decision. I do not question the right of the Government to make those sorts of decisions with Government departments. On 1 May 1981 the Department of Health and Medical Services was abolished and was replaced by the Public Health Department and the Department of Hospital and Allied Services. Again the same situation applied; the decision was made by Cabinet in consultation with the Public Service Board.

I can give examples relating to other areas of Government activity. On 1 May 1980 the former Government abolished the Department of Industrial Development and replaced it with the Department of Resources Development and the Department of Industrial Development and Commerce. On 25 May 1982 the Department of Industrial Development and Commerce was abolished and the Department of Industrial, Commercial and Regional Development was established. Another example is the abolition of the Road Traffic Authority on 2 February 1982, which authority's functions reverted to the Police Department. All those decisions were made by the Government in consultation with the Public Service Board and, obviously, other senior officers of the Government. I do not criticise those decisions and I am surprised that the member for South

Perth should find it so extraordinary and unusual that a decision has been made by this Government to abolish the three existing health departments, and create a new one in their place. It is not unusual. It has been done several times before.

I am hoping that if this action is at all unusual, it is unusual because it will be successful this time, and this will be the last time there is a need to change the composition of the health department for some years at least.

The member for South Perth also laboured the point—he thought it was a *fait accompli*—that I had brought this legislation to this House when already the Government had decided to amalgamate the departments and had advertised and in fact appointed people to positions and that, therefore, we were really taking Parliament for granted. I think the member has misinterpreted the reason the legislation has been brought to this House. It has not been brought here to seek the permission of Parliament to abolish the departments and create a new one; that it is a function that is already available to the Government and does not have to be referred to Parliament. New departments can be created and old ones can be abolished under the existing provisions of the Public Service Act.

I brought this legislation to Parliament to facilitate the creation of the new department and to do certain other things which I will explain later. Certainly a prerequisite to creating a new department is not legislation being presented to this House. The new Health Department was technically created on 1 May of this year. Therefore, at the moment we have a new Health Department in existence while the other three departments are still in existence. However, they will cease to exist from 30 June this year.

The reason the new department was created under the Public Service Act on 1 May was to allow for the appointment of executive directors and the commissioner. They could not be appointed unless a department was in existence to appoint them to. At the moment, the departments are undergoing a transitional period.

I emphasise that while it was a Government decision to amalgamate the departments the Government, of course, has not been unmindful of the great public interest in the matter and the interest from health professionals, from their associations and from the public. Various voluntary groups have also shown an interest in this matter.

Over recent months the Government has committed itself to an unprecedented programme of consultation with interested groups. I have a lengthy list of organisations, associations, and a few individuals—including the member for South Perth—who have been contacted by members of my department and given a briefing. Their views and comments have been sought concerning the amalgamation of the departments. Rather than read that list to the House, I will seek leave to table it at the conclusion of my remarks.

More than 50 organisations have been contacted and 50 separate meetings have been held, meetings at which the aims and objectives of the new Health Department have been explained to associations and individuals. In addition I have issued regular bulletins to all the staff, interested associations, and groups, about the progress we have made as we have gone along the path of planning for the amalgamation of the departments. I know the member for South Perth has read the bulletins because he quoted from them during the second reading debate. Every effort has been made to keep interested people fully informed of the progress of the amalgamation.

In addition, in excess of 20 submissions from staff and other interested groups and associations representing staff have been made to the steering committee making suggestions to be incorporated into the new amalgamated department. Serious consideration has been given to those submissions and in most cases they have been adopted in total or in part and have been incorporated into the planning of the new Health Department.

The planning for the new department has been undertaken by a steering committee, of which I am chairman. Other members of the steering committee include the Chairman of the Public Service Board, the Under Treasurer, and the three permanent heads of the existing health departments. The steering committee set out broad policy guidelines and, in turn, appointed a project team to get down to the nuts and bolts and do all the hard work associated with amalgamating the three departments. It is a difficult and complex job and I would like to take this opportunity to pay tribute to the people who have been involved in bringing about the amalgamation. They have put an enormous amount of hard work into this project, worked extraordinarily long hours, and shown great dedication. The popular image of public servants which is portrayed by the media does not apply to senior public servants in my office who have worked long hours and brought about the complex task of amalgamating three large and diverse departments.

The member for South Perth indicated that the reason for the amalgamation of the three departments was for the sake of change and said that the new department which will be created would be less efficient. He said there had been no criticism about the existing departments and the amalga-

mation would create inefficiency and would be demoralising to the staff.

I believe the member for South Perth, if he believes those criticisms to be true, has been misled by the people from whom he has taken advice.

Obviously, if one takes into account the comments I have made about the huge task of amalgamating these three large and diverse departments, the member for South Perth would realise I did not take on this job just for the sake of change. It has created an enormous amount of extra work and worry for me and the senior officers involved. I can assure the member for South Perth, and other members in this House, that I do not need more work or worry and that I did not undertake this job for the sake of change. I genuinely and sincerely believe the amalgamation is in the best interests of all Western Australians. It will assist to protect the health of all Western Australians and will provide them with the best possible health care service; it will be most efficient and effective. As a result of the amalgamation of the three departments there will be a great improvement in efficiency, and I will outline some areas of duplication, in some cases triplication, which will be avoided.

I would like to give members of the House an idea of the way that health costs have escalated over the past decade and it may provide members with a hint as to why I am interested in improving the efficiency and effectiveness of the delivery of health care services.

In 1972-73 the health care portfolio in the State Budget amounted to $72 million or 18 per cent of the total Government expenditure. In 1982-83—a decade later—the health portfolio required $502 million, or 24 per cent of the total Government expenditure. This present year the figures are even worse; 25.5 per cent of the entire State Budget, or $717 million, is to be spent on the health portfolio. That gives members an idea of the way health costs have escalated over the past decade. The integration of the three departments will give new opportunities for an effective and efficient provision of services which can be considered readily in the way I will set out.

I refer to the application of resources to areas of greatest need: The corporate planning process in this proposal will help to identify the most important needs on a rational basis rather than funds being acquired on other grounds; for example, historical considerations or the strongest department preparing the most persuasive case. In future health needs will be viewed globally rather than in three separate distinctive baskets from the departments. I also ask members to consider the mobility of changed resource allocation. With three separate departments there is inbuilt resistance to transfer of resources across departmental boundaries due to predictable jealousy and competition. By creating one department we shall break down these barriers and help to shift emphasis to the areas of highest importance.

I mentioned the avoidance of duplication which can be achieved by having one department. There are many opportunities for consolidation of departmental functions with the promise of economies of scale and removal of duplication. Functions which immediately come to mind are: accounting, budgeting and finance control, records, library, research and planning, personnel management, staff development, and planning, structuring, and maintaining buildings. The Dental Health Services will be amalgamated with the Perth Dental Hospital. At the moment they operate as two distinct and separate departments; one operated by the Hospital and Allied Services and the other by the Public Health Department.

Home care services at present are operated in two areas, one hospital and nursing post based and the other community based.

Changes will be made in management style with new emphasis on the delegation of decision making at the lowest effective level. This will be made possible by the existence of a corporate plan so that everyone knows what is being attempted and where the priorities lie.

I refer also to mobilisation of the voluntary sector in the community. New consultative mechanisms promise to help voluntary organisations to achieve closer to their potential with relatively little help. Their capacity to contribute will improve greatly.

The member for Merredin raised the point about the advisory committee structure and the role of community organisations to enable them to make an input into government. I am proud of that part of the legislation; I think it is one of the highlights. For the first time ever professional organisations, voluntary groups, health care consumers, and health care providers will have a formal structure of advisory and consultatory committees set up by Statute to consult with the Minister and the permanent head and to offer advice and from whom the Minister and permanent head can seek advice. Those bodies will have access to a small research staff which will be able to carry out research for the advisory and consultative groups and which will have access to the information and data stored in the departments. The community groups with whom we have discussed this concept have been very enthusiastic and quite excited. They have expressed frustration in the past at not having a formal structure whereby they had an

input to the Minister and the Government in the formulation of policy and administration of this enormous portfolio.

The member for Murray-Wellington indicated that in the past consultation and input was available and had occurred. That is true, but it occurred on a spasmodic basis and in an informal *ad hoc* way. Some of the health departments did not go out of their way to encourage that consultation. If people were tenacious enough to get their point over, or lucky enough to get an appointment to see the Minister, it was possible to make an input. However, it was not automatic and did not happen regularly; it was very much a hit and miss affair.

The member for South Perth mentioned staff morale and thought this move could have a demoralising effect on staff. I refute that allegation. It is true that in the early stages, when the plan was first announced, some officers of the department were apprehensive and concerned. They would not have been behaving naturally if they had not felt anxious about their futures and the way in which they saw themselves playing a part in the delivery of health care services. However, through the consultation—the public relations process which has occurred and the bulletins issued—we have diffused most of that anxiety and concern. Most members of the three health departments are now looking forward with some enthusiasm to participating in the new department. I think most staff can see that one new large department will provide more scope for promotion, varied activities, greater experience, and diversity in their day-to-day job. For instance a pharmacist at present in the employ of the Mental Health Services, may be able to transfer to a more senior position or more interesting job in another part of the Health Department, perhaps in the hospital area or in public health when this amalgamation takes place. There is greater opportunity for promotion and diversity of activity and experience in the new structure. The staff have now recognised that and it is one of the reasons that they are approaching the amalgamation with enthusiasm.

Most members have mentioned the Government's determination to improve health promotion and health education. I am pleased that I seem to have most members of the House with me on this matter. I strongly believe that the key to helping to contain escalating health costs is in the field of health promotion and education. Most members would have noted that we have put that commitment into something tangible; we have created the position of Executive Director of Health Promotion and Education Services for the first time. That person is represented at the highest level under the permanent head. The Government is putting its money where its mouth is by creating that senior position and giving it great emphasis in all its deliberations.

A member interjected.

Mr HODGE: I am hoping to be able to spend more money on health promotion and that that money will come from the efficiencies and cost savings which flow from the amalgamation. The member has made the point that I cannot suddenly slash large amounts of money from the budgets of teaching hospitals and other institutions. That is a correct observation. Through the avoidance of duplication and improved efficiencies in the areas I have mentioned, it is hoped to have extra funds to plough into health promotion and health education. In the long run, that will pay off in reduced expenditure on institutions. We must attempt to do something about the fact that 86 per cent of total funds spent under the health portfolio are currently spent on institutions and hospitals.

That really means we are spending the bulk of our money trying to make people well after their health has broken down. Expenditure on health promotion is really quite a small amount of money. We should be trying to teach people how to avoid developing lifestyle-caused illnesses. Many of our hospital beds are occupied by people suffering from lifestyle induced illnesses caused by such things as over-indulgence in alcohol and other drugs.

A number of members, including the member for South Perth, raised the question of advertisements for a permanent head and seven executive directors, and advertisements which appeared shortly after for directors' positions in the new department. The new Health Department has 41 positions of director or above. Of those, 10 positions have been brought forward intact from the old department, and one other position, the director of dental nursing services, has been deferred. We are not intending to fill that appointment at present.

The creation of the remaining 30 positions will be at the cost of 30 existing positions at the senior level.

What it really boils down to is that all the positions which have been advertised do not combine to form any extra positions above those which exist in the present three health departments. A corresponding number of existing positions will be abolished in the old departments and transferred to the new department, so there will be very little, if any, extra expenditure for the positions which were advertised in the newspaper. It was quite misleading for the article to have appeared in *The West Australian*. I think it indicated that over $400 000 extra of taxpayers' money would be used

to establish the new senior echelons of the Health Department.

I gave an assurance to Cabinet when I put forward this proposal that we would set this new structure in place for no additional cost, and so any expenditure will have to come from within the existing Health portfolio. I will not seek additional funds from Cabinet to pay for those new positions. I hope that reassures the member for South Perth and others that we are not loading a large new responsibility for senior positions onto the taxpayers.

The member for South Perth spoke at some length about what he saw—or perhaps what Mr Ellis, the former Director of Mental Health Services, saw—as a general downgrading of mental health services in the new structure. I have had that point of view put to me several times, and I have debated it with people from different areas in the mental health field. In some cases I have probably succeeded in persuading them that no downgrading will occur. Obviously in other cases we have not succeeded. Mr Ellis has probably been one of the failures, because he was invited in and the whole new structure was explained to him. Obviously we did not succeed in convincing him.

I have a very strong interest in mental health, a very strong commitment to seeing it enhanced, and the mental health services in this State upgraded. I do not think any other Minister in recent years has had a stronger commitment to upgrading mental health services, or has been more supportive of the mental health services than I have. I would not agree to any move that I felt would downgrade mental health services in any way. On the contrary, I believe this change will in fact enhance the position of mental health services.

For too long I have felt that mental health services have been the Cinderella of the health services. They have been virtually out of sight and out of mind. The standard of accommodation in our mental hospitals is nowhere near the high standard of our general hospitals. If the general public had more to do with our mental hospitals I am sure that many years ago they would have demanded of previous Governments that the mental institutions be upgraded and the same amount of money be spent on them as has been spent on the general hospitals.

Mr Mensaros interjected.

Mr HODGE: I beg to differ. I think in this present Budget something in excess of $20 million has been put aside for capital works programmes for mental health services. I do not think the physical standards of those hospitals compare with other general hospitals. I am not reflecting in any way on the delivery of health care services by the staff, who are, of course, extremely dedicated. They provide a top rate service. I am talking about the actual physical buildings which have been provided.

Mr Mensaros: Money has been spent on works.

Mr HODGE: There will be a Director of Psychiatric Services. One of the purposes of this Bill is to make sure that that position is protected and incorporated into the Statute. The Director of Psychiatric Services will have the same responsibilities and powers as the present Director of Mental Health Services in the field of patient care. His position is protected in this legislation. His position has been lifted out and specifically mentioned in this legisation to protect his autonomy when it comes to dealing with urgent mental health matters requiring immediate action. The powers of the Executive Director for Public Health are also incorporated into this legisation for similar reasons.

I think the member for South Perth jumped to the conclusion that if some problem arose in mental health services before a decision was made, it has to run the gauntlet of a series of committees before finally reaching the Minister. That is not correct. The Executive Director of Personal Health Services and the Director of Psychiatric Services have very real powers themselves. They will be able to make many decisions without ever bringing matters concerning patient care and welfare to the Minister. In many instances they are not brought to the Minister now.

A sign of a properly functioning department, one which is working efficiently and effectively, is that the bulk of decisions of that sort will be dealt with by the senior officers and by the permanent head. I do not see the role of the Minister as being involved in day-to-day decisions on medical matters affecting patients and their well-being.

Some members made comparison between the new Health Department and the New South Wales Health Commission. I hasten to assure all members that the structure of the new Health Department of Western Australia is not at all similar to the New South Wales Health Commission. The Australian Labor Party in this State, until the last State conference, did have clearly expressed in its platform a commitment to establish a health commission, but that was deleted at the last State conference. It was deleted at my instigation because I agree with the member for Subiaco and others that the New South Wales Health Commission was not a remarkable success and such a commission would not be appropriate to this State. That commitment was deliberately removed from our platform.

I am aware of the faults of the New South Wales Health Commission, and I am pleased that in formulating the new structure we have learnt from the experience of that commission. Its faults and failings have been avoided in the construction of our new Health Department. I could go into great detail of how the two are different, but time is moving on. I will not take the time of the House to do that.

I assure members that the NSW Health Commission and the Health Department are quite different. The most fundamental difference is that our department is a Public Service department under the control of the Public Service Board. The permanent head is responsible to the Minister. The New South Wales Health Commission was a commission, not a department, and the senior public servants or senior bureaucrats had no direct contact with the Minister. They had to go through commissioners, and the commissioners were not necessarily health professionals.

It is not fair and accurate to compare the two. The faults of the New South Wales commission have now been addressed by the New South Wales Government, and it has reverted to a Health Department with a permanent head reporting to the Minister. It is not fair to suggest that our department is similar to the commission, and it is alarming people unnecessarily to draw a comparison between the two organisations.

For the first time we have created the position of Executive Director of Nursing Services. That is a breakthrough. The member for South Perth expressed alarm about the possibility of a tortuous path for mental health matters to get through to the Minister, and he mentioned nursing matters in the same vein. At the moment, indeed, it is a tortuous path for representations from nurses in any of my departments to get through to me. They must go through numerous bureaucrats at different levels of the structures of the departments to reach the Minister. I am afraid the most senior nurse in any of the departments is not very senior in the overall departmental structure. That problem has been addressed in the new structure, and I am proud of the fact that, in future, nurses will be represented at the top level.

I had to fight quite a battle in some fields to ensure that a nurse was appointed and classified at the same level as the other executive directors. The only difference in the salaries of the executive directors is that those with medical degrees will receive an allowance. The rest of the executive directors will be of the same status and receive the same salary. I am proud of that fact. In future, nurses will have a representative at the highest level of the new Health Department.

The last point I need to touch on is the one concerning the Commissioner of Health not necessarily being a doctor. I am not sure whether members realise that in the specifications for the job, it was not necessary for the new commissioner to be a doctor. Again, that breaks new ground. It is quite a revolutionary concept for the head of a health department not to be a doctor.

It so happens that Dr Bill Roberts was the best applicant for the position, and he was appointed to the job. He has medical qualifications. However, at some time in the future, when the job becomes vacant, it will be open to applicants who are not necessarily doctors, but who hold all the other requisite skills to administer a department with about 25 000 staff and a budget of more than $700 million.

I have covered most of the points raised in the debate by the members who have contributed. I hope I have allayed many of the fears expressed, and particularly those of the member for South Perth, and that members now will be prepared to give their enthusiastic support to the passage of this legislation.

Questions put and passed.

Bills read a second time.

HEALTH LEGISLATION ADMINISTRATION BILL 1984

In Committee

The Deputy Chairman of Committees (Mrs Henderson) in the Chair; Mr Hodge (Minister for Health) in charge of the Bill.

Clauses 1 to 5 put and passed.

Clause 6: Officers and employees—

Mr COWAN: In reply, the Minister made comments about the fact that he had already appointed a director of nursing. I take it that appointment will be made possible under the final paragraph of subclause (1) of this clause which reads—

> . . . and such other officers as are necessary for the purposes of carrying out the provisions of the Act to which this Act applies.

The Minister was very proud of the fact that he had created the position of Executive Director of Nursing Services, and I am pleased he has done so. However, I would like an indication of how many senior positions will be created. Even if he cannot give me a reply now, I would appreciate an indication at a later stage.

The Minister has created two positions of executive directors, one for Personal Health Services and the other for Public Health and Scientific Support Services. However, he has appointed

only a Director of Psychiatric Services. Can he explain why that small differentiation is made?

Mr HODGE: The member for Merredin raises a query about the Executive Director of Nursing Services, and the number of other senior positions to be created. I can give him the answer off-the-cuff in respect of executive directors. Seven executive directors will be appointed, plus the Commissioner of Health, who has been appointed already.

Mr Cowan: That includes the two executive directors?

Mr HODGE: Yes. We have singled out two executive directors and written them into the legislation, because they have certain statutory obligations. The other executive directors do not have statutory obligations, and therefore it has not been necessary to write them into the legislation. Their appointments can be made under the Public Service Act, as other senior public servants are appointed.

The member raised a question about the status of the Executive Director of Personal Health Services and the Director of Psychiatric Services. It is a fundamental question which goes to the basis of the organisation. Under the Executive Director of Personal Health Services we will have a Director of Psychiatric Services, a Director of Community Health Services, and various other directors of health services.

In the early stages when we were putting together the structure of the new department, we contemplated having an executive director of psychiatric services. However, we felt the correct structure would include that position with the other general positions of director of medical and health services, director of mental services, and director of community health services. We wanted to bring mental Health Services in from the cold so that they would be part of the mainstream of health services; we wanted to place them in the same category as other hospital or health services operated by the Government. Therefore we saw no reason to differentiate between the director of psychiatric services and, say, the director of community health services, the director of medical services, or some other services, such as for the aged. To do otherwise would have been to go against our object of having a total integration of the three health departments and of the institutions and hospitals operated by Mental Health Services. We wanted to bring them into the mainstream and to be considered as a Government hospital or Government service along with all the others.

The reason the director has been highlighted here is that he has certain statutory obligations under the Mental Health Act, and we wanted to protect those obligations. It is mandatory that this position be filled by a qualified psychiatrist, because the person filling the position has wide powers which he can exercise without reference to the permanent head. We have built in this position to ensure that the welfare of people suffering from a mental illness is not diluted or downgraded.

Clause put and passed.

Clauses 7 to 10 put and passed.

Clause 11: Advisory groups, committees, councils and panels—

Mr COWAN: The Minister claims that this clause is one of the major clauses in the Bill and that it is a clause of which he is very proud. When speaking during the second reading stage I omitted to ask about country hospital boards. Most country boards act more as a liaison group than as a board of management making strong decisions, but nevertheless most of the districts with hospital boards appreciate this local input. Will this clause allow the retention of boards in country areas? The system has worked well to date, so I suggest that it should not be changed. I hope the boards are not under threat because of this provision. If they were to be under threat, the Minister would find many opponents to this legislation.

Mr HODGE: I can assure the member for Merredin that definitely no threat is posed to boards of country hospitals by this legislation. The clause will have no bearing on the appointment of hospital boards for either country or metropolitan hospitals. The appointment of the boards will continue to be carried out under the Hospitals Act. The clause allows for consultative and advisory committees to be established, and these will be separate from hospital boards of management.

Country hospital boards have a very important role to play, and I assure the member I am not contemplating a change. The clause addresses itself to consultation with associations of health care consumers, of health care providers, of health care professionals, and other voluntary groups in the community who wish to have an input on Government policy and to be consulted on the Government's plans. This is where they plug into the Minister and the permanent head. In no way does the legislation change the situation with respect to country and metropolitan hospital boards.

Clause put and passed.

Clause 12 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

MR HODGE (Melville—Minister for Health) [4.46 p.m.]: I move—

That the Bill be now read a third time.

MR GRAYDEN (South Perth) [4.47 p.m.]: The Minister has spoken in terms of parliamentary approval not being required for this move. However, it would seem that some of the contents of the two health legislation Bills belie this. He indicated that adequate consultation had taken place prior to the introduction of these measures, but that is a very different thing altogether from an investigation of the desirability or the need for this legislation.

The Minister conducted a very good public relations exercise in that he had someone from the department explain the Bills in detail to people who would be affected by the legislation. But that is merely the acquainting of different people, departments, and organisations with the nature of the legislation.

I suggested that the Public Health Department should have thoroughly investigated the need and the desirability of this change before any amalgamation proceeded. That is a very different thing to consultation after the process has become a *fait accompli*.

Mr Hodge: There was consultation beforehand with the Chairman of the Public Service Board. That is appropriate when the Government is considering the amalgamation or the abolition of Government departments.

Mr GRAYDEN: I am pleased to hear that. Nevertheless, the consultation should have been on a much wider scale.

The member for Subiaco mentioned duplication within the Department of Hospital and Allied Services, and the Minister indicated that this had been one of the reasons for the introduction of this legislation. The permanent head of the new monolithic structure is the current head of the Department of Hospital and Allied Services.

If there has been overlapping and duplication within that department, its present head should have done something about it, because he was in a position to do something about it.

Question put and passed.

Bill read a third time and transmitted to the Council.

HEALTH LEGISLATION AMENDMENT BILL 1984

In Committee

The Chairman of Committees (Mr Barnett) in the Chair; Mr Hodge (Minister for Health) in charge of the Bill.

Clauses 1 to 63 put and passed.

Clause 64: Section 7 repealed—

Mr GRAYDEN: This clause repeals section 7 of the principle Act the Mental Health Act of 1962. It abolishes the Mental Health Services with one sentence. That is a big step which must belie the Minister's statement that it was not necessary to bring this legislation before Parliament. It is a big step to abolish the Mental Health Services.

The Minister made it clear that under this new legislation the heads of various units in Personal Health Services would have the power to make all sorts of decisions, and it would not be necessary for all problems to be put before the Minister.

That is the situation which obtains at present. Most of the administrative decisions are made within the department, without reference to the Minister. I believe if matters within the Mental Health Services are of sufficient priority, the person in charge of that unit should have direct access to the Minister. Quite obviously, under this legislation, this will not take place.

In 1903 the Lunacy Department was separated from the Public Health Department, in order that the head of that department would be able to have direct access to the Minister. There can be no doubt that the head of the Psychiatric Services under this structure will not have this access. He has access through his service group to the Executive Director of Personal Health Services. That executive director has access through the executive to the permanent head, who in turn makes his representation to the Minister. That is a terribly unsatisfactory state of affairs. Somewhere along the line the Minister should make a provision so that if a matter is of sufficient priority or urgency, the head of the unit concerned will have direct access to the Minister.

