Legislative Council

Wednesday, 25 August 1982

The PRESIDENT (the Hon. Clive Griffiths) took the Chair at 4.30 p.m., and read prayers.

QUESTIONS

Questions were taken at this stage.

CONSERVATION AND THE ENVIRONMENT: HARDING RIVER DAM

Inquiry: Urgency Motion

THE PRESIDENT (the Hon. Clive Griffiths): Honourable members, I have received the following letter—

> Dear Mr. President,
>
> Standing Order No. 63 provides for the moving of an adjournment motion for the purpose of debating some matter of urgency.
>
> In accordance with the provisions of Standing Order No. 63, I wish to advise you of my desire to move for the adjournment of the House for the purpose of discussing the following issue:
>
> 1. That a Public Inquiry be held, pursuant to Section 37 of the Environmental Protection Act on the Government's proposal to establish a dam on the Harding River, near Roebourne.
>
>   And that such action is essential, having regard to:
>
>   (a) The serious gaps in the information contained in the draft environmental review.
>
>   (b) The fact that the proposal would result in an irreversible commitment of a major portion of an environmental resource.
>
>   (c) There are important unresolved policy issues following the review of the environmental impact statement.
>
>   (d) A serious controversy exists over the best course of action following this review.
>
> 2. Such Inquiry report be available by the 30th November 1982.
>
> Yours faithfully,
> PETER DOWDING
> MEMBER FOR NORTH PROVINCE

In order for this matter to be discussed, it will need the support of four members rising in their places.

Four members having risen in their places,

THE HON. PETER DOWDING (North) [4.53 p.m.]: I move—

> That the House at its rising adjourn to Friday 27 August, at 11.00 a.m.

I make the point, Mr President, that this is a very serious issue on which the Opposition has sought and obtained permission for a briefing from the departmental officers before it took the step of calling for a public inquiry.

I understand that last Friday the Environmental Protection Authority communicated with the Minister in charge of the relevant department that the authority gave the go-ahead, having approved of the environmental implications of the Harding River dam proposal. The Minister, by his diligence, was able to clear that decision by the following Monday and he has approved the go-ahead for the dam.

The Opposition was then in a very difficult position because it had no desire to hold up works on an additional, alternative, or supplementation to the Pilbara water resources scheme. However, on the other hand, it is conscious of the need to ensure that whatever scheme does proceed will proceed in the best interests of the area. For that purpose, and with the approval of the Minister, we have had a detailed briefing from two senior officers of the department in order to test whether our concern about this proposal had validity.

It was the view of the members who attended that briefing, and endorsed with the approval of the State Parliamentary Labor Party, that the questions raised by the documents which were put together for the purpose of the review were not answered adequately during the briefing we had with the departmental officers. In those circumstances, and pursuant to section 37 of the Environmental Protection Act, we call for a public inquiry to be held into the Government's proposal to establish a dam on the Harding River near Roebourne. We say that this action is essential having regard, firstly, to the serious gaps in the information contained in the draft environmental review; secondly, to the fact that the proposal would result in the irreversible commitment of a major portion of an environmental resource; thirdly, to the fact that important unresolved issues still remain following the review of the environmental impact statement; and, finally, a serious controversy exists over the best course of action to take following this review.

The Opposition calls for such an inquiry to be dealt with speedily, and for a report to be available by 30 November 1982. I make the point at the outset that the delays on the part of the Government in responding to the need for the extension of the water supply for the Pilbara are so great that we could not properly countenance any action which would hold up a Harding River dam proposal or whatever proposal is appropriate to go ahead next year. We cannot countenance the holding up of a project which is as badly needed as this, and which envisages some additional input into the water resources scheme for the Pilbara.

So we believe that if the inquiry were to get right into the issue and came back with its report by the end of November it would enable the planning, the calling of the contracts, and the letting of those contracts to proceed, give or take a few months on the envisaged schedule.

The first point I would make is that the question of supplementing the water resources for the Pilbara has been a live issue for about 13 years. In 1969 the Millstream aquifer was developed to supply a water resource for the iron ore schemes that Hamersley Iron Pty. Ltd. had under way. In 1971 further work was necessary to fragment those schemes for the Cliffs Robe River Iron Associates development at Pannawonica and at Wickham. As a result of the initiatives taken later in the 1970s at the time of the Tonkin Government, a serious study was prepared and issued in 1974-75 of the whole area of water resources throughout the Pilbara, not just the Millstream aquifer and its supplementation.

The Pilbara study was an extensive, comprehensive examination of the regional availability of water. It documented the water resources available both underground and on the surface; it included both aquifer and dam possibilities.

From 1975 until 1980 work was done to assess to some extent the environmental and engineering implications of each of these proposals, but the matter was largely left in abeyance until 1981.

At the time of the comprehensive survey, it was predicted that the Millstream aquifer would be in need of augmentation by early 1980 and, without wanting to be sidetracked into the area of pure criticism of the Government, it is relevant to say that the Government has been very slow to ensure that the necessary planning and analysis of the schemes was done by that date; that is, the date when it was known that Millstream would require augmentation, to wit, early 1980.

Since 1979, a controversy has surfaced from time to time as to whether the Public Works Department's draw on Millstream has been causing serious environmental damage to that area.

For those members who are not aware, Millstream is a unique system on the Fortescue River. There are two aquifers and a great deal of surface water which is largely fed from springs. It is quite obvious that the PWD does not have the ability to manage that aquifer. There is much hit-and-miss activity in pumping from one aquifer into another, recharging the springs, and recharging surface water and it is fairly obvious from the environmental damage which has occurred in that area that the science of managing the Millstream area, is, indeed, very young and not enough is known about it.

Alternatively, if I am incorrect in that statement about the PWD, the draw on the Millstream aquifer has been so great for some time that it has simply not been possible to ensure environmental damage has been minimal

It also is true that other environmental damage has occurred at Millstream which has not been a direct result of the draw on water for the needs of the people of Karratha, Dampier and Wickham. Nevertheless, although it has been denied over an extensive period that environmental damage has occurred as a result of the draw, I think it is conceded now by the department that it has indeed occurred, as a result of the department's activities.

Some relief from the immediate need to find an alternative water supply has occurred in that population and industrial expansion in that area has not been as swift over the last two years as had been anticipated at the time. There is no doubt that, if development had occurred as anticipated, by the end of 1982 we would have been in a very serious and difficult situation.

The proposal now is to complete a project at Lockyers Gorge on Cooya Pooya Station, which is a short distance from Roebourne; the object is to dam a very large pool of existing surface water which is present the whole year round. Even in years of drought there is water in Lockyers Gorge.

The point I would make in relation to the presence of that water is that it is the only substantial area of surface water within ready access to the population centres of Karratha, Dampier, Wickham, and Roebourne; certainly the next inland waterhole of any note is Millstream which is some 3½ hours' drive over rather rough terrain.

There is no question that the tourist potential of Lockyers Gorge—I intend that to mean the exploitation of the gorge as a place for recreation for visitors and inhabitants of the area—has not

been exploited fully, yet many hundreds of people regularly use Lockyers Gorge for recreational purposes, and I believe that number has increased dramatically over the last two years. It also is an area of great importance to the Injibarndi and Ngarluma people of Roebourne and some of the smaller language groups in that area. Their interest in the area has been documented fully by the Museum and vaguely alluded to by Dames & Moore in their environmental impact statement. So the area which is the subject of this dam proposal is of great importance to the people of the region. I shall come back to the relevance of that in a moment.

The first proposition I put to the House is that serious gaps exist in the information contained in the draft environmental review. I make the point to members that I made a speech on this subject on 7 April 1982, at which time, incidentally, as far as I was aware no major documentary criticisms of that draft environmental review existed. The points I made on 7 April 1982, which appear at page 595 of *Hansard*, are as valid now as they were then.

However, since that date other work has been carried out on the draft submission; in particular, a document was carefully put together by Messrs Dale and Devine which attempted to analyse the position on behalf of the Conservation Council of WA (Inc.).

I propose to utilise, and have utilised, some of the data and comments contained in that report, but I do not adopt it in full. I do not want members to think, or those thousands of readers of *Hansard* to believe, that I simply put forward Dale and Devine as the final authority on this issue; but, nevertheless, they made a careful documentation of a number of points.

Firstly, they make the point that there is an area in the environmental report where clearly the department and the authors of the report—that is, Dames & Moore—simply failed to come to grips with the statistical material which would assist them in making a final judgment.

The initial point which needs to be made is that, in making a judgment about the viability of the Harding River dam, the PWD took, for its base period for that analysis, the years 1955 to 1970. In fact, historical material is available from 1907 to 1980. Indeed, material is available to 1982, but I shall take 1980 as a base for when the environmental impact statement was prepared. Therefore, 73 years of historical material exists which could have been analysed in order to make a judgment about the usefulness of a dam on the Harding River at Cooya Pooya; yet the PWD took the period from 1955 to 1970.

In his report, Dale says that on average this period contained a much higher than normal runoff and in fact the two highest runoff peaks during the 73 years occurred in that period in 1956 and 1961. It is impossible to be satisfied with an analysis which depends on a shortened period of historical data when it has been chosen, by design or accident, to include the two years of the very highest runoff in 73 years.

Of course, it would appear prima facie to throw doubt on the calculations which justify the Lockyers Gorge proposal as a place to build a dam.

The Hon. G. C. MacKinnon: On the other hand, surely it would be essential to test the safety factors against the period of highest runoff.

The Hon. PETER DOWDING: Of course it would; if one looks at a shortened period with the two highest peaks, certainly one would look at those peaks to find one's safety position. However, that was not the purpose of the analysis. The purpose was to carry out an averaging which would permit an establishment of the "average" rainfall to determine how frequently the dam was likely to be filled. It is not a question of how frequently it is likely to overflow and of the safety factors involved. The point is whether the averages for that shortened period are useful at all; that is, whether one can expect the dam to have sufficient inflow and provide enough water to augment Millstream.

The Hon. G. C. MacKinnon: Well, I thought you would take that period in order to give the maximum capacity the dam could be said to hold.

The Hon. PETER DOWDING: I appreciate the Hon. Graham MacKinnon's years of learning in these topics and I am grateful for his thoughts on them, but I point out that in fact if one were to look at the figures to determine what the highest inflow was likely to be, one would not take a period of 15 years; one would take the highest runoff.

The Hon. G. C. MacKinnon: You said they did not.

The Hon. PETER DOWDING: I did not. I said they took a period of 15 years, out of the 73 years for which material was available, which contained the two highest inflows, in order to determine whether this dam was viable; that is, not whether it would overflow, but whether it would be full at all or whether it would contain sufficient water to augment Millstream for any useful period.

The Hon. G. C. MacKinnon: Have you, as a competent lawyer, asked them, as competent engineers, what was their reasoning?

The Hon. PETER DOWDING: Yes, and I ask the member: Did I receive a satisfactory explanation? The answer to that is, "No". The next question is, "Were the officers who did the briefing able to explain why that period, and not the longer period, was adopted?" The answer to that question is, "No". The next question is, "Did they agree that it might give an unbalanced result on the graph?" And the end result was, I think, a concession, although at least they certainly did not deny it.

The Hon. G. C. MacKinnon: You are remarkably succinct for a lawyer.

The PRESIDENT: Order! The member will direct his comments to the Chair.

The Hon. PETER DOWDING: It was just an attempt to balance the length of the interjections. It is our judgment that a serious omission exists, and the effect of that omission simply is this: If the Harding River dam does not provide a storage for substantial quantities of water as frequently as the averaged-out figures suggest, it will not do that which is necessary; namely, augment Millstream. The time it needs to augment Millstream is when the Fortescue flow is diminished, and that is when the aquifers have not been recharged in the previous few months or few years, and an adequate amount of recharge does not go into the aquifers to support the draw of water to the water supply. Clearly it is a fine line. It is conceded in the draft environmental impact statement that the dam is unlikely to be filled more frequently than once every three to five years, and if that is the case, considering the massive evaporation rates documented in the report, and the very shallow dam in the first place—

The Hon. G. C. MacKinnon: Just for the record, what is the rate of evaporation?

The Hon. PETER DOWDING: I will turn up the rates in a moment. They are massive.

The Hon. G. C. MacKinnon: Are they 15 or 20 feet?

The Hon. PETER DOWDING: I will give the rates shortly; I do not carry them in my mind. If the dam is expected to fill not each year but from time to time, it becomes critical to ask, "Can it be used at all to supplement Millstream?" My belief based on the figures, and the belief of the Opposition as whole, is that we need to determine whether the judgment is indeed the right answer.

The second statistical matter not adequately dealt with is the analyses the public or onlookers can make of the assertions that alternative dam sites might provide a better proposition. I do not for a minute suggest that I support any other dam site; I am speaking simply to the issue of the Harding River dam and the environmental analysis of its usefulness. At page 35 the report said this—

> Although prospective dam sites are present in the valley of Kumina Creek, a tributary of the Robe River, prospective yields are low due to the relatively small catchment available.

However, no statitistical material on which any judgment could be made as to whether that was an accurate assertion was provided. One would expect to find such an assertion in a detailed report of this sort.

The yield from the upper Kumina Creek is likely to be on a par with the yield from the Harding River site. All of the prospective yields are small by one standard or another; I am told by Dale the catchment area for the Kumina Creek at bed level of 325 metres is 490 square kilometres, as against 1 068 square kilometres for the Harding River. But the mean rainfall for the Millstream area, an area close to Kumina Creek and some distance from the Harding River, is 15 per cent higher than the rainfall at Cooya Pooya.

So, to speak as the report did originally simply in terms of the prospective yields, and to talk about the relatively small catchments available, is not the only way of analysing the usefulness of the dam site under investigation. As Dale points out, one can gravitate water from Kumina Creek to the Millstream catchment area, whereas from the Harding River it would need to be pumped. In any event, according to the briefing we had yesterday, it is not intended to be pumped back to Millstream, but pumped only into the water supply.

The Hon. G. C. MacKinnon: Who attended this briefing? Who were the officers?

The Hon. PETER DOWDING: They were two departmental officers supplied by the Minister for Works. One was Mr Hillman, and, although I do not know his full title, I understand he is a senior member of the engineering section. The other was Mr Webster, who I believe is the engineer in charge of this project.

The Hon. G. C. MacKinnon: I thought you said earlier they were from the Department of Conservation and Environment.

The Hon. PETER DOWDING: No, they were from the Public Works Department. The Minister made them available for an analysis of the programme.

The third most important piece of material omitted from the report is an analysis of the effect of a drought on Millstream. I make the point that although one can look at average seasons and draw a straight line on a graph to represent those average seasons, such a line would be very misleading. As anyone will understand, the seasonal fluctuations in that area are gross. Periods of extended drought occur regularly and no significant rainfalls are recorded. These periods occur from time to time, but regularly occur for periods of three years or more, and droughts of much longer standing have been known. In any event, in the material provided no analysis was made of the depletion of the aquifer storage and the levels which would result if the Harding-Millstream system were used conjunctively during a period of extended drought. It seems to be conceded that there is likely to be no point at all in having the Harding River dam in an extended drought. Millstream simply would have to cop the problems of continued water draw.

It was historically recorded that an 11-year drought occurred from 1917 until 1927. If such a drought were to recur, what are the safeguards for the system? If I could change the focus of this point, we are concerned not only about the safeguards for the system, but also for what would happen to the people of the area if such a drought occurred; we are concerned whether the system would be able to provide the water resource needed. If it did, what would happen to the system itself? Those are points which in our view are not adequately considered by this report.

We seek an opportunity for that issue to be raised and resolved in a public inquiry. It is conceded that the alternative water source developments such as at Boojeemala Creek—it has quite different characteristics from the Harding River—would have a significantly lower annual draw on the Millstream aquifer. Boojeemala Creek has a greater advantage in terms of its storage capacity. It has the advantage of being more proximate, and the problem, most importantly in terms of analysis, of being more expensive. But no-one at the moment can make a judgment; one must rely on the explained judgment of persons who made a decision to choose the Harding River. No-one can say whether that expense will be justified bearing in mind things such as the 11-year drought which occurred during the period I mentioned.

I do not want to bore the House at great length, but there are other areas the report covered superficially, and they concerned problems that might arise if the Harding River dam project went ahead. The first is this: The material relating to the access of the public to Lockyer Gorge now is three years out of date. Further and better material surely should have been included in the impact statement—it was available. Of course, since 1979, a marked change has occurred in the population of that area by tourists, and a change has occurred in the use of that area by tourists and local people. An upgrading of road facilities has been carried out since 1979, and one can observe from one's own experiences a much greater use of that area by people. If one of the matters for judgment in determining whether this project should go ahead is the use to which people put the area, a use by which it may be destroyed, one would have thought up-to-date material on that issue would have been essential in the making of the report.

In relation to Aboriginal people I do not accept Dames & Moore adequately consulted the people of Roebourne. It simply is not good enough to drift into an Aboriginal community, find a couple of old blokes prepared to go for a ride, yarn about things, and then move out, but that is how the report analysis on the Aboriginal attitude was conducted. It was superficial and did not have proper regard for the issues involved in the inquiry.

The effect of construction of the dam and the flooding of the reservoir will be to create a loss to the community of a natural resource. It is planned to provide a small recreation pool on the lower side of the dam wall. In other words, a large area of water will be behind the dam, an area which will not be able to be used for recreation purposes, and a small pool of water will be on the other side of the dam wall, a pool specifically provided for recreation. But we would have a dam not filled more frequently than every three to five years, and would require scouring for a number of purposes, the main being water purity. We would have a dam unlikely to provide enough water in any sort of drought condition to supplement the draw on the Millstream aquifer, and a dam which would be primarily the first input to the water supply for the towns in the area. In other words, the dam is call No. 1 for town water supplies. That is largely as a result, as we were told on Monday, of the dissolved salt level and the water purity which are much better than those of the Millstream aquifer. I was not aware that was the case.

