

Legislative Council

Tuesday, 21 June, 1988

THE PRESIDENT (Hon Clive Griffiths) took the Chair at 3.30 pm, and read prayers.

PRESIDENT'S STATEMENT

Parliamentary Telephones - Tapping

THE PRESIDENT: I advise honourable members that as a result of the proposition that was submitted to this House last week about alleged telephone tapping, I instructed the House Controller to have the whole of the Parliament House telephone system examined to ascertain whether or not any tampering had occurred. I am pleased to advise members that this work has been carried out and the Executive Officer has reported to me that nobody's telephone within Parliament House has been tampered with.

PRESIDENT'S STATEMENT

Salaries and Allowances Act - Tribunal

THE PRESIDENT: I bring to the attention of members a matter which concerns me to some extent; that is, a letter from Mr W.F. Willesee. Members may know, or ought to know, that in 1982, in accordance with section 10 of the Salaries and Allowances Act, I, in conjunction with Mr Speaker at the time, appointed Mr Willesee to act as the representative of members of Parliament on that tribunal. It has been my view that Mr Willesee was an excellent choice, and carried out his task very diligently and conscientiously. It was, therefore, with some dismay - as I initially suggested that he be appointed - that I received a letter from him on Friday indicating that he was resigning from this position. Without reading the letter to members, I will just paraphrase it by saying that Mr Willesee has tendered his resignation because he says he has not been invited to any meetings of the tribunal at all this year, and indeed has not been to a meeting for the last nine months. Therefore, he finds his position untenable. I reluctantly have no alternative but to accept his resignation.

It is my intention to discuss the matter with Mr Speaker with a view to appointing somebody else, but it is also my intention to write to the chairman of the tribunal with a view to finding out on what authority he has been holding tribunal meetings to which the person selected under the Act, passed by this Parliament, to represent members of Parliament has not been invited.

PETITION

Prostitution - Legalisation

The following petition bearing the signatures of 1 103 persons was presented by Hon J.N. Caldwell -

To the Honourable the President and members of the Legislative Council of the Parliament of Western Australia in Parliament assembled:

The humble petition of the undersigned electors and residents of the State of Western Australia respectfully sheweth that:

Prostitution attacks social justice because it:

- (a) demeans women by encouraging men to view them as sex objects;
- (b) undermines the institution of marriage by encouraging promiscuity among single men and adultery among married men;
- (c) lowers the health of the community by facilitating the spread of sexually transmitted diseases;
- (d) impoverishes the community financially by diverting funds to health and welfare programmes.

As legalization of the trade of prostitution will result in more brothels in W.A.,

thereby intensifying social injustice, your petitioners humbly pray: That all members of the Legislative Council vote against the proposed liberalization of laws governing prostitution.

And your petitioners, as in duty bound, will ever pray.

[See paper No. 258.]

CRIMES (CONFISCATION OF PROFITS) BILL

Introduction and First Reading

Bill introduced, on motion by Hon J.M. Berinson (Attorney General), and read a first time.

Second Reading

Leave granted to proceed forthwith to the second reading.

HON J.M. BERINSON (North Central Metropolitan - Attorney General) [3.41 pm]: I move -

That the Bill be now read a second time.

This Bill is proposed as a major weapon in the fight against crime and, in particular, organised crime. A number of inquiries in Australia, including the Williams, Costigan and Stewart Royal Commissions, have reported on the large profits which can be made from crime and the ingenuity which is directed to concealing such profits. This Bill is to enable the confiscation from criminals of both the proceeds of crime and the property used in the commission of crimes. The aim of the legislation is to deter criminal activities by attacking the primary criminal motive - monetary profits - and preventing the use of those profits in other criminal activities. The Bill therefore represents an additional and stronger measure than such traditional methods of punishment as fines and imprisonment. The Misuse of Drugs Act already allows the courts to order the confiscation of profits and assets connected with the illegal drug trade. This Bill, however, goes much further. It applies to all indictable offences and to any offences prescribed by regulations as serious offences.

The purpose of the Bill is to confiscate and forfeit to the State -

all proceeds of crime;

all profits of criminal activity, whether gained directly or indirectly;

all property used in the commission of indictable or other serious offences.

To accomplish this, the Bill empowers courts to make orders confiscating profits of crime and property used in the commission of a crime. It also allows courts to make restraining orders in respect of specified property. The Supreme Court will be able to make such restraining orders where a person has been or is about to be charged with a serious offence. The court also will be able to order the production of documents which could assist in identifying or locating property used in or derived from the commission of a crime.

The Bill enables courts to make pecuniary penalty orders requiring criminals to pay to the State an amount of money equivalent to the estimated profits derived from their crimes. It also enables the registration and enforcement in Western Australia of restraining and confiscation orders made under corresponding legislation in other jurisdictions, and authorises search warrants for the seizure of property used in or derived from a serious offence in another jurisdiction. This legislation, including its reciprocal interstate enforcement provisions, is the result of agreement by the Standing Committee of Attorneys General to achieve uniform legislation throughout Australia. Victoria, New South Wales, South Australia and the Commonwealth have already enacted confiscation legislation broadly along the lines agreed to by the Standing Committee.

The Bill represents a careful balance between competing interests. On the one hand, there is a need for law enforcement agencies to be able effectively and efficiently to freeze and confiscate assets associated with criminal activity. On the other hand, the rights and interests in such assets of innocent third parties who have no involvement in criminal activity or knowledge that the assets were derived from or used in a crime, must be protected.

Forfeiture Orders: After a conviction for a serious offence, the court will be able to order

that any property used in or in connection with that crime, or any proceeds derived directly or indirectly from the commission of that crime, be forfeited to the State. Applications for forfeiture orders will be made by the prosecutor within six months after a person has been convicted of a serious offence. Forfeiture orders can also be made against persons who have been charged with an offence but who abscond before the charge is finally determined. Forfeiture orders may be made even if illegally used, acquired or derived property has passed to a person other than the original offender. This will allow courts and law enforcement agencies to get to such property which is only nominally controlled by third parties. The Bill is therefore a major attack on the laundering of the proceeds of crime. At the same time, the Bill protects the rights of third parties who acquire property in good faith and for value. Third parties are to be notified of applications for forfeiture orders, are to be given the opportunity to be heard by the court, and can obtain a court order declaring the nature, extent and value of their interest in the property and directing the Crown to return the property or pay them.