Mr HODGE: The member for South Perth referred to this clause repealing section 7 of the Mental Health Act, which in fact abolishes the Mental Health Services.

I said in reply to the second reading debate that the new Health Department will be established under the provisions of the Public Service Act. My advice is that the technical reason that it is necessary to use this Bill to abolish the old department is that the department was created before the Public Service Act came into force. This is, therefore, the

most effective way to abolish the department and bring it under the umbrella of the new unified Health Department.

The other question which the member for South Perth canvassed is really going over the same matter he raised in the second reading debate. I think I replied comprehensively to that matter, particularly when the member for Merredin raised the same question. There is little point in traversing that point again.

Clause put and passed.

Clause 65: Section 8 amended—

Mr GRAYDEN: Again I return to the question of access to the Minister. This clause states that section 8 of the principle Act is amended by repealing subsections (1) and (2) and substituting that the director is subject to the control of the Minister, the permanent head, and the Executive Director of Personal Health Services.

This is a cumbersome way to deal with the matter. The Minister has indicated that he has replied already to this matter and does not wish to pursue it further; however, I remind members that this is an important issue.

This clause relates to the Psychiatric Services of the Health Department and can apply to any section of the department under the new structure. From now on no access is to be provided to the Minister except through the permanent head, and this will cause all sorts of problems and dissension. In 1984 we will have the situation where all the units in the health care services of Western Australia, which should have access to the Minister, will now find it neccesary to deal with the permanent head in order to get to the Minister. A person will have to pass through three people and two committees before he gets to the Minister. That is not a desirable state of affairs.

Mr HODGE: As far as communication with the Minister is concerned, the mental health services will have the same organisational service; that is the executive director will head a team of directors, who will head the following branches: General Medical Services; Psychiatric Services; Community Health Services; dental health services; Allied Health Services, and intellectually handicapped services.

The member for South Perth has assumed that the Director of Psychiatric Services may need to pass through three individuals and two committees to reach the Minister. The Director of Psychiatric Services will relate to the Executive Director of Personal Health Services, who will relate to the permanent head. The director will not need to pass through all those individuals; for example, the Director of Psychiatric Services will frequently have occasion to commun1ith the permanent head.

As I said before, the member for South Perth is being unduly pessimistic in his outlook on the way in which the new structure will work. I think his views have been coloured by the comments of the former Director of the Mental Health Services. I disagree with the advice he has been given. My advisers are confident that this new structure will work successfully. I urge the member for South Perth not to criticise the structure too severely and to give it a chance to work. I am sure he will be pleased with it if it is given a chance.

Mr GRAYDEN: I do not want to hold up the proceedings of the Chamber unnecessarily, but I cannot accept the explanation of the Minister. Communication with the Minister by officers of the department will, no doubt, go from bad to worse. Under this structure the only person who will be answerable to the Minister is the permanent head of the department. However, under the permanent head seven different bodies will have departmental heads. All sorts of things can happen in these bodies and none of the departmental heads will have access to the Minister. For example, Psychiatric Services is large indeed, and the head of that service will have access only to the executive director who, in turn, will have access to the permanent head of the amalgamated department, who will have access to the Minister. This will lead to all sorts of problems and it certainly will not help the morale of the staff involved in health care services in Western Australia. It will be a case of everybody's business, but nobody's business.

Under the current system the head of the Public Health Department is responsible to the Minister; the head of the Hospital and Allied Services is responsible to the Minister; and the head of the Mental Health Services is responsible to the Minister. Those heads of departments take their duties conscientiously and know what is happening in their respective departments. If anything untoward takes place they go to the Minister. However, under this structure if anything untoward occurs it must be taken to two committees and go through two individuals before it reaches the Minister. Without doubt, a tremendous number of problems will be filtered out in the process and will never reach the Minister. This is undesirable. It is imperative that somewhere along the line the executive directors of the service groups have access to the Minister.

It is also essential that the directors of groups such as the General Medical Services, the Psychiatric Services, the Community Health Services, the dental services, and the Allied Health

Services have direct access to the Minister. This access might only be required in exceptional situations, but access to the Minister must be provided.

Clause put and passed.

Clauses 66 to 104 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

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

BILLS

Cognate Debate

MR PARKER (Fremantle—Minister for Minerals and Energy) [5.06 p.m.]: Under Standing Order No. 256 it is possible to deal with complementary Bills in a cognate debate. As the Soccer Football Pools Bill 1984 and the Acts Amendment (Soccer Football Pools) Bill 1984 are interrelated, I seek leave of the House for a cognate debate on these Bills. The Soccer Football Pools Bill 1984 is the principal Bill.

Leave granted.

SOCCER FOOTBALL POOLS BILL 1984

ACTS AMENDMENT (SOCCER FOOTBALL POOLS) BILL 1984

Second Readings

Debate resumed from 19 April.

MR BRADSHAW (Murray-Wellington) [5.07 p.m.]: The Opposition does not oppose the Bills, although it has grave reservations about them.

The introduction of soccer football pools to Western Australia adds to the growing list of gambling facilities in force, which include lotteries and Instant Lotto. If one cares to go to Kalgoorlie the list could include two-up, and it looks as though a casino will be established in the metropolitan area in the not-too-distant future. All of these forms of gambling promote a "get rich quick" situation and that is the only reason people participate in them. It is not because they derive any fun from participating in them, nor is any effort required to take part in them. In most instances it is only a matter of signing one's name or filling out a coupon. Unfortunately we have, in Western Australia, a "get rich quick" mentality.

Only the other day I heard an advertisement on the radio in which a woman tells her boss to get lost because she has won Lotto and is now a millionaire. That is not the right attitude that should be expressed by the Lotteries Commission.

The main users of the football pools will be people who have an association with soccer or who come from England or the Continent. It is fairly predictable that the soccer pools will encourage many people, who have not participated in other forms of gambling, to participate in these pools with the main idea of getting rich quickly.

Soccer pools will have an effect on other forms of gambling because people have only so much money with which they can gamble and will participate in the pools to ascertain what it is about. They will probably revert to their previous gambling habits if they do not have any success. On the other hand, many people will stop filling out Lotto coupons because they will feel they will have more success with the soccer pools.

I am still not sure we will find necessarily that the Bill will have a temporary effect on agents. I am sure it will increase the amount of money put into gambling overall, but it must have some effect on other forms of gambling, even though the Minister gave an example in his second reading speech where Lotto sales continued to escalate after three months.

I wonder whether the Government is keen on this because it will gain something like $1 million a year from it? In his second reading speech the Minister said that soccer pools will create greater employment opportunities in Western Australia. I wonder whether the employment of people in agencies in Perth and in shops will be any greater. It will have an effect by taking money out of circulation from retail stores, from manufacturers, and so on. The money spent on soccer pools will not be spent on essential items such as clothing or food. I am sure in many cases this money will be spent by those tempted to get rich quick. I doubt the Minister's statement that employment opportunities will be created.

The fact that people are associated with soccer in England and the Continent may encourage a spirit of gambling and more people will participate. I believe there are enough forms of gambling at this stage in Western Australia, and I am not convinced it is necessary to have this.

Clause 15 of the Bill says—

> 15. (1) The part of the subscriptions referred to in section 14 (1) (a) shall—
>
> (a) except as provided in paragraph (b), be paid into a bank account kept by the licensee at a bank in this State, being an account and bank approved in writing by the Minister; or

(b) where the licensee by whom the subscriptions are received also conducts soccer football pools in a participating State and the Minister in writing approves of that part of the subscriptions being paid into a bank account kept by the licensee in a bank in that State, be paid into that bank account.

I am sure the people running soccer pools in Western Australia will not be banking their money here. This is because of the high FID. The money will go direct to a bank account in the Eastern States, and the Act provides for that. The Government will receive the money the first time round when the agents pay it into their bank accounts because they simply will not be able to give it direct to the Australian Soccer Pools Pty. Ltd., but when those cheques are deposited they will go straight to the Eastern States.

The Minister in his second reading speech referred to Australian Soccer Pools using existing Lottery Commission agencies. There are many businesses in Western Australia wanting to participate as Lotto agencies, but they have been denied the opportunity. I am not saying this is wrong; there can be only so many agencies for the sake of efficiency and economy. On the other hand, why is it essential that initially Lotto agents should be given the chance to conduct soccer pools? I believe that other people should have the opportunity to become agents. It is rather discriminatory that the soccer agencies should go to the Lotteries Commission first. Once the Lotto agents are running the soccer pools they will certainly not look for many more agents.

Leave to Continue Speech

I seek leave to continue my remarks at a later stage of the sitting.

Leave granted.

Debate thus adjourned.

QUESTIONS

Questions were taken at this stage.

Sitting suspended from 6.00 to 7.15 p.m.

SOCCER FOOTBALL POOLS BILL 1984

ACTS AMENDMENTS (SOCCER FOOTBALL POOLS) BILL 1984

Second Readings

Debate resumed from an earlier stage of the sitting.

MR BRADSHAW (Murray-Wellington) [7.15 p.m.]: I refer to the Government's intention initially to appoint lottery and Lotto agents as agents for soccer football pools. Because of the present unfavourable economic conditions, I ask the Government to give careful consideration to inviting applications from other people who may wish to act as agents. This would provide an opportunity for the income to be earned from gambling to be spread over a wider range of people.

The Bill states that results of the soccer football pools will be given to the media, and this course seems reasonable because everyone likes to see who has won. My only reservation is that if people do not wish their names to be reported they should be able to so indicate when completing the football pools coupon. When people win large sums of money they often find that others attempt to relieve them of some of that money, either to invest it on their behalf or by asking for donations because others are in difficult circumstances. Therefore, provision should be made in the Bill for people who do not wish to have their names published when they win a prize. Allowance is made for people to indicate their wishes in this regard in other forms of lotteries.

Clause 8 (b) states that the licensee, if necessary, will subsidise the prize fund. I wonder what will happen if perchance there is a downturn in the amount contributed and, as a result, there is the possibility of the licensee going bankrupt. Is there a safeguard to protect investors in those circumstances?

In regard to unclaimed prize money, as the soccer pools will be run from the Eastern States will such money be returned to each State on a *pro rata* basis or will it remain under the jurisdiction of the State from which the soccer pools are run?

No mention is made of whether the soccer football pools will be run on a national basis or a State-by-State basis. I ask the Minister for clarification on this point. Will those investing in the pools receive a return from the contribution made by the State or from the contribution made nationwide?

I now refer to the regulations for licensees detailing how they are to run the operation and what obligations they must fulfil. There seems to be no regulation of agents. I ask the Minister whether agents come under the jurisdiction of the State.

Clause 12 states that the Minister may appoint an officer employed under the Public Service Act. It is essential that such a person is appointed to make sure the operation is above board and I ask the Minister whether the Government intends to appoint an officer to control the soccer pools.

A further reservation I have in this connection is that we spend something like $88.4 million a year on various forms of gambling.

From information I have received it would appear that the introduction of soccer football pools will add a further $3 million to that figure. That money will not be used to purchase food, clothing, and various other retail goods and services. For this reason I have reservations about introducing other forms of gambling over and above what we have now. It will simply increase the number of people taking part in gambling if these soccer pools are introduced.

MR WILLIAMS (Clontarf) [7.23 p.m.]: I rise to support the last speaker, the member for Murray-Wellington. I am opposed to the introduction of pools for soccer, not because it is soccer, but because I believe we have too many forms of gambling right now.

As an example, let us consider horseracing. It has always intrigued me that there has never been any restriction on the age of people gambling on horseracing. Young people can go to the races on a Saturday afternoon; there is no age limit.

Mr Jamieson: That is not so.

Mr WILLIAMS: They are being encouraged.

Mr Parker: You can go to the races without any intention of gambling.

Mr WILLIAMS: People are encouraged to gamble.

Mr Parker: Just by going to the races?

Mr WILLIAMS: That is my opinion. I am not making a big issue of it, but it does form an encouragement.

The trots have been going on for some time. If one asks people to go out on a non-gambling exercise in inclement weather, or whatever it might be, it is a different matter. I am not referring to occasions when it is too wet or too hot. If people want to go to the trots or to the races, they will go, irrespective of the weather, and they are spending money and taking it out of circulation.

In later years, we have had greyhound racing. The big argument was that it would help to create employment, something which has been lacking in this State. I wonder whether we are going to the dogs with all this gambling!

We have had charities from time immemorial. I intended to find out how much money had been taken out of circulation for charity. I am not sure of that. My colleague mentioned $88 million or $89 million. I want to point out that that is simply for Lotto or Instant Lotteries—they take out $44 million-odd each per annum.

How much more can we take out of circulation without affecting the economy?

Mr Parker: It is not taken out of circulation.

Mr WILLIAMS: Most of it is. It is taken out on a weekly basis.

Mr Parker: No more than anything else. It is taken out and put back in.

Mr WILLIAMS: It is not put back in. When is it put back in?

Mr Parker: Possibly from where it comes—different channels.

Mr WILLIAMS: The Deputy Premier is sitting on the back bench—I do not want him to get too involved, but there has been a dramatic decline in turnover as far as small business is concerned, and I am talking about the little shopkeeper. A great deal of that decline was caused by Instant Lotteries. Stand back and watch what happens in the agencies for Instant Lotteries; see how people spend their money. Perhaps some people would say this is fine. Many spend $5 and $10 at a time, and this money would normally have been spent on small items. This has an effect on employment and on the economy.

The unfortunate thing is that now, recognising we have so much gambling—it is the intention of the Government to bring in casinos and I do not know what else—the decency of living is being broken down. We have gambling in so many forms already, and soccer pools is the introduction of another form of gambling.

The company involved is not a Western Australian company or organisation, but an Eastern States company. There will be only a limited value for Western Australia in the form of agency fees. The moneys will go out of Western Australia. For the life of me I cannot see the value of it. It is a game of chance in a tight liquidity situation. The economy we have today can well do without this. I cannot see any value in this company's bringing in another form of legalised gambling. It will not help the State.

There was talk of an extra $1 or $2 million. Soccer pools in the Eastern States form one of the largest avenues for gambling. Soccer pools will raise a great deal more than that. There is no question but that it is popular. I do not believe this State deserves to have another form of gambling legalised. I am completely opposed to soccer pools because I do not believe the economy can stand it and I do not believe it is necessary for this State.

MR STEPHENS (Stirling) [7.30 p.m.]: The National Party is not very enthusiastic about this legislation, but it will not oppose it. I ask members: Where do we draw the line in respect of gambling in this State? It is very difficult to draw

a line, but, as far as I am concerned—and I am not speaking for the National Party at this stage—I would not agree to poker machines being introduced into this State.

Mr MacKinnon: Is your party split on this issue?

Mr STEPHENS: No. We have not discussed it and I cannot commit the party if it has not discussed the matter. I have not seen any legislation before the House for the legalisation of poker machines.

I made that comment so there was no misunderstanding whatsoever about the position. I noticed in the Minister's second reading speech he made a claim that, based on experience in South Australia with regard to Lotto sales where they were temporarily affected by the introduction of soccer pools, he did not see any reason to suggest that the experience in Western Australia would be any different. I question the veracity of that statement. Only in the last few days I noticed in the newspaper an article which indicated that shopkeepers in a certain mall had said that, since the introduction of Instant Lotteries, there had been a marked fall in their businesses.

I suggest that the people of Western Australia have only a certain amount of money. If they invest more frequently in the Instant Lotteries or if they now, with the availability of soccer pools, invest more money in them, something must go by the board.

Mr Davies: I read that article in the way that you have just interpreted it. However, I think it should have been the other way around. They were complaining that they did not have an agency in their small shopping mall. Customers went to the bigger malls, and, therefore, spent their money in the bigger shopping areas. As a result, they said, "If we could get an agency in our small mall, we could attract our customers back".

Mr STEPHENS: I have given the Minister the opportunity to explain how he read the article and I have explained how I read it. However, most householders have only a certain amount of money to spend and if they spend it in one way, they cannot spend it in another way. Therefore, the introduction of another form of gambling must have an effect in this State. At some stage we have to reach the point where we say, "That is it. We will not have any other additional forms of gambling".

With those brief comments, I indicate I am not particularly keen on the legislation, but we do not oppose it.

MR PARKER (Fremantle—Minister for Minerals and Energy) [7.33 p.m.]: I thank the member for Murray-Wellington for his general support, albeit with some criticisms, of the proposal and the member for Clontarf for his contribution to the debate. I also thank the member for Stirling for his general, albeit somewhat lukewarm, support of the Bill.

I will not speak at length on the matter, but I shall answer some of the specific points raised in the course of debate. The point was raised about money being taken out of circulation. That is a fallacy, because no more money will be out of circulation in the purchase and sale of this commodity than it is in respect of the purchase and sale of any other commodities. It is just in a different area. Members can have an argument as to whether it should be in that area and I can understand the views of the people who are, in principle, against this sort of activity. However, as far as the circulation of money is concerned, this form of circulation is probably just as efficient, if not more efficient, than any other, because it aggregates large sums of money out of small contributions and redistributes it in other ways than do other forms of activity. Therefore, there should not be any suggestion that money is out of circulation in this area any more than it is in any other area.

Mr Williams: A lot of money is going out of the State.

Mr PARKER: If anything it could be argued—and Australian Soccer Pools Pty. Ltd. did argue—that the net involvement in soccer pools in this State will increase the amount of money in circulation, because it claims it attracts a large amount of Western Australian money which currently goes out of this State and is of no benefit to Western Australia.

Mr Williams: Did they give you the figures for that?

Mr PARKER: Australian Soccer Pools estimate that between what it gets in the Eastern States and what it gets in London—the Vernon Pool Organisation is the parent organisation of Australian Soccer Pools—the figure from this State is $70 000. I am not in a position to verify that, but it claims that, in areas with a high preponderance of British migrants, such as Kwinana, very significant amounts of money now go to it in both the Eastern States and London on a regular basis from this State. I cannot testify as to the accuracy of that, but it is a claim made by the Vernon organisation in respect of soccer pools in Western Australia.

Mr Williams: That amount could increase with this legislation.

Mr PARKER: It could be argued that it will increase, but also the net effect of money that comes back in, such as prize money, money to

Government, money paid in employing people and administering the scheme, in agency commissions and the like, must be looked at to see whether it is greater than the $70 000 a week which currently is going out of the State.

Mr Williams: You can't get all the money back that you put in, otherwise it would not be a viable proposition.

Mr PARKER: One does not get out all the money that one puts in. What I am saying is, we have to balance out the position and see what is going out of this State and what is not.

I shall return to the point about its not being a Western Australian organisation, but rather an Eastern States one, because it is important. However, there is just as much or as little circulation of money in this area as there is in any other similar area.

As far as the use of existing agencies is concerned, I take the point made by the member for Murray-Wellington. I am not currently the Minister responsible in this area, but when I was, and when I had the initial discussions with Australian Soccer Pools last year when the Cabinet made its decision in principle to approve the introduction of these pools, I raised with Australian Soccer Pools Pty. Ltd. the fact that I thought, for its own benefit, it should use some of the agents or potential agents which were clamouring for lottery agencies, but which have not been able to get them. I suggested that, because I thought they had more interest in promoting Australian Soccer Pools Pty. Ltd. than those who had Lotto, the Instant Lottery, charity consultations, and the like.

There are two arguments against that: Firstly, the Lotteries Commission is not stupid and it chooses its agents on the basis of estimated turnover, and it is those with potentially the largest turnover which tend to have been chosen as the lottery agents, although many older agents may have got in before that. Now the Lotteries Commission has a rule of thumb that it requires a turnover of about $2 000 or $2 500 a week in Lotto and ticket sales before it regards it as viable to provide a Lotto agency. That, therefore, means that many of the much bigger places are catered for already and there is a great deal of logic in continuing to go to them.

I do not know the current position, but the statement was made in the second reading speech that initially it was intended to use Lottery Commission agencies. I understood that Australian Soccer Pools Pty. Ltd. intended to look at other areas as well. Certainly there is nothing in the legislation that prevents it from doing so, and I shall raise the point mentioned by the member for Murray-Wellington with the Minister.

When I was Minister responsible for this area I received reams of correspondence from people claiming that they could not get lotteries agencies. Perhaps this is a way to satisfy those people, to at least make the commissions available in these areas. I shall take up the matter with the Minister and ask him to respond to it in detail. This legislation does not prohibit that being done.

In respect of the publicity of winners' names, I understand the situation in the Eastern States is similar to that which pertains here in respect of Lotto. A provision is made for people who do not want their names to be known to indicate that on the form and their names are not made known. However, I will have that matter clarified for the member for Murray-Wellington. I shall refer it to the Minister in the other place and ask him to advise the member accordingly.

As to the matter of licensees going bankrupt, I make two points: Firstly, the Bill contains an indemnity clause and a requirement for insurance. The amount that is required is $200 000, which is double the amount required in South Australia, but about the same as that required in New South Wales. Given the anticipated turnover of $100 000 or $200 000 a week, it seems to be an appropriate level of indemnity.

The second point is that Australian Soccer Pools Pty. Ltd. is a subsidiary of the giant Vernon organisation and the possibility of its going bankrupt is rather remote.

I take up the issue of the operation being run from the Eastern States. That matter is of concern; but, as pointed out in the second reading speech, this is a national organisation. It is operating in every other State. It commenced in Victoria in 1974 and moved to various other places. Most recently, in 1981, it moved to South Australia. While it is true that the overall administration will be carried out either in New South Wales or Victoria, an office will be set up here and a number of staff employed. Certainly so far as agents' activities are concerned, they will be working with the office in Western Australia.

As to the running of the operation, it is a question of the State having the ability to make the rules it wants to make about the way in which it is run, and given that the legislation quite clearly provides that the Government of the day has the power to make whatever rules it wants concerning this, and even to set the amount of duty and regulate the proportions of the prizes that go to various sectors in the cut-up of the cake, I do not think there is any cause for concern about the fact that the head office of the organisation running it is in Sydney or Melbourne, because, through this legis-

lation, we are able to control completely and precisely what is going on.

There is the point that the member for Clontarf made that the money is paid into the Eastern States and, of course, to some degree that is also the case with Lotto now that we have joined the national bloc. However, when Western Australia joined the national Lotto bloc it indicated quite clearly how important it was in a game like Lotto—and the same applies to soccer pools—to be part of a national group, because the level of turnover which was occasioned in Western Australia when we went from the State-only Lotto to the national bloc under the former Government increased dramatically, which had a substantial impact on the turnover of the WA Lotteries Commission and its ability to contribute to hospitals and charities, to the extent that it has had much more money to contribute to charities than in the past.

I turn now to the return to the State. It has been suggested the expected return will not be great and it has been asked whether it is worth it. It has been suggested also that perhaps the figures were underestimated and that we would get more than the $1 million or thereabouts which was suggested in the second reading speech.

It is very much a question of judgment. When the former Chief Secretary (Hon. R. G. Pike) introduced the Instant Lottery he estimated a certain sum of money would become available, and I believe we quadrupled the amount of money in that area. We can only go on experience in other places and certainly it is not true, as the member for Clontarf said, that the Australian Soccer Pools is the most popular form of gambling in the Eastern States. It is one form of gambling, but it is not as popular as, for example, Tattslotto and other forms of gambling available there. It is quite a modest form of gambling compared to the others. The estimates we made were based on the South Australian experience, with some additional amount added, because we believe Western Australia seems to have a propensity to be more of a gambling State than South Australia. The introduction of the Instant Lottery has certainly shown that to be the case.

Therefore, we have added something to that, but we do not believe there will be any substantial overrun in terms of what we put forward. However, that is a matter of judgment and we may have cause to review it at some time, as we had to review the performance of the Instant Lottery.

In relation to the regulation of agents, the Minister has the power to regulate the licensee, and the agents are agents of the licensee. In the case of regulating the licensee, he can lay down conditions that the Government may require the licensee to obtain from his agent. The regulations apply also to the effect that the licensee may regulate his agents, which includes the regulations or rules which apply to the game or its agents. So between the two—the Minister's power to inquire of the licensee how its agents operate through its regulation of the licensee, and the licensee's own power under the Act to make rules for the operation of its own agents—there is no cause for concern in terms of the method of regulation.