In other words, the dam will be the first draw. There will be a need to scour out, by discharging, to ensure water purity. I cannot accept that over an extended period there will be a recreational area which will be particularly useful. It is important to determine the extent to which this will interfere with the recreational needs of the area.

It is the only significant inland waterway within a short drive of the major population centre, so it will be a loss to the community. It will be a loss to the community of Roebourne also. I hope when the Minister is quoting his Dames & Moore—

[Resolved: That motions be continued]

The Hon. PETER DOWDING: If we are to benefit by a response to this speech, perhaps the Minister will be able to give us an assurance that the needs of the Roebourne people will be catered for by the Government building a swimming pool for them.

No water will flow down the Harding River if the dam will fill only once every five years. No water will flow down the Harding River, and the pools between Lockyers Gorge and the coast will not be filled. The recreational needs of the Roebourne town, which suffers under the constant neglect of this State Government, will be interfered with. No consideration seems to have been given to that fact in the environmental report.

No consideration is given, not only in terms of the needs of the people, but also in terms of the environment downstream and in other areas. The town of Roebourne receives water from the Roebourne bore field and the people of Wickham receive their water from Millstream and the Harding River bore field. So the aquifer which supplies Roebourne is fed from the Harding River. If it is cut off, the bore field will suffer or further degeneration of the bore field water supply will occur. A high level of mineral salts is present in that bore field and it will not be resupplied with water coming down the Harding River. These issues do not appear to have been canvassed properly in the environmental report.

The Harding River pools downstream of Lockyers Gorge are important to the Aboriginal people of Roebourne, but this was not canvassed in the report. It is likely that places such as Two Mile and Goonabooka will not have any water once the Harding River dam is constructed.

The next issue which was canvassed in a peripheral way and which was not dealt with adequately in the report is the question of the implications of building a dam with a very large and shallow water content. It will represent a risk to public health. The report states that a public health problem could arise from the creation of this dam. That is inevitable, but no attempt has been made to make any quantitative judgment as opposed to simply assuming there may be risks. No attempt has been made to relate in a quantitative way the health risks with the surface area and depth.

The proposition which seems to have come forward in studies of the Ord River Dam and other dams of that size is that there is an obvious connection between large surface areas and shallow depths which could provide a great opportunity for contamination and a habitat for disease vectors, to quote from Dale.

It is not simply a contamination of the water but a creation of a public health risk. Mosquito and water bird borne diseases have been noted and are a matter of concern in the Kimberley area. The likelihood that these health risks will occur needs to be closely monitored after the Harding River dam is constructed.

No quantitative analysis has been made which would help in that determination of the alternatives. It is no good to say the option of the Harding River dam will cost $50 million, if one simply ignores the subsequent cost in terms of public health problems.

On page 116 of the report of Dames & Moore it is stated that there is no specific treatment for the infections. The infections that may be carried are the Murray Valley encephalitis and the Ross River virus. No special treatments are available. It states—

> There is no specific treatment for the infections as vaccines are not available. Mosquito control, control of potential vertebrate hosts and the separation of population from high risk areas are the main preventive measures. The distance of the reservoir from the population centres will also help in the control of the problem.

It goes on to say that research is being done at the University of Western Australia on mosquito monitoring and data has been prepared on future control measures.

I do not wish to be a prophet of doom and I do not suggest that public health risks are not considered whenever we are involved in such projects; however, it does seem to me there has been scant analysis and scant judgment based on the likely course of public health risks when considering other alternatives.

The Harding River dam is remote from major population centres but that will not effectively separate the population from the high risk areas. It was put to me that it is just as easy to separate people fom Lockyers Gorge as it is to separate people from the Mundaring Weir. I do not expect this will be so. It is a large area of water in a relatively remote area and field staff are difficult to obtain from this Government. It is most unlikely that the public health risks can be controlled.

I am not saying that the public health risks are so great that the Harding River dam project should be abandoned. Serious questions remain unanswered and the answer may be provided in part by the provision of quantitative material which was not obtained. I wish to canvass a number of areas.

The first is that not enough information has been published about Millstream, the flow from the springs and the amount of water which is recharged into the Fortescue River pools. Not enough analysis or statistical information on Millstream has been collected and this is crucial to a judgment about which dam should be constructed or whether there should be a dam at all.

If the Harding River dam is a cheaper alternative it may not be the most satisfactory, because it may provide no protection against the depletion of Millstream. If the Boojeemala Creek proposal is 50 per cent more expensive, that money could be well spent because it may provide the only real "front up" for Millstream. It is a judgment which cannot be made without quantitative and qualitative material.

In the analysis of water draws, little attention has been paid to the question of water conservation. I am talking about what the Government has done on the issue of water conservation. It has encouraged two officers of the department to grow their own low-water gardens and has produced a pamphlet on how to grow an acceptable garden without using a great deal of water.

In terms of expenditure that has not even met the cost of the printing of the Dames & Moore report. That is pitiful when the matter may have a major impact on the question of whether the damming of the river should go ahead or whether a ground water resources development is a better alternative. This matter should be re-examined and some concrete decisions or commitment made in relation to water conservation. All these matters which have arisen from the report should be examined by a public inquiry.

It is not our intention to hold up this project other than to ensure that all the material is available before a final commitment is made. If the EPA had published its report on the Dames & Moore study and provided time for public discussion before the Minister announced the go-ahead, the situation might have been different. Some of these questions might have been answered, but that is not the way this Government runs its business.

It does not come up with honest, frank and open determinations which enable the public to question them. It is run by secrecy.

The Hon. H. W. Gayfer: Are you saying the Government is dishonest?

The Hon. PETER DOWDING: I think the interjector said that.

The Hon. H. W. Gayfer: I think you said it.

The Hon. PETER DOWDING: I am saying the Government has not given the public an opportunity to make a judgment on whether or not the final go-ahead decision is correct and that many of the questions I have raised may well have been answered by the EPA. However, since the Hon. Gordon Masters has emasculated the powers of the EPA—

The Hon. G. E. Masters: You are spoiling a good speech.

The Hon. PETER DOWDING: If the report of the EPA had been made public for the members of this House and the public to look at it, some of these questions might have been answered. It has not been made available and it is the Opposition's view that the public are entitled to take issue.

There are serious gaps in the information contained in the draft environmental review. The proposal would result in an irreversible commitment of major environmental resources, and a serious controversy exists over the best course of action.

If the Opposition were as omniscient as it would like to be, it would not move for a public inquiry; it would simply say what it thought was the best option. We do not claim to have that knowledge, so there is a need for the inquiry to be held quickly, and for the public to be able to monitor the judgment of the EPA and the Government.

THE HON. G. E. MASTERS (West—Minister for Labour and Industry) [5.46 p.m.]: I welcome the different tone and attitude of the Hon. Peter Dowding in his speech tonight. Perhaps a late night has added something to it, but it was easy to follow and although some of the matters raised are not supported by myself or the Government, he made his point. It is not fair to say that the public have not been given the opportunity to respond to the proposals now being discussed in this House. From 3 March to 27 April there was a public input period when six or seven submissions were made to the EPA. One was made by the Conservation Council of WA (Inc.), and another by the Hon. Peter Dowding. They were considered by the EPA.

It was suggested that there had been delays by Government over a period of years. It was not delay, but a careful and detailed consideration before the Government decided to make a move. These matters are serious and involve an effect on

the environment of the area. The assessments had to be made carefully and considered cautiously, and the decision had to be made on the same basis. If ever there has been a careful investigation of a water supply, it is in this case. It has been under consideration and discussion since the 1960s or before.

It was interesting to note that on 30 March the Hon. Peter Dowding presented a petition to this House which contained the following two points—

> We the petitioners therefore pray that your Honourable House will give earnest consideration to :
>
> ensuring that steps are taken immediately to avoid further environmental decline at Millstream; . . .
>
> ensuring adequate water supply to keep in step with the development and population expansion of the Kimberley and the North West.

The Government after careful consideration, has taken into account these two proposals. There was justification for putting them forward, and the Government has responded to these and other comments. In a recent Press statement, the Premier put forward a proposal that the construction of the 114 million cubic metres capacity dam would meet the demands of up to 2½ times the region's present population and would carry the region forward to the year 2000. It would supply adequate water for the build-up in population. The decision has been made for the Harding River dam after one of the most thorough and comprehensive water supply investigations ever undertaken in Western Australia. Dames & Moore, who are worldwide operators and have a reputation for their ability to come to grips with these problems, carried out the environmental assessment. The Snowy Mountains engineering group, a most prestigious body, also was involved in giving advice. The utmost co-operation was given by the WA Museum in evaluating Aboriginal needs and interests. There is a large and extensive report on that subject. The community as a whole has been thoroughly consulted; I am not talking about only one town.

Projects such as these must have strong environmental investigation. The environmental review and management programme has been drawn up, and it is in a large and well documented report from Dames & Moore. It is a company about which the Hon. Graham MacKinnon knows a great deal. He had something to do with using the company for this purpose. I am sure he would support me in saying there is no better company in the world to use for this investigation. The EPA itself inspected the area at the beginning of this year. It recognised there were difficulties and that the storage capacity or characteristics were more favourable on this site than in other areas of the West Pilbara.

The Hon. Peter Dowding: Will you table or produce the EPA report of that inspection?

The Hon. G. E. MASTERS: Yes, I will do that at the conclusion of my speech. The need to manage the water supplies is obvious. There needs to be a clear understanding of the methods to be used when we proceed with a development of this kind. That point was rightly raised by the Hon. Peter Dowding. The environmental effects must be minimised and contained as far as possible. It would be ridiculous for me or anyone to say there will be no environmental impact, because that occurs in every development.

There is an environmental impact when we turn on water from the tap, or turn on a light switch, when we drive along roads, build houses, or cut timber. I am not going to pretend there will be no impact in the development and construction of this dam. If we said we could not go ahead with projects which had an environmental impact, we would never have any projects. These are matters which require judgment and balance. When considering projects and development, and the needs of the people, there is a demand that the standard of living people enjoy will continue and improve. The question of jobs must be considered. The decision the Government has made takes into account all these factors. The EPA has prepared a report. It is entitled, "Harding Dam Project, Public Works Department Report and Recommendations by the EPA, August 1982, Department of Conservation and Environment, Western Australia." I understand it is due to be tabled today in another place and I am happy for members to have a copy.

The Hon. Peter Dowding suggested I had emasculated the EPA and the Department of Conservation and Environment. The structure now of the EPA is that it has three independent members. We strengthened it last year rather than weakened it. We had no say in drawing up this report. The EPA is able to release that report of its own volition, not by instruction from the Government. That is set out in the Act under which the EPA operates. It is unfair for the Hon. Peter Dowding to say the EPA was weakened, unless he applies that description to putting it beyond Government control. If he wants the authority to be directed by the Government, so be it; we do not.

In his remarks the Hon. Peter Dowding mentioned Dr David Dale, who is the adviser for the

Conservation Council of WA (Inc.). I believe he is also the ALP candidate for Clontarf.

The Hon. Peter Dowding: Yes.

The Hon. P. G. Pendal: Surprise.

The Hon. Peter Dowding: What does that mean?

The Hon. G. E. MASTERS: His name was brought forward—

The Hon. Peter Dowding: I was not talking to you, I was talking to the pipsqueak.

The Hon. G. E. MASTERS: Dr Dale was involved with the Department of Conservation and Environment for a number of years. His expertise is in the conservation field, but I am not sure that it would be in the engineering field. If that is the basis for the Hon. Peter Dowding's remarks tonight, some of his claims were not quite correct. The submissions made by the Conservation Council and the Hon. Peter Dowding were carefully considered. In newspaper reports the Conservation Council suggested that its comments were not considered. That is not true. The EPA carefully considered all the information put before it so it could come to a fair and proper decision. I have a copy of the Conservation Council report on the west Pilbara water supply. I can understand the Hon. Peter Dowding not supporting all of it, because some parts are quite ridiculous and others have some value.

It suggests bulk supplies of fresh water could be carried to the Pilbara as ballast in iron ore ships. That is quite ridiculous, but there may be some better points in the document. The EPA considers that the project is environmentally acceptable, and has given approval for it to proceed subject to the environmental review and management programme which will be monitored on a regular basis. The Pilbara relies on a limited water supply. The existing supply, in the main, is drawn from underground sources. It is considered that the 10 million cubic metres of water used at present is the limit that the environment can stand. Another water supply is needed.

The decision in favour of the Harding River dam was based on engineering, environmental, social, and economic considerations. It is hoped that the dam when full, will impound 114 million cubic metres of water over 59 square kilometres. It will be 5 metres deep on average right across the dam, so it is quite shallow. A bank will have to be constructed from 695 thousand cubic metres of material. The estimated yield will be to lift the volume of water available from a maximum of 10 million cubic metres to possibly 28 million cubic metres in the coming years. The site will not be far from Roebourne—about 25 kilometres—although it is in a remote area. It will be fairly easy to manage and to police because it is a difficult area to reach. I would have thought it would be more easily controllable than Serpentine or Mundaring which are close to the metropolitan area which has a population of about 800 000.

It is intended that the recreational pool mentioned by the honourable member will be available to the public, to replace the existing pool. I understand it will be kept filled with water and maintained properly. If the member has information different from that, I do not know of it. That is the information I have received.

Some months ago—I think, in April—I heard the Hon. Peter Dowding talking about alternatives, one of which was desalination. That option is not viable in the north at the moment—

The Hon. Peter Dowding: I did not pursue that.

The Hon. G. E. MASTERS: I am making the comment because the Hon. Peter Dowding mentioned this earlier; and for the purpose of *Hansard*, people should realise the alternatives and the cost of them. They should realise why the Government has decided that the dam is the proper alternative to adopt.

Sitting suspended from 6.01 to 7.30 p.m.

The Hon. G. E. MASTERS: It is fair to mention that point today because desalination is something that must and will be considered in the future; however, at this time it is not a viable option.

The Government probably had three options when considering future water supplies to the northern areas. Firstly it could look at water available in the region; secondly, it could look at piping in water from outside the region; and, thirdly, it could consider desalination. Obviously the cheapest option would be to use water within the region. Piping water from outside, such as from the Ord, woud be very much more costly. I mentioned earlier that the Conservation Council of WA (Inc.) had suggested bringing in water in iron ore tankers and pumping it ashore. That is considered to be an unacceptable and unreasonable method of supplying water to the area.

Desalination has been considered by different companies and project operations. Apparently they found that the cost of desalination would be five to 10 times greater than the cost of obtaining a supply of water from the area; therefore the cost of desalination would be out of the reach of most people in the area.

Earlier in the year the Hon. Peter Dowding mentioned the health problem associated with damming this water and, again, there is no doubt

that the management controls must be carefully understood and pursued. Quite clearly amoebic meningitis occasionally could be a problem in the area as it is in the Perth metropolitan area. It is a problem which can be controlled by the chlorination of the water, so there is no health hazard for people drinking the water. Should a person swim in affected water he could become infected.

The reports address themselves to this problem. The large Dames & Moore report addresses itself to the management of the public health aspects and mentions the need for the water to be disinfected, the fact that monitoring must occur on a regular basis, and the need for restricting access to the dam. Without going into the report in detail, a great deal of consideration was given to the health problems that may exist with future water developments.

The Hon. Peter Dowding now has a copy of the EPA report and the management programme mentioned in the Dames & Moore document dealing with the management of the Millstream aquifer. The reports indicate the need for careful monitoring of this water supply and careful assessment on a regular basis. Indeed, the EPA recommended a 12-monthly report. I imagine there would be an ongoing monitoring and assessment of the Millstream water supply.

There is no doubt at all that if the area suffered a long period of drought there would be a need for water restrictions in the area as there are at times in the Perth metropolitan area. The Public Works Department and the Government believe that the damming of the Harding River will meet the immediate needs of the area, even though the honourable member's argument about drought conditions causing problems has some substance. However, we must look at the immediate problem and establish how we can cope with it.

I suppose it is all very well to tell the public to conserve water; in the metropolitan area we have seen how difficult it is to persuade people to limit the water they use. They only way to do this would be to double the price of water; that would have an immediate effect but it would not be suitable or practicable. The Public Works Department and the Government have an ongoing programme to educate people to be more careful with our very valuable resource of water, in a State which is one of the driest parts of the world.

The member also mentioned the Aboriginal community in the area and the assessments made by the Museum; he indicated that not enough work had been done on this aspect of the problem. However, a fairly significant document has been produced dealing with Aboriginal sites in the West Pilbara water supply area.

The honourable member is proposing a number of things. Firstly, he is proposing that, pursuant to section 37 of the Environmental Protection Act, a public inquiry be held into the Government's proposals to establish a dam on the Harding River. I say again that public input has been received and was able to be made in March and April this year. A long and careful assessment has been made of the problems connected with the Harding River dam proposal. Many investigations were carried out and a number of large documents produced by people throughout the world recognised for their ability to assess conservation and engineering problems. The Government has been appraised of the problems involved in damming the Harding River by these very able advisers. Sooner or later a Government must make a decision on what programme it will adopt in such a situation. Sufficient work has been carried out now to justify the Government's decision to go ahead.

The member suggested that serious gaps exist in information contained in the draft environmental review. As far as possible the Government has addressed itself to all those problems and it has gone as far as it can to meet all the recommendations in the EPA report.

The member suggested that the proposal would result in an irreversible commitment of a major portion of an environmental resource. Whenever a Government decides to carry out work such as the damming of a river to use its water there must always be a permanent commitment to use and to change an environmental resource. Sooner or later a decision needs to be made by a Government and this Government has now made its decision.

He suggested there were unresolved policy issues following the review of the environmental impact statement. The Government has made a policy decision as a result of research carried out and advice received. Our policy is quite clear and straightforward.