Pecuniary penalty orders: Courts will be able to order offenders to pay an amount of money equal to the value of the benefits derived by the offender committing a serious offence. These benefits may include increases in the value of the offender's property, and any service or advantage provided to the offender or another person at the direction of the offender as a result of the commission of a serious offence. Where there has been a conviction for a serious offence, the courts are to presume that an increase in the value of the offender's property is a benefit derived from the commission of the offence. Where it is a serious drug offence the Bill provides a rebuttable presumption that all of the offender's property at the time of the application and within specified time limits was derived as a result of that offence. In assessing the value of benefits derived from an offence, courts will be able to go behind corporate structures and treat as the offender's property any property that is under the offender's effective control.

Restraining orders: This legislation will enable the Supreme Court to make orders freezing assets where a person has been convicted of a serious offence or is charged or about to be charged with a serious offence. In urgent cases interim restraining orders for a maximum of seven days may be made without notice to persons who might have an interest in the property. Normally notice of applications must be given to persons with an interest in any property that is the subject of a restraining order application. To safeguard the rights of innocent persons, the court can require the applicant to give undertakings as to the payment of damages and costs and impose such terms and conditions on the order as the court thinks fit. The Supreme Court will have wide discretionary powers in relation to the freezing of property. For example, the court may direct the Public Trustee to take control of property, and order the examination of a person whose property is restrained, or any other person, to ascertain the nature and location of property which may be liable to confiscation. The order may also provide for living and business expenses and legal costs of people whose property is subject to a restraining order.

Search warrants: The Bill provides for magistrates to issue search warrants to authorise the police to seize property used in or derived from the commission of a serious offence in another jurisdiction. These powers are also available for serious offences committed in Western Australia without derogating from existing powers. Seized property must be returned to the person from whose possession it was taken if no charge is laid within seven days or no application for a forfeiture order is made.

Information gathering: Part 6 of the Bill will enable law enforcement agencies to gather vital information. They will be able to obtain documents relevant to tracing property and money which has been used in or derived from criminal offences when the Supreme Court orders the production of documents. Where property cannot be identified with sufficient particularity, or there are reasons to believe a production order is unlikely to be complied with, or may prejudice effective law enforcement, a Supreme Court judge may issue a search warrant to enable police to search for and seize documents.

The Bill also provides for monitoring orders. A Supreme Court judge may order a financial institution to provide to police information over a specified period about transactions conducted through accounts held by a particular person. Monitoring orders are available only in relation to serious drug offences. Except in specified circumstances, the financial institution is not to disclose the existence or operation of a monitoring order.

Interstate enforcement: As I have indicated, this legislation is part of a uniform approach agreed to by the Standing Committee of Attorneys General. The Bill therefore will permit forfeiture or restraining orders made in another State applying to property in Western Australia to be registered in the Western Australian Supreme Court, and such an order may then be enforced as if it were made in WA. This will enable local authorities to enforce orders against assets in this State in Western Australian courts. Any alteration or variation of such interstate orders must be made in the jurisdiction where the order was originally made - that is, the State where the offence was committed. This will enable all issues relating to interstate forfeiture and restraining orders to be resolved in the original jurisdiction, thereby preventing litigation in different States about the same offence or order. The Supreme Court, when varying a Western Australian order which is registered in the Supreme Court of another jurisdiction, may require that the costs of a third party with property in another State be paid.

This legislation is an important measure to provide courts and law enforcement authorities with effective powers to combat serious crime and to deter it. I commend the Bill to the House.

Debate adjourned, on motion by Hon John Williams.

MOTION

Select Committee - Release of Documents

HON E.J. CHARLTON (Central) [3.51 pm]: I move -

That the Legislative Council hereby authorises the release of all relevant documents, presented to the Select Committee on Aboriginal Poverty appointed by the Legislative Council on Tuesday, 29 May 1984, to the Select Committee appointed to inquire into State Funding for Aboriginal Programs.

This motion is to enable the committee to take advantage of material that is already available. It will help to make the activities of the committee in the immediate future much more efficient and will save a lot of time and expense. For those reasons the committee asks the House to agree to that material being made available.

Hon G.E. Masters: We support the motion.

Question put and passed.

ADDRESS IN REPLY - EIGHTH DAY

Motion, as Amended

Debate resumed from 16 June.

HON N.F. MOORE (Lower North) [3.53 pm]: I wish to take this opportunity of the Address-in-Reply debate to add my best wishes to those of other members to the Governor, Professor Gordon Reid, and to his wife, Mrs Reid. I share the views of other members that both Professor Reid and his wife are carrying out their functions - he as the Governor and she as the Governor's wife - in an extremely commendable way and I know that members on both sides of the House have been absolutely delighted with the way in which they have carried out their duties. It was interesting to read in the newspapers recently that a number of other people are being considered for the position of Governor when Professor Reid stands down. I understand that his period of office expires some time between now and the end of the year, but I have not actually heard that he will stand down, or whether or not he desires to stand down, or whether or not he has done so.

Hon Tom Stephens: Mr Moore, that is unsubstantiated Press speculation. It described a list which was presumably the journalist's list.

Hon G.E. Masters: Let him make his speech.

Hon Tom Stephens: There was no reference to anyone else's list.

Hon N.F. MOORE: All I am trying to say, if the member would let me make my speech, is that if the Governor does not want to stand down that is fine because I would like to see him continue for another term.

Hon G.E. Masters: Hear, hear!

Hon N.F. MOORE: If he does want to stand down I hope the Government would try to persuade him not to.

Hon Tom Stephens: It was gutter journalism - scurrilous journalism.

The PRESIDENT: Order!

Hon N.F. MOORE: Mr President, knowing what little I do of journalists, most of them do not write stories unless they get some sort of hint from somewhere or other. They do not usually make up stories.

Hon Tom Stephens: That particular journalist makes a habit of it.

The PRESIDENT: Order! Order!

Hon N.F. MOORE: Thank you, Mr President. The way Hon Tom Stephens is going, I would not be unhappy to sit down and let him make my speech for me.

Hon G.E. Masters: He is trying to draw a red herring.

Hon N.F. MOORE: He has already offended one journalist, which he is entitled to do if he wishes, but by collectively referring to journalists writing scurrilous remarks he has in fact offended them all.

Hon Tom Stephens interjected.

The PRESIDENT: Order! I will not tolerate the interjections. If Hon Norman Moore stops carrying on a conversation with Hon Tom Stephens, maybe he will only interject half of the time instead of all of the time.

Hon N.F. MOORE: Regardless of whether or not the article which referred to the names of potential successors to the Governor is correct, I sincerely hope that the Government will either reappoint Professor Reid or, if he has indicated he wants to stand down, try to talk him out of it. I think, as Mr Stephens does, that he has done an excellent job and that the State could have him as a Governor for many years, as well as having Mrs Reid as the Governor's wife. She carries out her role in a magnificent way, particularly amongst the youth of our State.