It was interesting to listen to the member for Clontarf's view on this matter because this is the first new form of gambling this Government has introduced. All other forms of gambling were introduced either many years ago, as he pointed out, in the case of horseracing or trotting, or they were introduced during the term of various Governments over the century; but certainly the most popular forms of gambling—that is, the two that, as the member pointed out contribute about $90 million a year in turnover to the Lotteries Commission—were each introduced by Governments of which he was a member and supporter; namely, Instant Lottery and Lotto. One was introduced during the term of the Court Government and the other during the term of the O'Connor Government and both in fact have far surpassed any other form of lottery-type gambling in their popularity and acceptance.

Mr Williams: I acknowledge that and I make no excuses for it, but I believe it was the wrong decision to make, just as I believe to agree to the introduction of soccer pools would be the wrong decision to make tonight.

Mr PARKER: The member is entitled to his opinion. I merely point out that this is the first occasion on which this Government has become involved in this area.

Mr Williams: There is just too much gambling.

Mr PARKER: I want to respond to the point the member for Stirling made because it is the very clearly stated policy of this Government, repeated both before and after the election, that this Government is strongly opposed to the introduction of poker machines in Western Australia. I made this very clear when I was Minister in charge of this area.

Mr Williams: If you look at the logistics of it in the Eastern States, you see that the casinos won't work without poker machines.

Mr PARKER: That is again a matter for judgment, but in terms of sheer revenue, of course, the New South Wales Government makes a fortune out of poker machines. The last figures I received, which are a couple of years old, show

that revenue of the order of $160 million a year is made by the New South Wales Government from poker machines. We have said quite clearly that we are opposed to poker machines and poker machines will not be introduced into Western Australia. I just want to reassure the member for Stirling on that point.

I think that covers the various matters that were raised in the debate. Those points that I have not been able to fully address—and I refer to those raised by the member for Murray-Wellington in particular as he raised a number of detailed issues—I hope to be able to address either in Committee or alternatively by asking the Minister responsible (Hon. D. K. Dans) to respond directly to the member for Murray-Wellington.

I commend the Bills to the House.

Questions put and passed.

Bills read a second time.

In Committee, etc.

Bills passed through Committee without debate, reported without amendment, and the reports adopted.

Third Readings

Bills read a third time, on motions by Mr Parker (Minister for Minerals and Energy), and passed.

SUPREME COURT AMENDMENT BILL 1984

Returned

Bill returned from the Council with an amendment.

LAND VALUERS LICENSING AMENDMENT BILL 1984

Receipt and First Reading

Bill received from the Council; and, on motion by Mr Tonkin (Leader of the House), read a first time.

Second Reading

MR TONKIN (Morley-Swan— Leader of the House) [7.57 p.m.] I move—

That the Bill be now read a second time.

This Bill proposes amendments to the Land Valuers Licensing Act.

Three areas are addressed by these amendments: Firstly, the composition of the licensing board and the method of appointment; secondly, tightening the extent to which unlicensed activity as a valuer is controlled; and, thirdly, in making the actions of the board, in relation to the setting of remuneration of valuers and in laying down a code of conduct for valuers, accountable to the Minister.

The Bill provides for a slight alteration in the Licensing Board's composition. One person is to be nominated by the Minister for appointment. This person may be representative of the interests of consumers and is in line with the Government's policy to ensure proper consumer representation on boards or licensing authorities.

In addition, those persons who are representative of the Western Australian Division of the Institute of Valuers shall not be nominated by the Minister from a panel of names submitted by the institute. Similarly the member valuer who is representative of the Real Estate Institute of Western Australia is also now to be nominated by the Minister from a panel of names submitted by that body.

The Bill provides a procedure for the submission of a panel of names and a transitional provision for existing members.

The Land Valuers Licensing Board in the past has expressed concern that the prohibition on unlicensed activity as a valuer was not sufficiently expansive and does not extend to a person who occasionally holds himself out or undertakes valuations for fee or reward where he did not carry on business.

It is the view of the Government that such persons who undertake valuations for payment should be licensed. This position is reflected in the alteration of section 23 prohibiting persons acting as unlicensed valuers.

Thirdly, the Government proposes amendments to section 25 and section 26 of the Act. These sections deal with the powers of the board to set the remuneration of valuers and to lay down a code of conduct. This Bill proposes that the board shall continue to perform these functions, subject now to the approval of the Minister responsible for the Act. The Government has expressed its concern that boards and authorities should properly be accountable for their activities.

In the areas of laying down a code of conduct and particularly, the setting of the remuneration for valuers, the Government believes that such functions should continue to be carried out, but subject to the final approval of the Minister. This will ensure not only that the board is accountable in such action but also that Government policy may be adequately taken into account. The Bill gives effect to this intention but does not affect the existing remuneration order or code of conduct.

I commend the Bill to the House.

Debate adjourned, on motion by Mr Trethowan.

STATE ENERGY COMMISSION AMENDMENT BILL 1984

Second Reading

MR PARKER (Fremantle—Minister for Minerals and Energy) [7.59 p.m.]: I seek leave to proceed with the second reading of the Bill.

Leave granted.

MR PARKER (Fremantle—Minister for Minerals and Energy) [8.00 p.m.]: I move—

That the Bill be now read a second time.

Members of this House will be aware that the State Energy Commission is constructing a 220kV transmission line to Kalgoorlie from Muja power station which will replace the present diesel generating facilities, operated not only by the commission, but also by Western Mining Corporation Ltd. It is considered that this will reduce the commission's dependence on imported oil as the electricity will be generated by a more economically efficient coal-fired station. The project is a joint venture between the commission and Western Mining Corporation Ltd., financed on a leveraged lease basis through the ANZ Bank. The line will be operated by the commission.

Under the provisions of the State Energy Commission Act 1979, the commission has the power to enter into joint venture arrangements of this nature and has all the necessary powers of access for the purposes of construction, inspection, maintenance, and removal of its works. However, legal doubts have arisen as to the rights of the commission's joint venture partners in such projects and the Bill now before the House will clarify the position of third parties in such circumstances, and as to the ownership of the joint venture property and works.

To overcome these doubts and to enable the project to be completed and commissioned on time it is considered that the two amendments contained in this Bill are necessary.

Members will observe that the first amendment provides confirmation that the works undertaken by the joint venture are works for the purposes of the State Energy Commission Act. The second amendment provides that while the commission still continues to manage or maintain the works the subject of the joint venture, the commission's transferees and their successors in title have rights of access thereto for the purposes of carrying out the arrangement or agreement.

I commend the Bill to the House.

Debate adjourned, on motion by Mr MacKinnon (Deputy Leader of the Opposition).

ACTS AMENDMENT (MINING TENEMENTS) (RATING) BILL 1984

Second Reading

Debate resumed from 16 November 1983.

MR TRETHOWAN (East Melville) [8.02 p.m.]: As the Minister indicated in his second reading speech, this Bill became necessary because of the introduction of the 1978 Mining Act. Under that Act a change occurred in the classification of mining tenements. Previously, tenements had been rated by shires on the basis of whether they were improved or unimproved.

Under the 1904 Mining Act an unimproved tenement attracted a purely nominal rate, and the improved tenement attracted a relevant shire rate of so many cents in the dollar. Temporary reserves were not rated under that Act. However, when the new Act came into force the categories of mining tenements were changed from mineral claims, mineral leases, temporary reserves, prospecting licences, and exploration licences, to prospecting licences, exploration licences, and mining leases. The result was that concern was expressed by local governments which derived part of their revenue from rating the various tenements as to the manner and level at which the new categories could and should be rated.

The Minister indicated that this Bill was designed to make clear the basis and the rate upon which shires will be able to rate the various categories of mining tenements. One of the anomalies in this legislation is that temporary reserves were not rated under the 1904 Act and under the 1978 Act they were moved into the category of exploration licences. Because at the same time the previous category of mineral claims was moved into the category of exploration licences, an incipient problem arose in rating that category because it included tenements which had previously attracted rates and temporary reserves which had not, and now would attract rates.

I believe that anomaly was one of the causes of concern to the mining industry arising from the introduction of the 1978 legislation. The second concern related to the method of valuation of the new categories of mining tenement. The Minister's amendment on the Notice Paper will go a long way to removing the uncertainty in relation to potential escalation of these valuations. I understood that the concern related to the potential for changing the valuations by changing Mines Department regulations which did not necessarily relate to other factors included in the decision to rate a property at the rate which existed at the time. The Minister's move to amend that to peg the value at the current value will satisfy the concern expressed by the industry.

Certainly this legislation will be welcome from the point of view of local authorities which derive sometimes quite a significant proportion of their rate revenue from mining tenements, and it is certainly to be hoped that it will be available for them to act upon in the new rating year.

Quite a number of mining companies, particularly those which have old established operations and which until recently had been rated on a "good neighbour" basis, have been continuing to contribute to the rates of the local authorities. This Bill will make clear the ground rules from the point of view of both the local authorities and the mining industry.

This is an extremely complicated piece of legislation, and it is to be hoped that the drafting will produce the desired result. The Minister in his second reading speech indicated that it was aimed in the right direction, and if the drafting carries through those objectives the Opposition will be prepared to support the Bill.

Another concern that has been raised with me is the question of rating mineral tenements in general. One of the arguments from the mining industry's point of view is that they receive few services in return for their rating, unlike other commercial operations which require shire services. In many cases, mines contribute to providing some services to surrounding areas, whether by way of electricity or water supplies. In order to operate mines and carry out exploration the mining industry requires good transportation to those areas, and it is a burden on many of the pastoral shires in which exploration occurs to maintain and upgrade road systems which are now regularly carrying quite heavy pieces of equipment to or from exploration or mining sites. That is one of the services that justifies the imposition of rates in those particular areas.

This Bill is very technical and complicated. It is to be hoped that it will produce the desired effect, and on that basis the Opposition is prepared to support the legislation.

MR COWAN (Merredin) [8.11 p.m.]: The National Party supports this Bill. We understand the purpose of the Bill is to restore that which had always been known to exist prior to the introduction of the new Mining Act on 1 January 1982. That Act has resulted in some considerable hardship for local authorities which in the past have enjoyed quite a substantial amount of rate income from occupiers of mining tenements.

I do not believe too many companies have paid great sums to local authorities since the court case which found that mining companies were not liable to pay rates. I know, for example, the Yilgarn Shire which I once represented—I do not any more—is out of pocket to the tune of almost $20 000 a year from the small amount of mining activity which takes place in that shire. From memory, only three gold mines are active in the region, although a lot of companies hold tenements there for speculative purposes. They would normally be expected to pay rates on those leases.

Local authorities would be able to channel quite a substantial amount of money into improvements in their areas, particularly by way of public access on roads and things of that nature.

I would hope—and it may be a faint hope—that this is the last time we will see some corrective legislation before this House as a consequence of the 1978 Mining Act. It is quite clearly the responsibility of members on the Opposition benches who passed that particular legislation in 1978. The only thing in its favour was that it took four years to enact the legislation. Two amendments to that Act have already been before this House, and this is the third. Most of them have been aimed at restoring a provision which was lost because of the bad drafting of the 1978 Act.

The National Party supports this Bill and I hope it is the last time a Bill is before us designed specifically to correct an anomaly created by the sloppy drafting of the 1978 Mining Act.

MR MacKINNON (Murdoch—Deputy Leader of the Opposition) [8.15 p.m.]: I ask the Minister to outline the current position with the court case which has led to the amendment before the Parliament. I understand that one company was involved but I have not seen any publicity recently concerning the result.

Mr Carr: The council did appeal to a higher court and the decision was overturned.

Mr MacKINNON: The company is not appealing to the higher court?

Mr Carr: Not to my knowledge but I do not know for sure.

Mr MacKINNON: I was interested in clarifying that position.

The member for Merredin commented on the Mining Act and I take this opportunity to also comment on that Act, bearing in mind that this Bill is closely related to it. I am concerned that the Hunt committee report which provided detailed examination of the Act which in some areas had proved to be difficult in operation, was presented to the Government early this year, yet we have seen or heard very little from the Government in relation to it since that time. We have heard that the Government is examining the recommendations of the committee. However, those recommendations were quite specific, fair and straightforward and they should have been pur-

sued by now. It is of concern to the Opposition bearing in mind the interrelationship between those recommendations and the recommendations of the Seaman committee in relation to land rights, and I am sure this point is not lost on the Government. Paul Seaman made specific comments in his report with regard to the Mining Act.

The DEPUTY SPEAKER: I point out to the Deputy Leader of the Opposition that he is tending to range a little. I understand that he may be able to relate these points a little later so I do not wish to stop him at this stage. However, as members are endeavouring to deal with business in an expeditious manner, will he please relate his remarks specifically to the Bill.

Mr MacKINNON: Opposition members are concerned that nothing has eventuated in relation to the Hunt committee report. It now appears that it will be much later in the year before the suggestions or recommendations of the Hunt committee will be dealt with in a proper and legislative manner.

MR I. F. TAYLOR: (Kalgoorlie) [8.19 p.m.]: As a member representing an electorate based on the mining industry, it is appropriate that I should speak on this Bill. I congratulate the Minister and the Government on bringing this legislation forward. It has been welcomed not only by local government but also by the mining industry in general. It seeks to clarify a difficult area which arose, as the member for Merredin pointed out, from sloppy drafting of the 1978 Act.

I am pleased to note that the Hunt committee came down with a fine report on that Act. It is appropriate that Mr Hunt be congratulated on his recommendations. The members of that committee included two prospectors and, in fact, this Bill recognises the role of prospectors, particularly smaller prospectors in the mining industry. The Bill provides for exemptions regarding rateability of mining tenements.

The member for Murdoch expressed concern that the recommendations of the Hunt committee report have not been implemented. The Government made it quite clear that the recommendations of that committee would be open for public comment. The period for public comment has now closed and the Government is considering the recommendations in the light of those comments. In the next session matters arising from the recommendations of the Hunt committee will be brought forward.

The mining industry in the eastern goldfields is going through a prosperous period and goldmining is one of the leading lights as far as job creation is concerned in 1984-85 and in the foreseeable future. Legislation such as this can only enhance the future prospects of the industry and once again I congratulate the Minister and give my full endorsement to the legislation.

MR PARKER (Fremantle—Minister for Minerals and Energy) [8.22 p.m.]: I refer to the comment of the Deputy Leader of the Opposition regarding the Hunt committee. I endorse the points made by the member for Kalgoorlie. The Government has been pursuing the course it had previously outlined in connection with the report: It commissioned the report and received it; the report was made public within a couple of days of receipt on or about 17 or 18 January; and, the Government sought industry response to the report. A great deal of response has been received not only from the mining industry but also from other interested parties, such as the rural sector. A departmental evaluation has been made of both the report and the responses from industry and they have been considered by the Government.

Mr Cowan: It should be shelved and allowed to gather dust.

Mr PARKER: I am interested in the different views. The member for Merredin appears to take the view that the report should be allowed to collect dust forever. The Deputy Leader of the Opposition, from my understanding, seems to be very supportive of the recommendations of the Hunt committee, as I am. The Government has not yet considered all the recommendations. The member is correct in saying that there are similarities or areas of similar concern raised by the Hunt committee report and the Seaman preliminary discussion paper and the Government is addressing those. Discussions have taken place with a large range of industry groups on these specific points.

Given that I am not entirely in control of the situation, the drafting necessary to implement those recommendations of the Hunt committee which the Government decides to accept, possibly after some modification—and I imagine that would be the vast bulk of the recommendations —will take place over the next couple of months with the aim of presenting the Government's decision by way of formal legislation by July or August. Anyone with experience of parliamentary drafting of complex legislation would know that that in itself will be a major task and it should be borne in mind that the report was not received until January and the Government has been receiving submissions until recently. However, that target can be achieved. Extensive consultation has taken place all the way through and further consultation is planned with various sectors of industry as we progress on the drafting process. A Government decision will be forthcoming which

will be acceptable to all but the most extreme members in our community.

MR CARR (Geraldton—Minister for Local Government) [8.25 p.m.]: I reply briefly to the debate because most members of the House have been generally supportive of the Bill. I thank members for that support and compliment them for having been able to study a very complex and detailed Bill.

Mr Cowan: It was only necessary to read your second reading speech.

Mr CARR: I was not commenting on the remarks of the member for Merredin but on the contribution made by the Opposition spokesman who appeared to have a fairly detailed understanding of the principles involved in the Bill. It is a very difficult and complicated Bill. The member for East Melville commented that he hopes the Bill will achieve the aims we have set. Obviously, I share that hope and I am confident that it will do so because officers of the Local Government Department and the Mines Department have put a considerable amount of time into the details of this Bill.

In the sense that it seeks to retain or maintain the status quo there will nevertheless be some shires and companies that will be either worse off or better off. Our aim of retaining the status quo is not possible for each and every council and company because of the problems outlined by the member for East Melville. We seek to have an aggregate status quo. If it does not achieve our aim and does not maintain something approximating the status quo we shall be prepared to re-examine the situation to assess if further amendments are necessary.

The member for East Melville also commented on the remarks made by persons representing the mining industry. I was approached by one of the associations involved in the mining industry suggesting that the Government should scrap the type of approach in this Bill and adopt a completely new and different type of rating system for local government in regard to mining tenements. I do not rule out the possibility that a different approach may be more appropriate and I would be happy to examine in detail any approach put forward with that view in mind.

The Bill before the House is principally a catch-up Bill to correct difficulties caused by previous legislation and is put into place urgently in time for 1 July as a mechanism to enable shires to rate mining tenements.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (Mr I. F. Taylor) in the Chair; Mr Carr (Minister for Local Government), in charge of the Bill.

Clause 1 put and passed.

Clause 2: Commencement—

Mr MacKINNON: I refer to my previous question to the Minister regarding the court case. Retrospective legislation does not leave a good taste in the mouths of members of this Chamber. Now that the court case appears to have been resolved, I ask whether this clause is necessary. It is not of great moment but retrospectivity is not a principal liked by those on this side of the Chamber. In light of that fact, consideration should be given to withdrawing the clause, because I do not think it will have a great impact upon the legislation.

Mr CARR: The point raised by the Deputy Leader of the Opposition has a significant amount of authority in it. He said his side of the Chamber does not like retrospective legislation, and it can certainly be agreed that no member of the Chamber likes retrospective legislation. It is true that the urgency is less now than it was when the Bill was drafted and introduced into the Parliament six months ago.

At that time a court had ruled that the Shire of Leonora was not able to levy the rates with regard to a particular tenement, and it was considered important to correct that anomaly. The court decision of that time has been overturned in a higher court and there is not, to my knowledge, any announced intention by the company concerned to pursue the matter further to seek to have the decision overturned in the High Court. Notwithstanding that, we cannot rule out the possibility that the company concerned may decide to take action and have the decision overturned in the High Court. Given the urgency of having this legislation in place by 1 July, what the member is suggesting is a risk we cannot afford to take at this stage. I do acknowledge the point the member made; there is significant validity in it. It is without joy that a retrospective clause has been included in the Bill.

Clause put and passed.

Clauses 3 to 8 put and passed.

Clause 9: Section 4 amended—

Mr CARR: I wish to move the amendment standing in my name on the Notice Paper. I move—

> Page 4, line 19, to page 5, line 9—Delete subparagraph (ii) and substitute the following—

(ii) land in respect of which—

(I) an exploration licence is held under the Mining Act 1978—the value thereof is an amount equal to $0.25, or such other amount as may be prescribed, for every hectare of the land or part thereof;

(II) a prospecting licence is held under the Mining Act 1978—the value thereof is an amount equal to $2.50, or such other amount as may be prescribed, for every hectare of the land or part thereof;

(III) a mining lease or general purpose lease is held under the Mining Act 1978—the value thereof is, subject to subparagraph (iii) of this paragraph, an amount equal to $25, or such other amount as may be prescribed, for every hectare of the land or part thereof;

Mr TRETHOWAN: This is a good move on behalf of the Government. It recognises that the problem of the original drafting is directed toward the mining industry because of the fact that there was an indefiniteness about the method by which future valuations could be determined. I certainly believe that the Minister's amendment will considerably overcome this problem. It will set ground rules which will clear the decks for a number of years as far as the industry and will enable the shires which are in a position to do the rating to determine clearly what sort of income they are likely to get from those tenements. The Opposition supports the amendment.

Amendment put and passed.

Mr MacKINNON: I have a couple of questions in relation to clause 9; Firstly, how were the rates arrived at? I was interested in the amounts that had been set and how that estimate was arrived at. Secondly, the legislation sets down procedures to change the fees in a messy way. It if was to be done by regulation it can be changed far more easily from year to year.

My second question is therefore: Has the Government given any consideration to an alternative method of imposing this fee rather than by way of an amendment to the Act? It will require an amendment either annually or biannually. To give industry and local government some indication of what is proposed, I will move on to the third question: Has the Government given any consideration to how often it is likely to review the fees with a view to increasing them at a reasonable rate in line with all Government fees? How often would the Government be proposing to review those fees and make amendments thereto?

Mr CARR: The detailed work with regard to the figures arrived at was carried out by officers in my department and officers of the Mines Department. I admit having not been involved in the direct decisions in terms of the number of cents in the $1, but I do have the assurance of both departments that those figures will equate the status quo in an aggregate sense.

Changes to valuations by regulation are incorporated within the amendment we are debating. For example, the first reference to an exploration licence under the amendment will be an amount equal to $0.25, or such other amount as may be prescribed, for every hectare of the land or part thereof.

Mr MacKinnon: Thank you.

Mr CARR: There is a facility to do it in future by regulation should it be necessary to make increases. The Government has not given consideration to the frequency of increases, and my expectation is that there would probably not be an increase for a significant period of time. We have not given consideration to that question.

Clause, as amended, put and passed.

Title put and passed.

Report

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

Third Reading

Bill read a third time, on motion by Mr Carr (Minister for Local Government), and transmitted to the Council.

SUPERANNUATION AND FAMILY BENEFITS AMENDMENT BILL 1984

Second Reading

Debate resumed from 2 May.

MR HASSELL (Cottesloe—Leader of the Opposition) [8.39 p.m.]: This is an important Bill and one which is also extremely complicated in its provisions and in its implications. The Bill relates to the State superannuation scheme and to the payments from that scheme and, in some ways, to the contributions to the scheme.

There is a need to appreciate that the State superannuation fund is different from that which one would normally expect to find in the private enterprise sector because the only contributions made to the fund are contributions made by employees. There are no employer contributions. That distinguishes the State fund from the type of superannuation scheme which is normally found in

the business situation in which there are contributions made by both the employer and the employees.

It is an important point to note at the outset because it will readily be seen that in referring to the fund in which the only contributions have been employee contributions it is clear that the ownership of that fund or the entitlement to that fund rests with those who have contributed to it.

The second characteristic to be noted about the State superannuation fund is the same as that which is common to all superannuation funds; that is, they are in a very broad sense members' funds, but also in a very particular sense they are trust funds. The money in the fund does not belong to the employer. It is not available for the use and benefit of the employer. It is money contributed to the development of a fund to provide benefits in retirement and in case of long-term illness to employees.

Common to all superannuation funds is the requirement as a matter of general law and as a matter of taxation law that they should not be used for the benefit of employers.

It is a pity that legislation as complex as this and as important as this should be dealt with in the way we are asked to deal with this legislation.

I do not pretend to suggest to the House that it is an area in which I have a particular expertise. The Opposition has generally had some difficulty in coming to grips with the issues involved in this legislation from the point of view of determining precisely what is being done, and to whom. Time simply has not allowed the Opposition to gather and receive the advice which it would like to have gathered and to have received in relation to the legislation. It is less than a week since the Bill was introduced, even though the legislation was foreshadowed some months ago.

The Bill has come on for debate tonight to accommodate the wishes of the Premier. If it had not come on tonight it would have come on tomorrow and there is little difference in that. I am not arguing about it. This evening the Premier has made available to me the advice of the Government actuary and I appreciate that being done, but it was done very belatedly and in circumstances where I have not had an opportunity to benefit fully from it. I say this without rancour because it is not our wish to try to gain some political mileage out of a Bill as important as this one is to many people and which is difficult and complex for all parties to comprehend. Our objective has been to understand the legislation and to reach an appropriate conclusion as to what should be done about it.

I acknowledge that the Government is in a difficult position in terms of the growth of liability falling on the taxpayer to meet the obligations of the State in relation to State superannuation. Presently, the State has three basic obligations. Having made no contributions during the working life of one of its employees, it has an obligation to pay its share, if that is the right word, when the employee retires; in other words, to contribute substantially to the pensions paid to employees. Secondly, it has an obligation to fund the cost of annual Consumer Price Index increases which are paid to beneficiaries. In other words, the State bears the obligation to pay the cost of the annual increase granted to pensioners in line with the CPI increases. It pays the annual cost of CPI increases, not only in respect of the portion of the pension which is paid by the State, but also in respect of the portion of the pension which is derived from the employee-contributed superannuation fund. Thirdly, the State has an obligation to pay the cost of administering the fund. While that cost is small relative to the total value of the fund, nevertheless it is significant.