He suggested that a serious controversy exists over the best course of action following the review. With whom does the serious controversy exist? The Government has considered all objections and input and has made an assessment. A few people will always be concerned and we could never overcome the problem that a minority group might wish to press the Government to consider a different option. However, in the interests of the community in the north and in the interests of future progress and development in this very important area of the State, the Government has made a decision which it believes is quite clear

and forthright. It has no hesitation in supporting what has been a very carefully worked out programme.

I urge members to oppose the motion.

THE HON. TOM STEPHENS (North) [7.42 p.m.]: I join my fellow member for North Province in expressing concern about the decision the Government has made to dam the Harding River. The crux of our approach basically is this: Due to the seasonal circumstances of the north there are times when the proposed Harding dam simply will not fill. If the dam is started this year and finished next year, it will be largely a matter of hoping that rains arrive shortly afterwards to ensure the dam is filled in order to be able to augment the water supply of West Pilbara.

The briefing the PWD gave to members of the Opposition basically expressed a belief that the rains will come. We on this side of the House hope the rain does come but we feel the need for a more positive approach to be taken. We have indicated the history of rainfall in the area and have expressed our belief that other areas receive higher rainfalls than the Harding catchment area. Basically, if the rain does not come there will be a bigger draw on the Millstream water supply. In the *Daily News* today the Kennedy family who run Millstream Station expressed their basic support for the dam. They said, "If the dam does go ahead, it is a good show. It will relieve Millstream a lot." This is our basic concern, because in those periods when there is a shortage or rain, when we need to augment the water supply for West Pilbara, the difficulty is that we will have to draw on Millstream to service the needs of West Pilbara.

Other options were included for reasons that are still unknown to this House and to the public at large. That is the basic reason for the motion moved by my fellow member for North Province. We would have liked to be privy to the reasons which encouraged this Government to exclude those options and we are still to be convinced of the arguments that have been put forward by the Government.

When the PWD gave its briefing it indicated the dam was a long-term solution, which would last to the end of this century. To some people that may be a long-term solution, but I am just a young man and I notice that is simply a period of 17 years. I would not think of that as being a long-term solution to something that supplies the water needs of the west Pilbara region.

The Hon. Peter Dowding: It is for some of the people here!

The Hon. TOM STEPHENS: Perhaps it is, but for me, it is not. For the area we represent it is not a long period in its history. The end of this century is only 17 years away.

The Hon. Robert Hetherington: It is pretty short term, isn't it?

The Hon. TOM STEPHENS: One of the things that also concerns me is the Federal Government's involvement in this decision; that is, that the PWD did a balancing act and weighed up such questions as cost and effect on the environment and then they threw in a little wishful thinking; in addition to that, they considered the support of the Federal Government.

The Hon. A. A. Lewis: They told you that, did they?

The Hon. TOM STEPHENS: They indicated that to us.

The Hon. A. A. Lewis: They used those words?

The Hon. TOM STEPHENS: Yes. That was the balancing act they were performing, and they would be considering costs.

The Hon. A. A. Lewis: They used those words?

The Hon. TOM STEPHENS: Yes, costs to the dam and the environment.

The Hon. A. A. Lewis: The weighing up of this and that?

The Hon. TOM STEPHENS: Yes, it was a balancing act.

The Hon. A. A. Lewis: They said that?

The Hon. TOM STEPHENS: That is right.

The Hon. A. A. Lewis: Well, I am glad then!

The Hon. Robert Hetherington: We are all glad you are glad. You should let the member make his speech.

The Hon. TOM STEPHENS: My concern about the Federal Government's involvement is that, on the PWD's own admission, there are occasions when the Federal Government will be involved in water resource projects which are economic and very streamlined operations and they will not necessarily fund an extravagant development. This development deals with the long-term needs of the west Pilbara region and it will involve great expense in the construction of a dam in the area. It is not good enough just to say that the Federal Government will not involve itself in a programme that is more expensive because of these stringent times, particularly when we look ahead and realise that with the rising unemployment rate in the nation at present, the Federal Government may soon need to involve itself in a scheme to get the nation working again. It could be that the construction of a bigger dam in the Pilbara which would guarantee the survival of Millstream—

The Hon. Neil McNeill: Do you think there might be a change in new developments before the turn of the century.?

The Hon. TOM STEPHENS: I hope there will be more developments before the turn of the century.

The PRESIDENT: Order!

The Hon. Peter Dowding: Why commit public funds now? To what?

The Hon. TOM STEPHENS: The Government is committing public funds now and it is a question of whether it is using public funds wisely. If we get into Government at the next election we will face complaints about this situation, and that worries us. We do not want to be in a situation where we have allowed the dam to go ahead, particularly if it is a dam that will not necessarily provide the essential water supply for the region, because we could have to turn around again and build a dam that will look after the needs of the region.

The Hon. Neil McNeill: How would the capacity of this proposed dam compare with the Canning Dam?

The Hon. TOM STEPHENS: I am not familiar with the capacity of Canning Dam, but from the Minister's description of the dam I would say it is very shallow and at best it is 5 metres deep all the way across, and it will involve the scouring of the countryside as it goes up and down over those 5 metres, due to the seasonal factors involved.

The Hon. Neil McNeill: A capacity in excess of 100 million cubic metres, I think the Minister said.

The Hon. Peter Dowding: It will be at full supply only every 3 to 5 years, at most.

The Hon. Neil McNeill: It is a similar situation to the Canning Dam.

The Hon. TOM STEPHENS: Basically, in the west Pilbara—

The Hon. A. A. Lewis: You cannot understand any other dam.

The PRESIDENT: Order!

The Hon. TOM STEPHENS: We will not be involved in the process of building a dam, then waiting to see whether it is filled, and then waiting to see whether it will support the water requirements of that region. If it does not, it will be necessary to draw on Millstream during the dry periods; but there is no environmental impact study on the drawing of water from the aquifer. There will be a question of how much of the Millstream water can be drawn without damaging the environmental region of Millstream.

I hope the suggestion of my fellow member for North Province will be taken seriously and that the people of Western Australia will be taken into the confidence of this Government and given the opportunity of working through the sorts of considerations that come into play, and that this Government ensures that those considerations were ones that warranted the decision that has now been made by the Government.

I give my support to the words of my fellow member for North Province when he expressed his concern about the hasty decision to proceed with the Harding River dam.

THE HON. ROBERT HETHERINGTON (East Metropolitan) [7.51 p.m.]: I do not want to say very much, but after listening to my friend, the Hon. Peter Dowding, and to the Minister, I believe the Government seems to be substituting pious aspiration for scientific investigation. I ask the Minister whether he would listen to my honourable friend and perhaps conduct further investigations. Having listened to the arguments, of which I was not cognisant before this debate, it would seem further investigations are very much warranted.

THE HON. PETER DOWDING (North) [7.52]: I am grateful for the probative comments of the Minister in relation to the manner in which I delivered my speech. It did not seem to have made the slightest difference to the end result, and that is that he does not take any notice of what I say despite some of my most salient points.

The Hon. A. A. Lewis: What did you say?

The Hon. PETER DOWDING: I hear a sonorous noise in the background. Is it a somnambulist?

The PRESIDENT: Order! I ask honourable members to cease their interjections. I ask the Hon. Peter Dowding to ignore the interjections and direct his comments to the Chair.

The Hon. PETER DOWDING: I am grateful to the Minister for providing me with a copy of the EPA report. It is the sort of document which ought to have been released when the Minister announced the go-ahead for the scheme. On my view of the Westminster system, he should have announced that to the House and tabled the report at the same time. At least I have it now. I had the opportunity of reading it during the suspension of the sitting for dinner and am able to make some points in closing this debate in reply to the Minister's speech.

Really the EPA supports the proposition that I have been making. The report says—

> The ERMP contains several comments regarding the advantages that the construction of the Harding Dam will have on water quality in the West Pilbara scheme. The effects of high salt levels on human health have recently received wide publicity and with the increasing permanence of the Pilbara population the Authority is concerned that residents may receive a higher than desirable intake of salt through prolonged consumption of water with relatively high salt levels. Every effort should be made by the water supply authorities to manage the water supplies in such a way as to minimise salt loads. This may well require the development of better quality resources in the near future.

Despite a number of questions that I have directed to the Public Works Department, I have serious concern about the salt levels of the Pilbara water supply and this is the very purpose of the many petitions presented to this House, and the questions I have repeatedly asked about water quality. However, the Government has consistently stonewalled on this issue. I point out to the thousands of readers of *Hansard* and to you, Mr President, that in fact this is a governmental admission of concern about the public health of consumers of the west Pilbara water supply.

The second point I make is that the EPA said—

> This matter will require the development of better equipped resources in the near future.

In other words, the Harding River dam is not the solution. We are spending $50 million tomorrow and we have to look for another solution. That suggests to me that the Harding River dam is a very short-term solution.

Somebody said to me that Bert Kelly, the gentleman who writes to *The Bulletin*, as the farmer, I understand—

The Hon. Fred McKenzie: The "modest farmer".

The Hon. PETER DOWDING: Yes, the "modest farmer" is his nom de plume. He said, "I feel a dam coming up. There must be an election." One wonders if the EPA is really suggesting in its reply that we are required to look for a new solution, having given the go-ahead to the Harding River dam; if so, it seems to rather reinforce the single view that this dam is being put through for other reasons.

I am not against the Harding dam *per se*. I am against the Harding River dam for its own sake and I restate that the Opposition believes the approval was based on the inadequate analysis of the relevant material.

The Hon. Neil McNeill and the Hon. Graham MacKinnon inquired about the dam's capacity. These were the points that were made in the report—

> At Full Supply Level (RL 62.5 m), the dam will impound some 114 million cubic metres (m^3) of water, with a surface area of 23 square kilometres (km^2) and an average depth of 5 metres.

That is at full supply, an event which is unlikely to occur more frequently than every three to five years.

The Hon. G. C. MacKinnon: Is there an underlying porous aquifer, or is it just the dam?

The Hon. PETER DOWDING: Is it an underlying porous aquifer? No. That is not why it achieves full capacity. It does not achieve full capacity because the runoff is not guaranteed; it fluctuates. We do not expect a full runoff more frequently than once every three to five years. Because of the high evaporation rate, one needs virtually an annual gross runoff sufficient to fill it. We do not have all that much carryover.

The report continues—

> In essence, it stated that the Harding site is the lowest cost alternative, with the lowest social impact and having an acceptable environmental impact.

In other words, it is not that it is the best solution to support Millstream that gives the EPA and the Government the decision to go ahead with it; it is just that it is the lowest cost alternative.

Within its own documents it refers to the ongoing need to look at other solutions. The Hon. Tom Stephens pointed out that we are talking about only the short term and for those reasons we are concerned that perhaps the lowest cost is not the only factor that ought to justify the go-ahead for this dam. The usual potential evaporation from the proposed reservoir is 2 718 millimetres which is eight times higher than the mean annual rainfall. This gives an idea of the winter depletion from the large water surface area.

I am surprised the Minister did not make a short speech congratulating me on the penetrating words I used because the EPA supports them in this document. On page 4, paragraph 3.3, the following appears—

> Since stream recording at the Dam site commenced in February 1965, the highest

> observed monthly flow was 86.2 million m^3 in January 1967 while no flows have been reported for periods of up to ten consecutive months. It is likely that there have been longer periods of no flow, such as from mid-1923 to early 1926.

No flow—that does not mean some flow, or minimal flow, or inadequate flow; it means no flow.

The Hon. Neil Oliver: Do they actually say no flow?

The Hon. PETER DOWDING: Did not the honourable member hear me? I will read it again—

> It is likely that there have been longer periods of no flow, such as from mid-1923 to early 1926.

I cannot put it more clearly than that.

The Hon. Neil Oliver: It said "likely".

The Hon. G. C. MacKinnon: You convince me. I must talk to the EPA and tell them to spend some money in South-West Province.

The PRESIDENT: Order!

The Hon. PETER DOWDING: I hope the honourable member will be able to absorb the totality of my submission. There could be a short delay until 30 November which would enable some of these propositions to be investigated.

The Hon. H. W. Gayfer: To allow the cost to go up 20 per cent!

The Hon. PETER DOWDING: That is a comment which requires a response, because it will not put it up 20 per cent. It is within the framework of the present timetable. A delay could occur between now and November without affecting it.

The Hon. H. W. Gayfer: Do you know that the people in the south contribute towards the cost of the pipeline?

The Hon. PETER DOWDING: Probably they do.

The Hon. H. W. Gayfer: You should do likewise.

The PRESIDENT: Order! I ask the member to ignore the interjections.

The Hon. PETER DOWDING: I hope the member of the coalition Government will press on because it may give us more than a 14 per cent swing.

The next point I make again reinforces the proposition I have made that this Government and the instrumentalities which operate under it are fond of treating Aboriginal issues as archaeological issues and if one finds a cave painting—

The Hon. H. W. Gayfer: What does this have to do with this debate?

The Hon. PETER DOWDING: It is referred to on page 4, paragraph 3.7 of the EPA report.

As I mentioned, the Government is fond of treating Aboriginal issues as archaeological issues and that is why the main instrumentality in relation to Aboriginal affairs under this Government has been the Museum. In fact, it is only the archaeological issues surrounding this proposal in respect of Aboriginal affairs which have received consideration in the EPA statements. That reinforces my view that live Aboriginal people with live problems, and religious, social and environmental concerns are not given any attention, but archaeological issues appear to be the only ones that are.

The next point the Minister might have cited—

The Hon. H. W. Gayfer interjected.

The Hon. G. E. Masters: He will finish up reading the conclusion on page 1!

The Hon. PETER DOWDING: I make reference to paragraph 4.1 which is as follows—

> The Authority considered that although the ERMP had some shortcomings, it contained sufficient information for the public and government agencies to make an assessment of the proposal.

That is what I disagree with. It refers to the shortcoming in the fall-off because of flora and fauna. It is too late once an amount of $50 million has been spent. It continues—

> Another shortcoming is the limited information in the ERMP concerning the effects of the conjunctive use scheme on the Millstream environment. The PWD has acknowledged this inadequacy.

If the purpose of the Harding River dam is to ensure support for Millstream, it is up to the EPA and the PWD to acknowledge that the shortcomings of the ERMP are a vital issue. It appears to me that the comments I have made are amply justified. I quote from page 9 of the report as follows—

> However, as rainfall is extremely variable in the Pilbara, there will be periods when water stored by the Harding Dam would be quickly utilized and complete reliance would fall on the Millstream aquifer.

Is that not exactly what I have been saying? Because the rainfall is limited and variable there is no guarantee that the Harding River dam in the time of any environmental stress will be of the slightest use at all to Millstream. That is a prima facie position. To continue—

Unless water conservation measures are successful in curbing demand, the draw on the aquifer during these periods will be beyond that which is currently considered to be the maximum safe yield, after making due allowance for local environmental demands. Based on computer projections by PWD, the Millstream aquifer will be required up to one third of the time when the system yield is 28 million m3 per year.

Water supply potential in the Pilbara is limited by the erratic rainfall and extremely high rate of evaporation experienced in the region.

These are the issues concerning the judgment of whether the Harding River is a solution and whether it simply ought or ought not to be tested by a public examination.

The next point to which I refer, and on which the Minister might have leapt to his feet and given me vigorous support, concerns the EPA's remarks on page 11, paragraph 4.6 wherein it refers to the downstream ecosystem. If I sound as though I am crowing a little it is because, as a man without any resources and a man without the resources of the EPA and the PWD and having a limited knowledge of the business of the building and utilisation of dams and aquifers, the EPA is supporting the very points with which I have been concerned. I quote—

The Harding Dam will inevitably alter the hydrologic regime of the Harding River downstream of the main embankment. The extent to which this occurs will depend on rainfall frequency and intensity in the River's catchment. The ERMP indicates that the reservoir will fill, on average, once in every three to five years.

Information obtained from the Public Works Department suggests that flows from the dam, either through over-topping of the spillway or scour requirements, will be infrequent. Based on computer simulations, the dam will fill beyond the Full Supply Level less than 2 per cent of the time while scouring of water from the reservoir will be required approximately 3 per cent of the time. These figures are based on a system yield of 15 million m^3 per year, and will be lower when 28.1 million m^3 is reached.

The mean annual stream flow of the Harding Dam site is estimated to be 42.1 million m^3. While much of this water is lost to the sea, a portion is retained by the numerous pools located in the River downstream of the dam while some infiltrates into the groundwater. The pools will be deprived of regular flows of water and have to rely on the catchment downstream of the dam and contributions from downstream aquifers.

The Hon. Neil McNeill: The filling capacity is better than the Serpentine Dam.

The Hon. PETER DOWDING: Rainfalls in the north are far less certain, therefore the question of dam filling is far less certain than rainfalls in the south.

The Hon. Neil McNeill: The point is you know what the draw will be.

The Hon. PETER DOWDING: They are referring to a draw of about 28 million cubic metres. Already 15 million-plus cubic metres is being punched out of the system annually. We do not need much more development before we will be near the critical limits and it will be no good to anyone.

The Hon. Neil McNeill: You are being very convincing. If there is an inquiry you will not get a dam at all.

The Hon. PETER DOWDING: What does that comment mean, apart from being out of order? There are some serious concerns about the project that need to be aired and examined—do we run the risk of getting nothing?

The Hon. Neil McNeill: I did not say that.

The Hon. H. W. Gayfer: It has happened before.

The Hon. PETER DOWDING: If the honourable member had been on the coalition benches when that sort of thing happened, then one wonders why he remains there.

Several members interjected.

The PRESIDENT: Order! I remind the honourable member addressing the Chair that he would be far better served to ignore the comments that are being made by way of interjections and address himself more directly to the issues raised in the debate. He should not be raising new issues now; he should be replying to the points raised in the debate.