I want to use the opportunity of the Address-in-Reply to cover a couple of areas that are of concern to me. The first is the question of the gold tax and the gold levy. As members will know, the idea of a gold tax has been around for a long time. To be strictly correct, the removal of the tax exempt status for gold has been around for a long time; in fact the production of gold or the profits made from gold are tax free. I guess the reason this exempt status was brought in was to give the goldfields some capacity to pick up excess employment or to provide for unemployed people during the Depression days and in fact has stayed on, especially during that period when the price of gold was set internationally and did not rise in relation to the cost of production or inflation.

The economy of Western Australia in the last five or six years has received a massive boost from the goldmining industry, and this has been partly brought about by the increase in the price of gold. We have a situation where the price of gold, combined with the tax free status of goldmining, has meant that many new mining operations have been able to be opened. In fact, what we have right throughout the goldfields - that is, the eastern goldfields, the north eastern goldfields and the Murchison particularly - are many small goldmining operations which are operating on fairly small margins and mining very low grade ore.

I remember that when I first came to this House in 1977 the conditions in the Murchison area of Western Australia were very poor indeed. The Hill 50 Gold Mine at Mt Magnet had just been closed down, and that was virtually the last major goldmine in that district. The pastoral industry was suffering severe drought and the district was really in very dire economic circumstances. I spent quite a lot of my time trying to work out ways and means of doing something about the economy of the area. We looked at tourism, uranium mining at Yeelirrie, and a variety of other options but, short of rain and a significant increase in the price of gold, there was little that could be done.

As I said, the price of gold has risen and, combined with the tax free status, the whole economy of the Murchison area has improved dramatically. When one drives around that

part of the world between Paynes Find and Meekatharra, across to Wiluna and down to Kalgoorlie, one passes dozens of mining operations that have come into production in the last five or six years. It really gladdens my heart to see that amount of activity going on in that part of Western Australia - that part which in 1977 was suffering very severe economic depression. The pastoral industry in that area has had its ups and downs during that period and, while it has provided the basis of the economy of the region, the goldmining industry has provided the cream on the top.

One of the features of the modern gold rush is the fact that mining companies are prepared to use open cut methods to mine very low grade ore and they are in fact mining ore these days which 20 or 30 years ago would have been considered mullock or ore which was certainly not worthy of mining. Many of the new mines are open cut pits associated with previously operated deep shaft mining. In the old days people sank a shaft, picked out the best ore, and left. They did not have the technology or equipment to mine the lower grade ore, and that is precisely what is happening now - the lower grade ore is being mined.

I am worried about the changed economic status of gold brought about by the Federal Government's decision to impose tax on goldmining because we will have the situation where mining companies will mine the best and leave the rest. We could have the situation of the earlier days when only the very best ore was mined, and then the mining company moved out and the town collapsed. In both the Murchison and the north eastern goldfields, towns once functioned and flourished and dozens of people came and went, just as the top quality ore came and went. I would like to see long term stability in the goldmining industry. The tax-free status has been one factor in recent times which has enabled goldmining to resume and expand in the goldfields. Telling the mining industry that the tax will be introduced in two years' time is probably the worst decision which could have been made because mining companies will increase their activities very rapidly; they will move in and mine as much and as quickly as they can; and then when the tax comes in they will scale down their operations and move out. That will not happen in every situation but it will happen in a great number.

To a large extent the goldmining industry will in fact close down in two years' time - apart from the extra mines. That is regrettable because in remote areas people are needed. In the outback areas people are needed to live and work and to populate our vast State. The only industries which are able to bring this about are the mining and pastoral industries; and we all know that the pastoral industry is under great threat from conservationists and others who claim the industry is not viable or does not make proper use of the land. We also know that the pastoral industry does not involve a great number of people. In these areas mining activity is needed and I will be very disappointed in two years' time to find that the gold tax situation will result in another cycle of depopulation of the goldfields of Western Australia.

I make the same point in connection with the State Government's attitude towards a gold levy. The member for Kalgoorlie argued strongly that because the goldmining companies are not being taxed they should pay a levy to the local community to provide for community services. I do not know the difference between a levy and a tax in the bald context. I am disturbed that the Federal Government - soon after the proposal by Mr Taylor in Kalgoorlie that it should levy gold - found that it should tax gold. A proposition has been put that if the Federal Government decided that the State Government is requiring mining companies to pay a levy, and the State Government thinks the companies can afford a levy, the Federal Government can see no reason for not applying a tax. The State Government is now screaming about its opposition to the gold tax, yet I believe the actions of the member for Kalgoorlie in promoting the levy in fact prompted the Federal Government to make the decision to remove the gold tax.

Hon Tom Stephens: Our belief is to the contrary.

Hon N.F. MOORE: I know that. The problem is that a senior Minister of the State Government was of the view that the mining companies could afford a levy to provide community facilities and yet paradoxically was of the view that mining companies should not pay a tax. Mr Keating is obviously not overwhelmed by that sort of argument, and I believe he drew the conclusion that if mining companies are able to pay the levy, as Mr Taylor argued, then in fact the companies were capable of paying a tax.

A tax will be placed on the goldmining industry and we will see Mr Grill and Mr Taylor

running backwards and forwards to Canberra making loud statements about that possibility and their opposition to it. I regret that they will not prevail, and we will see the eventual premature demise of the goldmining industry because of the actions taken by the Federal Labor Party.

Hon Fred McKenzie: They wanted the money in lieu of a tax.

Hon Tom Stephens: The member would have done the same in the same circumstances.

Hon N.F. MOORE: Mr McKenzie has just corroborated my argument. He has simply said what Mr Taylor said; that is, instead of paying a tax, the companies can pay a levy. By saying that, obviously he has admitted publicly that the goldmining industry could afford to pay a levy for community facilities. What is the difference between that and paying a tax? By saying that to the Federal Government, the belief is that the companies can afford a levy to support community facilities. Then the Federal Government has said that if this can be afforded and if the State Government says this should be done, instead of the money bypassing the Federal Treasury, it will not have a levy but will put a tax in place.

Hon Tom Stephens: Does the member believe that individual projects can afford the levy?

Hon N.F. MOORE: I happen to argue that there should be no tax or levy on goldmining.

Hon Tom Stephens: On any mine?

Hon N.F. MOORE: On any goldmine, that is right. We cannot differentiate one between the other.

Hon Tom Stephens: None of them can afford it?

Hon N.F. MOORE: What can be afforded is a question of one's own values and one's own objective view.

Hon Tom Stephens: Does the member think that Telfer should be paying taxes in the United States as opposed to a levy in Western Australia?

Hon N.F. MOORE: Does Hon Tom Stephens think that the company should be paying a tax?