It is my understanding that in 1982-83, the cost to the taxpayers of Western Australia of the payment of pensions by the State, together with the cost of the annual CPI increase, was some $61.2 million. It is estimated that in 1983-84 the cost of those items was some $73 million. In those years, the cost of administration was $850 000 and $950 000 respectively. It can be seen that the increase in the substantial item of pension and CPI increases was approximately $12 million; and it is my understanding that the obligation of the State is doubling every four years, and that the rate at which it increases is in fact accelerating. It can therefore be seen as a responsible proposition that the State of Western Australia is bearing an increasingly significant and sizable burden to maintain the pensions and the increases in the pensions of its former employees.

It is also important to note that, in this respect, the former employees of the Government are, by and large, better off with the benefits they receive, and the guarantee of the maintenance of the real value of those benefits, than are people in the private sector. That is an important point, because the Opposition is concerned that in introducing new benefits, as this Bill proposes to do, the Government will inevitably place pressure on the private sector to follow; and once again the Government will be seen to be a pacesetter in terms of conditions for Government employees. That will eventually impose a new burden on the private sector at a time when it is doubtful whether it can afford that burden.

It is questionable whether the community can afford any burden, at least within the foreseeable future, of increased employee benefits, whether by real increases in wages or real increases in benefits and working conditions. If we are to regain our competitive position in the marketplace of the world, a position on which we depend as a nation for our well-being and economic survival, we must accept the fact that we simply cannot afford to go on paying ourselves more in real terms, receiving better conditions, and working for fewer hours.

The Government's Bill contains five specific proposals, so far as I have able to identify them from a perusal of the legislation and the Treasurer's second reading speech. Firstly, the Bill proposes to permit voluntary early retirement of Government employees between the ages of 55 and 60 years. In other words, it brings forward by five years the time at which a Government employee can retire and receive a benefit from a pension fund to which the employee has contributed, and which will be substantially supplemented by the State.

In considering that matter, I point out that when a Government employee retires, he is entitled to a percentage of the salary which he was being paid at the time of his retirement. At its best, that percentage is of the order of 62 per cent of the salary before retirement. Approximately 50 per cent of the retirement salary figure is paid as pension by the State from the Consolidated Revenue Fund. Approximately 12 per cent of the retirement salary figure is paid from the superannuation fund to which the employee had contributed. The 50 per cent and the 12 per cent make up the approximately 62 per cent retirement pension which the retiring public servant receives.

It can be seen from those figures that the burden on the State in terms of the pensions of Government employees is a substantial proportion of the pension paid. In round terms, it is somewhere between 80 per cent and 90 per cent. In addition, the State bears the full cost of indexing and paying the increase resulting to the total pension of the retiree.

So where it is proposed, as in this Bill, to bring forward the age of retirement from 60 to 55 years on an optional basis, it is important to appreciate the very considerable impact that that can have on the State's revenue if, as is the Government's intention, the early retirement will be accompanied by a full pension right—in the case of policemen, immediately, and in the case of other public servants, as soon as it can be put in place.

Mr Brian Burke: As soon as it can be put in place according to what?

Mr HASSELL: I understand that, publicly, the Treasurer made it clear that the full benefits being paid to police retirees is the starting point, and that his policy objective is to extend the full benefit retirement pension at the age of 55 to all Government employees.

Mr Brian Burke: Yes, but I mean to put it in context. "As soon as it can be done" is putting it into a context that is more immediate than I would have thought appropriate.

Mr HASSELL: I understand that the Treasurer's intimations of immediacy were pretty clear when he spoke on his radio programme yesterday.

Mr Brian Burke: It is not my radio programme. As far as the immediacy is concerned, you should understand that this is a no-cost option, and were we in a position to indicate some immediacy, I suppose the next option, which would be a less-than-full cost option, might have been the starting point. Nevertheless, I am happy to concede—and I do not know how long the time will be—that there will be early retirement on full pension benefits; but that may be 30 years away.

Mr HASSELL: I am just saying what the Treasurer said. I am talking about his policy commitment. I do not see how he can realistically grant full retirement benefits to one section of the Public Service—a very important section of the Public Service, the police—and continue to deny it to other sections.

One of our very real concerns about this Bill is that, by starting this process, the Treasurer will lead it on from the police to the balance of the Public Service inevitably, and inevitably from there to the private sector.

Mr Brian Burke: I thought your point was based purely on the fact that optional 55-year retirement would reduce the benefits available to Government employees, and you saw that as a forerunner to providing retirements for them on full benefits.

Mr HASSELL: Let me make it clear. We have been quite consistent about this. The former Premier (Mr O'Connor) committed us to that concept two years ago. We are not backing away from that. Optional retirement at 55 years is a principle that we are not disputing on the basis that reduced benefits are paid.

The question I raise is based on two premises. The fact that the Government has made fish of one section of the Public Service and flesh of the other is anomalous, and it will inevitably lead to pressures for the extension of benefits overall. Because of that, we see the inevitability of the flow-on of that outside the Government sector. Those points are most important. The Treasurer may

talk about 30 years, but that is unrealistic when one section is granted the full benefits to start with. As I understand the latest amendment, even teachers with 30 years' service will receive full benefits at 55 years. Is that correct? We were talking about that during question time, but I could not really discern the answer.

Mr Brian Burke: It is unfair to single out the teachers, because that is in general terms. It terms of manageable impact, it is true that 30 years is being talked about as a qualification for entitlement. In any case, I simply say that your Government and ours have consistently made fish of one and flesh of another in all sorts of ways.

Mr HASSELL: That may be. I am trying to assess the impact of these proposals. What the Treasurer is saying is significant.

It is a significant shift of ground and a change of principle to move from a situation in which the Premier was going to have full pension optional retirement at 55 years of age for police, and reduced pension optional retirement at 55 years of age for all other Government servants. The Premier is not intending to change the arrangements for the police, but in the case of other public servants, he will not allow optional retirement on the reduced pension unless they have worked for the Government for 30 years. In that case, they will receive full pension optional retirement at 55 years. That carries the very principle we are talking about along the track quite a way, because it opens up a new negotiating point for the issue of extending the principle across the whole range of the Government sector.

Mr Brian Burke: Unless, as I would suspect you accept, the cost is the common denominator in determining change; and on that basis, it does not open up a new negotiating point at all.

Mr HASSELL: Frankly, I think the Treasurer's approach is naive, because once the Government has granted these benefits to the police, this Government and its successors will be under sustained pressure to extend those same benefits to the rest of the public service. This is obvious. That is the first basis of any trade union approach, or the approach of any interested group. It is the logical basis. The unions will say, "They have it. We are in a similar position; we also should have it". That is the first point.

The second point is that the nub of the negotiations will be to say, "You have granted it to those who have worked for 30 years as a starting point for extending the principle, now grant it to those who have worked for 20 years".

It opens up the whole field even more. The variation the Government has made in agreement with the teachers has opened up the issue already.

Mr Brian Burke: We should be clear that it was not with the teachers; it was with the joint superannuation committee of all the Government employee organisations.

Mr HASSELL: I am quite happy to be clear about that. The time available to us to really get into all this has been extremely limited. The Premier will understand that there really is a problem in our having had to deal with the Bill in the short time that has been available.

The second provision of the Government legislation is to establish an indexation fund into which fund surpluses are to be paid. These surpluses are to wholly or partially pay for a renewed Government commitment to full indexation pensions. Of course, the Government has an existing commitment to the full indexation of pensions as I understand it, and the renewal of the commitment is nothing new in itself; it is simply verbiage.

The point is that the indexation fund is to be established and that fund is to be made up of what are called the surpluses in the superannuation fund. This is one of the areas in which the Government finds considerable difficulty justifying what it is doing, although I understand what it is doing and I understand why it is doing it.

I was careful to point out at the beginning of my remarks that the superannuation fund for Government employees in Western Australia is made up exclusively of the contributions of Government employees and of the accretions to those contributions, and those accretions are made up of earnings and, I assume, of capital revaluations.

Mr Brian Burke: There have been no revaluations. As I understand it, the assets have not been revalued since the fund was established.

Mr HASSELL: That is a whole story in itself—as to where that might take the matter even further—but I do not want to go into that at this time.

Mr Brian Burke: I do not know that it will make much difference because of the distribution of the portfolio in different fixed-term investments and some property investments, and the property investments being of recent nature and acquisition. It says something about the fund and the way it has progressed and languished along.

Mr HASSELL: There are some arguments about the authority of the fund to invest, but that is another issue. However, I cannot deal effectively with all the side issues, but must deal with the limited material in front of me. That is one of the real problems with the fund. It is a

problem the Government has; it is one the Government inherited and it is one for which the Government is not responsible. The whole machinery of the State superannuation fund is completely out of date; its structures are out of date, and its workings are out of date.

It is partly because of that that the Opposition has grave reservations about the Government's proposal to take the benefit of some $50 million to $70 million—I gather it is nearer $50 million—and to apply the benefit of that money to reducing the Government's obligation to meet future payments of pension increases.

Mr Brian Burke: That is not right, because that money you talk about is to be the capital base of the indexation account, a capital base from which application cannot be made to the cost of the indexation adjustment; so emerging surpluses from the time the capital base was created are the only ones to be applied to the CPI adjustment, and the money remains within the fund.

Mr HASSELL: I understand what the Treasurer is saying, but the interest earned on that money—about $50 million—is to be applied to the reduction of the Government's existing obligations.

Mr Brian Burke: That is right.

Mr HASSELL: As someone pointed out to me in our party room today during our discussion of this matter, if I were to be given $1 million and was then told that the $1 million was to be put aside and invested and that the income from the investment was to be paid to the fellow who gave the money to me, I would not feel I had advanced very far; in fact, I would have advanced nowhere, because he would have the full benefit of that $1 million. It is exactly the same with the Government's intentions here, but the fact that the Government is not taking the capital fund and converting it completely to its own use does not mean the Government is not to take it in practice, because it is taking the income from that money.

Mr Brian Burke: Your analogy is convenient, as is the following: If you were to invest your money in a savings account at a promised rate of 10 per cent, and then you received that 10 per cent plus an amount that made what you received a payment in today's dollars, rather than just a payment that reflected the interest rate, you would consider yourself to be fairly well off.

Mr HASSELL: I am not sure I understand that example, although I know what the Treasurer is driving at. But the point is, as I understand it, that the Government is saying that the surplus in the fund is a surplus only because of the artificially structured nature of the fund, in the way in which the money is paid out from the fund to the beneficiaries—the pensioners—and that what the Government is seeking to do is to apply all the earnings of the money in the fund towards meeting the pension costs, whereas presently the earnings are paid out towards meeting the pensions and the interest is artifically pegged at a low figure.

As I said at the outset, that is an understandable position, especially as the Government's commitments are growing at the alarming rate to which I have already referred.

Our position is simply this: We have a very genuine concern about the propriety of what the Government proposes to do. It seems to us that if such a move were made within the private sector in relation to a private sector fund, serious legal questions would have to be answered about whether it could be done under the usual superannuation set-up.

Mr Brian Burke: Do you know of any private fund that guarantees full indexation on an annual basis?

Mr HASSELL: No, and I said that at the outset. I said that the State's public servants are in a privileged position. The Treasurer is now extending that privilege with his 55-years-of-age retirement provision.

Mr Brian Burke: You can consider any one aspect of any action in isolation, but if you want to be absolutely forthright about this matter, you will acknowledge that for the first time in the history of this fund a Government has seen and acted upon that alarming drain on the taxpayers' purse to which you refer. You cannot gainsay the fact that the creation of this indexation account, and the relief it promises to the taxpayers, goes 10-times the distance towards stopping the flow of blood from this fund than does the coagulation of the age 55 retirement provision.

Mr HASSELL: I am not prepared to accept that proposition just as the Treasurer has put it to me, because what he is doing in part is appropriating to his own use moneys which do not belong to him. I have tried to make that point from the outset. The superannuation fund is a trust; it is a trust fund. It is not available, under the general law or in terms of any understanding I have of equity, to reduce the obligations of the employer.

Mr Brian Burke: The money is remaining in the fund to discharge the obligation partly in respect of indexation to those pensioners.

Mr HASSELL: That is to meet the obligations the Government has to those people. I understand what the Treasurer is trying to achieve. Basically he ought to be trying to achieve what he is trying to achieve, but I question whether he is entitled to do it in this way. That is the question the Oppo-

sition is raising after the limited time it has had to consider the whole matter.

In the mid 1970s, when the result of the Whitlam years was to produce a sudden and dramatic surge of inflation, a number of public companies in Australia suddenly found themselves in a very serious financial position because of their obligations to their pension funds.

Their obligations were increasing at an alarming rate which was threatening to put them out of business. What those companies had to do was to discontinue their pension fund arrangements and start fresh arrangements to apply in the future. That is what I am suggesting the Government should properly be doing in this case, rather than seeking to operate retrospectively by using funds in the trust to relieve it of its future obligations. It should start a new superannuation scheme, under which the extent of obligation will be reduced, and these problems will not arise.

There is no disagreement that the State superannuation fund is outdated and structured badly, and needs to be updated in a substantial way. There is agreement that that is long overdue.

What is happening here is the Government is coming in, before a review is completed, and making a significant change to the structure, without the job being done properly. The effect of that change is a retrospective operation on the funds which do not belong to the Government. It is a retrospective application of accumulated benefits to which, in the broad sense, although not in a legal sense, the beneficiaries of the trust are entitled.

The present pensioners are in a comfortable position in terms of their legal guarantees. They have a pension which is based on their retirement salary and regularly each year the taxpayers of the State supplement that pension in accordance with increases in the Consumer Price Index. They have also an interest in an accumulating surplus in the superannuation fund, so when distributions of that surplus are made—as they have been in the past—the affected pensioners receive not only the benefit of a guaranteed pension and the benefit of an indexed increase, but also a real increase in the value of the pension arising from the distribution of the surplus. We understand that that is a doubling up of benefit which the Government is entitled to question. What we question is whether the Government is entitled to take that benefit, as accrued, albeit it might be questionable, and say, "We are going to take away this benefit from you, even though it is accumulated, and we are going to apply it to relieve ourselves of a future obligation".

What the Government should do urgently is complete an overall and thorough review of the whole superannuation scheme. Maybe the Treasurer can say, "It should have been done earlier", and maybe he is right, but it certainly should be done now.

Mr Brian Burke: I think it will be concluded by Christmas.

Mr HASSELL: I think the Treasurer is lending weight to my argument, because what I am saying is that it is the belief of the Opposition that the Government should not be taking this money and committing it, before an overall review of the restructuring of the scheme.

Mr Brian Burke: Your argument ignores how urgent this matter was, and how serious it was.

Mr HASSELL: We set up a committee in 1982, although I am not sure whether it was 1982, or before that.

Mr Brian Burke: All I am saying is that it is an urgent matter that we attend to the increased obligations, that you rightly outlined, of the taxpayers.

Mr HASSELL: I am not arguing with the Premier about that.

Mr Brian Burke: The review you initiated is due to end this year, but there is no guarantee that will be done. You know how complicated this matter is. You know how long it has taken for the review to get this far. Even if you people do not realise it, it is true that the obligation it imposes on the taxpayer is extremely onerous.

Mr Court: What is it going to save the taxpayer in relation to the Budget?

Mr Brian Burke: It is not possible to say.

Mr Court: Approximately?

The DEPUTY SPEAKER: Order! The member for Nedlands has an opportunity to make a speech at a later stage.

Mr HASSELL: I understand what the Treasurer is saying, but what I am saying to him is that because there is an urgent need to restructure the scheme and do something about the increasing burden on the taxpayer, that does not of itself justify applying funds, which do not belong to the Government, in reduction of the obligations of the Government. That is really the only question we raise. It is an important question about the proposal to establish an indexation fund.

If the Government were saying to Parliament and to the public that the indexation fund would apply in the future and that the future surpluses would be paid into it, that of course is unquestionable, because what is being done is that the scheme is being changed for the future and the Government is saying to its employees, "If you want to continue to work for us these are the new

rules that relate to your superannuation". What the Government is doing is changing the scheme retrospectively. It is taking away benefits which have accrued, not to its employees but to its retired employees. They are benefits which they might have expected to receive.

Mr Brian Burke: That is not strictly true. There are benefits to employees too. The surplus results in an increasing valuation of the units.

Mr HASSELL: Correct. They are benefits that are accrued, but it does not alter the substance of my point. That is the substance of the point we raise on the proposal to establish the indexation fund. I do not think the Treasurer's answer is adequate when he simply says that the situation is urgent and that the Government has a review which finishes in six months, but it cannot wait for six months to do it.

When talking about such a substantial sum of money and such a substantial issue of principle, the Government should have been prepared to do the job properly. I understand the Treasurer wants to bring in a nice Budget. He has got overstretched on his expenditures, and he is trying to make the State Government look extra good.

Mr Brian Burke: It won't affect this year's Budget.

Mr HASSELL: It will affect future Budgets.

Mr Brian Burke: You are referring to overstretching in this year's expenditures. You are talking about 1983-84.

Mr HASSELL: I just said the Treasurer has overstretched.

Mr Brian Burke: I thought you referred to this year's Budget.

Mr HASSELL: I am talking about this year's Budget which in common parlance means the one that is coming, and that is what I am talking about. It will impact on this year's Budget in that sense.

Mr Brian Burke: In the Budget to be framed for 1984-85, yes. It depends on the Government's decision about that part of the surplus to be used. There is no obligation on the Government to use any of the surplus.

Mr HASSELL: If the Government were not going to use it, it has no argument whatever to rush to it before an overall review is completed.

Mr Brian Burke: What I was saying was it is because the matter was urgent and I said we might not use it.

Mr HASSELL: The Treasurer is saying he has to do it because it is so urgent, but the Treasurer cannot on the other hand say, "We might not use it". One cannot have both arguments.

Mr Brian Burke: It does impact on the Budget, but it depends on the decision as to the amount of surplus that is used. That is the point I want to make.

Mr HASSELL: Okay, the Treasurer has made the point, but that does not mean anything in the context of the argument.

Mr Brian Burke: That is your word.

Mr HASSELL: The third provision of this Bill is to transfer responsibility for administration expenses of the State superannuation fund from the Government to the fund itself. The Opposition accepts that proposition and has no argument with it. We believe it to be entirely reasonable that the fund should bear its own administration expenses. It is a separate fund which is a trust for various people. It is not unreasonable that the $1 million or so it costs to administer the fund should be borne by the fund itself.

The fourth specific provision is for police to retain full pension entitlements on earlier retirement. We have already referred to the fact that we are in support of optional early retirement at the age of 55 years. That view was adopted consistently by the former State Government, but we are not in support of earlier retirement with full pension entitlements.

We believe that the granting of that to the police, and the refusal of it to other sections of the Government service, will lead to inevitable pressure from the balance of the Government service to receive the same benefit. We believe that eventually the balance of the Public Service will receive those benefits, as indeed the Treasurer intends, but the precedent has been created and it will flow on to the private sector and create a new burden within the private sector.

Arguments about creating employment by those means are questionable. They tend to be used to try to bolster the case for the legislation, but they are not really the objective of the legislation.

The fifth substantial proposal in the Bill is that public servants should receive a lesser pension if they choose early retirement, under the option they are to be given.

It will be seen from what I have said that the Opposition's position on this legislation can be summarised in these three points: First, that we agree to an optional retirement at the age of 55 years, provided it is on the basis of reduced benefits; secondly, we agree to the transfer of administration costs from the Government to the fund, in respect of the fund; and, thirdly, we are opposed to the application of the $50 million so-called surplus in the superannuation fund to relieve the future obligations of the Government un-

til a complete review of the superannuation fund, has been completed and considered and the many options that are then available are taken into account.

Many questions arise in reading the Treasurer's second reading speech. I had great difficulty in understanding precisely what he was trying to do with a number of things he said in the speech. I hope that in responding to the points that have been made the Treasurer will be as frank in the approach to the matter as we have sought to be in trying to raise substantive issues which should be confronted when dealing with the legislation.

The Bill appears to the Opposition and to those who have advised it in the limited time available—the Bill was introduced rather hurriedly—to have been introduced primarily to enable the Treasurer, in framing the 1984-85 Budget, to reap the full benefit of what he is doing. As I said before, the full benefit is directed towards the shaping of that Budget and the relief which the Treasurer seeks from the over-commitments he has in Government expenditure.

The objectives which the Government will have in dealing with the Budget will emerge when it is presented, but we already have some indications of what the Treasurer is aiming for.

The Opposition has serious reservations about the legislation although, as I have said, there are serious matters to be considered. It is right that the Government has considered those matters; it is right that those issues should be dealt with; and it is right that people should recognise the favoured position in which public servants find themselves relative to the rest of the work force. We are concerned that at the very time at which that is being considered, the special and favoured position is, in one respect, being extended, and that will add a new set of problems as it flows through to other areas.

With those remarks I indicate that the Opposition gives limited support to the Bill and proposes, although it is pointless to do so, that the Government should defer the use of $50 million of surplus funds until it has received the consideration of interested parties. Interested parties should be given the opportunity to consider the report on the overall scheme.

Apart from the police, who have an unqualified singular interest in the outcome of this legislation, there are a number of interested parties. Many public servants have a two-way interest in this legislation. On the one hand, they have the option of retirement at age 55, and on the other hand they are, no doubt, concerned about the $50 million surplus. Many pensioners will not gain any benefit from this legislation and, in fact, they will lose. Their interests have to a large extent not been taken into account in relation to this matter.

That is the basis upon which we approach the legislation and it is one to which we have given maximum consideration in the time that has been available.

MR MENSAROS (Floreat) [9.35 p.m.]: I rise reluctantly because, considering that none of us is an expert in actuarial matters, the Opposition has not had sufficient time in which to consider the provisions of this Bill. One is reminded of the difficulties that prevail not only under this Government, but which have also prevailed during the time I have been a member of this Parliament. This occurs more so in Australia than in other Legislatures, and particularly in the United States of America. The resources and aid available to members in other Legislatures are infinitely larger than those available to members in this House. Also, more information is available to the legislators, both the majority and the minority. It is almost equal to that available to the Administration.

It is very difficult to expect an intelligent debate in Parliament, because members do not have access to resources. Without sufficient aids and officers to research a question, and without sufficient time for members to research it—not being experts in a particular field—it is difficult to arrive at a high level contribution.

I must give full marks to the Leader of the Opposition who dealt with the Bill in a most beneficial way, considering the difficulties with which he was faced.

I would like to emphasise some of the points raised by the Leader of the Opposition. The public have been inclined to judge this Bill without giving consideration to the difference between the superannuation fund the subject of this Bill, and other funds, including the parliamentary superannuation fund. The difference is that as long as the beneficiaries are working and do not retire, the fund comprises solely the contribution of the employees. There is no employer contribution whatsoever until the employee retires. Therefore, the fund is an employees' fund with the employer contribution being made upon the retirement of the employee. Under these circumstances, one cannot escape the situation that the Government is using the employees' funds for the purpose of alleviating burdens placed on taxpayers. It is commendable for the Government to alleviate the burden on taxpayers but not by using the proceeds of this fund. Even if the taxpayers were able to understand the implications of this action and have it explained to them, it would not make right

the wrong that certain payments are being provided by funds belonging to other people.

Superannuation is not a compulsory scheme for public servants, albeit most of them belong to it. During the first six years I was a Minister my private secretary was not a member of the superannuation fund. I asked him on several occasions why he was not a member and he said that he had calculated he and his family would be much better off, considering the inflationary times which were in full swing then, if he invested the equivalent money in properties and enjoyed the appreciation of them. With clever gearing of these investments he said that when he was due to retire he would be much better off. I think he was right.

I came to this country 34 years ago and I advised many people not to take out fixed term personal life assurance, but to invest in conditional purchase land. The people who did this have reaped an enormous benefit, especially when one considers that land could be bought for one shilling and sixpence per acre in those days.

The superannuation scheme is a voluntary scheme and if people join it they join under conditions which prevail at that time. I know that some people do not ask what the conditions are, but it is still the principle that people joined because of the conditions available. If the conditions are changed, as they are to be in this case, then it is not only unfair for those people who joined previously—and who might argue that had they known that these conditions would prevail and they would not receive the surplus they would not have joined—but it is also robbery.

Contributors are being robbed of their funds which are being given to taxpayers. Paul is being robbed to pay Peter. If one wants to express it in a more political way, it is "nationalisation without compensation". Surplus funds have been promised to contributors, the funds are being nationalised, and the contributors do not reap the benefit.