The Hon. PETER DOWDING: I repeat the point I have just made and that is that the area downstream of the Harding River is likely to get no water out of this dam and that specifically reinforces the fear that the popular spot on the other side of the dam which will provide a pool for fishing and boating is a window dressing exercise and is a lot of nonsense. It will not have any water in it and that is what the EPA finally concludes. The aquifer and the downstream river from the dam will be significantly affected and I hope the Minister will urge that a swimming pool for Roe-

bourne be built on that basis. I quote from page 12 as follows—

> The aquifers adjacent to the River rely to a significant extent on river flows to replenish them. With these flows being dramatically reduced, the aquifer contribution to the pools may diminish.

Some members are interested in the geography of the area; I know that the Hon. Norman Moore was driving the wrong way on a by-pass road in Wickham—maybe he knows something about the geography of the place. Roebourne is supplied with water from its own aquifers and if those aquifers are not going to be replenished because of the Harding River dam the Roebourne aquifers will not be able to supply Roebourne. The degradation of the Roebourne water supply would be beyond the limits of anything that would be expected, but with the Government's policy on running Roebourne down that is par for the course.

Unless some action is taken, Roebourne's aquifer bore field will have to be closed. Roebourne will have to rely on the Millstream area and that will take the water usage from this dam up well beyond acceptable levels.

The Minister might equally have leapt to his feet and supported me over the public health issues because the Environmental Protection Authority does. This is what the EPA has to say at page 12, paragraph 4.7—

> The potential that the project has for introducing exotic disease to the region and also enhancing the spread of existing disease is clearly addressed in the ERMP. This is an area that requires particular attention and this is acknowledged by the PWD.

For goodness sake, if that really is the situation and we are to put the dam there and then wonder how we are to control it, I question whether that is sound judgment.

The EPA recommends an active water conservation programme. This appears at page 13, recommendation 9. Did the Minister say the Government intended to conduct such a programme, or was that another bit of window dressing? Will we see the production of a pamphlet because of a likely election in the area? Paragraph 4.10 reads as follows—

> To compensate for the inundation of Lockyer Gorge, the PWD has undertaken to maintain the pool below the dam embankment, and develop its surroundings for recreation purposes.

Then on page 14, we find the following—

> The Authority understands that this is currently the subject of investigation.
>
> Another aspect is one of public health. The dam pool may facilitate contact with various waterborne diseases, such as amoebic meningitis. Attention should be drawn to the risk associated with recreating in the pool.

So what is happening is that a pool will be constructed, and the purpose of that pool is recreation. However, the authorities then will be forced to erect signs warning people not to recreate in it! That highlights the concern we have about the recommendation.

The difference between the view of the EPA and my own view on this matter is marginal. There is no question but that the EPA has addressed itself to these problems and it has highlighted the fact that the concerns I have expressed are genuine concerns. The difference is that the EPA has considered the value judgment expressed by the PWD based on the ERMP as being an acceptable exercise at the discretion of the PWD.

This should be an opportunity for the public to examine the value judgment that has been made. The exercise can be undertaken without holding up the project, and despite what a few sonorous back-bench members of the upper House say, I do not believe we would be putting the project at risk by holding it up for a few months. Does the Government want to play that sort of game—putting a whole project at risk by simply holding it up to 30 November when indeed, if it wanted to, it could go ahead to the final drawings, to the letting of the contracts stage? I understand that preparations are almost completed, and that the project could be advertised and people interested could register for the jobs. All that would be left then would be the letting of contracts, and that would not be holding up the project at all, if it is decided that the project should go ahead.

I commend my suggestion to the House, and I seek leave to withdraw the motion.

Motion, by leave, withdrawn.

WESTERN AUSTRALIAN MARINE BILL

Assembly's Message

Message from the Assembly received and read notifying that it had agreed to the amendment made by the Council.

MONEY LENDERS AMENDMENT BILL

Returned

Bill returned from the Assembly without amendment.

BAIL BILL

Report

Report of Committee adopted.

ACTS AMENDMENT (BAIL) BILL

Second Reading

Debate resumed from 12 May.

THE HON. ROBERT HETHERINGTON (East Metropolitan) [8.21 p.m.]: This is a consequential Bill, and the Opposition has no objection to it.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

THE COMMERCIAL BANK OF AUSTRALIA LIMITED (MERGER) BILL

Second Reading

Debate resumed from 24 August.

THE HON. ROBERT HETHERINGTON (East Metropolitan) [8.23 p.m.]: I wish to indicate that the Opposition has no objection to this Bill, nor, for that matter, to the subsequent Bill relating to the merger of the Commercial Banking Company of Sydney.

THE HON. V. J. FERRY (South-West) [8.24 p.m.]: I support the Bill, and in so doing I would not like to let the moment pass without placing on record a few items of interest which I believe need to be recorded because of the nature of the legislation before the House.

The Bill proposes to allow the merger of two trading banks and associated savings banks and subsidiaries—the Commercial Bank of Australia Limited and the Bank of New South Wales.

The Commercial Bank of Australia Limited was established in Melbourne on 1 October 1866, and in Perth, Western Australia, it first opened its office on 10 January 1888 under the management of Mr J. G. Pitcher. Like most banks in this State, it opened branches in rural areas. Branches were opened in Albany in 1890, Coolgardie in 1891, Fremantle in 1891, Esperance in 1896, Kalgoorlie in 1897, and Boulder in 1899.

Those banks were particularly important in that era of the hey-day of goldmining in WA, and I mentioned Esperance, Kalgoorlie, and Boulder. One item of interest is that the block on which the bank built its first permanent headquarters in WA was formerly the Exchange Club and it was sold to the bank for £18 000 on 2 May 1899. This is one of the oldest land grants in the State, having been acquired by James Solomon in 1834, and sold subsequently to William Lionel Sounson some 30 years later.

The bank at present has over 40 representative offices in WA, including branches at 16 rural centres.

The other bank associated with the merger catered for under this Bill is the Bank of New South Wales which was first established in Sydney on 8 April 1897. It was the first bank and public corporation in the south-west Pacific area. This bank commenced operations in WA in 1883, amalgamating with the Western Australian Bank in 1927.

The merger between the Bank of New South Wales and the Commercial Bank of Australia Limited is the largest merger in Australia's corporate history. So it is a major undertaking, and I personally wish both banks well in their future operations.

Following the merger the new bank will be known as the "Westpac Banking Corporation" and it will be Australia's largest trading bank. It will be a first in asset terms, third in the savings bank field, and first in the finance field. It is estimated that there are between 7 000 and 8 000 banks in countries around the world, and it is suggested that this merger will place the new bank at about number 78 on the world scale.

The merger will result in a bank with assets of more than $25.5 billion and a staff of more than 36 000 people. Initially it will have representation at over 2 000 points spread over 15 countries.

In WA the merger will result in a network of 173 branches employing 2 300 staff.

I am sure we are all delighted to know that this rearrangement of the two banks will not result in any staff retrenchments from either of the merging banks.

I support the Bill.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Bill read a third time, on motion by the Hon. I. G. Medcalf (Leader of the House), and passed.

THE COMMERCIAL BANKING COMPANY OF SYDNEY LIMITED (MERGER) BILL

Second Reading

Debate resumed from 24 August.

THE HON. V. J. FERRY (South-West) [8.30 p.m.]: This Bill is similar to The Commercial Bank of Australia Limited (Merger) Bill which we have just considered. It deals with the merger of two of Australia's major banks, the National Bank of Australasia Limited and the Commercial Banking Company of Sydney Limited.

In considering the Bill, it is appropriate something should be said about one or two matters in relation to banking generally. I shall touch on three main issues tonight: Firstly, the history of banking in Western Australia; secondly, the changing trends in banking over the years, particularly over the last 25 years; and, thirdly, the need for the legislation before the House. We can ask ourselves why legislators should need to bother about bank mergers and I shall turn to that in a moment.

On a personal note, I inform the House that I joined the National Bank in the late 1930s. At that time I was paid £75 per annum—that is, $150—and I paid £78 a year for board in West Perth. That did not leave anything at all to pay for clothes, medical expenses, entertainment, or sport.

The Hon. Robert Hetherington: You are lucky to have survived, aren't you?

The Hon. V. J. FERRY: Of course, in my second year of service, I was rewarded handsomely with an increase of £20 or $40 a year. However, my board increased at that stage and I was still out of pocket. As far as I was concerned that was the beginning of deficit funding, because it was costing me more to live than I was earning. Members should not ask me how I managed, but thank God I had good parents!

In the 1930s jobs were hard to get and, like the Irish bookie who had a long sequence of losing days and weeks in his business and just had to keep going because it was his living, I was stuck with it. It is common these days to hear about people in the community living on the poverty line, but at that time I was living below the poverty line at sub-poverty level.

One of the banks with which the Bill deals, the Commercial Banking Company of Sydney Limited, was established in Sydney in 1834 and the first branch was opened in Western Australia in 1955. A further branch was opened in Fremantle in 1959. This bank is not very well known in Western Australia, but it certainly is very well known in the Eastern States and on the eastern seaboard. It is regarded as a very prominent bank in Australia and it is very well respected.

The National Bank of Australasia Limited was established in Melbourne in 1858 and an office was opened in Perth in 1866. That was followed by the opening of branches in Geraldton and Fremantle in the same year. Further branches were opened, as was the custom, in country areas. A branch was opened in Albany in 1875, in Northam in 1888, and in Kalgoorlie in 1896.

It is worth noting that the National Bank has a long history of association with legislators in Australia. In 1866 two of the directors of the bank in Victoria were the Hon. Sir Frances Murphy, Speaker of the Legislative Assembly, and the Hon. Sir James Palmer, Speaker of the Legislative Council.

In South Australia three of the directors of the bank were also members of the State Parliament.

A local board of advice was established in Perth in 1866. That board comprised one man who was A. O'Grady Lefroy. He was Colonial Treasurer in this State from 1875 to 1877. He was also the father of Sir Henry Lefroy who was Premier of this State from 1917 to 1919. So it can be seen the bank has a long association with legislators.

The Perth office of the National Bank occupied the premises on the corner of Barrack Street and St. Georges Terrace. The T & G Building now is located there. Later in 1885 the bank purchased land at its present site at 50 St. Georges Terrace.

An interesting adjunct was that in 1891 an additional 30 feet of land at the rear of the premises was purchased. This was used to construct buildings for the stabling of horses and to provide accommodation for the attendants. I remember when I first joined the bank some 40 years later, those buildings were no longer used for stabling horses, but they were still referred to as "The Stables" and the staff had their lunch there and books were stored there also.

In July 1866 the bank applied for an ordinance to incorporate the bank in Western Australia. It also sought the right to take title deeds of land as security for an advance. This was the first of the established banks in Australia to seek the right to take titles of land as security for an advance made to a customer. That was an historic occasion at that time.

In 1866 this Legislative Council, under superintendency of the Governor, passed the necessary legislation, but the bank became embroiled in an argument with the British Government of the day, bearing in mind that we were in fact still a colony.

The Imperial Government forced the repeal of the titles clause within a year.

The National Bank was not very happy about that and it rebelled at what it called this "very objectionable restriction". At this stage other banks had also taken land titles for security and, along with them, the National Bank continued to protest. It was comforted by the Australian courts and the Privy Council held that the banks had every right to take security over land titles; so they won the day.

The first State Manager of the National Bank was Mr J. F. Law who came from Robe Town in South Australia. He sailed from South Australia to Perth because, of course, in those days there were no railways or airlines. He brought with him £10 000 in coin; we did not have notes then and the currency was coin. Mr Law sailed to Fremantle where there was no telegraph, railway, and little affinity with the industrial iron age. Of course, there was certainly no iron ore industry as it is today.

Later in the same year Joseph Smyth, fresh from an Irish bank in Limerick, sailed from Perth to Geraldton to establish a branch there, which was the first branch north of Perth in those days. Another office was opened in Fremantle.

The young bank made many friends in the Western Australian colony. The first manager cultivated the squatters, lending generously with security over their wool clips. Within a year he was rebuked by his Melbourne administration for making advances four times beyond his current deposits. He got into hot water with his administration on that count.

Obviously the manager thought it was easy for the people based in Melbourne to tell him how he should run his affairs in Western Australia. He took the view that, in Western Australia, if the bank had to choose its securities too carefully, it would have no business; so he took risks and he preferred to do that in order that he should have a business.

Subsequently the Perth manager was left with numerous small flocks of sheep as security from defaulting customers who could not pay their debts. I well remember when I was a young banker being told by one of my learned senior officers that, "If you want to have a quiet time lending money you should say, 'No' to loans and if you want an exciting commercial career, you should say, 'Yes' and take the risks."

The PRESIDENT: Order! There is far too much audible conversation in the Chamber and I ask honourable members to desist so that we can hear the member who is legitimately addressing the Chair.

The Hon. V. J. FERRY: Little opposition to the National Bank existed in Western Australia until the Union Bank opened in 1876. A branch office was established at Roebourne in the north-west in 1881. Two officers were sent there and unfortunately the poor fellows were brutally murdered in 1885, one with a tomahawk and the other with a pick. That was one of the famous, unsolved double murder cases in the criminal history of Western Australia. It is properly catalogued and recorded and that double crime has never been solved.

In those days, bankers could be subjected to holdups on the premises and they could also be murdered on the premises. The motive for the double murder to which I have just referred was suggested to be a desire to retrieve documents and it was not believed to be for cash. However, the documents were not retrieved, because the murderers did not find all the keys.

The two bank officers who were murdered were Henry Thomas Wood Burrup, a solicitor, and Thomas Anketell, the bank manager. The Government of the day offered a very handsome reward for the apprehension of the murderer or murderers. It also offered free pardon and passage from the colony. The reward of £200 was made up of £50 from the Government and £150 from the local settlers.

In 1886 the reward was increased to £500, but no takers came forward and the crime has yet to be solved.

To give members another piece of history, I point out one of the gentlemen to whom I referred was Mr Burrup and the other was Mr Anketell. When F. S. Brockman, one of the early explorers, went through the north-west in 1885, he named two high points in that region Mt. Burrup and Mt. Anketell after the two murdered men. Today we refer to the Burrup Peninsula, which is adjacent to the North-West Shelf gas project, and that name was taken from the high point called Mt. Burrup. Therefore, it can be seen banking has a touch of history.

I refer now to the changing financial institutional structure of banks. Some changes in the structure of financial systems tend to occur naturally, and inevitably, in an expanding economy. The legislation before the House is necessary to meet the changing times. Changes are reflected in innovation, sophistication, and, at times, in the complexity of the economic and financial system of the country. In this climate of activity it is possible for new financial institutions and new

financing operations to grow rapidly without detracting to any extent from the traditional role or importance of established financial groups. This Bill deals with trading banks and associated savings banks and subsidiaries. In the early 1950's trading banks held almost one-third of the total assets of all financial institutions. They now hold, in their own balance sheets, a little over one-fifth.

It is interesting to note most trading bank loss of market share occurred over the decade to the early 1960s. Further to that, the establishment of savings bank subsidiaries in the late 1950s and early 1960s meant some redistribution of private trading bank deposits.

More significantly in that period we saw the impact of the finance company group, much of which had important ownership ties with trading banks. Saving bank activity lost some of its thrust a few years later when savings banks lost ground to the permanent building societies and the credit co-operatives. Taken together, the Commercial Bank's share of the total assets of all financial institutions has fallen from 52 per cent to 38 per cent over the last 25 years.

All the commercial banks have fallen in influence from 52 per cent to 38 per cent in the last 25 years, and over this period non-bank institutions have grown strongly in relative importance to the Australian financial scene.

The market share of finance companies increased from two per cent in the early 1950s to about 14 per cent in the late 1970s, and the hire-purchase system played a big role in that change. To indicate the effect of that change I remind honourable members that every person individually and every family in Australia was affected by the introduction of hire-purchase facilities. In 1952 there were nine million Australians and one million motor vehicles—one vehicle to every nine persons. Prior to World War II two out of three people could not drive, and women drivers were few indeed. In that era corner stores flourished. Shopping was carried out often on a daily basis. People used ice chests, not refrigerators which were just coming in at that stage. People needed to do their shopping nearby, so the corner stores flourished. With the advent of the motorcar the situation changed. People could purchase a vehicle with a 10 per cent deposit, and would pay the rest by instalments over a certain period. In 1950 petrol rationing ended and we saw the use of many Austin A40s, Morris Minors, Holdens, and Fords, when more people purchased motor vehicles. That situation had a further side effect. Many families became two-car families, and required carports to cover their cars—tradesmen got into the act in building carports.

The growth of the motorcar industry, made possible by hire-purchase arrangements, had a further effect on social attitudes. Attendances at churches fell, and we saw crusaders like Billy Graham trying to whip up interest in the church. It is obvious the provision of finance had a great social impact on the lives of Australians

An exception to the increased provision of finance relates to pastoral finance companies whose activities declined steadily over the post-war period from three per cent in 1953 to one per cent in 1978. Another feature of change in the financial system within Australia has been the growth of permanent building societies, especially since the introduction of mortgage loan insurance support. These societies concentrated successfully on high ratio housing lending. Another avenue for financial dealings emerged with the development of the money market dealer group in the late 1950s.

Members might ask why it is necessary to make these sorts of comments. The need for the Bill is the change in the pattern of financial dealings in this country. Considerable changes have occurred in the patterns of demands for goods and services—money in particular. A strong and consistent demand has been shown in more recent times for finance for new housing, and this has accelerated in the last 15 to 20 years. Long-term housing loans have been demanded to satisfy the housing needs of the people of this country. As it became possible to purchase new homes more easily, with real incomes rising, a more diversified range of consumer goods became available. All this has provided a sound base for the growth of institutions providing personal loans, which is another aspect of finance.