Hon Tom Stephens: I would be of the view that they should not be paying a tax in the United States only.

Hon N.F. MOORE: Does the member think the tax should be paid in Western Australia too?

Hon Tom Stephens: Preferably one in Western Australia rather than one being paid in the United States.

A Government member: This is a very interesting debate between the two members.

Hon N.F. MOORE: I just want on record that Mr Stephens supports a gold tax, and he has virtually said that - not in so many words but virtually - and so has Hon Fred McKenzie. The former Senator MacIntosh said that we should tax the holy cow - goldmining - and there is no shortage of Western Australian senators who support the taxing of gold. The Labor Party has made the decision. The people in the goldfields have to realise that the Labor Party in Canberra, including Western Australian senators, has supported the imposition of a tax on the goldmining industry. It is my view there should be no tax on gold and the Federal Government should use its taxation powers much more widely to assist other industries that need a boost.

Hon Tom Stephens: There is a tax on gold and you know it. It applies in the United States.

Hon N.F. MOORE: For example, the Agnew Nickel Mine closed down a couple of years ago, putting between 300 and 400 people out of work and closing a town of some 1 500 people. It was my view at the time, and still is, that that was an example of when the Federal Government should say to the company involved, "If we give you a tax holiday or make some other arrangements via the tax system, can you keep going?" The Federal Government is aware that within the mining industry there are enormous fluctuations in price. Had that happened in the case of Leinster, the town and the mine would have been operating successfully today, repaying any assistance 10 times over, because the price of nickel is going through the roof. I commend Arvi Parbo for saying that the Federal Government should use the tax system to assist the mining industry when it is facing difficult times.

The goldmining industry is a classic example of how the tax system can be used to keep an industry going and to provide employment and population in remote areas, while at the same time providing an enormous income to the Government via personal income tax, sales tax and other taxes associated with the mining industry. Anyone who says that the goldmining industry does not pay tax, obviously does not understand anything about economics. It should be noted also that most of the profits earned in the goldmining industry have been put back into the ground by way of exploration. It is not being frittered away by some unscrupulous entrepreneurs who are using it for reasons which are contrary to the best interests of the nation. The money is being used in a productive way. In two years' time we will have a greedy Government which will tax this industry and it will kill the goose that laid the golden egg. Then there will be a considerable reduction in goldmining and the amount of income received by the Government will dry up. Once the industry is killed, it will not pay any tax, it will not employ anyone and the country areas will again be devoid of population. I hope that at some time between now and when the gold tax is considered commonsense will prevail and Mr Keating will realise he cannot keep squeezing the stone because ultimately there will be nothing left to be squeezed out of it.

I refer now to the question of the graduate tax. I want to respond to the question that was asked in *The West Australian* newspaper this morning about my position on up front fees. I have been arguing that there should be no graduate tax and that there should be no tertiary fees. For some reason the Minister for Education did not hear the second part of my argument. I believe, as does she, that a graduate tax is inequitable and should not be applied in Western Australia. It is a grossly unfair proposition and it taxes some people in the community twice; it taxes some people who receive Government assistance, but it does not tax others. For example, it suggests that if a person receives Government assistance to educate himself he has to pay double tax, but if he receives Government assistance while unemployed because he cannot find a lion tamer's job, he does not have to pay it back. It is grossly unfair.

I do not know how the Government will budget for future extension in the tertiary area because, by necessity, the income from a graduate tax will not be received for many years down the track and there will be little initial income provided to do the things that the green paper argues should be done in tertiary education. A graduate tax will disadvantage Western Australia vis a vis the other States. I am told the participation rate of Western Australians in tertiary education is higher than other States, particularly New South Wales and Queensland. It will mean, because the tax will go to Canberra to be distributed, that Western Australian money will be used to provide places for students in universities in New South Wales and Queensland. Being parochial about these things and being of the view that we do not receive enough money from Canberra, it would upset me enormously to see Western Australia putting more money into Canberra which would be used to provide places for students in universities in the Eastern States.

The argument has been put through the green paper into higher education that we need more money in tertiary education to provide, firstly, places for those students who currently cannot get a place; and, secondly, for those students we will need in the tertiary institutions as our economy is restructured as we go into the next century. With regard to the first argument - that we need money to provide places for students who cannot get into a tertiary institution - I am reliably advised that in Western Australia roughly 300 students are missing out on a place who could actually do the course if places were available. The average cost of educating each of those students is about \$5 000 per annum, which amounts to between \$1.5 million and \$2 million a year to provide a place for every student in Western Australia who wants to attend a tertiary institution. I find it extraordinary that we have to go into double taxation to find that money. I could argue that State Governments could find the money in the same way that the Victorian Government has done to provide some 5 000 places in Victorian tertiary institutions.

The green paper argues that we will need money for future expansion in the tertiary sector. I believe that the green paper exaggerates our future needs and that our needs can be easily met by allowing the private sector to become more heavily involved in the provision of tertiary education. We could also assist by doing something to improve the quality of teaching in tertiary institutions in order to improve the pass rate. Under the current system something like 50 per cent of the intake fail at some time during their course. If we were to

improve the quality of teaching, improve the circumstances of students in tertiary institutions and give them more pastoral care, thus improving the pass rate, we would increase the number of graduates without having to increase the number of students at the beginning and without having to increase the costs. We can cater for the increased demands being put on the tertiary sector by improving the quality of teaching and by encouraging the private sector to become involved in providing places for students in tertiary institutions.

The answer to tertiary education problems lies in returning control of tertiary education to the States. If the Federal Government were to opt out of tertiary education and provide the States with a lump sum, the States would be in a position, given their nearness to the problems and given their much greater appreciation of the circumstances with regard to the economy, to create a successful tertiary education system. If this were to occur Western Australia would be able to provide free education for all those students who want it. We can do that without fees and without taxes. I would like to know whether the State Government agrees with that proposition, because the Minister has said that she does not know where she stands in terms of the graduate tax and that Cabinet has not made a decision. However, when she talks about graduate taxes, she talks in very disparaging terms, which I agree with. But the Government has not come out and said categorically that it is opposed to a graduate tax. I guess that is because Mr Parker was one of those people at the ALP National Conference in Hobart who argued strongly for a graduate tax. Mr Dawkins is also a Western Australian who is promoting the idea. In his typical style, Mr Dowding attacked the Liberal Party when we said that country people would be doubly disadvantaged by a graduate tax because they already have to pay to come to the city to live. They have additional boarding costs over the average city student, yet there is also this proposal to tax them. When we said that, Mr Dowding said that we had it all wrong and asked where we thought the money to provide additional places would come from.