Mr Brian Burke: To protect the promised benefit.

Mr MENSAROS: I do not think that what the Treasurer says can be used in this argument. The employees who contribute to the superannuation fund are citizens of this State and they are confident in the promises of the Government of the day. The promises and undertakings of a Government should be binding on other Governments. The conditions which prevailed at the time the contributors joined the scheme should still prevail.

Mr Brian Burke: You are undermining your leader's argument.

Mr MENSAROS: If a new scheme is started now, every contributor should comply with the new rules, but only from now on. The acquired old benefit should not be taken away.

Mr Brian Burke: That is completely different from what your leader says.

Mr MENSAROS: I am not obliged to think the same way as he or the Treasurer. The Leader of the Opposition pointed out the fact that if the rules are changed now it is retrospective action.

Another point which the Leader of the Opposition mentioned and which I would like to bring, with even more emphasis, to the attention of the House—I noticed that the Press gallery is deserted and no-one appears to be interested—

Mr Brian Burke: They will be listening on the radio to your contribution.

Mr MENSAROS: —concerns the flow-on situation. Those of us who have been here for some time, especially in Government, have experience of that. If one says that the Police Force, for this, that, or the other reason, deserves better treatment and should have full benefits at age 55 years, whereas others should have reduced benefits, this will have the effect of starting an argument for flow-on. Others will want to bring back the balance as it was before, saying they are entitled to these benefits as well. Then the Police Force will want the previous status quo returned. Its members will say they were in a better position. They will want the additional benefit again.

Mr Brian Burke: Retirement at age 23 years?

Mr MENSAROS: This is the situation.

Mr Brian Burke: These people will receive a pension before they start work if we do what you are suggesting.

Mr MENSAROS: The Treasurer has explained an extreme case, which always makes it more understandable.

Several members interjected.

Mr MENSAROS: This would inevitably flow on to the private sector. It has been said very often and in various recent written publications, how non-competitive Australia is economically; how much we have slipped down the ladder in comparison with other countries from the point of view of the standard of living, earnings, and what we can do economically to bring ourselves amongst the leading nations of the world. If this trend continues, as it surely will, then we will create an additional non-competitive situation for our economy, and that is the last thing we want.

I remind the Treasurer of the origin of the 17½ per cent holiday loading. Today there are many complaints that this is one of the factors which makes Australia non-competitive. How did it start? The Treasurer will remember that it was the waterside workers who said, "If we go on

holiday we lose overtime payments, and the bulk of our salary is composed of overtime. If we are on holiday we have much less to spend than our normal earnings."

That was considered by the Industrial Commission of the day and it was awarded to them. As soon as that happened, other people started to claim the same thing, and today everybody receives it. When the first argument started, it could have been said there was something in it because of the different structure of wages, salary, income, or whatever it is called. It is inevitable there will be a flow-on to private employees. By that time we will have created such a situation it will be untenable and it will bring us further and further down to a situation where we should not be considering the richness of our resources, our soil, and the sea around us.

I said I would be brief. I wanted to point out these two principles without going into detailed considerations of the problems which are undoubtedly there. I emphasise that these considerations should not be neglected.

The fund is an ancient one. If one ignored inflation, there would not be any problem. The aim of the Government of the day should be to recognise this and to start another fund without putting at a disadvantage those who already participate and who have joined under different conditions. It ought to be like all the other funds with employer contributions.

Another thing which was put to me is, I think, fairly logical. The benefit coming to people who retire is in the form of the Government's contribution, or the employer's contribution.

There is not one representative on the board of the people who have retired. They are to some extent ignored. They have their interests, and some of them could probably contribute very largely to the operation of this board.

MR COURT (Nedlands) [9.51 p.m.]: I would like also to make a brief contribution to this debate and add my criticism to the fact that we have had limited time to study quite a complicated area. Like the two previous speakers, I am certainly not an expert on or completely familiar with the subject matter. I would like the Treasurer to answer some of the questions when he sums up. No doubt with his advisers here that will be possible in regard to most of the questions.

The first point I would like to make concerns the surplus we are talking about when the valuation is carried at the end of June 1983. We are talking of an estimated surplus of $50 million. I presume that was calculated by adding the surplus of assets over liabilities. I would have thought that the assets are continually revalued when that surplus is calculated.

Mr Brian Burke: That will be the position under this legislation.

Mr COURT: Historically they have been.

Mr Brian Burke: I answered that question with the Leader of the Opposition. I do not know whether you were listening or not.

Mr COURT: The Treasurer was saying they were not revalued.

Mr Brian Burke: My understanding was that they had never been caught up.

Mr COURT: The question was, how was the surplus calculated when it was done in 1977 and 1980?

Mr Brian Burke: I understand that is a notional surplus which is calculated. It is not calculated on the basis of any revaluation of assets.

Mr COURT: Could that just be clarified?

Mr Brian Burke: I think I have just clarified it. Is there something else worrying you?

Mr COURT: How is that $50 million surplus calculated?

Mr Brian Burke: It is calculated by the actuary on the basis of his assessment of the liabilities of the fund.

Mr COURT: Does he compare it against the assets of the fund?

Mr Brian Burke: Yes, I suppose that is an accurate estimation of it—compared with the capacity of the fund to discharge its liabilities.

Mr COURT: Surely that definition would mean that the assets—

Mr Brian Burke: I think that is a fair estimation.

Mr COURT: So the assets are—

Mr Old: The assets have to be revalued.

Mr Brian Burke: They do not have to be revalued; they have to be valued.

Mr Old: They must be revalued at today's value.

Mr Brian Burke: My understanding is that they have not been revalued.

Several members interjected.

Mr Brian Burke: The book value is when it was acquired.

Mr Old: That is right.

Mr Brian Burke: It may be.

Mr COURT: When they calculate this surplus, what is the position regarding property such as the Superannuation Building?

Mr Brian Burke: It is taken at book value.

Mr COURT: At its original value?

Mr Brian Burke: That is right.

Mr Old: In that case the fund is fat.

Mr COURT: One thing which has become clear in the debate tonight is that there is a need for a complete review of the Government superannuation scheme. There is one under way at present, and apparently it will be completed by the end of the year. I believe the results of this review should be known to all concerned before the Government makes such major changes as are advocated in this legislation tonight.

This scheme was first introduced in 1938. Since then it has been amended many times. When it was first started, the working conditions in the Public Service were regarded as being considerably below those operating in the private sector. This scheme was introduced as a means of compensation for people who provide loyalty and good service to the Government. This situation has changed, and now there has been a growth in the percentage of public servants in the work force. Their conditions of employment are somewhat different compared to what they were before. They have quite generous leave conditions, security of employment, and monetary entitlements are far different from what they were when this scheme was first set up.

I believe that in considering a scheme such as this, particularly a Government superannuation scheme, it is important that we do not lead people into false expectations of what they will receive in the future. For that reason it is important that an open inquiry is held into just how this superannuation scheme is to operate, what its benefits are, and how it fits in in relation to other schemes operating in other sectors of the economy. Comparisons can then come out into the open.

Many public servants today, as the previous speaker said, believe that they are about to be robbed by this Government, and that may well be the case. But when a complete review of the scheme is known, everyone will have a better understanding of where he stands.

There has been a lot of talk over the years, particularly in recent years, by Treasury officials and members of the superannuation board about introducing a new scheme to replace the existing scheme. One would like to ask why it is necessary to fiddle with the existing scheme when these people are thinking of bringing in a new scheme.

The other area of concern which has been covered by previous speakers is that by granting special privileges to the police in the public sector, it could be seen that the Treasurer is using their funds for a political purpose and this will create problems within the Public Service because other sectors will also want to catch up. I would like to know just what share of the contributor's funds are being used in this exercise of giving the police full benefits when they retire at 55.

Mr Brian Burke: None.

Mr COURT: I asked the question and received the answer. The principle of retirement at 55—

Several members interjected.

Mr COURT: The interest earned on the surplus will be used to pay the extra to protect those people.

Mr Brian Burke: Not at all.

Mr COURT: That amount will be saved by using it—

Mr Brian Burke: In that case you will say the fund is paying for a hospital, or a university for blind people's dogs, or whatever the Government spends money on.

Mr COURT: It is a case of robbing Peter to pay Paul. One of the points raised is that retirement at 55 will mean that more people will be able to get employment. That really will not be the case, because if one can retire at 55 on full benefits one will find that the good people will retire to get a pension and simply start another career elsewhere. They will continue in the work force, thus the argument that it will create more employment opportunities does not exist.

I should like the Treasurer to answer another aspect. I have not had time to put questions on notice and my query concerns the review of the superannuation fund which is taking place currently. Could the Treasurer tell us the people who are on that review committee?

Mr Brian Burke: Yes, I probably can in due course.

Mr COURT: Have they been the same people over the years, or have they changed recently?

Mr Brian Burke: I think you appointed them.

Mr COURT: I have another question on the same matter. Is the Treasurer's financial adviser (Mr Brush) involved on the same review of the superannuation fund or is a separate review taking place?

Mr Brian Burke: I am not sure that he is involved on the review. He might be an executive officer to one of the reviews. I do not think he is part of any review or consultancy.

Mr COURT: So he would not be working on the review; he would be working as an executive officer of the review?

Mr Brian Burke: I understand that is the position.

Mr COURT: The Treasurer says he understands that review will be completed hopefully by the end of the year.

Mr Brian Burke: Hopefully, but you must understand that what the Opposition has been saying consistently is that this review will adjust downwards the drain of this fund on the taxpayer. That predicates a long period following the review in which no agreement is reached as to what is to be brought into play; so the end of the review may well be at the end of the year, but the installation of an alternative, new, or changed scheme may be a fair while off following that.

Mr COURT: The existing scheme can be amended, as is happening now, or a new scheme can be introduced. We are all aware of some of the problems which can arise in respect of the existing scheme. It is complex. By using the unit approach, contribution rates increase as members become older and those contribution rates can become quite crippling. The benefits are based on service, not on fund membership, so members can join the fund just before they retire, and that is one of the anomalies.

Mr Brian Burke: May I interrupt you there? Mr Brush is a member of that committee. He joined it in October 1983.

Mr COURT: He is a member of the review committee which has been ongoing?

Mr Brian Burke: Yes.

Mr COURT: There are many other anomalies with the current scheme which have been outlined in some of the more recent reports circulated by Treasury officers and the Superannuation Board. It is important that we have a superannuation scheme which the State can afford and which does not build up unrealistic expectations in the minds of the potential recipients. It is important that the burden of the scheme does not fall heavily on future generations.

Recently we had the Campbell inquiry into the financial systems within Australia. That was a very detailed, professional report which had many good recommendations. Perhaps it is time a similar inquiry of that standard was held into the superannuation schemes operating in this State, including the one we are debating tonight, before some of these *ad hoc* changes are made.

Mr Stephens: What about the parliamentary superannuation scheme?

Mr COURT: I am thinking about all superannuation schemes in the public and private sectors.

As the previous speaker said, while the scheme is being reviewed, all the contributors should be kept fully informed as to what is happening within the scheme; and also those people who have retired and are now receiving the benefits of the scheme have an important role to play in its operation.

In summary, the retirement of one sector of the Public Service on full pensions is a dangerous precedent and it will cause ill-feeling within the Public Service. It sets an example which the private sector is certainly not going to be able to follow. I am sure the Treasurer realises just how they are battling out there at present.

Mention was made of the problems of international competitiveness and the like. If this sort of flow-on occurs, it will certainly affect that situation. That is not pie in the sky, because we can all recall the tremendous flow-ons which occurred during the Whitlam years when wages and conditions of employment in the Public Service increased substantially and the private sector could not keep up.

It is acceptable to charge the administrative and operating expenses against the fund. I could not quite work out the Treasurer's comment about cost being the common denominator when he was trying to explain whether teachers will get the same entitlements—retirement at 55 years of age with full benefits—if they have done 30 years' service. I presume he was referring to retirement at 55 with full benefits when one has done 30 years' service, if one can afford to pay for it out of the surpluses, and that the interest earned on the surplus will be spread throughout the Public Service.

Mr Brian Burke: It is hard to answer that argument, because you are starting from the wrong premise, which is that retiring at age 55 after 30 years' service attracting full benefits, which it does not.

Mr Clarko: It will attract a bigger benefit than it did in the past.

Mr Brian Burke: That is right.

Mr COURT: The issue of retirement at age 55 on full benefits should wait until the review is completed. The Treasurer said the amount of the surplus he will use depends on the amount earned on the surplus that is used. The point was made that, if the Treasurer has no intention to use all that money, there is no need for this piece of legislation to be before the House tonight.

Mr Brian Burke: It has to be here if you use $1 of it.

Mr COURT: I realise that. The Treasurer should tell the public how many dollars he will use.

Mr Brian Burke: When the Budget is brought down, I will be able to tell you.

Mr COURT: The Treasurer can give us an estimate. He has said the surplus will be approximately $50 million. He will use a certain percentage of that and, as far as interest is concerned, we are looking at, say, $6 million minimum a year, which could be used to assist in the cost of indexation of the fund.

Mr Brian Burke: Are you saying we should base the Budget estimates on what we predict we might earn from the surplus as it is invested during the currency of that Budget?

Mr COURT: The Treasurer will know what the surplus is.

Mr Brian Burke: That is right.

Mr COURT: And he will know how much he will earn. That is what a Budget is all about. If he earns 10 per cent on it—that is a conservative figure—it will amount to $5 million.

Mr Brian Burke: So you are saying we should predict we will earn a certain amount and put that prediction into the Budget.

Mr COURT: That is what the Treasurer does with the Budget. He predicts what he will earn in respect of railways, payroll tax, natural growth, etc.

Mr Brian Burke: All I am suggesting to you is that in those other areas of revenue raising that depend on levels of activity and where estimates of revenue are made, there is a difference from estimating revenue that will be made on this matter; and what I am saying to you is it is more likely that money will be taken into the Budget after we are sure—that is, at the conclusion of the 12-month period—of the amount of the surplus interest that is earned.

Mr COURT: This money will be the surest money the Government will get in next year's Budget. The Treasurer is beating around the bush, because he does not want to say, "Yes, I will get $6 million from this source and it will help me in the framing of next year's Budget".

Mr Brian Burke: Your Dad would blanch at that, because he has always said the interest earned on the short-term money market would not be used until the following year.

MR LAURANCE (Gascoyne) [10.10 p.m.]: The transformation which takes place in people when they move a few paces across the Chamber is amazing. Had we, when we were in Government, attempted to do some of the things which have been done in this field by this Government, there would have been a tremendous outburst from members opposite. I can remember some of the moves made in the cause of responsible financial management a few years ago when we saw the ranting and raving by the then member for Balcatta who is now sitting here as Treasurer. Now he is saying, "This is responsible financial management. Of course the Opposition will go along with it. We can quietly lift $50 million of accumulated surpluses of the contributors to the superannuation fund of the Public Service of this State and the Opposition will applaud us for doing it". That is not the case and he will learn that the public servants of this State will realise the game has been changed quite unfairly.

Earlier tonight my colleague made the point that if one is going to change the rules, one should start a new scheme and promote it as being an option for new contributors to enter into, so at least they know the rules of the game when they start to play. However, the Government has allowed the contributors to accumulate the funds in a certain way, under certain rules, and now it wants to change the rules.

Mr Stephens: You wanted to change the rules for an election up in the Kimberley, from one election to a by-election in one week. You have suddenly got a conscience, have you?

Mr LAURANCE: We paid the penalty for that and I am reminding the Treasurer that fate may prove to be fairly fickle in his case in relation to the public servants and their superannuation scheme.

Instead of being introduced and debated at this stage of the session, the Bill should have been introduced and held over. We have already had an indication of one or two other matters which will be held over until the next session, and it would have been appropriate, if this measure is to be introduced late in the session, that it be held over to the next session so that people, particularly members of the Opposition, have an opportunity to study the matter in detail and discuss it with a number of other people affected.

We have had substantial representations on this matter from those who are affected by it. We have heard from public servants from all areas of contact through their local members of Parliament, and we have heard also from people in the community who will be affected generally. For instance, people who have retired have contacted a number of members, and we have not had the opportunity to respond by supplying to those people copies of the Bill and the Treasurer's second reading speech. Those people have a proper, private, and personal interest in this matter and want to know what is happening to their savings. That is the first criticism I have of the Government in respect of this matter.

My second criticism is that expert advice should have been available to us. We have a Government actuary in the Chamber this evening and his ser-

vices should have been available to the Opposition. They were available at the eleventh hour this evening, because the debate has been brought on suddenly. A brief opportunity existed for the actuary to discuss the Bill with the Leader of the Opposition.

I am not criticising the Government actuary in any way, but it would have been helpful had he been available to us as an Opposition, rather than just to the Leader of the Opposition who is leading debate on behalf of the Opposition on this issue this evening. However, there has been no chance for the Leader of the Opposition to report back to us on his discussions with the Government actuary. It would have been helpful had the Government actuary been able to meet with members of the Opposition who have an interest in the matter or who intended to study the Bill and speak on it. That was not done until a few minutes before the Bill was discussed in the House.

The Treasurer stands condemned for that. This officer is available. He is very experienced and it would have been appropriate for the Treasurer to make his services available to the Opposition.

The option to retire at age 55 has been covered in full by my colleagues and I will not canvass it. The member for Floreat, in particular, made the point that if we offer a retirement option at age 55 with full benefits, it will flow on to the rest of the community. It will cost more jobs; it will not provide them. That has been the case in respect of all the other throwaways the Labor Party has been involved in when it has been in office at State and Federal levels.

We go back to the time of the Tonkin Government and the additional compensation benefits given by that Government. We look at the years which have elapsed since then and the tremendous cost to industry that compensation caused and the number of jobs which were lost because of it. It contributed directly to the loss of jobs in the community, by providing a benefit too great for the community to afford.

The holiday pay loading of 17.5 per cent has already been covered by the member for Floreat. It was a benefit for those who received it and, as members know, a substantial number of people in the community lost their jobs in order to pay for that benefit.

I support the concept of retirement at age 55 on a reduced benefit, but I doubt if it would be effective in creating further employment because it would be difficult for many people to take it up. Perhaps some people who have independent means might be able to avail themselves of that opportunity, but I do not think it would be taken up in a general way.

I want to turn to the administration costs of the fund and the fact that these costs are being transferred over to the fund itself rather than being met by the Government. In a lot of ways there is a sound reason for doing that. I return to the point I made earlier about sound financial management.

Let me take the House back to 1975. In 1975 a large Government agency decided that it should recoup from some people who were receiving the benefit some of the costs for administering a particular fund. That Government agency was the State Housing Commission and it introduced a management fee in 1975. That was sound financial management, as this is, according to the Government. What happened at that time? The then Opposition spokesman on housing, who now happens to be the Premier of this State, squealed like a stuck pig on that occasion and kept up the barrage for a long period of time. I am talking now about the Labor Government's management fee on the Public Service superannuation scheme in this State. Let the public be reminded that here is "the Brian Burke management fee". I thought FID tax would be the Brian Burke management fee, but Public Service superannuants and contributors will now know that the then Opposition spokesman on housing who ranted and raved when the management fee was introduced is the same Treasurer who is introducing his own little management fee in 1984.

Finally, I want to discuss the amount of $50 million or thereabouts accumulated surplus. The scheme public servants currently enjoy is a form of "benefits promised" scheme. Benefits are promised to them; CPI increases are promised to them. That has been the experience, and those who contribute would expect that to continue, but it will not do so. The Government will change the scheme. It is "superannuation by stealing away those benefits", and if the rules are changed the Government really has a responsibility to advise that the conditions will be changed as from a certain date, that people will qualify for or be offered a different type of benefit, and then they can contribute or make their decisions about whether they wish to contribute to that scheme according to the benefits that they have been promised. That is the only responsible way the Government can go about it.

This is a retrospective action; it is not prospective in any way. Those people who have been contributing have every right to be annoyed at the Treasurer for taking away those benefits that have accumulated under the terms under which they have contributed. The surpluses have previously been distributed. The first disbursement of which I

am aware was in 1964, so there have been regular disbursements of the surpluses and if the promise of those benefits is getting out of hand and the Government has to do something about it, obviously it should choose a date from which the changes should occur. This happened in the local government scheme in recent years; the whole basis of the local government superannuation scheme changed.

A review is currently taking place. The Government could say, "Right, as a result of the review, we have planned a sound financial change for the Public Service superannuation scheme for this State and we will declare a new scheme. These are the benefits. You should try to contribute in the future. As from such and such a date these are what the benefits will be."

That is the way a sound manager would go about it. That is the way a person who had the best interests of the public servants of this State at heart would proceed, but not this Government, no. The Government has moved in a very heavy-handed way and it deserves all the rancour and criticism from the public servants which it will get on this matter. The Government deserves it.

If Government members can cast their minds back to the sorts of things they said in 1975 about changing the rules and introducing things like management fees and so on, they will see that all these statements apply as equally today in regard to this change.

It is a measure which the Treasurer is hoping to introduce in the name of sound financial management, but quite frankly he deserves censure from those people who have been contributing in this way. I am sure they will make their own protests. I am sure that when the Treasurer looks at what has happened to the public servants of this State, he will see that the contact between the Government, Ministers of the Crown, and senior public servants has been completely destroyed. That link has grown up in this State and has been taken for granted in the past. It will be destroyed by interposing a completely new breed of people in between senior public servants and Ministers. A political bunch has been superimposed upon the Public Service and Government relationship as we have known it in this State for a long time. This is one way in which the whole Public Service is under threat.

Senior public servants lost 10 per cent of their salaries, and some Government members felt they were the "fat cats" who could afford to lose that amount. Some have said so in this House. I have not yet met one public servant who said he could afford to give away that 10 per cent of his salary.

Now we come to the situation where a complete change is occurring in the provisions of the superannuation scheme; it is taking away from those people who have been contributing a benefit in terms of a disbursement that they could rightly expect because of historical precedent and this is also to be used by the Government for a completely different purpose to what was intended or what has been set by precedent.

The Government deserves to be taken to task by public servants in this way. I can see the advantages for the future and that the taxpayer will benefit, but there are ways in which the Government could be fairer to the taxpayers of this State, and, in addition, be much fairer to the contributors of the existing superannuation scheme for public servants, and to be much fairer on this occasion to those who have retired.

MR BRIAN BURKE (Balga—Treasurer) [10.23 p.m.]: I should at the outset thank the Opposition for its qualified support for the measure now being debated. Before addressing those matters that have been raised by Opposition speakers, I want to point out to the Leader of the Opposition and to the House that the Government has consistently attempted to provide seven days during which the Opposition has time to study legislation presented to the Parliament. I might say that that is more time than was often provided to us by our predecessor Governments. On this occasion six days have been provided in respect of a piece of legislation which was foreshadowed in detailed form many weeks ago.

Mr Hassell: You cannot study legislation until you receive it.

Mr BRIAN BURKE: I am not saying that a person can study legislation before he has it before him. I am saying that six of the seven days normally provided were provided to the Opposition in respect of a piece of legislation, the provisions of which were publicised in great detail, certainly in the controversial areas that the Opposition has drawn attention to tonight, many weeks ago. I add to that the fact that while the Government in seeking the co-operation appreciates the acceptance of the Opposition in this matter, it is accommodating the Opposition in respect of its requirements for Friday of this week. The Government certainly appreciates the Opposition's extension of courtesy and accommodation in the matter of the time available for debate, but points out to the Opposition that it has been no less accommodating in respect of the Opposition's desires and needs from time to time.

The other point I want to raise is of a passingly important nature and relates to references made by the last speaker and by one or two of the

speakers previous to him about the access of the Opposition to Government advisers; in this case the actuary was the one referred to. Members of the Opposition have very short memories because I can recall being told that there would be no access by the Opposition to Government officers to discuss legislation.

It was not very long ago that we were greeted with that sort of rejection from the previous Government that now, in Opposition, sees itself quite suited to saying that we are being less than courteous.

Mr Mensaros: The Attorney General. It may have been one of the Ministers.

Mr BRIAN BURKE: I can recall its being true of more than one Minister. I cannot recall its being the case where the Opposition had requested access to a Government officer from this Government that that request had been denied, and even tonight, taking into account that six of the normal seven days were provided to the Opposition to study the legislation, the Government actuary was willing to come to Parliament House at short notice to talk to the Leader of the Opposition. As far as the request to talk to the actuary was concerned, that request was made to the Government, I understand, only today. So on the day the request was made the officer was made available.