Another real factor in these changing times was that social attitudes progressively changed in such a way that hesitancy about borrowing was reduced—it existed no longer. People no longer were afraid to borrow; it was the accepted thing to do. People were earning more and felt they could handle repayments for the goods and services they wanted, especially houses for their families. The increased demand for houses led to a greater number of houses being built. All this activity in regard to housing has affected savings banks and building societies especially, because they have been geared to handle this type of climate.

Many changes have occurred in the business sector. The financial houses of Australia have developed from the main thrust of servicing domestic needs to the greater sphere of international financing. The Bill demonstrates the need for this. We have seen a substantial presence of foreign-owned businesses in Australia. The emergence of

business opportunities, particularly in the mining and manufacturing sectors, have caused a fairly dramatic change of direction. The change of direction has resulted in the main beneficiaries from these changes being the merchant banks, many of which are affiliated with foreign banks. As the Australian economy has developed in size and complexity many changes have emerged, particularly as a result of innovation and specialisation. For example, we have had the emergence of short-term wholesale money markets and finance companies, the latter established initially for servicing instalment credit, particularly for motor vehicles and household requirements.

Point of Order

The Hon. PETER DOWDING: The Bill relates to a mechanical change. I raise with you, Mr President, whether the member's address is relevant to the Bill.

The PRESIDENT: I suggest to the Hon. V. J. Ferry that he tie his comments to the main theme of the Bill. His comments so far have related to the establishment of the banking institutions to which the Bill makes reference.

Debate Resumed

The Hon. V. J. FERRY: I was dealing with the influence of foreign institutions in the Australian financial scene, and that is the very purpose of the Bill. It is to enable the merging of banks to accommodate their needs in the international financing scene. That is what the Bill is all about.

The Hon. Peter Dowding: Where does it mention Billy Graham?

The Hon. H. W. Gayfer: You went around the world for sixpence.

The Hon. A. A. Lewis: Just ignore him.

The Hon. V. J. FERRY: Specialist areas have developed such as specialised housing finance avenues like savings banks and building societies. Mortgage brokers to service commercial and residential needs have emerged. Mortgage loan insurance facilities have developed and marketable short-term commercial bills have come into existence. We have seen the advent of the Bankcard credit system which has dramatically changed trading methods for everyday needs. All these facilities are those with which the banks mentioned in the Bill are associated. The scope of financial institutions seems to be endless, such as activities in regard to funds for management services, and others.

This brings me to the point I made earlier when I referred to the need for the Australian financial system to evolve efficiently to maintain and increase its share of the international financial arena.

One of the main reasons for the merger of banks in Australia today is direct involvement of non-residents, particularly foreign banks, in Australian financing. The foreign involvement is reflected in financial undertakings in local Australian industry as well as business dealings outside our shores. A growth of direct ownership by foreign interests has occurred with participation in Australian non-bank financial institutions.

The Hon. Peter Dowding: Someone must have written it for you.

The Hon. V. J. FERRY: Towards the end of the 1960s the involvement of foreign banks was supplemented by the establishment of non-bank subsidiaries of foreign banks and partnerships with Australian banks and finance houses. The foreign bank partners stimulated new techniques and approaches, and a preparedness to establish a market position which in many instances was achieved by offering financing services on very competitive terms.

Another factor was a shift in the emphasis on Government debt issues toward overseas sources, and this strengthened the role of foreign banks in relation to the Australian financial system.

I want to touch briefly on some matters of Government influence on the banking system, matters such as fiscal policy and taxation arrangements which have encouraged some financing firms to be involved in leasing and superannuation. All this has dramatically affected the banks mentioned in the Bill because they must comply with the banking regulations and laws of this country. Trade practices legislation has had an effect also. There is very firm regulation of all banks in Australia. A recent directive excluded new foreign banks and meant a more restrictive approach to new non-residents owning interests in Australian financial institutions. This has brought about a change in the nature and pattern of the development of our financial houses, and of course the Bill caters for that change.

Many avenues of banking are available in Australia, and this has meant change. Some of them are the Commonwealth Development Bank, the Housing Loans Insurance Corporation, the Australian Resources Development Bank, the Primary Industry Bank of Australia, the Australian Industry Development Corporation, and the Export Finance and Insurance Corporation.

The Hon. Peter Dowding: What does that have to do with this Bill?

The Hon. V. J. FERRY: These institutions have an important role in meeting the changing and challenging financial needs of this country. The Reserve Bank has a special role in the financial affairs of Australia, and the formal implementation of monetary policy. It operates a substantial specialised banking business and provides a range of financial services.

I turn again to the Australian trading bank sector and say that it is a key avenue of financing Australian needs. Modern banking groups must meet the challenge of the present situation and especially the influence of foreign banks and international trading. As I have explained, our banks have links with non-banking interests and have had the more recent association with foreign banks which has had an important bearing on their contributions. The whole thrust of modern financing demands that banks should have access to international banking resources to meet on a proper scale the challenges of the development of this country.

I support the Bill and wish the merging banks every success in the future.

Points of Order

The Hon. PETER DOWDING: The last speaker (the Hon. Vic Ferry) quoted extensively from a document which he held while making his speech, and read from it. I ask that under Standing Order 151 (a) (2) he table it.

The Hon. V. J. FERRY: In answer, Sir, I have no document. I was holding the Bill in my hand and referring to extensive notes.

The DEPUTY PRESIDENT (the Hon. R. J. L. Williams): There is no point of order.

The Hon. PETER DOWDING: On a further point of order: If the member quoted from the document in his hand I suggest that under Standing Order 151 (a) (2) he must table it. He clearly read from that document and if he read from it it is a document which needs to be tabled.

The Hon. P. G. Pendal: We will wait for Berinson to get back. You might be embarrasing your own deputy leader. What a cheek.

The DEPUTY PRESIDENT: Under the Standing Orders, speech notes are not considered to be a document. The point of order is overruled.

Debate Resumed

THE HON. P. G. PENDAL (South-East Metropolitan) [9.01 p.m.]: The purpose of the Bill is to facilitate the merger of the Commercial Bank of Australia and the Bank of New South Wales. The merger has been agreed to by the two banks for a variety of commercial reasons.

Presumably, in today's competitive commercial world the reason that this merger has been brought about is the need to become even more competitive, not only to survive but also to flourish.

As this House is dealing with legislation which will hopefully make two banking institutions more competitive by their merger, I wish to take the opportunity to condemn the actions of the Federal Government in recent days in imposing a new tax on cheque accounts. This will have a reverse consequence on this type of merger, because the Federal Government has introduced this tax by way of its Budget.

The DEPUTY PRESIDENT: Order! I would remind the Hon. Phillip Pendal that the change in cheque account charges is not particularly relevant to this Bill. I ask him to address his remarks to the main thrust of the Bill.

The Hon. P. G. PENDAL: I will stress again that the merger—as we have been told in the second reading speech—has taken place for a variety of commercial reasons and within that context will enable the banks to become more competitive and able to survive.

I use this occasion again to express my displeasure with the Federal Budget actions that have gone to the very root of the legislation before this House.

I support the Bill.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading.

Bill read a third time, on motion by the Hon. I. G. Medcalf (Leader of the House), and passed.

CHILD WELFARE AMENDMENT BILL

Second Reading

Debate resumed from 17 August.

THE HON. FRED McKENZIE (East Metropolitan) [9.07 p.m.]: The Opposition has no objection to the proposals contained in the Bill. However, we are faced with yet another set of amendments to this legislation. Research indicates that this extensive legislation was before the House in

1976 and again in 1977 when we dealt with a number of amendments.

It seems to me that the Act was sloppily drafted because after amendments in 1976 and 1977 we have now seven proposed amendments to correct errors or omissions.

In his second reading speech the Minister told us that the Bill sought to amend two major areas. One was to include a provision for a police officer or an officer of the department to apprehend without a warrant. That section was omitted in error on a previous occasion.

The Minister referred also to an amendment to prevent the publication—by way of Press, radio or television—of reports of the proceedings or the decision of a Children's Court without the express approval of the court. Again, this was inserted prior to 1979 but a drafting error occurred when a new amendment was introduced. We expect better from a Government—whether it be a Liberal Government or a Labor Government.

Quite extensive changes were made to this legislation in 1976 but we find that seven sections are to be amended because of drafting errors.

We have no objection to the amendment which relates to community service orders. The Minister's second reading speech demonstrated clearly that this system has been operating for some time. It has gone through a trial period and we are giving it legislative backing.

We have a provision where default cannot be served because a juvenile is still receiving full-time education and has no adequate financial means. This is a sound principle to adopt at this time in our society. Furthermore, this amendment enables a community service order to be made under these circumstances.

We have no argument with the other provisions of the Bill because they will enable uncontrolled children to be apprehended.

We support the Bill.

THE HON. P. H. WELLS (North Metropolitan) [9.14 p.m.]: This Bill has a certain amount of importance because it deals with children. It requires some thought, not just a cursory glance, because it also deals with community service orders for non-criminal offences.

The main theme of the Bill is to not have over-involvement so that there is no interference in the lives of the families and children concerned. However we have a responsibility to provide some support on specified occasions.

The first section I wish to deal with relates to the reintroduction of the term "uncontrolled child".

It is an interesting reference; it was deleted once. The areas in which it has been introduced are adjacent to those relating to a child in need of care and protection. The original Act contains on page 3 a clear definition of a child in need of care and protection. There are a number of paragraphs from (a) to (k). But there is no definition of the term "uncontrolled child". The Commonwealth Law Reform Commission report on the Child Welfare Act on page 223 has this to say about uncontrollable children—

> The most difficult and controversial question raised by any attempt to re-define the grounds for non-criminal proceedings against children is whether provision should be made for youthful misbehaviour which the adult world considers undesirable, but which does not amount to a criminal offence. The most important examples of such misbehavour are:
>
> - implacably rebellious behaviour towards parents;
> - sexual promiscuity;
> - running away from home; and
> - persistent truancy.

The need to introduce a section on uncontrolled children is related more to older than younger children. I am informed that this section would be used in a place like Norseman where children are running out of the State and are apprehended, rather than for young children who would come under the section dealing with care and protection. In section 29 of the Act we are adding the words "uncontrollable children", and further on in section 29 we are adding the words "or an uncontrollable child". Clearly the desire is for an additional group of children to be covered among those whom the Minister or a police officer or an authorised person may apprehend without a warrant. That seems reasonable. The Bill seeks to delete the words "uncontrollable children" in section 32 of the Act. I understand that this section would include the definition of "uncontrollable children" under the Act.

Section 32 of the Act from which we are deleting that reference sets out how uncontrollable children may be dealt with. It provides that a near relative who is unable to exercise proper control over a child may bring the child before a court to seek an order. The court may deal with the child as if it were in need of care and protection. No order of committal may be made unless the near relative proves that he has not by his own admission lost control of the child.

The section defines an uncontrollable child as one over whom the parent or guardian has lost control. What is the difference between a child in

need of care and protection and an uncontrollable child? The term should be defined. Welfare Acts in other States, such as that in South Australia define the term "uncontrollable child". The South Australian Act says it is a child whose parent or guardian appears to be unable or unwilling to exercise supervision or control of the child "and who is in need of care and protection". Obviously it was thought best in South Australia to define the matter clearly. The New South Wales Act does the same. The Child Welfare Act of New South Wales says:

> Uncontrollable where used in reference to a child or young person means a child or young person who cannot be controlled by his parents or by any person having this care.

The Hon. N. E. Baxter: There is not much difference.

The Hon. P. H. WELLS: There is very little difference. But an "uncontrollable child" is defined. I believe it would have been better to amend the definition in the Act rather than hide it. It raises a larger question.

We are proposing to add the words "uncontrollable child" knowing there is a different section of people being introduced. It is a different group of children from those in need of care and protection. I wonder whether they should not have been included in the various sections of the Act as the draftsman went through and checked.

Section 146(a) of the original Act also refers to a child in need of care and protection. The Minister in his second reading speech said that an officer of the department may apprehend without a warrant a child suspected of being in need of care and protection. But if there is an uncontrollable child who has run away from home and is living in premises, it is not dealt with under the classification of being in need of care and protection. The child may be being looked after, although his parents may be seeking him. That section does not give authority to apprehend that child until he comes out of the residence. As soon as he is on the street he may be apprehended without warrant under section 29.

The point I am raising is that if we have identified areas of specific need, there may be other sections of the Act which need to be checked to make sure that point has not been omitted. The Minister and the department should consider removing the words "uncontrollable child" from the Act when it comes up for review. It implies that the child is at fault without the child having been tried. There may be some incompatibility between the child and its parents; there may be many factors.

The Law Reform Commission report relating to care and protection and uncontrollable children suggested the definition should be extended to cover both of these points. We could still upgrade the sections relating to a child in need of care and protection and that would save us having to use the word "uncontrollable".

The other section to which I wish to refer relates to community service orders. These orders have gained a certain amount of acceptance by members although many of us have limited experience of them. I have spoken to people who have used these orders and I have tried to make some assessment of their contribution and success with the children in that scheme.

The Minister gave some figures on the number of children involved, and they are very pleasing. Of the 1 394 boys who took part, 1 340 completed the order, and 82 of 98 girls. That is a 94 per cent and 84 per cent success rate respectively if one relates success to the completion of the work order. A Tasmanian evaluation of the work order scheme by G. J. Mackay and M. K. Rooks, funded by the research council of the Australian Institute of Criminology related success rates to the number of people who did not subsequently commit offences.

They had success figures ranging from 40 per cent to 60 per cent, which is a very pleasing success rate.

The report starts by going back to the very early days and pointing out how the children existed under very poor conditions in the institutions. The final recommendation, recognising the success of the scheme, is that the offenders be given an appropriate choice of alternatives by the bench which is handing down the sentence. In other words, they are given the alternative of prison or work orders. I wonder whether our scheme could have fines as an alternative to work orders. The alternatives available to the bench are to do nothing, to fine the child, to provide a community service order, or to have the child committed to the control of the State which I assume means control in an institution.

I notice that in the Minister's second reading speech he says that the child will understand clearly why the commitment is being made. This is an important facet of the success of the juvenile approach because the child accepts the commitment. I hope that the regulation will require the child to sign an agreement so that he is aware of what is in the order.

When I look at the schemes in other countries, I find some glowing reports in terms of the involvement of the young people. The reports deal not only with what the schemes cost, but also what they give. For instance, I noticed in one report from the University of Minnesota dealing with a study in California, the following appeared—

PLACEMENT AGENCY BENEFITS

The project will generate 30 000 hours of community service to tax-supported and private non-profit agencies; representing over $130 000 at prevailing minimum wage laws.

I am informed that the cost of the Western Australian scheme to date is in the order of $60 000. Of that, about $45 000 is tied up in wages for the three personnel; and $15 000 is related to equipment. That is the initial cost of the operation. When one looks at the alternative cost of committing a child to the care of the State, one is looking at a cost of roughly $400. I am told that it ranges from just over $300 to $500. If one takes the average cost of $400 to keep a child for one week, when one is looking at 1 500 children, the cost to the State is about $600 000. In that area, the scheme offers the State a cost saving.

Looking further at the cost factor, if we consider the 1 500 children referred to in the Minister's second reading speech, and the number of hours I calculated as being worked under community service orders it would work out that the children gave in excess of 50 000 hours of service to the community. If one values that service at roughly $3 an hour, the service is worth $150 000.

I do not want to be mercenary, but I am mentioning those figures because I was disappointed to read that the City of Stirling had turned down the Keep Australia Beautiful Council proposition relating to community service orders. It was a straight, economic proposition, as far as the city was concerned, because it had no money available for the project. The neighbouring Shire of Wanneroo was not able to give a decision, because the council had not met.

The Hon Peter Dowding: The Keep Australia Beautiful Council thing is a load of nonsense. You should know that.

The DEPUTY PRESIDENT (The Hon. R. J. L. Williams): Order!

The Hon. P. H. WELLS: The point I am trying to make is that the cost of the community service schemes to local governments is too high, regardless of whether we want to talk about the Keep Australia Beautiful Council. I was told that the council had not made any money available, and could not accept any children under a community service order scheme. That disappoints me.

I have spoken to another shire which has had numbers of children under this scheme; and various people gave glowing reports of the success of the scheme. The success of the community service scheme in the juvenile area depends very much upon the community, which ought to accept some responsibility, because the alternatives are few. I have been told by one person that unless the community service orders for juveniles are given more support, very shortly the magistrates will have to be careful about awarding community service orders because we will not have enough schemes to provide for the young people needing them.

My reading of the guidelines for the operation of community service orders indicates that in all of these schemes, one has to be careful in the selection of the type of job. One must make sure that a young child is not given a job that normally someone would be paid to do. Right across our State numbers of people are working in a whole range of jobs like the ones the Volunteer Task Force provides. That applies not only to young people, but also to older people. Government departments could provide some jobs related to the Government buildings for community service orders in almost any town throughout the State.

Our justice system and our justices of the peace have been very successful in terms of providing voluntary workers. Should consideration be given to finding volunteers prepared to supervise the young people in voluntary work? I am reminded that a person came to my office and asked if I knew where he could be involved with young people. I suggested the Volunteer Task Force which provides the people involved in supervision. The RSL does the same thing, as the Minister mentioned in his second reading speech.

The councils using community service orders are faced with a cost burden. They must provide an officer to supervise the work, and they must provide a vehicle. I suggest that a number of people could be involved in this on a voluntary basis. That is not strange, because it is dealt with in a report by J. Mathwin, the member for Glenelg in the House of Assembly of South Australia. In a report he presented to the Commonwealth Parliamentary Association of South Australia, he talks about the situation in Germany where money is provided for this supervision. He referred also to Sweden, where something like 10 000 volunteers work within the criminal system.

We have plenty of examples of people involved in voluntary work. It may be that volunteers could

provide a lot of the supervision of people serving under these orders. That would overcome the problems that councils would have in accepting the responsibility.

I am told by one of the people involved in organising community service orders that it is suggested that the young people working under the scheme have a bonding with the adults with whom they are working, and that has led to some success.