In their utterances, Mr Dowding and Mr Parker - the Premier and Deputy Premier - have indicated that the State Government supports the graduate tax. On the other hand, Dr Lawrence in her utterances has indicated that she at least does not support it. It is only fair that Western Australians should be told what the Government of Western Australia really believes. Is Dr Lawrence correct or are Mr Dowding and Mr Parker correct? If we were to weigh up the heavyweight versus lightweight aspects of that argument, we might come to the conclusion that Dr Lawrence would come second. However, because she has logic on her side I hope that she wins the argument.

It is incumbent upon the Government to say where it stands. I say categorically to the House that I am totally opposed to fees up front and to a graduate tax. The Western Australian Government, be it a Labor or Liberal Government, with the right mixture of private and public tertiary education could provide a free tertiary education for all Western Australians who wanted it if it were given a lump sum from the Commonwealth. Somebody will probably do his sums and tell me that it cannot be done, but in the absence of the capacity to sit down and work it all out to the final cent I believe that with the right incentives and a bit of drive, initiative and cost cutting here and there, we could achieve that aim. That is the sort of policy that I will promote within the Liberal Party and that I believe should apply to tertiary education in our State.

In conclusion I refer to the new guidelines relating to Unit Curriculum. Members will know that in recent times I have been critical about some aspects of changes to our secondary education system. One of the main causes for concern has been the very rapid introduction of the Unit Curriculum. The new Minister for Education is walking a very difficult tightrope in respect of this matter. She quite clearly is of the view that the changes brought in by the previous Minister were inappropriate, were brought in too quickly, and have caused severe problems for many parents and students. She is obviously very unhappy with the state of affairs that she inherited when Mr Pearce was moved on. She has the difficult problem of trying to change the system without embarrassing the previous Minister or the Government which obviously supported the previous Minister. I have been critical of Mr Pearce personally because I believe he had a lot to do with problems in education. However, we have to bear in mind that in a Cabinet situation it is not just the Minister in charge of each portfolio who should carry the can if things go wrong. The major decisions of any Government in the Westminster system are made collectively by the Cabinet. I understand that even Labor Party backbenchers get a say. The Labor Party's Caucus system has an

influence on the direction in which its Government operates. I would therefore have to say that not only Mr Pearce, but also the Government should take the blame for what has happened to education. The backbenchers of the Labor Party collectively need to take the blame.

Hon Tom Helm: Or be proud.

Hon N.F. MOORE: Quite clearly Mr Helm is proud, but he does not understand what is happening.

Hon Tom Helm: You should go to the P & C meetings.

Hon N.F. MOORE: I go to thousands of P & C meetings, Mr Helm, and I have not heard one good word about the current education system for a very long time. I have heard nothing good for such a long time that it causes me great despair.

Hon Graham Edwards: It causes you despair that we are doing such a good job.

Hon N.F. MOORE: If the Government were doing a good job, I would be one of the first to congratulate it.

Hon Graham Edwards: Oh, come on! The new Minister is doing a good job.

Hon N.F. MOORE: She had a very low base from which to come. Anybody taking over from Bob Pearce would have to look good. She would have to say only that she was the Minister for Education and not look like Bob Pearce for people to think she was doing a good job.

Hon Graham Edwards: Setting aside that mean comparison, she is doing an excellent job.

Hon G.E. Masters: It is a fair comparison, though, isn't it?

Hon N.F. MOORE: I am pleased that Dr Lawrence realises that the Government, at Mr Pearce's direction, made a lot of mistakes and she is trying very hard in this pre-election year to fix them up. I commend her for what she has done so far.

Hon Fred McKenzie: Mr Pearce is doing a fantastic job in his new portfolio, so forget the past.

Hon N.F. MOORE: We are all desperately trying to do that, but it is very hard. Every time we go to a school, people remind us of the past. In staff rooms around the State cartoons of Mr Pearce were placed on notice boards. In one, for example, he was depicted as having his usual very friendly look and the caption read, "The Minister is watching you", or something like that. People thought that that was what he was all about, and they were right. They are all very pleased that Dr Lawrence has come along because she is different. Anybody would have to be an improvement. When Dr Lawrence brought out the new guidelines for Unit Curriculum I said that she was going down the right path. I congratulated her on the very small initiative that she had taken. In the new guidelines for the implementation of Unit Curriculum she said that certain things had to be done. I will rephrase that, because there is no direction at all. The Minister recommended that certain things be done. If the schools decide to take no notice of the recommendations, they do not have to. That would be a shame because it is incumbent upon the current administrators of education to get some schools back on the right path. Most of them are hurriedly doing it.

Most of the recommendations have already been put into practice in most schools because their administrations have realised that the rhetoric surrounding the introduction of Unit Curriculum did not meet with the reality of the situation. Dr Max Angus, who is the Executive Director (Schools) in the Ministry of Education has put out a letter to all principals. It contains a document called "Unit Curriculum: Future Directions". It is designed to tell schools how to get back on the track. I presume it has been put out at the instigation of Dr Lawrence who is seeking desperately in this pre-election environment to get some semblance of order back into the education system. Dr Angus said in his letter that there was widespread support for the Unit Curriculum, and that the majority of non-Government schools had adopted the system. The majority of non-Government schools that have adopted the system are Catholic schools under the Catholic Education Commission, which made a blanket decision that all of its schools would go on to Unit Curriculum. Most other independent private schools have not gone down the path of Unit Curriculum. Hale School does not even have the Achievement Certificate which was brought in 20 years ago.

Dr Angus also said that parent and community support was strong. That comment is interesting because further in the document under a heading "Central Office initiatives" it states -

2. Market research

An independent research group has been contracted to determine the attitudes and understanding of Unit Curriculum of:

parents; and
students.

The report of this research will be available soon. We are being told by Dr Angus that there is widespread support for Unit Curriculum, yet in one of the central office initiatives we are told the Government is now to spend money on market research to see what people think about Unit Curriculum. We can save the Government a lot of money by getting it to read a lot of the speeches I have made and to listen to comments made by P & Cs, students, and the people who write letters to the papers and who have expressed real concern about Unit Curriculum.

Hon Tom Helm: They don't understand it, just like you.

Hon N.F. MOORE: I would never tell Hon Tom Helm how to go about the business of being a rigger. I would never tell him how to go about organising or rigging a union, if I can use that rather loose description of his occupation. I would not tell him how to do that, because he is a person who clearly has some expertise in that field. It would not vaguely cross my mind to tell him anything about union meetings, or the business of rigging, but I have to say to him that I am a professional educator, or I was educated to become a professional educator, and spent 10 years as a teacher. I have maintained an interest since then. My wife is a teacher, most of my friends are teachers, I have taken a long interest in the business and have been shadow Minister for a couple of years, so for Hon Tom Helm to say I do not understand is not correct. He might argue that I might have it wrong, but he should not tell me I do not understand it.