I do not really want to canvass those matters because I do appreciate the Opposition's accommodation of the request that this debate proceed tonight. I do not intend to address myself to those matters on which people have, with some grumbling, it is true, agreed with the Government's position on the question of the optional retirement with no benefit to people aged 55 within Government employment, the administration costs of the fund being borne by the fund, and the general nature of the difficulty that the taxpayer in the final analysis will be confronted with as a result of the escalation and the burden of the fund that is imposed on the taxpayer.

I do want to address the major problems that have been raised, the first of which is the question of the surplus that is created within the fund and the way in which it is proposed that this surplus should be placed in an indexation account. Before we sensibly start talking about to whom the surpluses belong we really have an obligation to look at how the surpluses are created and in that way to determine whether or not the surpluses appropriately belong to those people to whom we would assign ownership.

Surpluses result from four different things, the first of which is inflation. It is simply the case that the surplus is created largely as a result of inflation when the basis on which the fund is founded is taken into account and the result or the implication of that basis for the future benefit to pensioners is concerned.

The second point is that the Government has, since the inception of the fund, assumed the responsibility for the administration costs of the fund and that has contributed to the surplus that has been created within the fund.

The third point is that the Government has consistently undertaken an obligation in the name of the taxpayer to fund all of the Consumer Price Index adjustments to the fund and on that basis, remembering that the adjustments are made both to the Government's contribution and to the fund's contribution to the pension that is paid, the assumption of that obligation has provoked in some part the creation of the surplus.

Finally, the tax exempt nature of the fund and of the earnings of the fund's investment has contributed also to the creation of the surplus. That is where the surplus came from. It was not a surplus that magically appeared as a result of factors that were not related to the Government's involvement in the fund.

If one then looks at the result of the creation of the surplus, ignoring what the Government plans to do in respect of the indexation account, the contradiction becomes quite startling. When one considers that inflation has contributed largely to the surplus that is created, and when one says that that surplus is distributed as a bonus in terms of the increased value of the shares held by current contributors and pensioners, one is really contemplating a double benefit behind which I do not think any member of the Opposition would stand—that is, that we should assume the burden of paying to contributors and retirees the CPI adjustment enhanced by the effect of inflation on that value of unit, enhanced further by the bonus distributed but largely created as a result of inflation.

If one looks at it carefully, one sees the situation is that the CPI adjustment is compounded or amplified by the bonus which results from the surplus, and in addition to which attracts a consumer price adjustment. That is really what we are looking at, is it not?

Mr Court: By inflation, do you mean the value of the assets?

Mr BRIAN BURKE: No, the value of the fund as opposed to the value of the assets, because I am informed that what I previously told the House was the case, that the value of the assets is the value at which the assets entered the fund, and there has not been any revaluation. That is not the point I am making. The point I am making is there

is a certain entitlement that attracts on the taxpayer's ledger or from the taxpayer's purse a Consumer Price Index adjustment. The Opposition is proposing that the CPI adjustment should be compounded or amplified by the distribution to which will also be applied the adjustment upwards of the bonus represented by the surplus which is itself a product of that inflation which reflects the CPI adjustment. It is a double or even triple benefit.

Mr Hassell: That is the quickest sidestep I have seen.

Mr BRIAN BURKE: I will try to explain it again.

Mr Old: Please do.

Mr BRIAN BURKE: I do not know if I can be here long enough to explain it the number of times the member for Katanning-Roe would require.

Mr Old: You are talking absolute drivel.

Mr Hassell: First you say the assets have never been revalued and then you say the surplus arises from inflation. You cannot have it both ways.

Mr BRIAN BURKE: The inflation is not the inflation in the value of the assets; it is the reflection of the earnings of the assets. Does the Leader of the Opposition see that?

If the fund is predicated upon the earning of a certain rate of interest considered necessary, adequate, or appropriate to provide the benefits promised, one does not need to consider the assets if a situation exists in which the earnings affected by inflation—not the assets—are increased beyond that interest rate on which the pension fund is predicated.

Mr Court: I know what you are saying.

Mr BRIAN BURKE: I am glad to hear that because the Leader of the Opposition seems still to think—

Mr Clarko: Harold Holt when he was Federal Treasurer read an actuarial statement to the House in a situation like this, and a member of the Opposition yelled out, "You do not understand that", and Holt replied, "No, I do not", and went on reading. I think that situation has arisen now.

Mr BRIAN BURKE: The member knows what happened to Harold Holt.

Mr Clarko: You are likely to go the same way.

Mr BRIAN BURKE: I would like to explain it if I can, and I think I do understand it.

Let us go back one step. The surplus results from inflation, not of the value of the assets, but of the effect of inflation on the earning rate of investment of the fund as opposed to the value of the assets, and compared to the earning rate on which the fund is predicated. That is the first point. The second point is that, if one takes into account the promised benefit of the fund and accepts there is an obligation to adjust it according to the CPI movement, one has a certain obligation that costs the Government or the taxpayer a certain amount of money.

If, as a result of inflation, the value of the benefit that is to be adjusted by the CPI increase, itself increases, one has a double effect of an inflation-created benefit being passed on to comprise an amount of money which is then adjusted according to the CPI movement. There is a double benefit—the benefit of the value as increased in the unit plus the benefit of the CPI increase adjusted on the initial unit value, plus the enhanced value recorded from the distribution of the surplus in terms of the bonus reflected in the value of the unit.

Mr Mensaros: If you buy property trust units, the same applies. You have an accrued value and higher interest paid to you.

Mr BRIAN BURKE: That is not really the same because I know of no property trust in which the CPI movements are guaranteed.

Mr Old: What is the notional interest rate?

Mr BRIAN BURKE: I think it is 3¾ per cent.

I do not think the member for Floreat's interjection is analagous. A situation which is analagous is that in which someone invests his or her money in a savings account and then receives the interest that has accrued, plus an additional payment to ensure that the interest is paid in the dollars of the day in which the cheque is received. That is the double benefit as best I can explain it to members. It is not only the interest rate, but also the interest rate enhanced by an adjustment which makes sure that the dollars one receives are in the dollars of the day in which it is paid.

Mr Court: That is already the case.

Mr BRIAN BURKE: No, it is not at all. There may be an argument that interest rates reflect inflation, etc., and I accept that. But it is still true that the dollars one receives back reflecting the interest on the money one has invested are paid in the depreciated dollars according to the excesses of inflation. I am saying they are paid in the dollars affected by inflation and that there is another added-value adjustment that represents what inflation has done to the value of the dollars.

The other aspect which I have said contributes to the creation of the surplus is the shouldering of the administration costs by the Government, and I suppose it is true to say that that has enhanced the surplus which in turn increases the value of the units, if it is distributed, on which again the tax-

payer pays to adjust upwards the value of the pension for the CPI increases.

It is really a situation in which the Government penalises itself not once or twice, but three or four times as far as I can see. It seems reasonable to me that the proposition embodied in the legislation should persist. As far as I am concerned there should not be a question of a contributor benefit at both ends of the scale.

The real worth of the Opposition's comments was that begrudging acknowlegement that the Government is trying to do something about a very serious and an alarmingly worsening drain upon the taxpayer's purse. The Opposition has an obligation to pay some sort of tribute to the Government for the way in which it has attacked a very serious area through which Government finances are being eroded, and a very serious threat to the greater erosion of those funds or revenues in the future.

Mr Tonkin: If you do not congratulate us, we will.

Mr BRIAN BURKE: I repeat that the surplus is largely an animal created by inflation and by the Government's shouldering of the administrative costs of the fund, together with—and this is an interesting point I have tried to stress—the payment by the Government of the CPI adjustment on both shares of the fund and by the tax exempt status of the income of the fund. In those circumstances, when people talk about confiscating the surplus, I would even start to look seriously at the morality of doing that and say a case probably exists for our supporting that proposition.

We have not sought to do that. We have sought to create within the fund an indexation account that remains within the ownership of the fund, and which is used to help defray the costs of the CPI adjustment the Government is obliged to make. On that basis; we have not confiscated anything. The surplus remains in the ownership of the fund and we have not confiscated anything that has been created as a result of other than the four factors to which I referred.

The other spurious argument put forward is that because the Government does not undertake its obligation until someone retires, there is somehow or other something sacrosanct about the fund itself. The truth is that the Government meets its obligations in the same way as they would be met were the fund a funded scheme. Because the obligations are shouldered at the time they become due, it in no way diminishes the obligation and in no way attacks the integrity of the Government's participation in the fund. It simply is an unfunded pension scheme. While we might argue about the effects or dangers of those sorts of schemes, that is the truth of the matter, and the Government has shouldered its obligations and not let anyone down at the time those obligations became due.

For all those compelling moral reasons that go to the way in which the Government, and successive Governments, have supported this fund, it seems to us to be the case that ample justification exists for acting quickly to make sure that the obligations are contained in the most reasonable manner possible.

More than that, no one has converted the surplus to anything but the use of the fund. It remains within the fund and will not be drawn upon for Government use or excluded from the fund in any other way.

I refer now to the question of the Consumer Price Index adjustment and the very real problems that that poses for a Government not prepared to take the sort of action we have taken. It is quite simply the case that the escalation in the cost of this fund to the taxpayer, as outlined by the Leader of the Opposition, is such that in due course and in not very many years from now there would not be the capacity to meet the obligations assumed by Governments until today. The Opposition should not worry about the problem of meeting obligations and how it will happen or the question of the surplus being put into an indexation account. If it is not done within a very few years, there will not be the capacity to meet obligations that Governments have consistently said they would meet in respect of this fund. The future history of the fund without this action is already being written by the way in which the burden is escalating. We have guaranteed the two most important aspects of the fund: Firstly, the percentage of salary on which people will be entitled to retire, and that protects people in the fund now; and, secondly, the continued adjustment for Consumer Price Index movements to those pensions being paid to people who have retired, which is the single most important aspect affecting them. It can be seen that the two most important aspects are being secured and underpinned by the indexation account that this proposal introduces.

There was a difference in the method suggested by the Leader of the Opposition to overcome the problem compared with the method suggested by some of his colleagues. The Leader of the Opposition said that were we to use future surpluses that would be quite an acceptable way of operating the fund.

Other members on the Opposition side said by implication that that would not be acceptable. However, it would be acceptable to establish a new fund which would treat equally all those who joined from the point of establishment. There is an

important difference in the way those members approach the matter.

The indexation account uses as its capital base that amount of surplus earned up until the period 30 June 1983. In that way at least we have gone some of the distance towards meeting the point made by the Leader of the Opposition; that is, we are not using the surplus but will not distribute it to compound our obligations insofar as the CPI increase is concerned. However, we shall leave it as base capital and use interest it raises to defray the burden of CPI adjustment. The Opposition proposes that we should distribute the surplus and assume by this distribution an even greater or compounded obligation in respect of CPI adjustment. We think it is fair to secure that surplus in the name of the fund to be kept within its ownership and use the interest that is earned from the surplus to defray the cost. Of course, that is interest from the date to which I previously referred.

The Leader of the Opposition referred to the amendment that will be moved in another place dealing with years of service; namely, 30 years, as they entitle people to retire at certain levels of benefit. I do not want to go into any great detail on this point but the no-cost option of retirement at age 55 is made no-cost because there are two subtractions from the benefit people will receive if receiving full Government benefits: Firstly, for early emergence from the fund, and secondly, subtraction from benefit that results from a lesser period of service, which is a circumvented reduced service subtraction.

The optional retirement at age 55 by those who have served 30 years in Government employment according to the Bill before the House entitles those people who decide to retire to avoid the reduced service reduction but not the early emergence reduction. That means it is an intermediate stage between no-cost and full Government benefit retirement available to policemen. On that basis we have not set the precedent that the Leader of the Opposition fears although I suspect he will take issue with the fact that we are providing an added benefit. He may see this as leading to pressures from other workers in Government service for some benefit approaching that intermediate benefit available to those who have served 30 years.

I now refer to the question of police officers retiring at age 55 on full benefit. There is no provision within this legislation to pay the extra benefit policemen will receive from the fund. The Government assumes full responsibility for paying the cost associated with allowing policemen to retire at age 55 and does not expect other contributors to bear that cost.

Mr Clarko: Do you know what it amounts to?

Mr BRIAN BURKE: It is difficult to estimate without knowing how many people will take advantage of the option. I am informed that the figure is approximately $800 000.

We can argue all day about whether policemen should have this benefit. The Government made the commitment prior to the last election. It bases that commitment on practices in other parts of the world in respect of police service and it does not retreat from the commitment. The Government believes it is an appropriate and normal commitment that should be extended to policemen. I know the Opposition disagrees; I cannot convince them that the police should not receive the benefit and we must beg to differ on that point.

I now touch briefly on the generosity of the scheme simply to assure members that we are not leaving those people who are members of the fund or who are retired Government employees with a fund which is less than generous. Members should consider whether they know of any other scheme that offers retirement benefit of which only 10 per cent is made up from employees' contributions; and, whether there is any other scheme of which they have knowledge which recognises employment service as distinct from contribution service for the purpose of determining employees' proportion of benefit. That is the point touched upon by the member for Nedlands when speaking about the way in which some people join the scheme very late in the day and retire shortly after joining. I wonder whether members know of any other employer who undertakes to meet the full CPI adjustment that this scheme involves and promises to make sure that the real value of the pension is maintained in that way. I wonder whether there is any other scheme of which members have knowledge that entitles contributors to receive the full employer share of pension—that is, 50 per cent of final salary—by paying the equivalent of one year's contribution by lump sum on the day of retirement. This scheme does that and it cannot be called mean or ungenerous; I think rather the reverse is the case.

Despite the gymnastics of the contributions of the Opposition, the one objective measure against which the benefits and the disadvantages promised in this legislation as expressed by the Opposition can be weighed is the cost of the benefits and the savings of the disadvantages. On that basis there can be no argument with the fact that the Government, while it is promising some worthwhile benefits, is promising benefits which will cost far less than the amount saved as a result of the

indexation action and use of surpluses within that account.

Let us not argue in the same way as some people will over whether we should eat our cake and have it too. Let us not say the benefits are worthwhile and the disadvantages are to be deferred or put aside. Let us look at the reality which is that the benefits proposed in terms of cost to the taxpayer are far outweighed by the more sensible arrangement of the surplus within the indexation account that will fund in part the Government's share of the CPI adjustments. As best the actuary can inform us, the CPI adjustments that will be made to the fund this year will cost $35 million. There is no question of the surplus paying off all of the CPI increase that the Government will pay. After years and years of paying off the total CPI adjustment the taxpayer will still be paying for the CPI in part. In future years where no surplus is earned, as a result of the commitment made by this Government today, the CPI adjustment will still be paid by the taxpayer. As far as that is concerned, I do not think the Government has done anything more than confirm the most valuable aspect of the fund to those who have retired on pensions.

I refer to the important question of job creation which has been dismissed so blithely by the Opposition. The early retirement of police officers in a situation where the Government is pledged to maintain and increase levels of police staffing in this State must mean that new jobs will be created. Even a situation with a policy of 50 per cent replacement of retiring or resigning staff from Government employment means that those people who retire under the auspices of this scheme will ensure that new jobs are available to be filled.

Mr Court: What happens if he then goes and gets a job somewhere else?

Mr BRIAN BURKE: That sort of argument does not depend for its validity on anything except the state of mind of the member for Nedlands.

Mr Court: You are presuming that people want to retire at 55?

Mr BRIAN BURKE: No, I am not presuming they will want to retire at 55. But I am not presuming that they will get jobs elsewhere.

Mr Court: They can retire at 55 on full benefits and then get another job.

Mr BRIAN BURKE: They can retire at 60 and get a job elsewhere. They can retire at age 55, 56, 57 and so-on and get jobs in the same way as they can at 60. However, for everyone who does not, a job is created for another person. All we can say about the argument of the member for Nedlands is that he disagrees with the number of jobs which will be created. Perhaps the member presumes that everyone who retires will want to keep working.

Mr Court: Well, don't keep saying it will create a whole heap of new jobs.

Mr BRIAN BURKE: I say quite blandly that it will create new jobs. I would not presume that everyone who retires under this scheme at age 55 will go back to work in some other job.

I know of one policeman who is holding his breath, having sold his house on the basis of the announced decision to allow policemen to retire at age 55, just waiting to take an overseas trip. It may be that when he returns from overseas and shifts to Mandurah, where I understand he wants to live in his retirement, he will rejoin the work force; but I doubt that that is true.

I do not know the reason that the member for Gascoyne made a contribution, because it detracted from those made by his fellows.

Mr Laurance: It upset you again.

Mr BRIAN BURKE: It does not upset me. The day the member for Gascoyne can upset me will be the day I leave this place, because it would say so much—

Mr Laurance: Is that a promise?

Mr BRIAN BURKE: I am happy to make it a promise. His capacity to upset anyone, apart from himself, is doubted.

It did not add much to the debate for the member for Gascoyne to talk about the State Housing Commission management fee, or for him to talk about ministerial advisers, or generally to reduce what was a reasonably substantial debate to his sort of censure-rubbery-rabbley argument. Perhaps the Opposition agrees that is a good thing to do, but I simply say, on behalf of the Government, that there is not much benefit to anyone in doing that.

I understand the position of the Opposition in these areas, but I can only say that if, at the end of the day, the Opposition weighs its position carefully, everything that it said about the dangers to the State's economic well-being are really answered by what the Government proposes to do. The Government proposes to do something about the drain on the State's revenue that has constantly caused private employers to complain that the Government is pacesetting in a way with which it cannot keep up. So, far from pacesetting on early retirement, we are pacesetting the other way and saying to the private sector, "Look, we are doing something to put our own house in order". That is something that the private sector is applauding and will continue to applaud.

As far as the review is concerned, I have stated publicly that it will continue and, hopefully, be completed at the end of this year. I would not bet on the end of the review being followed very closely or quickly by a new scheme, because, as members will know, the development of a new scheme is open to a great deal of argument backwards and forwards, particularly if the Opposition's sympathies are directed to a much less attractive scheme, as it indicated during its contribution tonight. Do not let us become obsessed with the fact that the review will end and create a new scheme in a few months' time.

The legislation being put to the Parliament will be referred by the Government to the review committee. I have given certain undertakings to the joint superannuation committee about the openness of that inquiry and about its ability to consider the matters that the Government employee representatives want considered.

I should also point out to the member for Floreat, who raised the question of a representative of the pensioners being put on the fund, that the chairman of the fund (Mr Jarman) is a pensioner. I would think that he is able to represent the point of view of the pensioners. In a formal sense, the member is perfectly right; there is no designated representative of the pensioners on the fund. I will cause the committee to consider that in its review as well.

Mr Mensaros: Can you make a comment on the flow-on situation, because that is fairly important to the private sector?

Mr BRIAN BURKE: I commented obliquely on that. If the member for Floreat distils everything that has been done, it is not really a question of a flow-on except in the most vivid sense—the way in which we have set about staunching the flow of funds from the taxpayer in support of this scheme. That is the one outstanding aspect of this Bill.

The concessions made to policemen or to people with 30 years' service who want to retire at the age of 55 pale into insignificance when one considers the way in which we have attempted to make much less onerous and much less significant the bleeding of funds from the taxpayer's purse to support the Consumer Price Index movement.

Given that that is the most overpoweringly vivid part of this Bill, I do not believe we will see a flow-on. I do not believe the private sector sees this Bill as anything less than a worthwhile, intelligent, and prudent move to restrict the drain on the public purse as a result of this fund. It is a drain to which the former Premier referred when he wrote to the Teachers' Union in 1982. The former Premier recognised the problem and moved to pay tribute to it by rejecting the representations that he received.

If the member for Floreat wants to talk about a flow-on, he is talking about a flow-on in the least significant aspect of the Bill before the Parliament. If he wants to do that, he should talk about a flow-on in the other aspect, which is that part of this Bill which attempts to say to the whole State, "There is a need to live within our means if we want to restore the competitive position we previously occupied".

I appreciate the position of the Opposition, but this legislation stands as a package. If any part of it is rejected, we will not proceed with the package itself.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Bill read a third time, on motion by Mr Brian Burke (Treasurer), and transmitted to the Council.

COUNTRY TOWNS SEWERAGE AMENDMENT BILL 1984

Returned

Bill returned from the Council without amendment.

ADJOURNMENT OF THE HOUSE: SPECIAL

MR TONKIN (Morley-Swan—Leader of the House) [11.10 p.m.]: I move—

> That the House at its rising adjourn until Wednesday, 9 May at 10.45 a.m.

Question put and passed.

House adjourned at 11.11 p.m.

QUESTIONS ON NOTICE

LAND: ABORIGINES

Rights: Inquiry

3205. Mr HASSELL, to the Minister with special responsibility for Aboriginal Affairs:

Has the Seaman inquiry received or accepted any submission since the closing date for submissions where notice of intention to lodge a submission was not given prior to the closing date, and if so, from whom?

Mr WILSON replied:

Yes. As is stated in paragraph 2 of the letter dated 6 December 1983 which was tabled with the answer to question 821 the commissioner, to ensure that a balanced viewpoint was obtained, has never refused a late submission from an individual Aboriginal community which did not give written notice of intention by 2 September 1983.

Between 3 September 1983 and 3 May 1984 the following such submissions were received—

Anderson, Dawn—Perth
Brand, J. & Smith, M—Carnarvon
Christian Aboriginal Parent-Directed School—Coolgardie
Dunham, Reggie—Wyndham
Grogan, R. & J.—Tammin
Hume, Sullivan—Perth
Humphries, C.—Kellerberrin
Koorda Club—Carnarvon
Milliya Rumurra Alcohol Committee—Broome
Murray Districts Aboriginal Association—Pinjarra
New Era Aboriginal Fellowship Inc.—Perth
Ngarla People—South Hedland
Nurtuwarta Community—Fitzroy Crossing
Nyirripi—Treuer Range NT
O'Loughlin, *et al*—Kalgoorlie
Ryder, J. P.—Perth
Smith, J.—Kalgoorlie
Williams, Mrs. M.—Broome

The commissioner sent out two circulars on 20 September 1983; one directed to the broader community and one to members of Aboriginal communities.

Copies of each of those circulars is supplied to the member.

Aboriginal Hostels Limited received copies of those circulars and wrote on 29 September 1983 giving a notice of intention. The commissioner gave it leave to make a submission which was received on 1 November 1983.

There is one non-Aboriginal individual submission which was not preceded by a written notice of intention. It was received shortly after 2 September 1983, following an explanation of matters which are extremely personal to the maker of that submission and the commissioner declines to give me any further details of it.

EDUCATION: HIGH SCHOOL

Hollywood: Caretaker's Cottage

3207. Mr COURT, to the Minister for Education:

(1) When will work commence on converting the caretaker's cottage at Hollywood High School for the purposes of photographic and media studies?

(2) When will the work be completed?

Mr PEARCE replied:

(1) and (2) Tenders closed for these works on 1 May and it will be at least a week before an assessment of the tenders received is completed. The information requested will not be known until then.

RECREATION: YACHTING

America's Cup: Foreshore Plan

3211. Mr MacKINNON, to the Premier:

(1) Is he aware that the Fremantle City Council approached the State Government in March for advice as to what extent the Government would support its foreshore plan designed to accommodate the America's Cup challengers?

(2) If so, when will the Government get its act together and respond to the council?

Mr BRIAN BURKE replied:

(1) and (2) There was an informal approach made to the Government in March, and the Fremantle City Council was subsequently requested to formalise arrangements.

The council forwarded a copy of its foreshore plan to the Government on 17 April 1984.

The Government has acted expeditiously and efficiently in the handling of this matter in trying to achieve a consensus among the various competing interests. I suggest before the Opposition tries to score political points, it gets its own act together.

EDUCATION

Swimming Classes: Certificates

3215. Mr HASSELL, to the Minister for Education:

(1) Is it a fact that for some years the Education Department issued school swimming certificates for use by independent schools?

(2) Is it also a fact that this practice has now been stopped because the department considers that it can not attest to the competence of students of whom it has no knowledge?

(3) Would it not be possible for the department to satisfy itself in individual cases of the competence, responsibility, and professionalism of teachers in independent schools so that it can rely on them to issue the certificates properly, and on the basis of competence?

(4) Would he be prepared to ask his department to assist independent schools in this way so that one standard certificate can be maintained for general use?

Mr PEARCE replied:

(1) Yes. Some three years ago approval to issue departmental certificates was given to independent schools employing swimming teachers who had taught in departmental classes either during school time or in vacation schemes.

(2) Yes. It was felt that—

(a) If a departmental certificate were issued there was a responsibility on the department to ensure that the standards set in each certificate level were rigidly maintained. It was becoming impossible to supervise this aspect of the certificates.