A further matter I wish to deal with relates to comments made by the Hon. Fred McKenzie. On previous occasions, two sections of the Act have been altered either unintentionally or by mistake. Section 29 was deleted in 1979, but it is now to be brought back into the Act. The deletions made in 1976—I notice a typographical error in *Hansard* where it refers to "1978"—related to the publication of a child's name. In 1976, members on both sides of the House had a fair involvement in the debate; but little or no reference was made to the sections that were deleted. In other words, they were passed over.

A member is ill-equipped to do all of the reviewing necessary in this type of legislation. I mention this only because it is relevant to this debate. Members should be provided with some type of research facility to have a back-up in terms of analysing the Bills coming before them. If that happened, this type of error would not be made by the Parliament. It does not matter which Government is in power, because I have read heaps of *Hansards*, and I have found a number of Bills in which errors have been made. With the pressures of the volume of legislation before the House at times, the member's ability to review that legislation is not as it should be. The time is fast approaching when we need to have better resources so that such errors are picked up during our review of the legislation.

The last point I make relates to the review of the decision of delegation of authority by the Minister. The proposed new section 124 deals with an order to review certain decisions of the Children's Court.

These clauses of the Bill would be welcomed by most members because they provide parents with a means to overcome problems that may arise. One allows for an appeal to the Minister after all other avenues have been followed. They do provide help for the care of children.

The second clause refers to the community service orders and these seem to have taken the place of the local police sergeant's number nine boots which he might have employed to help young people wake up to themselves. The service orders provide a second chance to young people who are not really bad but have strayed from the straight and narrow. This is a good move and I wish it continued success.

I support the Bill.

THE HON. LYLA ELLIOTT (North-East Metropolitan) [9.46 p.m.]: I do not intend to deal with the principles of the Bill, as the Hon. Fred McKenzie and the Hon. Peter Wells have covered this area, and the Hon. Fred McKenzie already has indicated the Opposition's support of the Bill. Various aspects of the Bill already have been raised in another place and in this House.

I wish to lodge a protest about the way our legislation continues to be framed. With respect to my learned colleagues the Hon. Peter Dowding, the Hon. Joe Berinson and the Attorney General, I really feel that legislation continues to be written for lawyers. Surely it is time that Bills were presented to the House which were both readable and understandable by the lay person. After all, members of Parliament are expected to read and interpret legislation for the information of their constituents.

This applies also to Government departments. In this case the officers of the Department for Community Welfare will administer this legislation and not all of them hold law degrees.

I read through the Bill and I consistently found sentences of some 20 lines. However, I draw members' attention to clause 15 (4) of the Bill which amends section 36 of the Act. In fact, I intend to read this clause because it involves just one sentence without a break and consists of 27 lines. It reads as follows—

> (4) Where a child, in respect of whom a community service order may, subject to the consent of the child, be made, defaults in the payment of a fine imposed by a court under section 34 (1) of this Act, or under the provisions of any other Act, the court may, whether or not any order has been made for detention in default of the payment of the fine, issue a summons requiring the child to appear before the court and, in default of the child so appearing, issue a warrant ordering the child to be apprehended and be brought before the court and, upon the child so appearing or being so brought before the court, the court may invite the child to consent to the making of a community service order by the court in respect of the fine and, where the child declines to so consent and an order has not been made for detention in default of the payment of the fine, the court shall, unless sufficient cause to the contrary is shown,

make an order for the detention of the child in respect of the default and issue a warrant of commitment accordingly or make an order for the detention of the child to take effect if, after such further time as may be fixed by the order, the child is still in default.

I submit that that is absolutely absurd. I do not know whether I am getting old and forgetful, but having read that sentence four times I never managed to remember how it started when I got to the end of it. In fact, I defy any member to read it several times and understand it fully.

Earlier this year the Hon. Peter Wells asked a question of the Attorney General following a High Court case which dealt with a Parramatta Town Council employee who was held legally responsible for giving advice to a ratepayer. In his reply the Attorney General warned about the legal implications to members who gave advice to their constituents. While I have no wish to usurp the functions of lawyers, I believe members of this Parliament should be able to understand legislation they are expected to deal with and pass. I point out that if a constituent rings me for information and I believe he requires legal assistance, I advise him to obtain the necessary qualified advice. However, I believe members should be able to read and understand all pieces of legislation and give information about it to their constituents. When we are dished up this sort of legislation, that is impossible. Such a situation is absurd, although it is happening all the time.

Earlier today when dealing with the Bail Bill the Attorney General said a booklet would be issued to explain the Bill. That might be useful but why should we have a need for such a booklet? Surely legislation should be written in terms that the layman can understand.

The Hon. I. G. Medcalf: I agree that it would be nice, but we are facing realities.

The Hon. LYLA ELLIOTT: I do not know what the Attorney General's understanding of reality is.

The Hon. I. G. Medcalf: It would be different from yours.

The Hon. LYLA ELLIOTT: Surely it would not extend to a 27-line sentence. Such a sentence is unreasonable and absurd. I cannot accept that the Parliamentary Draftsman could not do a better job than that.

The Hon. I. G. Medcalf: Are you sorry I gave that advice about not giving advice to the public?

The Hon. LYLA ELLIOTT: That is not the question; the question is whether as responsible people, as well-paid parliamentarians, we should be able to understand the work we are handling. After all, we are only ordinary people; some of our colleagues are lawyers, but the majority of us are not and this applies also to the majority of the public. A person should be able to go to the Government Printing Office, buy a copy of an Act and be able to read and understand it.

The Hon. I. G. Medcalf: You can give as much advice as you like; I will not stop you. I am warning you what might happen.

The Hon. LYLA ELLIOTT: The Attorney General is treating my complaint in a very facetious and trivial way. This is a serious matter and I ask him: Does he think a 27-line sentence is reasonable?

The Hon. I. G. Medcalf: You have me there. You win. You give as much advice as you want to and then see a good lawyer.

The Hon. LYLA ELLIOTT: I think the Attorney General agrees with me but he hates to admit that he agrees with a woman.

I appeal to the Government to consider my complaint. It should see to it that, if possible, Bills are written more simply so that members do not need a QC to interpret legislation they are expected to pass in the Parliament.

THE HON. W. M. PIESSE (Lower Central) [9.56 p.m.]: I support the legislation because it is a step in the right direction, albeit we have a long way to go yet.

The Hon. Peter Wells mentioned the definition of "uncontrollable" children. However, there is a great difference between "uncontrolled" children and "uncontrollable" children. This needs to be taken into account when framing such a definition.

During a recent summer two young boys lit a fire in a hay shed in order to boil a billy. They were not uncontrollable boys but at the time they were uncontrolled. Their fire subsequently burnt down the hay shed and destroyed the haystack, causing hundreds of dollars worth of damage. No-one was able to be charged with the restitution because no law covers such a situation. This Bill will not cover this sort of incident, but the point is that the young boys were not uncontrollable although at the time they were uncontrolled.

The Bill does bring to the notice of minors that there is no freedom without responsibility. The fact that they may be given work orders to serve in various fields may prove a good lesson—and not a punishment—and give them experience and knowledge of what responsibility is all about.

Recently a book titled *The Youthlife Programme Book* came across my desk and I shall read members part of the preface as follows—

> This book is about a small group of unemployed, young people who worked together over a period of six months in the heart of Sydney's downtown business district.
>
> Part 1 is the group's account. The members say in their own way who they are and what they did, and share some of their more private thoughts.

The first article represents the memoirs of a teenager, and I want members to bear in mind that this legislation deals with the welfare of people under the age of 18 years.

Members would know that a person needs to be only 17 years of age to obtain a driver's licence, and the article would indicate that these children would be in this category. I would like to read one paragraph of the article as follows—

> We had wrecked a stolen car, wrecked a police car, putting the two coppers in hospital as we later discovered, and wrecked a beautiful Citroen—All totalled. And really none of this was our fault. If we hadn't been chased none of these things would have happened.

That is the kind of problem we are up against. Catching these children and putting them into prison or a reformatory school is not going to bring to them a realisation such as I hope will come to them from the imposition of these community service orders.

I support the Bill. It is a great problem that has increased in our society today and I can hope only that this kind of legislation will begin to alleviate that problem.

THE HON. R. G. PIKE (North Metropolitan—Chief Secretary) [10.01 p.m.]: I will refer briefly to the points raised by various members. Firstly, I agree with the comments made by the Hon. Fred McKenzie when he referred to difficulties in drafting and five and seven errors respectively. The same point was made subsequently by the Hon. Peter Wells in regard to section 23 (2). I agree with that comment. I noted that the Opposition had no objections to the Bill and demonstrated a support for the principle and for the Bill itself.

I pass on to the comments made by the Hon. Peter Wells. He made the point about the lack of definition of an "uncontrolled" child in the Bill and his points were reasonable. The definition for an uncontrolled child has in fact been interpreted by the courts to be and to include children who are beyond the control of their parents or guardians and children who demonstrate that they are beyond control by persistently running away from home, truanting from school, or promiscuity.

The Hon. Mr Wells' point is relevant and it would not be unreasonable for the Minister in charge of this Act to take a note of that. Accordingly, I have made a note here that the honourable member's remarks will be referred to him.

I took note of the comments he made in regard to the Tasmanian experience and I genuinely congratulate that member on the amount of research he obviously has done in regard to the Bill. His remarks certainly warrant consideration.

I agree with the comments made by the Hon. Lyla Elliott. I spent more time swatting this Bill than any other Bill I have ever had to handle. In fact, I spent about four hours with the adviser in order to get through the Bill. It will indeed be difficult for an ordinary member of the community to give a proper definition of section 36 (4) in regard to companies.

The Hon. Win Piesse made the point again concerning the need for a definition of an "uncontrolled" child and I have now covered that.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (the Hon. Robert Hetherington) in the Chair; the Hon. R. G. Pike (Chief Secretary) in charge of the Bill.

Clauses 1 to 7 put and passed

Clause 8: Heading substituted—

The Hon. FRED McKENZIE: I had a look at the reason for "uncontrolled children" being taken away from section 32 and it became quite clear to me, because the first matter dealing with uncontrollable children was covered under section 29, whereas previously it was not dealt with until we reached section 32. Of course, there was an explanation for it in the Minister's second reading speech wherein he said that the proposal to include a provision allowing a police officer or officer of the department to provide for a warrant for a child suspected of being uncontrolled was unnecessary. This provision existed until 1976 when amendments to the Child Welfare Act required the repealing of certain sections. If one looks at the Act as it was before it was amended in 1976, one realises it was quite clear that the heading at that time contained a provision for uncontrolled children. In fact, it read, "Committal of destitute, neglected or uncontrolled children".

The Hon. P. H. Wells: Yes, that is the title.

The Hon. FRED McKENZIE: I point out to the Hon. Peter Wells that the reason for "uncontrolled children" being inserted in section 29 is that that is the section where uncontrolled children are first dealt with and it would be inappropriate to leave uncontrolled children in section 32 when it is in section 29, three sections earlier.

The Hon. P. H. Wells: I am just referring to that as the definition of this Act.

The Hon. FRED McKENZIE: I concede that. I looked at the 1947 Act and it contained no provision for a definition, either. I think it is necessary to have one. I do not take issue with Mr Wells on that point. I am saying simply that I can understand why the heading of "uncontrolled children" under section 32 is to be moved and put in section 29. If we left "uncontrolled children" in section 32 anyone could easily miss the first reference to uncontrolled children in section 29.

Clause put and passed.

Clauses 9 to 20 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 the Hon. R. G. Pike (Chief Secretary), and passed.

SETTLEMENT AGENTS AMENDMENT BILL

Second Reading

Debate resumed from 24 August.

THE HON. PETER DOWDING (North) [10.12 p.m.]: This is another one of those "I told you so" amendments to legislation. It is another one of those amendments which arises out of a decision of the Government to ignore advice that the Opposition tendered to it, on this occasion in 1981.

The PRESIDENT: Order! If the honourable member advances to the Clerk's table, he ought to be at the front of the table addressing the President.

The Hon. PETER DOWDING: On 7 May 1981 in the Assembly the then Minister (Mr Hassell) refused the advice of Mr Jamieson that if settlement agents or real estate agents performed the functions of a settlement agent without authority they would be breaching the provisions of the settlement agents' legislation, which was a new piece of legislation. The Government poured scorn on that advice. Of course, when the legislation came to this Chamber, the Hon. Gordon Masters, whose penchant for ignoring pertinent and carefully thought out advice from the Opposition—

The Hon. G. E. Masters: Rude comments, that's what I ignore.

The Hon. PETER DOWDING: The Minister ignores anything.

The Hon. G. E. Masters: I ignore rude people.

The Hon. PETER DOWDING: The Minister ignores useful comments put to him.

The Hon. G. E. Masters: I ignore you. I would not call you useful, just plain rude.

The Hon. Robert Hetherington: You are very ignorant.

The Hon. PETER DOWDING: He is just putting a snow job on us. Perhaps he would like to remind himself by reading *Hansard* of 12 May 1981 where he again did not understand the point that the Opposition was putting to him. It is a pity he did not take the advice of the Attorney General who would have been able to reinforce the view that he was quite wrong.

The Hon. Robert Hetherington: The Minister may not have understood the advice, of course. You have to be more careful.

The Hon. PETER DOWDING: It is one of his major difficulties. On page 1797 of *Hansard* of 12 May 1981 Mr Masters said—

> I am trying to reassure Mr Knight that for this reason it is not necessary for there to be any increase in charges of settlement agent fees. If a real estate agent wishes to do the work he can.

It is absolutely wrong. That is the point for a Bill for an Act to amend the Settlement Agents Act which has now been brought into this place. All I can say is that it ought to be a lesson to him. This is the third occasion in the last fortnight that we have had the opportunity of saying to the Government, "We told you so."

Perhaps in the future when the Opposition makes a suggestion it should not be a matter to be ignored by Government Ministers.

THE HON. TOM KNIGHT (South) [10.15 p.m.]: When the Bill was introduced in 1981 I opposed it in principle. I gave my reasons for doing so and was assured by the Minister handling the Bill in this House that the proposals I put forward were correct and that that was the intent of the Bill. I appreciate the fact that the Minister has brought this Bill back to the House and has

sought a change to the Act which is within the guidelines I previously proposed. However, I do not believe we have gone far enough. In the Minister's second reading speech he said—

> The Government's attention had been drawn to the practice adopted by some country real estate agents of conducting settlements for their clients, free of charge, as an adjunct to their main operation as a real estate agent.

Estate agents are not entitled to any additional commission and we thought that was an oversight at the time the Bill was brought into this House. It was something which was accepted and a precedent was created and therefore the settlement was effected on behalf of a client by a real estate agent.

Over the years we have seen an infiltration of settlement agents into this field. They have seen a chance to make a few extra dollars out of settlements as a new business. The estate agents allowed a settlement agent to charge a fee which up until 1981 was probably illegal because they were not registered settlement agents. I agree that we should have legal settlement agents for the purpose of carrying out those transactions. Many added costs have been introduced to the public. The majority of people buying new homes are young and they must pay stamp duty plus building societies' fees, search fees, inspection fees, title fees, and the like. The settlement agent's fee is nothing but another imposition on those people. Because the Government sees a need to introduce legislation to register someone else legally to charge a fee, people buying homes in this State are landed with an additional charge over and above those which are quite acceptable in our society.

The Minister continued—

> Following the enactment of the Settlement Agents Act, the Settlement Agents Supervisory Board informed certain real estate agents that they must licence as settlement agents to carry out real estate settlements, irrespective of whether or not a charge is made for that service.

That was not the intent of the original Bill and you, Mr President, may remember I specifically asked the Minister whether this would be the case.

The Hon. Peter Dowding: He said, "No".

The Hon. TOM KNIGHT: If the estate agent wished to continue to carry out the settlement on behalf of the client he could do so. When the Bill was proclaimed the settlement agents stepped in and said that this meant that real estate agents could not carry out settlements. I contacted both the Minister who handled the Bill in this House and the Minister who introduced it in the other place and they assured me that what I had suggested in this House was the case. Following that a ruling was made by the Crown Law Department which overruled that decision, and it was the obligation of the Government, and me, as a member of the House, to ensure that this Bill was introduced to amend it to what was originally intended.

The Hon. Peter Dowding: What a silly way to conduct Government business.

The Hon. TOM KNIGHT: The Minister now has seen fit to reintroduce it in this House to ensure the original intent is complied with.

The Hon. Peter Dowding: You would expect that of the Government. We would do a better job than that.

The Hon. TOM KNIGHT: I appreciate the fact that the Minister has seen fit to reconsider the Act and to bring this Bill to this House with the required amendments. During his second reading speech the Minister said—

> The amendment will provide for an exemption from the Settlement Agents Act for those licensed real estate agents who wish to continue to conduct settlements as a free service.

He continued—

> Clause 3 of the Bill inserts new sections 26A and 26B to provide for the granting of exemptions to licensed real estate and business agents. A licensed real estate or business agent carrying on business under the Real Estate and Business Agents Act will be required to possess the same qualifications as if he were applying for a licence as a settlement agent.
>
> This means that during a period of three years after the appointed day an applicant must satisfy the Settlement Agents Supervisory Board that he has had not less than two years' continuous practical experience immediately prior to the appointed day and passes in written and oral examinations set by the board; or satisfy the board that he has had not less than five years' continuous practical experience immediately prior to the appointed day.

I can see no reason for that particular amendment. I do not agree that real estate agents should be denied that right. It should not be an obligation. If an agent wishes to continue to settle free of charge he should be allowed to do so.