Hon Tom Helm: Most of the parents at the schools I go to like it, so who is right and who is wrong, the experts or the recipients, the consumer or the consumer's children?

Hon N.F. MOORE: Quite obviously some people tell Hon Tom Helm things and some people tell me things.

Hon Mark Nevill: They tell you what you want to hear.

Hon N.F. MOORE: That is true. That is probably what happens at Hedland High School. I do not know of anybody who nowadays publicly criticises the Government, particularly those who work for it. However, in my capacity as shadow Minister for Education, people from right across Western Australia write to me expressing views about things, so I get information not only from my own electorate, but also from the electorate of Hon Tom Helm, which will become mine soon.

Hon Tom Helm: Ours.

Hon N.F. MOORE: I am happy to share with the honourable member, if he is lucky enough to get elected.

The general impression which I get, and which is quite widespread, is that people are not satisfied. In fact, the guidelines set out in the document put out by Dr Angus and supported by the Minister are a start towards addressing the issues people have been raising since the whole thing started. The Government knows, and the Ministry knows, what the problems are, and is seeking to do something about it. I find it extraordinary to be told there is widespread support for it when the Government is trying to fix it up, and then to be told there will be a public opinion survey and an independent research group is to carry out market research into what people think about Unit Curriculum.

We have a system of education in Western Australia that has gone through remarkable and constant change in recent times. I am pleased that the current Minister is seeking to redress the problems that were brought about by the previous Minister for Education. However, I have to say that the Government cannot get away with a position where it is now saying it is

going to fix it all up when, in fact, for five years it has created the mess. One has to take the good with the bad; and the bad is that for five years this Government - and the Government is collectively responsible - has created chaotic circumstances in our schools; now it is trying to fix it up.

I find it interesting that every member on the other side of the House is highly supportive of Dr Lawrence, and no doubt they are because she is doing her best to get them all off the political hook they find themselves on and to retrieve the political circumstances of members of the Labor Party. For the sake of students in Western Australia and our education system, I hope that she succeeds. I hope that she has the nerve and support to make all the changes necessary to, in fact, put some directives and backbone back into the system so that it works and so that the students in our schools get the education to which they are entitled.

I support the motion.

Debate adjourned, on motion by Hon Fred McKenzie.

TREASURER'S ADVANCE AUTHORIZATION BILL

Second Reading

Debate resumed from 14 June.

HON G.E. MASTERS (West - Leader of the Opposition) [4.37 pm]: I support the Bill. It is one which is brought at this time of the year as a normal practice and which deals with the Treasurer's advance. The Bill is designed for a specific purpose. I hope that if the Minister for Budget Management is available he will come into the Chamber soon to answer some of the questions I will direct to him.

The Treasurer's Advance Account is for specific purposes, some of which are spelt out in general terms in the Bill before the House. However, it does raise a number of important questions. The Minister for Budget Management has just returned to the Chamber, and I point out to him that there are some specific purposes for which this Bill is brought forward, but it raises a number of important issues which should be answered by him as the person handling this legislation in this House.

The main points of the Bill are twofold. One is that upon Royal assent the annual limit of the level of advances for last year, 1987-88, is to be raised from \$175 million to \$210 million; that is, retrospectively. There is to be, through this legislation, an amount of \$35 million granted retrospectively and additionally; in other words, this House was presented with a piece of legislation at this time last year which required it to approve a limit of \$175 million. There obviously has been an underestimate of the requirement, so in a most unusual way, the Government has now come along saying, "Hang on, we only asked for \$175 million; we now want \$35 million more."

The next point is that the limit for advances for this coming year, 1988-89 is to be raised to \$200 million; that is an increase of 14 per cent - not inconsiderable in the circumstances and when one looks at the economic situation as it is today. It seems to me that it is important that we look at the Minister's second reading speech to try to find out the reasons for this additional \$35 million. I quote from page two of the Minister for Budget Management's second reading speech, as follows -

Clause six of the Bill seeks a \$35 million increase in the monetary limit available in the financial year ending 30 June 1988.

Just a few days ahead. It continues -

The need to supplement the limit is a result of a \$35 million interest bearing advance to the Rural and Industries Bank of Western Australia to enable it to continue to meet the capital adequacy requirements established by the Reserve Bank, and other unavoidable commitments chargeable against the Consolidated Revenue Fund or General Loan and Capital Works Fund.

It is quite obvious to me, and must be to everyone, that the difficulties over the previous limit of \$175 million last year have arisen because of the involvement by the R & I Bank in the Teachers Credit Society.

Hon J.M. Berinson: Not really; that is quite separate.

Hon G.E. MASTERS: It seemed to me that the capital adequacy requirement of the R & I Bank has obviously been affected. The Minister for Budget Management said no, but perhaps the Minister could enlarge on that. Due to the absorption of the Teachers Credit Society and its loan accounts and assets, an additional \$35 million was required. If that is the case, much more than that sum will be required to be put into the R & I Bank to meet the debts of the Teachers Credit Society. The Minister made reference in his second reading speech to other unavoidable commitments. I wonder whether he will be able to give me an idea of what those would be. For example, could there be commitments to the Swan Building Society, or has that already been coped with? There was some sort of financial commitment to the Swan Brewery. There has been a need also to put some money into the State Superannuation Board to compensate for changes to the superannuation provisions.

Hon J.M. Berinson: That is the biggest single factor.

Hon G.E. MASTERS: I have been given all sorts of figures. There was mention of \$15 million, but I would have thought it was much more than that. As a result of those changes to the superannuation provisions, there will be a cash injection into the State Superannuation Board. I suppose that will work itself out over a period of five or 10 years.

Hon J.M. Berinson: We will get the benefit of that after we have been in Government for 23 years.

Hon G.E. MASTERS: I am sure the Minister for Budget Management will be able to mention that with a grin on his face and tongue in cheek, but we will appreciate it.

I should point out there are other unavoidable commitments. I mentioned the State Superannuation Board, and the Minister kindly nodded his head and said that was the largest single commitment. He may recall I said there could be other commitments, and I would like some indication of what they could be; for example, the Swan Building Society, the Swan Brewery and so on.