(b) Vacation swimming classes, conducted by the department, provided the opportunity for students from independent schools to receive instruction, and attain the standards set by departmentally approved teachers.

(3) This would be possible only by increased supervisory and administrative support.

(4) The department is aware of the problem and is investigating the possibility of the establishment of a standardised series of certificates.

It must, however, be realised that any authority which establishes standardised certificates must bear the responsibility of ensuring that the standards required at each level are reached. This will certainly involve an assessment of the quality of instruction, the testing procedures and maintenance of standards.

LOTTERIES

Instant and Lotto: Distributions

3217. Mr WILLIAMS, to the Minister representing the Minister for Administrative Services:

(1) Would the Minister please detail the average amount of money paid out each week for the last 12 months in prize money by the Lotteries Commission of Western Australia for—

(a) Lotto;

(b) instant lotteries?

(2) What amount of commission has been paid to agents in the last 12 months for—

(a) Lotto;

(b) instant lotteries?

(3) What administrative, printing, and other costs were involved in the previous 12 months for—

(a) Lotto;

(b) instant lotteries?

Mr PARKER replied:

(1) (a) $516 496;

(b) $511 719.

(2) (a) $3 525 700;

(b) $3 377 065.

(3) (a) Printing $240 251;

Other $1 339 568.

(b) Printing $1 510 762;

Other $1 327 178.

GOVERNMENT PUBLICATIONS

Review

3218. Mr MENSAROS, to the Premier:

(1) Has it been correctly reported in *The West Australian* of 3 May that the Government is reducing spending on its publications, including departmental annual reports?

(2) Will these proposed cutbacks also affect annual reports, the compiling of which and tabling in Parliament by the Minister responsible is a statutory requirement?

Mr BRIAN BURKE replied:

(1) The Government is conducting a review of its publications. I have asked all department heads to supply information to the policy secretariat in the Department of the Premier and Cabinet. This review has been undertaken as part of the Government's drive for greater efficiency and reduced spending. As I have told Parliament, the previous Liberal-National Country Party administration ran up a bill for more than $5 million on Government information.

(2) Annual reports to Parliament will continue to be made in accordance with statutory requirements.

TAXATION

Land Tax

3219. Mr MENSAROS, to the Treasurer:

Further to his reply to question 1102 of 20 September 1983, can he please say whether the Government's consideration of the recommendations by the Urban Development Institute of Australia (WA Division) Inc. re land tax had been concluded, and if so, which of the recommendations have been accepted?

Mr BRIAN BURKE replied:

Consideration of these matters is continuing. A final report is to be provided to Government in due course.

RECREATION

Community Sport and Recreation Facilities Fund: Distributions

3227. Mr McNEE, to the Minister for Youth and Community Services:

(1) Has a public Press announcement yet been made regarding the allocation of funds for major projects from the community sporting and recreation facilities fund?

(2) When will the unsuccessful applicants be notified?

(3) What was the total allocation made from the fund this year?

(4) Which projects submitted by shires in the Midlands region for both categories of works have not been approved and why?

Mr WILSON replied:

(1) Yes.

(2) Letters of advice have been forwarded.

(3) $1 412 146.

(4) A total of 94 applications from the Midlands region were unsuccessful due to insufficient funds available for allocation. Details of the unsuccessful applications are tabled herewith.

The document was tabled (see paper No. 743).

HEALTH

Education Programme and Policies: Advice and Studies

3228. Mr HASSELL, to the Minister for Health:

(1) What advice or studies has the Government received on the State's health education programme and policies?

(2) Will he table all outside (non-West Australian State Government) advice and studies?

Mr HODGE replied:

(1) and (2) The member's question is not specific. The State's health education programme and policies are based on a wealth of literature, advice, and consultations, discussions with persons within Government and Government Agencies, Health Ministers' Conferences, and between representatives of Commonwealth and State officers, etc.

A steering committee is preparing a report on priorities in health education and promotion in Western Australia.

3229. *This question was postponed.*

HOUSING

Wait-turn: Waiting Time

3230. Mr MacKINNON, to the Minister for Housing:

In the report to the Minister for Housing entitled "Housing Problems! Needs!" it states that waiting time for a State Housing Commission dwelling outside the metropolitan area has risen by at least 6 months to 30 months since January 1983—

(1) Why is this so?

(2) What is the Government doing to overcome this increasing problem?

Mr WILSON replied:

(1) Under the previous Government, the public housing stock had not increased at a rate sufficient to cater for increased demand.

(2) This Government will construct an additional 5 000 dwellings during its first term in office. Bearing in mind that there were 26 000 public rental dwellings when we took office in 1983, 5 000 additional dwellings is a substantial commitment to public housing.

LAND: ABORIGINES

Rights: Central Reserve Area

3231. Mr MacKINNON, to the Minister with special responsibility for Aboriginal Affairs:

(1) Is he aware that on 17 November 1982 the present Premier gave an undertaking to the Ngaanatjarra people that his Government would give freehold title to the entire central reserve area, and more?

(2) Is this undertaking still valid in the light of the appointment of Paul Seaman to conduct the inquiry into Aboriginal land rights?

Mr WILSON replied:

(1) My information is that there was a Press report to that effect.

(2) This Government has announced its intention to extend land rights to all land reserved for the use and benefit of Aboriginal people. One of the functions of the Aboriginal land inquiry being conducted by Mr Paul Seaman QC, is to determine the most appropriate form of title over this land, which includes the Central Reserves.

HOUSING: RENTAL

Rents: Rebates

3232. Mr MacKINNON, to the Minister for Housing:

(1) How many unemployed tenants of the State Housing Commission were listed as requiring rebate of rentals as at 30 June 1982?

(2) How many unemployed tenants of the State Housing Commission were listed as requiring rebate of rentals as at 30 June 1983?

Mr WILSON replied:

(1) Unemployed tenants receiving rebates at June 30, 1982—

(a) Commonwealth/State Rental Scheme	1 368
(b) Aboriginal Rental Scheme	241
TOTAL	1 609

(2) Unemployed tenants receiving rebates at June 30, 1983—

(a) Commonwealth/State Rental Scheme	2 052
(b) Aboriginal Rental Scheme	298
TOTAL	2 350

HOUSING

Land: Discount Incentive Scheme

3233. Mr MacKINNON, to the Minister for Housing:

(1) When did the State Housing Commission introduce its short term land discount incentive scheme?

(2) How many people have applied for the incentive?

(3) How many applicants have been successful?

Mr WILSON replied:

(1) January 26, 1983.

(2) 254 as at May 7, 1984.

(3) *2—$500.00 Rebates
*252—$1 000.00 Rebates
*As at May 7, 1984.

HOUSING: ABORIGINES

Rent Warranty Scheme

3234. Mr MacKINNON, to the Minister for Housing:

(1) When was the rent warranty scheme to assist Aboriginal tenants implemented by the State Housing Commission?

(2) When was the scheme extended to include country and north-west areas?

Mr WILSON replied:

(1) The rent warranty scheme was implemented on August 2, 1982.

(2) The Scheme was extended to include country and north-west areas in February, 1983.

HOUSING

Land: Purchases

3235. Mr MacKINNON, to the Minister for Housing:

What land has the State Housing Commission purchased in the metropolitan area since 1 July 1983?

Mr WILSON replied:

The following vacant land has been purchased by the commission in the metropolitan area since July 1, 1983.

Bayswater—6 lots totalling 5 024 m2 for group housing

Bayswater—2 lots of 1 040 m2 each for single residential

Langford—1 residential lot

Koondoola—2 residential lots

Gosnells—1 residential lot

Hillman—1 residential lot

South Lakes—9 residential lots

Maddington—3 residential lots

Gosnells—4 broadacre lots totalling 10 hectares.

HOUSING: RENTAL

Rent: Subsidy

3236. Mr MacKINNON, to the Minister for Housing:

Who are the members of the subsidy approvals committee which administers the rent relief scheme?

Mr WILSON replied:

The members of the Rent Relief Committee are the State Housing Commission's Collections Manager, the State Housing Commission's Accountant and a member of the Real Estate Institute of WA property management committee.

The pool of REIWA membership is eight, and attendance at meetings is by rotation.

HOUSING

Aborigines: Applications

3237. Mr MacKINNON, to the Minister for Housing:

How many applications for Aboriginal housing were outstanding in the—

(a) metropolitan;

(b) country;

(c) north-west

regions as at—

(i) 30 June 1981;

(ii) 30 June 1982;

(iii) 30 June 1983?

Mr WILSON replied:

(a) to (c) Aboriginal applications on hand as at—

(i) 30 June 1981

Metro.	116
Country	463
North-West	137
State	716;

(ii) 30 June 1982

Metro.	325
Country	428
North-West	177
State	930;

(iii) 30 June 1983

Metro.	284
Country	494
North-West	150
State	928.

HOUSING

State Housing Commission: Landscaping Section

3238. Mr MacKINNON, to the Minister for Housing:

How many State Housing Commission employees are involved in the landscaping section of the commission?

Mr WILSON replied:

One officer is employed in the land planning development branch, and 39 in the field as gardeners.

HOUSING

State Housing Commission: Administration Expenditure

3239. Mr MacKINNON, to the Minister for Housing:

(1) What are the major reasons for the administration expenditure of the State Housing Commission increasing from $10 226 807 in 1981-82 to $12 984 704 in 1982-83?

(2) What is the estimated amount of expenditure on this item by the commission in 1983-84?

Mr WILSON replied:

(1) The increases in administration costs between 1981-82 and 1982-83 have been mainly brought about by salary increases, including payroll tax, and increases in other cost areas of administration such as telephone charges, fuel, and postage.

(2) $13.6m.

HOUSING

State Housing Commission: Maintenance Expenditure

3240. Mr MacKINNON, to the Minister for Housing:

(1) What are the major reasons for the maintenance expenditure of the State Housing Commission increasing from $11 030 405 in 1981-82 to $14 332 481 in 1982-83?

(2) What is the estimated amount of expenditure on this item by the commission in 1983-84?

Mr WILSON replied:

(1) The maintenance expenditure increased substantially between 1981-82 and 1982-83, due to a very high inflation factor which increased the cost of materials and labour to the commission, and to an increased volume of activity in the area of day-to-day and vacated maintenance.

(2) Estimated expenditure for 1983-84 is $15.1m.

HOUSING

State Housing Commission: Capitalisation of Interest

3241. Mr MacKINNON, to the Minister for Housing:

Would he give an explanation as to why $4 812 759 of interest expense was capitalised in the accounts of the State Housing Commission for the year ended 30 June 1983?

Mr WILSON replied:

It is an accounting practice of the State Housing Commission to capitalise on interest paid on funds used for construction, land acquisition and development.

For the year ended 30 June 1983, $4 812 759 was capitalised for this purpose.

3242. *This question was postponed.*

ROTTNEST ISLAND: DEVELOPMENT

Marina-Hotel Complex: Contract

3243. Mr MacKINNON, to the Minister for Tourism:

Will he provide to the Parliament details of the contract which has been signed with the proposed developers of the marina hotel complex on Rottnest Island and in particular the details surrounding the clause which he claims is an acknowledgment by the Government that the project may not proceed?

Mr BRIAN BURKE replied:

Details of the contract are still being finalised by the board's solicitors.

The member's request will be considered.

3244. *This question was postponed.*

BUILDING SOCIETIES AND CREDIT UNIONS

Legislation: Review

3245. Mr MacKINNON, to the Minister for Housing:

(1) Is the Government presently reviewing legislation that applies to building societies and credit unions?

(2) If so, what is the nature and purpose of that review?

(3) When is it anticipated that the review will be completed?

Mr WILSON replied:

(1) to (3) Cabinet has given its approval for appropriate amendments to both the Building Societies Act and the Credit Unions Act, to enable them to operate more freely in the changing financial market place in the interests of their members.

It is anticipated that the changes to these Acts will be presented to Parliament during the forthcoming spring session.

PASTORAL INDUSTRY: LEASES

Elvire Station and Koongie Park

3246. Mr MacKINNON, to the Minister for Lands and Surveys:

(1) In relation to representations made to him as the Minister for Lands and Surveys by the Aboriginal Development Commission for the purchase of Koongie Park and Elvire Stations, what was the nature of these representations?

(2) Did the Aboriginal Development Commission indicate the price it was prepared to pay for each station, and if so, how much?

(3) Was the vendor of the leases party to the representations?

(4) Has the Aboriginal Development Commission requested that he approve the transfer of the leases?

Mr McIVER replied:

(1) Representations have been, and are being made, in letter form by a legal firm acting on instructions from the Aboriginal Development Commission.

(2) Yes. Sale negotiations are in the preliminary stage, and, in line with normal practice, details of the proposed transaction are regarded as confidential between the vendor, the purchaser (or agent) and the Lands and Surveys Department.

(3) The vendor was not party to the representations outlined in (1), except to the extent that an application for permission to sell both stations was made as required by lessees under the Land Act.

(4) The legal firm acting on behalf of the Aboriginal Development Commission has made application for the purchase of Koongie Park and Elvire stations in accordance with section 115 and 115A of the Land Act 1933.

CROMANE HOSTEL

Renovation

3247. Mr HASSELL, to the Minister for Works:

(1) Is it fact that the work to be done on the Cromane Hostel was put out to tender and that the lowest tender received was $311 000 and that the Public Works Department tender at the time was $340 000 on a day labour basis?

(2) If so, how does he rationalise that as against the cost so far of $646 036 of day labour by the Public Works Department?

(3) Why was a tender not accepted?

Mr McIVER replied:

(1) No.

(2) Not applicable.

(3) Not applicable.

STATE FINANCE

Financial Institutions Duty: Review

3248. Mr HASSELL, to the Treasurer:

(1) In connection with the review of the operations of the Financial Institutions Duty Act which the Treasurer has said will be undertaken at the end of next month, would he advise the House what kind of review is to be undertaken and, in particular, whether it is to be an internal type of review by a Government officer, or an external review by someone outside the Government service who is employed for that purpose?

(2) Are there to be formal terms of reference?

(3) Has he given thought to the breadth of those terms of reference?

(4) Does he intend seeking advice as to the whole economic impact and effect of financial institutions duty on the State, or will he be asking about the technical application of the law and the difficulties of applying it?

(5) Furthermore, will the review encompass action such as a questionnaire to business houses as to overall economic effects and operations of the tax?

Mr BRIAN BURKE replied:

(1) to (5) The six month review of the Financial Institutions Duty (FID) in Western Australia will be undertaken jointly by officers from Treasury and the State Taxation Departments. It is not intended that there be formal terms of reference, or that business houses be surveyed. However, the Government has been closely monitoring the operation of FID since its introduction, and a number of submissions have been received which address the economic impact of FID and matters of a technical nature relating to the administration of the Act. It is intended that the review will encompass all aspects of FID, whether economic or technical.

STATE FINANCE

Duties and Licence Fees: Collections

3249. Mr HASSELL, to the Treasurer:

What are the current estimates of collections—

(a) this financial year;

(b) next financial year,

from—

(i) financial institutions duty;

(ii) tobacco licence fees;

(iii) fuel licence fees;

(iv) payroll tax;

(v) stamp duties?

Mr BRIAN BURKE replied:

(a) Items (i), (ii), (iv), and (v) are included in the Budget estimates of State taxation revenue. An analysis of collections for the 10 months ended April 1984 indicates that the final out-turn for State taxation revenue may be marginally in excess of the Budget estimate of $573.4 million. Similarly, indications are that the 1983-84 Budget estimate of revenue from fuel licence fees may be slightly exceeded.

(b) Estimates for 1984-85 will be prepared as part of the Budget process.

MINISTERS OF THE CROWN: STAFF

Appointments: Additional

3250. Mr HASSELL, to the Premier:

(1) Have additional ministerial advisers, officers and staff been appointed and have new contracts for advice to Ministers been entered into, since he tabled a statement of such positions in the House last year?

(2) If so—

(a) how many;

(b) who are they;

(c) what are their qualifications;

(d) to what Ministers have they been appointed or contracted;

(e) what are their responsibilities;

(f) what are their salaries or payments;

(g) what other benefits or payments do they receive?

Mr BRIAN BURKE replied:

(1) and (2) The information requested is being collated and will be forwarded to the member as soon as possible.

3251. *This question was postponed.*

GOVERNMENT CONTRACTS

Carpets

3252. Mr MENSAROS, to the Minister for Works:

Adverting to question 1303 of 28 September 1983, concerning Western Australian and imported carpets allocated by the Public Works Department, could he please tell whether the information promised in his answer to be provided direct to me has indeed been sent, as I do not appear to have received it?

Mr McIVER replied:

The information requested by the member was forwarded on 25 October 1983. As it appears that this correspondence has been misplaced, I have arranged for an additional copy to be made available to the member.

WATER RESOURCES: MWA AND COUNTRY AREAS WATER SUPPLIES

Amalgamation: Purchasing Arrangements

3253. Mr MENSAROS, to the Minister for Water Resources:

(1) Referring to his reply to question 1683 of this session, has there been a decision reached as to the purchasing arrangements of the new water authority of Western Australia, particularly whether it will have to go through other Government departments, like the Government Stores or Tender Board, or will it have independence?

(2) If so, what is the decision?

Mr TONKIN replied:

(1) and (2) The matter is still under consideration.

WATER RESOURCES

Metropolitan Water Authority: Dumas House

3254. Mr MENSAROS, to the Minister for Water Resources:

Adverting to his reply to question 1536 in this session, has he by now arrived at details and estimates of cost of changes to be made in Dumas House to receive other arms of Government after the amalgamation of the water authorities?

Mr TONKIN replied:

No.

WATER RESOURCES

Metropolitan Water Authority: Plumbing Industry

3255. Mr MENSAROS, to the Minister for Water Resources:

Referring to his reply to question 1170 in this session, where he reaffirmed that the policy of the Metropolitan Water Authority is lesser involvement in the licensing and other regulatory functions connected with the plumbing industry, could he please tell how far the implementation of this policy has proceeded?

Mr TONKIN replied:

The two main areas of the plumbing industry referred to are the testing of plumbing fittings and the inspection of installations.

In both cases by-law amendments are being considered by the Crown Law Department.

WATER RESOURCES

Leakage Detection

3256. Mr MENSAROS, to the Minister for Water Resources:

(1) Are the leakage detection projects being continued by the Metropolitan Water Authority?

(2) If so, what are the areas which have been checked during the summer season of 1983-84?

(3) What were the results of these checks?

(4) How many employees are permanently or temporarily engaged on this project and where are they based?

Mr TONKIN replied:

(1) Yes.

(2) The summer leak detection surveys were resumed in March 1984. They cover Mundijong townsite and eight separate zones throughout the Cannington, Beckenham, Kenwick and Maddington localities.

(3) From the five zones completed to date, 11 leaks were detected on MWA mains and 46 on private property. All leaks have been repaired by the MWA and the owners respectively. Work is continuing in the remaing four zones.

(4) Ten employees for eight months of the year.

3257. *This question was postponed.*

WASTE DISPOSAL: WASTE WATER TREATMENT PLANT

Subiaco: Odours

3258. Mr MENSAROS, to the Minister for Water Resources:

(1) Have there been any complaints made recently (say within the last six months) against bad odour emanating from the Subiaco waste water treatment plant?

(2) If so, could he please detail from which suburb such complaints were lodged?

Mr TONKIN replied:

(1) Four complaints (including three from the same person) in the last six months.

(2) Floreat Park.

SEWERAGE

Ocean Outfalls: Sampling

3259. Mr MENSAROS, to the Minister for Water Resources:

(1) Are ocean outfall sampling surveys conducted regularly, and if so, in what intervals?

(2) When were the last such surveys conducted and in connection with which sewerage treatment plant outfall?

(3) What were the results of the chemical and bacteriological analyses?

Mr TONKIN replied:

(1) Surveys are conducted annually—usually in the January/February period.

(2) 1984.

(3) Effluent disposal is not adversely affecting water quality at any of the three areas of discharge.

EDUCATION

High Schools and Primary Schools: Reclassification

3260. Mr MacKINNON, to the Minister for Education:

Why are some schools in the metropolitan area now being reclassified without taking into account recommendation 135(4) of the Beasley report?

Mr PEARCE replied:

The Beazley recommendation No. 135 (4) refers to the matters which should be considered in the selection of persons for promotional positions. It does not refer to the basis for classification of schools. This basis is laid down in the Education Act Regulations.

The matters of school classification and staff selection are separate procedures. Thus, there is no inconsistency between the Education Department's actions in re-classifying schools and recommendation No. 135(4) of the Beazley Report.

QUESTIONS WITHOUT NOTICE

INDUSTRIAL RELATIONS

Legislation: Union Boycott

863. Mr HASSELL, to the Premier:

(1) Is the Premier aware, or has he had his attention drawn to an article which appeared in *The Western Mail* last Saturday headed, "MPs facing union boycott". It opens by saying—

> Opposition MPs could find their business interests threatened by militant union action if the future WA industrial legislation is blocked.

And so it goes on.

(2) As this type of threat is becoming increasingly prevalent, both in the building industry and even in relation to members of Parliament, I ask the Premier whether he is concerned about it and whether he is prepared to take some positive action?

Mr BRIAN BURKE replied:

(1) and (2) I did see the article to which the Leader of the Opposition refers, and I am happy to consider the points that he has raised in his question without notice this evening.

The Government has consistently said that it does not accept the sort of attitude implicit in the question. I refer the Leader of the Opposition to my reply to his question referring to a letter distributed by the Building Workers' Industrial Union in which I expressed the sentiments I am expressing tonight. Let me make it clear at the outset that we have no truck with these sorts of statements which threaten action if a particular point of view is not agreed to by the Opposition, or by the Government for that matter.

It remains for me to point out to the Opposition that if the Opposition—and particularly its leader—is to adopt an aggressive and harsh attitude in the public eye, it will naturally evoke a response which is sympathetic in terms of harshness and in terms of intractability. If the Opposition wants to use the Legislative Council as a political weapon, it is likely that use will elicit the sort of response complained of. If the Leader of the Opposition goes on radio to threaten that the Legislative Council is to defer matters, or in some other way run counter to a particular point of view, the people with that point of view will react in the manner about which the Leader of the Opposition now complains.

If the Leader of the Opposition adopts a more conciliatory approach, that may

well evoke a much more acceptable point of view, even if it is one in opposition to the view he holds. I would counsel the Opposition about the matter of its use of the Legislative Council numbers. If it wants to progress legislation through this House and another place, it should look very carefully at the way in which it adopts public stances which, up to now, have invariably been harsh, unreasonable and inflexible.

ROTTNEST ISLAND

Catherine Bay: Irregularities

864. Mr BARNETT, to the Premier:

(1) Has he seen reports of statements by the Deputy Leader of the Opposition alleging irregularities in the way in which knowledge of moorings available at Rottnest Island became public?

(2) Has he any information about the alleged irregularities?

Mr BRIAN BURKE replied:

(1) and (2) I am absolutely amazed, because I have seen these statements and they almost take my breath away.

Mr Barnett: Mine too!

Mr BRIAN BURKE: We have the Deputy Leader of the Opposition raising questions about the allocation of moorings and the applications for allocations, when he was the Minister for Tourism in the Government that approved the opening of Catherine Bay, and approved the accepting of applications.

Not that I think the Deputy Leader of the Opposition needs suggestions, but nevertheless I suggest to him that he ask the member for Gascoyne how people came to know about the opening of Catherine Bay.

Mr Bryce: I think he is doing a job on the member for Gascoyne.

Mr BRIAN BURKE: The member for Gascoyne was the Chairman of the Rottnest Island Board at the time. It was not for me, as chairman of the board, or for any of the Ministers of this Government, to approve the publication of the availability of moorings at Catherine Bay, because that was done when the member for Gascoyne was chairman of the board.

Mr Laurance: Are you sure?

Mr BRIAN BURKE: All I can say is that when one of my staff inspected the register of applications for moorings, and conveyed the information to me, a substantial number were made before the election was held.

Mr Laurance: The allocations?

Mr BRIAN BURKE: The applications were made. The point raised by the Deputy Leader of the Opposition is not in relation to the allocations. He wants to know how people became aware of the possibility of moorings being available.

Mr Laurance: I made no allocations while I was the chairman—not one.

Mr BRIAN BURKE: I am simply referring to the question raised by the Deputy Leader of the Opposition in the Press. He said he did not doubt that the applications were in order, and what he is worried about is how people got to know to make the applications for moorings and whether some people had an advantage. All I am saying is that the applications that I have sighted, in substantial number, were made when the member for Gascoyne was the chairman of the board.

Perhaps the member can tell us by interjection what steps he took to publicise Catherine Bay's availability.