Many Bills have been introduced into this Parliament using the grandfather clause and that same clause should apply in this Bill. The conditions by which a settlement agent must abide are laid down in the Minister's second reading speach and are as follows—

> Where a licensed real estate or business agent is exempted from the provisions of the Act, clients for whom settlements are effected will not be afforded the protection of the Settlement Agents Act, which means that professional indemnity insurance will not apply. A prescribed notice is to be provided to clients advising them of these circumstances.
>
> However, clients will be afforded protection against defalcation by an agent through a claim against the real estate and business agents fidelity guarantee fund because an exempted licensed real estate or business agent carrying out real estate or business settlements free of charge can be said to be acting in the course of his business as a real estate agent or business agent.

For years estate agents have held trust funds in order that when an offer and acceptance is lodged, the payment made by a client, can be held until the settlement is finalised. That money is held in trust until that time. To cover that period the estate agent has established a fidelity guarantee fund to protect his client. Therefore, there is no need to say the client is covered only if the settlement is effected by a settlement agent. This should not be the case and it is misleading. The estate agents are happy making the extra money by not having to settle and this Bill which seeks to register settlement agents will impose another charge on the public.

I refer to *Hansard* of 12 May 1981 where I stated—

> The real estate agent is expected not to get his commission until the settlement has been fully effected.

I stated further that I was not in favour of the Bill and that it was not my intention to oppose it because its basis was to register settlement agents so the public would be covered in the event of financial mismanagement. During that debate the Hon. H. W. Olney said the following—

> It certainly goes back before my experience. My first experience in practice was in the late 1940s—and no doubt this method was adopted before that time—when the real estate agent prepared the transfer and normally had it stamped. He collected the stamp duty from the purchaser and had the transfer signed. As Mr Knight said, he did that as part of his commission.

This is accepted practice. I saw no reason to change the Act until the Bill was brought into this House. Country real estate agents were settling on behalf of clients.

The Minister said there was nothing to stop real estate agents continuing to do this. However, he did say the following—

> He is not required to carry out the full settlement.

Further on he said—

> A settlement agent can be used. I accept that in many cases real estate agents have done this work themselves.

He continued—

> The Real Estate Board in setting Maximum Fees did not allow for a fee for settlement, the Board was very conscious that except in isolated cases Agents did not do settlements.

I contradict the following statements made by the Minister—

> I would like to answer the Hon. Tom Knight because I will not make any impression on Mr Dowding. Real estate agents have not been required by law to carry out a full settlement, although in many cases they have done this and still do it.

He continued—

> I am trying to reassure Mr Knight that for this reason it is not necessary for there to be any increase in charges of settlement agent fees. If a real estate agent wishes to do the work he can.

The Minister, on behalf of the department which had prepared the Bill, assured me, and this House, that that would be the case. When the Bill was proclaimed it was not the case. Real estate agents in country areas have been forced to send settlements to settlement agents in Perth because many small country towns do not have settlement agents. It would not be a viable proposition, in many cases, for settlement agents to set up businesses in country towns.

I refer to an answer to a question asked in this House by the Hon. Norm Baxter regarding the qualification required for a settlement agent. The answer to the question reads as follows—

> 1. (a) and (b). The following subjects must be passed to obtain a certificate in settlement agency procedures—
>
> Communications 1
> Legal Principals

Real Estate Accounting
Introductory Property Law
Law of Contract
Law of Real Property
Settlement Agency Procedures I
Settlement Agency Procedures II

2. After close consultation with the Settlement Agents Supervisory Board.

Honestly, that would be the biggest heap of guff I have ever seen or heard of. I have carried out settlements myself and I have a basic outline of what I believe is necessary to carry out settlements regardless of what sort of academic background a person may have. One would have to be a Philadelphia lawyer to be a settlement agent according to the Minister's reply to the question asked of him. The basic outline, as I see it, is as follows—

After Contract Offer & Acceptance has been signed by both parties ascertain Volume and Folio Numbers from vendor or vendor's bank and enquire who holds Duplicate Title. On receipt of Volume and Folio numbers search the title at Titles Office to ascertain if any encumbrances exist. If mortgage or caveat exist then take action to have same discharged.

If finance is required take no further action until finance is approved. On approval of finance notify the Water Board, Shire or City Council and State Taxation Department of change of ownership and ask details of outstanding rates and dues charged. Also draw up a transfer of land and have same signed by both parties. On receipt of these duties make up a statement of account to both parties showing stamp duty, commission and all charges relevant to the deal.

Have transfer of land stamped and notify relevant parties you are ready to settle. Arrange a satisfactory date and time, attend with necessary documents and cheques and after, register documents at Titles office. When this is completed pay all outstanding rates and settlement is completed.

In the case of legal complications such as the death of one party, if a joint tenancy, then it would be advisable that a solicitor handle the case.

I have used those guidelines to carry out settlements on my own behalf.

My son recently purchased a block of land in Albany and I advised him that if the estate agents were not prepared to settle on his behalf he was to advise them he would do it himself.

The estate agent told him that under no circumstances could he settle on his own behalf because the Act precluded him from doing so. Of course, I telephoned him very quickly, and I explained to the real estate agent that he should look at the Act. Subsequently, we settled the transaction on our own behalf. It was a cash transaction, and we transferred the documents and had them stamped and everything was finalised. It is just not necessary to go through all this guff laid out as a requirement for a person who wishes to be registered as a settlement agent. As I said before, the person concerned would need a degree in accountancy and another one in law.

I still do not see the necessity for a settlement agent to have two and five-year qualifications, as referred to by the Minister in his second reading speech. Every person who is operating in WA as a real estate agent today should be able to undertake the settlement of transactions if he wishes to. If the Government wishes to bring in all sorts of rules, regulations, and examinations, after the provisions of the grandfather clause have run their course, then let it do so. I do not think this would be an unjust imposition on the people of the State. If the settlement agents in Perth have the confidence of the people, let them continue to make these settlements. However, these restrictions should not be imposed on the people I represent in country areas. They do not want them and I do not believe the real estate agents want them.

We will be placing an added burden on the real estate agents in country areas. In nine cases out of 10, the settlement agents do not have representatives in country areas, and this adds to the costs when transactions must be undertaken by people in Perth. It is poppycock to say it will not be an additional cost. A person who is selling a property must pay the estate agent, and there will then be the settlement agent's accounts to pay.

I will not oppose the Bill because I believe it is a step in the right direction. However, it does not go far enough. I would like the introduction of a grandfather clause and I do not believe that a real estate agent who wishes to settle on behalf of a client should have to go through all this rigmarole to obtain a settlement agent's licence.

THE HON. N. E. BAXTER (Central) [10.33 p.m.]: I would like to thank the Chief Secretary for introducing this Bill which will rectify something that would not need to be rectified if proper action had been taken earlier. At the end of last year I wrote to the then Chief Secretary (Mr Hassell). He replied to my letter by telephone and informed me that the real estate agents board had told the real estate agents that they would have to

register to become settlement agents and to do this would cost them another $400. In other words, they needed to cover themselves with another realty fidelity fund. I received no written reply to my letter, although the then Chief Secretary, in discussing the matter with me, agreed to do something about it.

Unfortunately, when the parent legislation was introduced here last year, I was overseas. However, I realised that the legislation was framed in such a way that real estate agents would not be able to continue to carry out settlements free of charge as they had been doing since 1922 when the Land Agents Act came into being. That Act contained a section which still appears in the Real Estate and Business Agents Act. Section 61(3) reads as follows—

> A licensee is not entitled to receive for any service rendered in his capacity as an agent, any commission, reward, or other valuable consideration that exceeds in value the amount fixed under subsection (1) in respect thereof.

The subsection referred to deals with the remuneration an agent is entitled to receive for selling a property.

That has been the situation from 1922. However, over the last 10 to 12 years, a new breed of animal has come into being in this field—this animal is called a settlement agent.

The settlement agent commenced to undertake the simple matter of settling transactions. The Hon. Tom Knight gave us a rundown of the way in which a settlement agent carries out a real estate deal. For such a simple matter it is ridiculous to have an Act containing 126 clauses, and especially the large number of clauses which are necessary to deal with the matter of registering settlement agents and protecting the public by committing the agents to a fidelity fund.

In the Minister's second reading speech, he said—

> The Government's attention had been drawn to the practice adopted by some country real estate agents of conducting settlements for their clients—

Not only the country real estate agents, but also city real estate agents, have been conducting settlements for many years, and they conducted them without any problems at all.

I was rather intrigued by a statement in the Minister's speech referring to mistakes made by real estate agents and the liability for those mistakes. If a real estate agent makes a mistake in conducting a settlement, naturally enough he is liable for any error that occurs. There is the fidelity fund to cover his liability. That fidelity fund for real estate agents contains over $1 million today, and it is maintained at about this figure if necessary. It has not been necessary to levy heavy charges to keep the fund at about $1 million because, over the years, the calls upon it have been minimal.

I was told that the fidelity fund of the real estate agents does not cover any defalcations by real estate agents, but that is quite incorrect. It certainly does, and it also covers any problems arising with deposit trust accounts.

Another provision in the Real Estate and Business Agents Act is that the real estate agent must apportion all rates, taxes, and outgoings. Section 65(1) states—

> Subject to subsections (2) and (3), where a real estate transaction has been negotiated by an agent it is the agent's duty to the purchaser to ascertain that all rates, taxes, and outgoings then payable, which are by statute a charge on the real estate, and which, as between the vendor and the purchaser, are payable by the vendor are paid by him, and that all such rates, taxes, and outgoings then accruing are duly apportioned between the vendor and purchaser.

It is incumbent upon the real estate agent to do that, but it is not incumbent upon the settlement agent to do so. If one looks at the definition of the word "settlement" in this legislation, one finds that the settlement actually boils down to one small period. The settlement agent takes along the documents at settlement, he hands over the cheque, and he registers the transfer of the deed. That is all that is in it. These people do not have to do any of the donkey work, and they are making money from this simple procedure. That is the point of the Bill about which I am not happy.

As the Hon. Tom Knight said, we will be forcing people who have been undertaking settlements for years to undergo an instruction course to prove that they can carry out a settlement, and as the Hon. Tom Knight also said, it is a lot of guff. An estate agent would be quite competent to carry out the list of duties read out to us by the Hon. Tom Knight. Those people who have been carrying out settlements for five years and who are prepared to prove this fact, will be able to be registered as settlement agents. However, those people who have not been carrying out this work for a period of five years will have to undergo a course to train them to do something that they have been doing for one year, two years, or any-

thing up to five years. It is beyond the pale to bring in this sort of legislation.

There is not much we can do but support this measure if we wish to ensure that real estate agents who have been undertaking settlements for five years are included under the grandfather clause. These people will have to take all the steps as set out in the Bill before us. I hope that the Minister will consider a review of this period of five years; perhaps he will consider reducing it to 12 months.

When I wrote to the then Chief Secretary (Mr Hassell) I mentioned one factor which I do not believe is covered in the settlement agents legislation. I am referring to trust moneys received by real estate agents who carry out real estate deals. Nowhere in this legislation can I find a provision that will ensure the real estate agent is protected when he hands over trust money to the settlement agent. The real estate agent is responsible for money from a trust fund, but we have not been told what happens when the money is handed over. I believe that the real estate agent will not be protected under the provisions applying to either of the fidelity funds. A settlement agent could say that the trust money was the responsibility of the real estate agent, but the real estate agent, having handed the money to the settlement agent, surely should not be held responsible for it.

These are the sorts of loopholes which occur in legislation and I was rather surprised that I did not receive a reply when I approached the Chief Secretary on this matter. I pointed out that real estate agents had to apply to become settlement agents before they could carry out settlements, but the Chief Secretary did not answer my query.

However, these people are very smart and they have found a loophole in the legislation. I will not say what it is; the Government can find out for itself. It is a very simple loophole and a settlement can be achieved very easily without the agent's being liable under the Act.

THE HON. R. G. PIKE (North Metropolitan—Chief Secretary) [10.47 p.m.]: I thank honourable members for their comments. I shall deal firstly with the remarks made by the Hon. Peter Dowding who pointed out that a real estate or business agent who sought to undertake settlements for his own clients free of charge would still have to be licensed under the previous legislation.

As a result of the initiative taken by the Hon. Tom Knight, the Hon. Norman Baxter, and Mr Barry Blaikie, the member for Vasse, I, as Chief Secretary, undertook to review this Act.

The Hon. Peter Dowding: What about Mr Jamieson and those of us down here who told you you were wrong?

The Hon. R. G. PIKE: I admit to the honourable member it was as a consequence of reading the record of the debate, including the contributions of Labor Party members, that the point became more evident.

The Hon. Peter Dowding: It was a pity your brother Minister could not grasp it at the time.

The Hon. Robert Hetherington: He is the "Minister for Non-listening"!

The Hon. R. G. PIKE: It was always the intention of the Government that a real estate or business agent who sought to do settlements for himself free of charge should be entitled to do so.

The Hon. Peter Dowding: Was there Crown Law advice that Mr Masters was wrong?

The Hon. R. G. PIKE: When the principal Act was enacted, it was then thought, by learned opinion, that a real estate agent and a business agent would be entitled to conduct a settlement free of charge. However, Crown Law opinion which came down after at least three or four learned opinions had been obtained was, as I recall quite exactly, that a licensed real estate agent or a licensed business agent would in fact be entitled to do one settlement free of charge, but no more and, subsequent to that, they would have to be licensed.

The Hon. Peter Dowding: The answer is that is because it was not a business.

The Hon. R. G. PIKE: The points made by the Hon. Tom Knight and the Hon. Norman Baxter really deal with the necessity to be qualified and the argument put by the Law Society in this State was that lawyers only should conduct settlements and settlement agents should be excommunicated as it were, However, the Government did not accept that view.

It is significant to note that, in New South Wales, conveyancing is still the sole province of the legal profession and there is no such thing in that State as a "settlement agent". I am given to understand also that the actual costs of settlements in Western Australia are the lowest in the Commonwealth.

The Hon. Tom Knight: They were cheaper before, because they cost nothing.

The Hon. R. G. PIKE: I turn now to the point made by the Hon. Norman Baxter in regard to the trust account moneys which are paid to a settlement agent from whatever source. The answer to the question asked by the Hon. Norman Baxter can be found in section 49 of the Settle-

ment Agents Act which reads, in part, as follows—

> 49. (1) Every licensee who holds a current triennial certificate shall maintain at least one trust account, designated or evidenced as such and maintained exclusively for the purposes of this Act, with a bank in the State, or with a building society in the State and shall, as soon as practicable, pay to the credit of that account all moneys received by him for or on behalf of any other person in respect of settlements to be arranged or effected, or arranged or effected, by the settlement agent.

Subclauses (2) to (6) deal in great detail with just how a settlement agent's trust account should be kept.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (the Hon. I. G. Pratt) in the Chair; the Hon. R. G. Pike (Chief Secretary) in charge of the Bill.

Clauses 1 and 2 put and passed.

Clause 3: Sections 26A and 26B inserted—

The Hon. PETER DOWDING: Does the Chief Secretary think proposed new subsection (5)(b)(iii) is really adequate to cover the situation?

The Hon. R. G. Pike: Dummying?

The Hon. PETER DOWDING: Well, bona fide control. It just seems to me to be very difficult to determine how one specifies the requirements of that clause. We are perhaps talking about firms constituted of up to three people. How does one determine who is in control between three people, if two of them are exempted currently?

The Hon. R. G. PIKE: If I remember correctly, this clause was inserted at the request of the Law Society.

The Hon. Peter Dowding: I believe the High Court thought little of their drafting.

The Hon. R. G. PIKE: The advice given by those learned gentlemen was that, as far as is practicable, that is the best method of including the control and it is designed to prevent the practice of dummying where the licensee merely lends the licence to the business and does not exercise any control over the activities of the firm. Section 28 (1) (d) of the Settlement Agents Act contains precisely the same requirement and it is expanded in section 29. I understand the provision is contained also in the Real Estate Agents Act and that the advice given by the Law Society was to the effect that this was the best method to prevent the practice.

I did not aspire to projecting advice beyond that given by the Law Society. This provision appears in many Acts and it is designated as being the best way to control the situation.

The Hon. PETER DOWDING: I am really seeking information. I can understand one may be able to establish control where three people are involved.

However, can the Chief Secretary give me an illustration of how one could further the criterion of proposed new subsection (5)(b)(iii)? In that situation a body corporate with a variety of directors is involved. The Chief Secretary's advice may cover the situation and he may or may not be able to answer the question. However, in the case of three directors, how could we establish that one of them controlled the corporation?

Under the companies legislation they all had obligations, and those obligations could not, unless one was a managing director—

The Hon. Tom Knight: Chairman of directors.

The Hon. PETER DOWDING: Not the chairman of directors because he has merely an administrative role unless there is a special provision in the articles of memorandum giving him extra voting powers. The obligations and the powers to control the company rest equally on all directors. I wonder whether the Minister has any advice as to how one would establish the person who was in bona fide control. I suppose it flows on. What if there is a director who resides out of the State and two who reside in the State, or vice versa? In that situation, how does the director in the State establish that he has control?

The Hon. R. G. PIKE: Again I point out that in the principal Settlement Agents Act, section 29(1)(c) contains precisely the same wording. This section has been re-enacted because it provides for an exemption and it is also mandatory in the terms of the decision the Government has made that the same strict supervision and qualification will apply.

Having made that point—and I understand that the same terminology to which the honourable member refers exists in the Real Estate Agents Act—I go on to the explanation of the point he has made. Again, I have a three line note which says that the section to which he refers in clause 3(c) states that he is the person in bona fide control of the business and he must be a resident of the State.

To be perfectly frank I am not able to go into a learned dissertation about the habitation of one of the directors who is either permanent or transient from one State to the other.

The Hon. Peter Dowding: Did you say "transient"?

The Hon. R. G. PIKE: If he is in fact a transient, one imagines he is not transient permanently and will be domiciled somewhere, be it in this State or elsewhere in the country. If the Hon. Peter Dowding were to take the matter up with the Law Society or if the member has a better suggestion, I will undertake to look at it in regard to its future application.