As I see it, the General Public and General Services Account was overdrawn in March this year. That is an unusual state of affairs, and I draw the attention of the House to the financial year 1987-88. The statement of cash transactions on the Consolidated Revenue Fund for the month ended 31 March 1988 is readily available in the Parliamentary Library. In the reference to the General Public and Other Services account is an estimate of \$355.354 million which was exceeded three months before the end of the year, when the actual cash payments were \$360.437 million. It seems a most unusual situation, and one to which perhaps the Minister might refer. I ask the Minister whether there has ever been another occasion when the vote from several large departments has been exceeded in the first nine months of the year. If so, the Minister may wish to recall those instances. I particularly want to know why that estimate was so badly out after just over nine months. Given there was no vote for the huge, unannounced payment of \$35 million - and that is what this House is being asked to approve retrospectively, an extra \$35 million of taxpayers' money - should that situation not have been brought to the attention of Parliament earlier? The Government seems to be able to fork out and spend public money without reporting to the House why it needs that money. I would have thought it was the Government's duty, knowing full well money would be required, to bring the reasons to the attention of the House earlier and report on them.

It raises a very important question which should not be overlooked in the future. I have said we will support the legislation. In all fairness, and quite properly, though, we should have been told. In the early part of the financial year 1987-88 - in July, in fact - this was reported in the document "Capital Works Program" for the year ending 30 June 1988. Dealing with Treasury figures on page 39, the report describes advances to sundry bodies. One of those sundry bodies is the R & I Bank capital contribution, and in that contribution a figure of \$19 million is reported to have been paid to the R & I Bank. That was \$19 million obviously approved last year but paid in July of this financial year from the capital works program. We are now being asked quite differently to approve a cash payment to the R & I Bank, not from the capital works program, but from the Consolidated Revenue Fund. I ask the Minister to tell me why, at the beginning of this financial year, the money came from the capital works program, but at a later stage in the same financial year we will have to draw \$35 million from

the Consolidated Revenue Fund. Perhaps the Minister might be able to explain why that has occurred.

What justification is there for a 14 per cent increase in the limit this year? It is increased from \$175 million to \$200 million. Approval is sought for \$200 million in clause 4.

In clause 5 the authorised purposes of Treasury advances is referred to. In fact it is the heading of that clause. It is quite possible that these words or similar ones have been used for a number of years and there is nothing sinister about it, but we are living in different times and all sorts of things are happening in the community, in the business world and in the corporate State which we want to know about if the Minister is able to tell us. We want to know what is likely to be involved in payments of an extraordinary and unforeseen nature. The Government is doing all sorts of things which will improve its electoral chances. It is spending money in areas where that sort of money has never been spent before, and in some cases I suggest this is done improperly.

Hon H.W. Gayfer: Have you ever known the Government to spend money in my area?

Hon G.E. MASTERS: The Minister for Budget Management may wish to explain why. I will give some short examples. I would like the Minister to give an indication to the House of the cost of extensions to Parliament House. I suggest it would have been quicker and cheaper to rebuild Parliament House. Those extensions have been going on for six or seven months, and I understand the initial estimate was \$300 000. The work must have cost over \$1 million by now, and there is not even to be a spa.

Hon P.G. Pendal: It could be a barbecue now.

Hon G.E. MASTERS: Or a bar. I think that the Minister for Budget Management might say it is not his portfolio; he is not the Minister for Works and Services; he is not the Treasurer. But he is the Minister for Budget Management, and he is responsible for balancing the books. Perhaps the Minister could, by way of a telephone call before this debate is over - and I am sure some of his people are listening in to the debate so I will knock the table a bit - have some information provided on that matter. We might find what extraordinary costs are involved in the parliamentary alterations.

Hon H.W. Gayfer: It is authorised because in the opening paragraph "authorisation" is mentioned three times.

Hon G.E. MASTERS: I am sure Hon Mick Gayfer will be able to follow that through. I ask the Minister whether the alterations to Parliament House constitute one of those special circumstances, one of those extraordinary and unforeseen matters, to which we are making reference. I draw the attention of the House to some of the election propaganda, which, it seems, is being thrust forward in ever increasing amounts.

Hon Kay Hallahan: By the Liberal Party.

Hon G.E. MASTERS: I am talking about the Labor Party. I am talking about some of the pre-election propaganda being pumped out by the bucketful by this Government. Some of them are very glossy pieces of propaganda. I refer to "Albany Tomorrow: A view to the future", with Mr Burke's photograph in it - it has changed in recent times; "Building on the Burke Years", a very expensive document with photographs of the old Premier and the new Premier on the front. How much did they cost the public? It is blatant election propaganda at public expense. There are no photographs of the Leader of the Opposition in my document, and one would think the Government would be decent enough to ensure that the political parliamentary parties got a mention in "New Challenges and Opportunities", which is another very expensive document, featuring Mr Dowding's photograph - he is not smiling; he has a bit of a frown; but nevertheless very expensive stuff. We see all sorts of new initiatives by the Government at the public's expense, such as the Bunbury 2 000 "News Brief". I think that has started to be produced since the last by-election when Hon Barry House was successful. All of a sudden there is panic in the Government ranks. Now we have these expensive publications coming out, which will continue until the next election. Hon Barry House does not get a mention, and he is the local member.

Hon S.M. Piantadosi: You cannot even remember his name. How do you expect us to?

Hon G.E. MASTERS: The next publication is the "Centrepiece of Bunbury 2 000: Second Stage" - more political guff at public expense. There is a whole lot of other stuff, but if ever

it comes to the day when we can find out the cost to the public of this material - and we will next year - we will get one devil of a shock. All of us know that included in these extraordinary and unusual payments are functions, dinners and luncheons being held at Parliament House four or five times a week. These are expensive luncheons, with the very best food and wine. The people who have been invited are invited for one reason - propaganda in an attempt to get votes for the next election at massive public expense.

Hon H.W. Gayfer: How is that covered under the fringe benefits tax?

Hon G.E. MASTERS: This Government does not worry about that. The Government is spending hundreds of thousands of dollars of public money on these lunches in Parliament House, and not just in Parliament House but all over the State. I understand the Government has reached the stage where it is giving little posies of flowers to ladies and cufflinks to gentlemen. This is all charged. I will give the House an idea of some of the functions which have been held. Starting in September, there was a free breakfast held at Lord Forrest Hotel which was attended by 100 people; on 20 September, 450 business and community leaders attended - no wonder they overspent; a free luncheon was held at the South West Italian Club which was attended by 40 to 50 people; on 7 October a free breakfast was organised by the business and professional women's department, which was attended by 40 women; there was a free lunch at the Geographe Bay Hotel, which was attended by 30 to 40 people; there was a free cocktail party held at Bunbury Tower on 16 October - it does not say how many attended, so we will have to assume it was 40 or 50 - but it was all free again; and there was a free sundowner for Government employees at the Bussell Hotel, Bunbury. So it goes on and on.