Mr Laurance: The board made none, to my knowledge. I am not aware of any that were approved by the board at any meeting.

Mr BRIAN BURKE: I am not suggesting any irregularity. What I am suggesting is that the Deputy Leader of the Opposition, in raising this point, would be better off asking his question of the member for Gascoyne. He should ask him what steps were taken to publicise the availability of the moorings, instead of directing the question to me, because I was not in Government then. Then perhaps he could direct the question to the former Minister for Tourism in the last Government. I remind the House that the Minister for Tourism in the last Government is now the Deputy Leader of the Opposition, so perhaps he could either ask himself or his colleague about what steps were taken to publicise the availability of the moorings.

As far as I know, the brother of the member for Gascoyne received a mooring some months after the election of the Government that I am privileged to lead. To the best of my knowledge, the member for Gascoyne did not even know of this brother's application for a mooring over there, and I can not see why the Deputy Leader of the Opposition should make such a determined attack upon the member for Gascoyne.

The member for Gascoyne is now in the situation that his brother has a mooring. I am not sure when the application for the allocation was made, but it was well before the election of the Government that now sits on this side of the House. No-one could blame the member for Gascoyne—unless there is some matter of which I have no knowledge—for having anything to do with the application.

As far as the unmitigated attack by the Deputy Leader of the Opposition on the Young Presidents' Organisation is concerned I assure members of the Opposition that I know of not one member of that organisation who lives in Balga or Fremantle, or who is a card-carrying member of the Labor Party. I have not known them to be a constant source of support and admiration for the Labor Party.

What the Deputy Leader of the Opposition has succeeded in doing is driving these wealthy supporters of his party into the arms of the Labor Party. He has done so effectively by—

Mr Laurance: Including my brother!

Mr BRIAN BURKE: I do not know why the Deputy Leader of the Opposition should seek to do that, unless it is part of his preconceived and determined attack upon the member for Gascoyne. It is true that I do not have a brief to defend that member. However, in the quest for what is fair and right, the Deputy Leader of the Opposition, who was the Minister for Tourism when the applications were received, is doing nothing but involving himself in a political exercise counterproductive to the orderly management of Rottnest Island; that is he is serving his own party poorly publicly, especially considering the role of the previous Government in the matter. He is holding up the previous Government and its Ministers to ridicule.

FRUIT AND VEGETABLES

Metropolitan Markets: Relocation

865. Mr OLD, to the Minister for Agriculture:

In view of the decision made by the Government to relocate the Metropolitan Markets at Canning Vale, will he advise what time scale is envisaged for the shifting of the markets?

Mr EVANS replied:

It is true that the inevitable move of the markets from their present location will take place, but it is difficult to give the time scale. The projections of the Metropolitan Market Trust vary, and the trust has not come down with a firm date by which it expects the markets to move. The essential point is that it needs a considerable amount of time for transition, because the moving of the clients of the trust to a new area will involve considerable expenditure and detailed planning.

The time scale could be anything from seven to 10 years. The projections will be made by the Metropolitan Market Trust, and as they become available, they will be given publicity.

LAND: ABORIGINES

Rights: Sacred Sites

866. Mr MacKINNON, to the Minister with special responsibility for Aboriginal Affairs:

It has been reported that the Federal Government has changed certain aspects of its sacred rights legislation following representations from the State Government. Will he give details of the following—

(a) the State's requests for amendment of the legislation; and

(b) the changes made by the Commonwealth Government as a result of the State's representations?

Mr WILSON replied:

(a) and (b) I can provide the information. In fact, the member could have read the newspaper this morning to see for himself. However, I will pass it on to him.

The State Government was not convinced, and it remains unconvinced, of the need for the legislation. It continues to have doubts and concerns about the lack of consultation between the State Government and the Commonwealth with respect to this matter. However, as a result of the approaches by my office and by the Premier, considerable opportunities were made available subsequently for the Western Australian Government to put its views to the Prime Minister and to the Federal Government.

The undertakings which had been received from the Commonwealth, which were the basis of our approach for assurances from the Commonwealth, concerned a number of basic requirements that we felt should be met. Amongst these were requirements to prevent the legislation being used by Aborigines to mount a land claim which would require the Commonwealth to use its powers only according to the wishes of the Aborigines responsible for protecting the particular sites.

We also obtained an undertaking that will require the Commonwealth to try to get the co-operation of the State if it is necessary to intervene. Other assurances will ensure that the Act's treatment of Aboriginal skeletal remains in this regard will not interfere with police inquiries and that further notification of the State Government will be required. The Federal legislation will apply only when a site is under immediate threat and before Federal intervention can be considered, the Federal Minister must be satisfied that the site is of particular significance to Aborigines.

Mr MacKinnon: Who determines whether the site is under immediate threat?

Mr WILSON: The Federal Minister makes the determination after consultation with the State Government.

Mr MacKinnon: On whose recommendation?

Mr WILSON: That is another assurance we have obtained. Although the Federal legislation will protect sites of particular significance under immediate threat, our existing laws protect all sites from being knowingly desecrated. In fact it may be some reassurance to the Deputy Leader of the Opposition, who of late seems to have suddenly taken an interest in things Aboriginal which seems to be a little beyond his normal area of responsibility and interest, to know that the Western Australian Aboriginal Heritage Act which, of course, was administered and approved of by his Government in the past, covers a wider area than does the Federal measure.

Quite frankly we believe that the Federal legislation is unnecessary and we shall continue to insist on prior consultation at all times with the State Government. At this stage we have not been told how the Federal legislation will be administered and we are vigorously seeking further assurances and details in that regard. We shall continue to do so.

We believe that the legislation which we have, which is to be reviewed as part of the Seaman inquiry, is already more wide-reaching than the interim legislation, which for some reason is to apply for two years, and which was obviously approved by the previous Government. We do not see any immediate problems with it, but we shall continue to make vigorous representations to the Federal Government to ensure that the State's prerogatives, particularly with respect to the mining industry and locally administered industries, are fully accounted for.

STATE FINANCE

Financial Institutions Duty: Australian Finance Conference

867. Mr D. L. SMITH, to the Premier:

(1) Is the Premier aware of reports that the Australian Finance Conference has come out in support of the financial institutions duty?

(2) How do the statements in the annual report of the chairman of such a major financial group in Australia compare with the comments of the Leader of the Opposition?

Mr BRIAN BURKE replied:

(1) and (2) The comments in the annual report, a copy of which I have here, from the Australian Finance Conference appeared to me to contradict much of that which has been attributed to the Leader of the Opposition, because the Australian Finance Conference has come out in support of the financial

institutions duty, saying it is fairer and easier to administer. The conference says it is a better tax than the alternative, which is the Commonwealth bank accounts debit tax. I quote what is said in the annual report of the Australian Finance Conference in respect of the financial institutions duty—

> As FID has a wider base and is a flat rate tax with a recognition of short term transactions, the Australian Finance Conference regards it as superior in design to the BAD tax which has a narrower base and a sliding scale and is more difficult for taxpayers to administer. As a result of this, prior to the Federal Budget the AFC wrote to the Commonwealth Government suggesting that it might introduce FID as an alternative to the BAD tax so that a common duty on a Commonwealth basis might be levied.

The position of the Australian Finance Conference gives the Leader of the Opposition some food for thought.

LAND: ABORIGINES

Rights: Sacred Sites

868. Mr HASSELL, to the Minister with special responsibility for Aboriginal Affairs:

I refer to the question the Minister has answered already about the Commonwealth legislation on sacred sites. I understand the points he has made. I ask—

(1) Will the Government continue to make representations to the Commonwealth in accordance with his stated position as to the view of the Western Australian Government that the legislation is not necessary?

(2) Will the State Government continue to make representations to the Commonwealth that it should not proceed with the legislation?

(3) In relation to the various undertakings which he says have been received—undertakings which require consultation and various exemptions from procedures—are they to be incorporated as part of the substantive law of the Commonwealth as amendments to the proposed legislation or are we simply to be left in the position of relying on the word of the Commonwealth and the administration of the Commonwealth Minister from time to time?

Mr WILSON replied:

(1) and (2) The Prime Minister has made it quite clear that the Commonwealth Government intends to proceed with the legislation. We will continue to make clear our concerns, to ensure that the State Administration is consulted fully and has a prior say about any actions undertaken under this proposed legislation. It is quite clear the Federal Government intends to proceed with it.

(3) The Leader of the Opposition may be unaware of the fact that legislative provision is shortly to be made in the Federal Parliament which will ensure that second reading speeches in that Parliament are taken into account in the interpretation of legislation enacted in that Parliament.

Mr Hassell: That can't override a clear provision.

Mr WILSON: We have been given very firm assurances and will continue to press that those assurances are abided by by the Commonwealth in any actions it intends to take. However, it is our full understanding, in consultation with the Prime Minister, that this legislation is not directed at Western Australia. There is also a full understanding that the legislation already in force in Western Australia is the sort of legislation that the Commonwealth sees as being adequate to cover the concerns it has in these matters.

EDUCATION

Curriculum: Homosexual Activities, and Sex with Violence

869. Mrs WATKINS, to the Minister for Education:

(1) Has the Minister received reports of persons collecting signatures door to door for petitions, alleging that the Government is including homosexuality and sex with violence in the school curriculum?

(2) Is that allegation true?

Mr PEARCE replied:

(1) and (2) I thank the member for that question, because I have received reports

of people knocking door to door collecting signatures for petitions, which I gather are the ones which have been presented seriatim by members of the Opposition in this Chamber over recent days and weeks, in which very vigorous complaints have been made to me that the people collecting signatures for these petitions are telling householders that the Government is—according to one report—moving to legislate to have homosexuality and sex with violence included in the school curriculum. The absurdity of these claims should be obvious to all members of the House, but may be less obvious to less well-informed householders whose doors are being knocked on by the petitioners. I hope that members of the Opposition who are presenting these petitions to the Parliament are having some regard for the things which are being said by the people giving them these petitions for presentation.

Mr Hassell: What about your members who are presenting those petitions?

Mr PEARCE: In that sense, the same applies to members on my side of the House. The Government has no objection—

Mr Tonkin: There is nothing wrong with the petition; it is what has been said.

Mr PEARCE: There is nothing wrong with the petition, but I can assure members that no member from this side of the House will have anything to do with statements of this kind which contain highly dubious allegations about nonexistent and fictitious Government practices in this area. This Government has been scrupulous with regard to the development of its curriculum and there is no suggestion that either of these things will find their way into schools, particularly the proposition in respect of sex with violence. There is no way it will take a place in the school curriculum.

Mr Clarko: You are getting a bit harsh, aren't you?

Mr PEARCE: In fact, it was only last week that I was deploring those very same things on public television and the effect those things have on our young people. The reason I am a little concerned, and perhaps pointing more to Opposition members than to Government members in this regard, is that I was inundated with telephone calls on exactly the same matter in the weeks leading up to the last election and at that point those allegations were quite clearly a result of misleading and untrue claims that were being made by the then Government, now the Opposition. Since these same matters are now surfacing, it is a little difficult to believe that they have come from a totally different source.

A member: Produce your evidence!

SUPERANNUATION AND FAMILY BENEFITS AMENDMENT BILL

Amendment

870. Mr MENSAROS, to the Treasurer:

Has it been correctly reported in *The Western Teacher* of Friday 4 May that he, the Treasurer, undertook to amend the Bill which seeks to amend the Superannuation and Family Benefits Act, apparently at the same time as he publicly announced that he would withdraw the Bill if and when it suffers any amendment in the Legislative Council?

Mr BRIAN BURKE replied:

I have seen the article in *The Western Teacher*, but I do not recall in detail the matter to which the member refers. The member's rendition of my statements on the Government's attitude towards the package of measures is not quite correct. What I did say was that the package of measures stood together and not separately and that the Government would not proceed with any of the major features of the legislation if the Opposition used its numbers in the Legislative Council to defeat or defer part of the legislation.

The major features, as I understand them, are, firstly, the proposition that policemen should be permitted to retire at age 55 on full Government benefit; secondly, that there should be the option of retirement on reduced benefits at age 55 for other Government employees; and thirdly, that there should be created within the State superannuation fund an indexation account that, without moving outside the fund, would help to defray the cost of the updates that are involved in the fund meeting its CPI obligations. I also indicate that walking beside those two matters, but not necess-

arily part of the legislation, were the commitments to maintain a real percentage share of the pension and to maintain CPI indexation adjustments.

Mr Mensaros: The article says that you promised—

Mr BRIAN BURKE: I will move on to the article. The article says that there should not be a reduction on the basis of age 55 years retirement of Government employees who have served 30 years in Government employment. It does not seem to me that that is a major part of the package to which I am referring. In fact, it would seem on the face of it to be self-evident that I am referring specifically to, on the one hand, the benefits that are proposed and recognised by Government employees, the early retirement pension in the legislation and, on the other hand, the part to which they object, which is the indexation account proposition. All I am saying is that those measures stand together. In any case, this report refers to a conversation that I had with the joint Superannuation Fund authorities some time prior to making the statements publicly about the interwoven nature of the package of measures, so on that score it predated that position. In any case, it does not go to one of those major parts of the legislation that the Government regards as an indivisible part of the package.

FUEL AND ENERGY

Oil: Discoveries

871. Mrs BUCHANAN, to the Minister for Minerals and Energy:

Is the Minister aware of any recent oil discoveries in Western Australia?

Mr PARKER replied:

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

> Home Energy Ltd, has today reported good oil shows in the Grant formation in Whitewell No. 1 being drilled in EP 129. This is the same zone that has produced oil in Sundown-1.
>
> The location is 2.45 km south-east of Sundown-2 on the same anticlinal trend but on a separate and apparently larger closure than Sundown. The shows are in the top part of the Grant formation—the well was at 862 metres this morning—a zone which contained oil at the No. 1 well but was wet in No. 2. A lower potential pay zone at about 1 100 metres has yet to be penetrated.
>
> These shows are very encouraging although it is too early to judge the potential of the well at this stage. Home intends to cut a core later today. The well is about 20 km from the Blina field.

ROTTNEST ISLAND: DEVELOPMENT

Marina-Hotel Complex: Contract

872. Mr MacKINNON, to the Premier:

Why did the Premier indicate during debate on the Rottnest Island master plan interim report that the four companies invited to submit detailed submissions for the development of the hotel-marina complex "have all signed contracts indicating that they accept that any go-ahead in respect of that development depends entirely on the discussion process that surrounds the interim report", when in fact, he indicated in answer to question on notice 3243 that, "Details of the contract are still being finalised by the board's solicitors"?

Mr BRIAN BURKE replied:

The Deputy Leader of the Opposition is perfectly right and I was advised that those matters had been attended to. I understand that they are in the process of being finalised but I draw to the Deputy Leader of the Opposition's attention the following sentences from the Rottnest Island Board minutes, which should clarify the position—

> Submissions must take into account contents of the Rottnest Island master plan stage 1 interim report. Applicants are to be aware that the document is open for public comment closing 21 May 1984. If the proposal to erect a marina-resort hotel is found to be in significant conflict with the consensus of public response to the island plan then the Board reserves the right not to proceed with the proposal.

On that basis, to be reflected in the contracts which are being finalised, is the position which I put to the House the other evening, and on that basis, together with the information that was provided to me, I indicated the contracts had been signed. I understand that there is agreement about the contracts but that the drafting is being finalised and, as I said in answer to the member's question on notice, as soon as the contract is available his request will be considered.

One other matter on which I would like to conclude in respect of Rottnest Island really goes to the Opposition's position on the whole matter because it is so difficult to understand. Apart from wanting to manufacture as much political mileage from Rottnest as it can, I can understand the Opposition's lack of a clear position when one takes into account the recent statement of the Leader of the Opposition; this really does defy belief. In Monday's *The West Australian* the Leader of the Opposition is reported as follows—

> The Rottnest Island Board should be permitted to proceed with its exciting and imaginative development plan, Mr Hassell said.
>
> However, those plans do not seem to be in agreement with what the majority wants, which is to keep Rottnest as a family resort.

Mr Hassell: The report is not very good, is it?

Mr BRIAN BURKE: The Leader of the Opposition is saying, "Let the board proceed, but understand that as we push it ahead and do not hinder it, it is doing something the majority of the public do not want". I want to make it perfectly clear that, unlike the Opposition, on this matter we have a very clear position, and our position simply is that the public's comment on the interim report is all-important and the Government will not make up its mind, apart from saying that we want to retain the island as a family holiday resort, on the details of the plan or the public's perception of the plan, until it has heard from the public. That is the big difference.

When Sir Charles Court was Premier, what used to happen was that people would espy the building of a hotel on Rottnest by seeing the foundations laid. There is a slight difference in the approach this Government takes; that is, we open it up to public comment and, unlike the Leader of the Opposition, I am not prepared to tell the board to go ahead with its exciting development plans—if that is what the Leader of the Opposition thinks they are—until the public have had a chance to comment.

To throw further contradiction into the plot, the Leader of the Opposition continued to say, "I am not being critical of the board. It has done an excellent job". I think he should say that, because he appointed most of them! He further said, "The question is, were they given the right job?" That really does defy understanding. I do not begin to understand what the Leader of the Opposition is saying. He is saying, "Let the board proceed with its exciting plans. We know the majority of the public do not agree with those exciting plans but, nevertheless, I am not criticising the board".

I can understand the Deputy Leader of the Opposition's problem because he is once removed from the Leader of the Opposition—not so far removed that he feels he cannot pretend to the position itself, but nevertheless once removed, so the communication link is somewhat stretched by that removal.

GOVERNMENT DEPARTMENTS AND INSTRUMENTALITIES

Agencies: Abolition

873. Mr TROY, to the Premier:

Can he advise what action has been taken to abolish unnecessary Government agencies since he made a statement on the matter in the House in September last year?

Mr BRIAN BURKE replied:

I am not only able to advise the member, but also delighted to be in a position now to do so. Unlike the previous Government which spoke about QANGOs and drongos—and most of the people who spoke about QANGOs were drongos—we have set about achieving a rationalisation that the previous Government was simply unable or

unwilling to contemplate. The Government has moved to abolish the following agencies by executive action or legislation where appropriate—

> Management Committee of the Commonwealth-State Special Trade Training Board.
> The Commonwealth State Special Trade Training Management Committee was a tripartite committee involving representatives of the Commonwealth and State Governments, the Trades and Labor Council, the Confederation of Western Australian Industry (Inc) and the Chamber of Mines of WA (Inc).
> The Reserves Committee; the W.A. Agricultural Equipment Monitoring Committee; Local boards of Health; Health Education Council; and the Land Acquisition (Closer Settlement) Board Advisory Committee.
> This last one was a pearler which the Opposition did not even bother to address. The Land Acquisition (Closer Settlement) Board Advisory Committee was something like the prune board I saw in the United States, or the grasshopper advisory committee which languished under the previous Government. This board was provided for under the Closer Settlement Act which was assented to in 1929. Members would expect me to be able to speak of a long history of achievement of this board in the last period of the Government's term in office; it kept the board there. I am pleased to be able to report that the provisions of the Act were never implemented and the board was never appointed. We have had this ghostly group of people since 1929—to whom by its persistence the previous Government paid homage—not meeting because they have not been appointed, and not doing anything because the Act was never implemented. After 12 months in office we are acting on the matter; after nine years in Government the present Opposition was not even aware of those facts.
> The General Fisheries Advisory Committee is another agency we have moved to abolish. Consideration is also being given to the details of a Bill which will provide a review mechanism over set time periods to evaluate the performance of Government agencies and make recommendations on their continued existence.
> The Government is also drafting legislation to increase the accountability of Government agencies by ensuring uniform annual reporting based on standards of information which agencies will be required to include in annual reports. At present there is great inconsistency between agencies in the type and amount of information supplied. Cabinet has also approved the drafting of the Commonwealth Tribunal Bill for a tribunal to replace eight existing boards, to hear and determine all licences and disciplinary matters concerning relevant occupation groups.

ANIMALS

Veterinary Products: Irish Australian Horse Products Pty. Ltd.

874. Mr BRADSHAW, to the Minister for Agriculture:

(1) Adverting to the reply to question 3121 wherein he advised that a temporary permit was issued on 10 August 1983 for the sale of certain veterinary products, is it not true that it was not until 23 September 1983 that a regulation was made to enable temporary permits to be issued?

(2) Did the Registrar of Veterinary Products resist issuing a permit?

(3) Was the registrar instructed by a superior to issue the permit?

(4) If "Yes" to (3), by whom was the instruction given, and for what reason?

(5) Why did he mislead Parliament as he did in reply to question 172 when he advised that—

> Subsequently a temporary permit as provided for under the Veterinary Preparations and Animal Feeding Stuffs Act has been given for sale to 9 September.

when no regulation had been made pursuant to that Act to give authority for the issue of a temporary permit?

(6) Is the company which markets the veterinary products owned by Walter Robert Maumill, Laurance Charles Kerr, and, Cheri Marie Gardiner?

Mr EVANS replied:

I thank the member for some notice of this question which enables me to give him the full details. The answers are as follows—

(1) to (5) The sequence of events leading to the issuing of a temporary permit to sell the veterinary products known as 'Plus Vital' is as follows: Although the four products in question had previously been registered the registrar became aware in July 1983 that the products were being sold without having been reregistered after three years, as is required under the Act. The products were immediately required to be withdrawn from sale pending reregistration.

Despite genuine efforts by the local distributors to obtain extra technical data required for reregistration, there were delays in obtaining this information from the overseas manufacturer in Ireland. As this was causing financial hardship to the local business concerned, and bearing in mind that the products have previously been sold for some years in this State, it was decided that it would be appropriate to issue a temporary permit to sell, pending reregistration. Although power existed for this to be done by regulation under the Act—section 30(4)—no regulations had been proclaimed at that time. Ministerial approval was given to proclaim the enabling regulation on 3 August.

Following this approval, and bearing in mind all the circumstances, the decision was made at senior level of the department to grant temporary approval to sell the products while full registration was being effected. This decision was made by the Chief of the Animal Health Division, who instructed the registrar to issue the temporary permission. This was done on 10 August and was to be effective until 9 September 1983. Subsequently, there were further delays in obtaining all the data and the temporary permission was later extended until all the products were finally registered on 25 October 1983. The new regulation was gazetted on 23 September 1983.

(6) The names listed are those who registered the products in question.

Mr Old: Very shabby!

RECREATION: YACHTING

Marinas: Cost

875. Mr THOMPSON, to the Premier:

(1) What is the estimated cost of construction of each of the two marinas proposed in connection with the America's Cup series?

(2) How is it intended to fund these projects?

(3) Have any private enterprise organisations or individuals sought to fund, build and operate a marina? If so, will he give details?

(4) Would the Government be prepared to consider either or both of these marinas being funded, built or operated by private enterprise?

Mr BRIAN BURKE replied:

(1) to (4) This is a sudden swerve into unreasonableness by the member. It is not like him at all.

Mr Old: You would know all about that.

Mr BRIAN BURKE: I am not the Minister responsible or the America's Cup and while I have some supervisory role—over people almost impossible at times to supervise—I do not have the information at my fingertips and I am unlikely to have it without notice from the member. If members of the Opposition frame questions badly or do not give sufficient notice to the Government for a serious answer to be prepared—

Mr Thompson: I will ask tomorrow.

Mr BRIAN BURKE: Ask it tomorrow or put it on notice. If the member had given an hour's notice I would have had the opportunity to prepare an answer. This is the first I have heard of the question. I do not have the quickness of the member: I was not able to write it down during the time he was speaking. If he asks the question tomorrow, or

phones it through in the morning, I will give him as much detail as he can handle.

TOURISM

Consultative Committee: Opposition Submission

876. Mr READ, to the Premier:

Is the Minister aware of any submission from the shadow Minister for Tourism on the interim tourism consultative committee's findings and recommendations.

Mr BRIAN BURKE replied:

I know this will both surprise and stun you, Mr Speaker, but to date we have not received any submission on the Rottnest Island—

Mr MacKinnon: If you had listened to the debate the other evening you would have heard what I said.

Mr BRIAN BURKE: I have heard so many contradictions from the Opposition on this matter that it is hard to maintain concentration. The Opposition has a track record of not making submissions to anything so that it can stand off and criticise. Either that, or it does not have views to submit. We have not received any submission fom the Opposition on the consultative committee's findings and interim report.

It really is not good enough for the Deputy Leader of the Opposition to be absolutely preoccupied with attacking the member for Gascoyne at the same time as he forgoes his responsibilities in this important area. If the Opposition wants to politic about Rottnest Island it should not put in a submission; but if it is sincere and serious about its interests, let us have a resume of the Opposition's views.