The Hon. PETER DOWDING: The next matter I would like to ask the Minister concerns proposed section 26A(7)(b). I remind him that in the course of debate in 1981 when so much erudite information was coming from the Opposition benches and being frostily ignored by Government members, one of the points floated was that it was contemplated that under the old system where real estate agents did the settlement as part of their normal obligations to their client—

The Hon. Tom Knight: It was laid out by the Hon. Des O'Neil when he introduced the Bill in 1976 that that is what the Bill was meant to do.

The Hon. PETER DOWDING: It seems as though Uncle Tom Cobbley and all, including the Hon. Peter Wells, have had a go.

The Hon. R. G. Pike: Sorry, I missed what you were saying.

The Hon. PETER DOWDING: I was saying that proposed section 26A (7) states that the current exemption applies only to the person to whom the exemption was granted and that a variety of things have to occur. The first is that the settlement is of a real estate transaction of which the person acted in the course of business as a real estate agent and, secondly, that the settlement is not arranged or effected for reward. How does one know that the reward is not a reward that a person receives as part of his real estate commission? In other words, can we be sure he is not acting *gratis* if he says, "I am the real estate agent. I have received a commission and therefore regard it as my obligation to do the job"?

The Hon. R. G. PIKE: The member referred to the nub of the legislation. This clause really is the nub of the Bill, and subclause (7)(b) provides that a person exempted can retain that exemption only so long as the settlement—and it applies as well to business agents—is effected for no reward. The moment the agent concerned seeks reward—

The Hon. Peter Dowding: That is a separate reward.

The Hon. R. G. PIKE: Yes. The moment he seeks reward he is in defiance of the Act. The answer to the member's question clearly is that the Real Estate Agents Act sets a charge for the real estate transaction, a charge which is the maximum that can be levied. From memory that charge is 6.25 per cent on the first $8 000, 3.75 per cent on the next $42 000, and 2.5 per cent on the next $50 000, in which case a real estate agent in the process of effecting a transaction who seeks to charge more than the percentage prescribed by the Act would be in breach of this clause.

Clause put and passed.

Clauses 4 and 5 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 the Hon. R. G. Pike (Chief Secretary), and transmitted to the Assembly.

ADJOURNMENT OF THE HOUSE: SPECIAL

THE HON. I. G. MEDCALF (Metropolitan —Leader of the House) [11.04 p.m.]: I move—

That the House at its rising adjourn until Tuesday, 14 September at 4.30 p.m.

Question put and passed.

House adjourned at 11.05 p.m.

QUESTIONS ON NOTICE

GRAIN AND TIMBER

Exports

411. The Hon. FRED McKENZIE, to the Minister for Labour and Industry representing the Minister for Transport:

In each of the last five years, what has been the tonnage of—

(a) grain; and
(b) timber;

shipped from the ports of—

(i) Geraldton;
(ii) Bunbury;
(iii) Albany; and
(iv) Esperance?

The Hon. G. E. MASTERS replied:

	1977-78	1978-79	1979-80	1980-81	1981-82
GERALDTON					
(a)	479 375	533 055	775 534	795 838	1 064 262
(b)	—	—	—	—	—
BUNBURY					
(a)	281 738	205 153	185 144	160 707	55 907
(b)	24 160	11 313	878	4 149	12 361
ALBANY					
(a)	849 225	520 952	1 007 401	610 633	763 627
(b)	—	—	—	—	—
ESPERANCE					
(a)	315 774	267 339	361 894	325 418	264 153
(b)	—	—	—	—	—

(4) Western Australia is estimated to receive grants and payments of $1 676.8 million in 1982-83 which compares with $1 527.9 million in 1981-82. Particular grants which have been affected by decisions made by the Federal Government are tax sharing grants where the State is to receive $32.5 million less than it would have done as a result of the Commonwealth's decision to phase in the recommendations of the Grants Commission and identified health grants where the State is estimated to receive $15 million less this year than in 1981-82.

BANKS: CHEQUES

Federal Tax

412. The Hon. D. J. WORDSWORTH, to the Leader of the House representing the Treasurer:

As both State and Local Governments are not to be excluded from the new tax to be made on cheques as outlined in this year's Federal Budget—

(1) What is the expected loss of revenue back to Canberra in a full year?

(2) What is the cost of its collection from such Government and semi-Government organisations?

(3) Has there been any indication that these losses of income and additional collection expenses will be reimbursed by Canberra?

(4) What other reductions are expected to occur in this financial year by way of annual grants and tax sharing arrangements made between the State of Western Australia and the Federal Government?

The Hon. I. G. MEDCALF replied:

(1) to (3) I am in the process of writing to the Prime Minister to seek clarification of what is proposed with respect to State and local government because the limited information available on the proposal does not enable me to be certain as to whether State and local government would be included or excluded from the proposed tax.

FISHERIES: ROCK LOBSTER

Railway Fishplate

413. The Hon. TOM McNEIL, to the Minister for Labour and Industry representing the Minister for Transport:

(1) Is the Minister aware that narrow gauge railway line fishplate is used extensively by rock lobster fishermen to weight their lobster pots?

(2) Is the Minister aware that fishplate is currently unavailable from Westrail?

(3) When track upgrading or maintenance is carried out on a narrow gauge light rail line, will the used fishplates be made available for sale to fishermen?

(4) If "Yes" to (3), when is it anticipated that it will be available?

The Hon. G. E. MASTERS replied:

(1) Yes.

(2) Yes. It is unavailable because stocks are exhausted.

(3) Yes, to licensed fishermen after Westrail's requirements have been satisfied. Fishermen prefer the lighter type of fishplates that weigh between nine and 10 kg and these are not readily available.

(4) Track maintenance is a continual process and fishplates are made available to licensed fishermen after Westrail's requirements for foundry feed are met. A tender for recovery of the Pindar-Meekatharra railway has been let to Midalia Steel Pty. Ltd. Fishermen may be able to purchase fishplates from this firm.

APPRENTICES

Government Departments and Instrumentalities

414. The Hon. D. K. DANS, to the Minister for Labour and Industry:

As at 30 June for each year of the period 1979-1981—

(1) How many apprentices were employed by State Government departments and instrumentalities?

(2) For each total figure in (1), how many were females?

The Hon. G. E. MASTERS replied:

(1) 30 June 1979—1 864 apprentices
30 June 1980—1 844 apprentices
30 June 1981—1 835 apprentices.

(2) 30 June 1979—13 females
30 June 1980—16 females
30 June 1981—22 females.

CONSERVATION AND THE ENVIRONMENT: NORTH-WEST CAPE

Amphibious Landing Area

415. The Hon. P. H. LOCKYER, to the Leader of the House representing the Premier:

(1) Will the Premier give an undertaking that no decision on an amphibious landing area at north-west cape be taken until all parties concerned are consulted?

(2) Will an environmental impact study be undertaken to ascertain whether the area will be suitable for an amphibious landing area?

The Hon. I. G. MEDCALF replied:

(1) and (2) Yes, as far as possible. While this is essentially a Commonwealth matter, the State Government through the Department of Conservation and Environment has been actively involved in the preparation of environmental guidelines currently under consideration by the Commonwealth Department of Home Affairs and Environment for an environmental impact statement (EIS). The EIS would address possible alternative locations and would be made available for public comment before any decision was made to implement the proposal.
The State Government fully supports greater defence facilities for Western Australia and at the same time we will closely watch the needs of local people concerned.

APPRENTICES

Suspension

416. The Hon. D. K. DANS, to the Minister for Labour and Industry:

Of the 247 apprentices currently under suspension (question 332 of 4 August 1982), how many are females?

The Hon. G. E. MASTERS replied:

There were 22 females included in the 247 apprentices out-of-trade (suspended).

Of these, seven were currently working in their trade areas with a view to having their indentures transferred to new employers.

EDUCATION

Breakfast Programmes

417. The Hon. GARRY KELLY, to the Chief Secretary representing the Minister for Education:

(1) Is the Education Department aware of the existence of breakfast programmes in Government schools in WA?

(2) If so, will the Minister list those schools in which such programmes have been instituted?

(3) For what reasons have the programmes been instituted?

(4) During 1981-82, what funding for such programmes was provided by the Education Department?

(5) Is it the department's intention to provide any funding for 1982-83 for such purposes?

The Hon. R. G. PIKE replied:

(1) Yes.

(2) The department does not keep records of this activity because it is a school based initiative directed at the needs of students in specific schools.

(3) Answered in (2).

(4) Nil.

(5) No.

TELEVISION

Denham and Useless Loop

418. The Hon. P. H. LOCKYER, to the Minister for Federal Affairs:

(1) Can the Minister advise of the proposed commencement date for television at Denham?

(2) Will the town of Useless Loop be able to receive this transmission from Denham?

The Hon. I. G. MEDCALF replied:

I have been provided with the following information by the Commonwealth Department of Communications—

(1) It is anticipated that transmission will commence in the last quarter of this year.

(2) Provided television sets are equipped with suitable outdoor aerials, the transmission will be able to be received at Useless Loop.

TRANSPORT

"Transport 2000—A Perth Study" and R. Travers Morgan Study: Submissions

419. The Hon. FRED McKENZIE, to the Minister for Labour and Industry representing the Minister for Transport:

(1) Is the Minister receiving submissions from persons or organisations on the recently released—

(a) "Transport 2000" study; and

(b) R. Travers Morgan study?

(2) If so, on what date does he intend to close off receipt of submissions?

The Hon. G. E. MASTERS replied:

(1) Yes.

(2) 5 November 1982 and 1 September 1982 respectively.

FISHERIES: ROCK LOBSTER

"Sea Horse 2"

420. The Hon. TOM McNEIL, to the Minister for Labour and Industry representing the Minister for Fisheries and Wildlife:

With reference to question 381 of Tuesday, 17 August 1982—

(1) Upon what grounds were charges against the owner of the *Sea Horse 2* dismissed?

(2) Is the Government giving consideration to amending the Fisheries Act, particularly section 24(1)(a)?

The Hon. G. E. MASTERS replied:

(1) Grounds for dismissal will be known when the magistrate's decision is available in writing.

(2) No.

ELECTORAL: ACT

Regulations

421. The Hon. PETER DOWDING, to the Chief Secretary:

(1) When were the Electoral Act regulations last reprinted?

(2) How many amendments have occurred since that date?

(3) How many pages of amendments have occurred since that date?

(4) When is a reprint of the Electoral Act regulations expected?

The Hon. R. G. PIKE replied:

(1) 14 February 1968.

(2) Twelve.

(3) Fifty-four.

(4) Draft has been completed and is with the Government Printer.

CONSUMER AFFAIRS

Small Claims Tribunal

422. The Hon. J. M. BERINSON, to the Chief Secretary representing the Minister for Consumer Affairs:

In each of the last five years, how many applications to the Small Claims Tribunal, related to disputed tenancy bonds or other residential tenancy matters?

The Hon. R. G. PIKE replied:

The Small Claims Tribunal attends to bond disputes only in residential tenancy matters. Bond dispute applications over the past five years are as follows—

1977—192
1978—244
1979—206
1980—292
1981—284.

As yet the 1982 figures have not been ascertained.

INDUSTRIAL RELATIONS

Ministerial Advisers

423. The Hon. PETER DOWDING, to the Minister for Labour and Industry:

(1) How many senior officers advise the Minister from within his department on industrial relations?

(2) How many senior officers advise the Minister on industrial relations within the Public Service Board?

(3) How many senior officers are involved in industrial relations and advise the Minister from within the SEC?

The Hon. G. E. MASTERS replied:

(1) The Department of Labour and Industry is structured at the senior level as far as industrial and labour relations are concerned, as follows—

Under secretary,
assistant under secretary (labour relations);
director of labour relations.

Advice to the Minister is channelled through the under secretary, but in his absence, the Minister seeks advice from one of the other senior officers.

(2) The senior structure of the industrial relations division of the Public Service Board consists of a director and two assistant directors.

Advice to the Minister is provided by the director of industrial relations or, in his absence, by one of the two assistant directors.

The Minister can also obtain advice from the Chairman of the Public Service Board or from a commissioner of the board.

(3) None.

BRIDGE

Gascoyne River

424. The Hon. P. H. LOCKYER, to the Minister for Labour and Industry representing the Minister for Transport:

(1) What plans does the Main Roads Department have for a new bridge over the Gascoyne River?

(2) Has a study been taken on this subject?

(3) If so, will the result of this study be made available to interested parties?

The Hon. G. E. MASTERS replied:

(1) The Main Roads Department has been examining a possible future bridge and road alignment immediately to the north of the Carnarvon Road junction. This alignment is being evaluated to define the precise location taking into account engineering factors as well as the existing developments and proposed flood mitigation works.

(2) Yes, as part of the investigation referred to above, the Main Roads Department commissioned an engineering consultant to examine the effect a bridge and roadworks would have on the flood mitigation proposals.

(3) A copy of the consultant's report has been made available to the council but it would be premature to release this report for general distribution until the other factors affecting the proposal have been resolved.

WASTE DISPOSAL

Deposit Scheme

425. The Hon. H. W. GAYFER, to the Chief Secretary representing the Minister for Local Government:

With regard to the problem of litter, especially beverage containers—

(1) Is consideration being given to the introduction of a refundable deposit scheme such as has been introduced into some areas of the United States, and in South Australia?

(2) Are there any major difficulties in introducing such a scheme in Western Australia?

(3) What measures have been introduced by the Western Australian Government, and are now under consideration, for control of litter?

The Hon. R. G. PIKE replied:

(1) No.

(2) The situation is that the Litter Act was enacted in 1979 to provide for a "total" approach to the litter problem. In view of the comprehensive nature of that legislation it would be inappropriate now to introduce a single measure in respect of just one aspect of the problem.

(3) The Keep Australia Beautiful Council, which was established under the Litter Act, has been very active in combating the litter problem. I believe that initiatives taken on many fronts by the Keep Australia Beautiful Council are proving effective.

ROAD

Blowholes Road

426. The Hon. P. H. LOCKYER, to the Minister for Labour and Industry representing the Minister for Transport:

(1) Has work been commenced on the Blowholes Road at Carnarvon to complete the sealing of the road?

(2) If so, is the day-labour work force of the Main Roads Department being used on the road?

The Hon. G. E. MASTERS replied:

(1) Yes.
(2) No, the work is under contract.

LAND: NATIONAL PARKS

South Coast: Leasehold Land

427. The Hon. FRED McKENZIE, to the Minister for Labour and Industry representing the Minister for Conservation and the Environment:

Referring to question 29 of 24 March 1982 concerning leasehold land which may be affected by proposals for the South Coast National Park—

(1) Will the Minister table the working group's recommendations in Parliament?
(2) If not, why not?
(3) Did the working group's recommendations agree with those of the Legislative Council's Select Committee on National Parks?

The Hon. G. E. MASTERS replied:

(1) and (2) The working group's involvement was an internal arrangement to assist the Department of Lands and Surveys in determining the future of the leasehold lands within the proposed national park boundaries. As such the Minister is not prepared to table the group's recommendations.
(3) The working group's recommendations were generally consistent with the report of the Select Committee of the Legislative Council on National Parks in respect of grazing leases within the D'Entrecasteaux National Park.

COURTS

Indeterminate Sentences

428. The Hon. J. M. BERINSON, to the Attorney General:

(1) Has the Attorney General's attention been drawn to the clearly implied criticism by the Supreme Court of the existing state of the law in respect of indeterminate sentences?
(2) Does the Murray report address itself to this question and, if so, what is the general nature of its recommendations?
(3) In any event, will the Attorney General undertake to review the system of indeterminate sentences with a view to considering the possibility of their abolition in whole or part?

The Hon. I. G. MEDCALF replied:

(1) My attention has been drawn to some comments made in the course of a recent case which relate only to the detention of those acquitted on the ground of unsoundness of mind.
(2) This matter was not within the terms of reference of Mr Murray.
(3) I have asked for further general advice on the question. Following receipt of that advice I will know whether any further action is required.

LAND: NATIONAL PARK

South Coast: Additional Areas

429. The Hon. FRED McKENZIE, to the Minister for Labour and Industry representing the Minister for Conservation and the Environment:

Referring to question 28 of 24 March 1982 concerning the South Coast National Park, the Minister on the occasion replied "Consideration is being given to what further areas might be included in the National Park"—

(1) Can the Minister now advise what these areas are?
(2) Will they be gazetted prior to the expiration of the present Government's term of office?
(3) If not, why not?

The Hon. G. E. MASTERS replied:

(1) The areas subject to consideration are the balance of those shown on figures 2.2 and 2.3 of the EPA Red Book approved on 20 October, 1976, following the creation of the western section of the national park in November 1980.
(2) and (3) Consideration is still being given and at this stage it is not possible to predict when, or what, areas may be cleared for inclusion in the park.

QUESTION WITHOUT NOTICE

TOURISM: DEPARTMENT

Tent

99. The Hon. PETER DOWDING, to the Minister representing the Minister for Tourism:

(1) Has the Minister's department advertised for sale a tent called "the largest tent in WA"?
(2) Who owns the tent?
(3) When was it acquired?
(4) Was it—
    (a) made under contract; or
    (b) purchased?
(5) If (a) by whom was it made?
(6) If (b) from whom was it purchased?
(7) On what date did the department take delivery of the tent?
(8) For what purpose did it acquire the tent?
(9) What was the cost to the department of the tent?

The Hon. I. G. MEDCALF replied:

(1) Yes.
(2) The Western Australian Department of Tourism.
(3) 20 May 1981.
(4) Purchased.
(5) Not applicable.
(6) The tent was purchased from TVW Enterprises Ltd.
(7) 20 May 1981.
(8) In order to meet the Government's commitment to provide a suitable exhibition facility at the University of Western Australia for the 12th International Congress of Biochemistry.
(9) $58 934.69.