The Government is spending big in public money just to foster support and gain votes. The Government is blatantly buying votes. We saw the spending commitments in the south west by-election - commitments which the Government will be required to honour. The Liberal Party's commitments in the by-election were just over \$8 million while the Labor Government's commitments were in the order of between \$66 million and \$77 million. We have the figures and we have done a lot of work on it. There is that sort of buying of votes - porkbarrelling - which is going on all the time.

Hon J.M. Berinson: Which projects in the Bunbury area do you disagree with?

Hon G.E. MASTERS: I am simply saying that, as the Minister for Budget Management knows full well, there is just so much that any Government and the Treasury can afford.

Hon J.M. Berinson: And we live within those bounds.

Hon G.E. MASTERS: The Government does not. The Minister has just come to this House and said, "I have overspent by \$35 million this year in one account."

Hon J.M. Berinson: It is money that is available.

Hon G.E. MASTERS: The Minister has just come along and said, "Approve this \$35 million retrospectively."

Hon J.M. Berinson: You will not find us in debt at the end of the year.

The DEPUTY PRESIDENT (Hon Garry Kelly): Order! I want to hear the person on his feet.

Hon G.E. MASTERS: Thank you, Mr Deputy President. The Government is blatantly pork-barrelling; it is buying votes at great public expense in a way which no other Government before has ever dreamed of.

Hon J.M. Berinson: We are honouring our commitments.

Hon G.E. MASTERS: What, by giving free luncheons five days a week? Is that nothing?

Hon J.M. Berinson: Let us talk about regional development.

Hon G.E. MASTERS: It is all at public expense. It is being done all over the State and yet the Minister for Budget Management came along and said, "Ladies and gentlemen, I need another \$35 million."

Hon J.M. Berinson: I assure you that it is not for the odd sandwich.

Hon G.E. MASTERS: Let us look at another area which we need to make reference to. We

know very well that the Government is carrying out research and private polling using public money all the time, day in, day out, week in, week out. It is worthy of note to see how much the other Labor State Governments are spending in polling and sampling to make sure that their programs suit the public and that they get the maximum political benefit from them. It is public money - a great deal of public money - which is spent for one purpose: for providing information on a confidential basis to the Labor Party. If that sort of information is available, it ought to be made available to all political parties. The Victorian Government over two and a half years spent \$2 million on polling and carrying out research; New South Wales, according to Mr Greiner, over a period of three years spent \$2.7 million; in South Australia over two years the figure was \$800 000.

[Questions taken.]

Hon G.E. MASTERS: As I said, I draw the attention of the House to the abuse and misuse of public funds by this Government over a long time and particularly over the last 12 months. At the rate the Government is entertaining people at Parliament House and all over the shop, I estimate that at least one in four people in the State will have had a free lunch by the time the next election comes along. It is not a free lunch, of course; it is at public expense. That is what we have to remember.

I also point out that the Government is carrying out regular and constant surveys and polls at great public expense. I made reference to the fact that in other States, Labor Governments have spent millions of dollars on this program. I suggest that when we finally calculate the expenditure of this Government, we will find it to be well over \$1 million dollars over the last two or three years. It is quite improper for the Government to spend that sort of money for the sole purpose of advantaging itself and gaining the maximum information it can, while denying other parties that sort of information. If it were carried out at the cost of the Labor Party, as we pay for our research, it would be a different matter. It is quite improper for such research to be carried out at public expense.

The second reading speech refers to "other unavoidable commitments" and the Bill refers to payments of "an extraordinary and unforeseen nature". I suggest that those words hide a host of questions, many answers to which the Government is not prepared to present to the House and the Parliament. I support the legislation, but I ask the Leader of the House to be so kind as to answer the large number of questions that I raised with him in his reply to the second reading debate, rather than in the Committee stage.

HON MAX EVANS (Metropolitan) [5.11 pm]: I support the legislation. The second reading speech makes it clear that the legislation authorises the Treasurer to make withdrawals from the public bank account to provide advances for authorised purposes chargeable to the Treasurer's Advance account. There is some ambiguity because although the purposes are authorised, the advances must fall within the monetary limits available for the financial year commencing 1 July 1988. Thus we will not have authorised advances for specific purposes until the next Budget.

Hon J.M. Berinson: Even to be technical about it, there is a great deal of expenditure which is authorised by the enabling Bills.

Hon MAX EVANS: Like that for capital works?

Hon J.M. Berinson: Not only capital works; many Bills authorise their own expenditure. The amount is provided in the Budget, but the authority to fund the purposes of the Act is contained in the Act itself.

Hon MAX EVANS: Our leader, Hon Gordon Masters, referred to the \$35 million increase in the monetary limit available in the financial year ending 30 June 1988 as a result of a \$35 million interest bearing advance to the R & I Bank of Western Australia. The legislation becomes retrospective if advances are made and approval sought afterwards. I previously sought information which I never received about the Government's withdrawal of \$26 million on the last day of the 1986 financial year. The Auditor General said that the Government had neither the consent of the Governor nor the authorisation of an Appropriation Bill in Parliament. There was no retrospective approval for that. It seemed wrong that it was possible to draw out that amount of money on the last day of the year and put it into the short term money market in order to balance the books, conveniently enabling a Budget surplus of \$300 000 to be shown. I thought it was most unusual that we did not

authorise such a withdrawal retrospectively in the Budget. The Minister might be able to answer my queries in this respect, although many of my questions do not get answered.

The original estimate with respect to extensions to Parliament House was \$100 000, which was the amount appropriated. We can all see that the cost will be well above that. When do we approve the additional expenditure? I just want to learn something about the procedures of Parliament. Perhaps we do not have to approve it. However, an amount as high as \$500 000 warrants some recognition. I ask whether that extra expenditure is to be approved now or later. The second reading speech states -

Clause 6 of the Bill seeks a \$35 million increase in the monetary limit available in the financial year ending 30 June 1988. The need to supplement the limit is a result of a \$35 million interest bearing advance to the R & I Bank of Western Australia to enable it to continue to meet the capital adequacy requirements established by the Reserve Bank . . .

The capital adequacy requirements of the Reserve Bank are set down in prudential statement No 13 of the Reserve Bank of Australia, which deals with the supervision of the capital adequacy of banks. Paragraph 6 states -

As to 2(b), the actual levels of capital ratios to be observed by the older banks (i.e. those established before 1981) will be determined by the Reserve Bank in consultation with those banks individually. As benchmarks subject to negotiation, but not as precise guidelines, banks, in general, will be expected to maintain capital ratios (as now defined) in the vicinity of six per cent of total assets. Within total capital, shareholders' funds under the new, wider definition will bear a higher ratio to assets than hitherto.

I would like some clarification of this, because there are three classifications of capital of the R & I Bank: Capital provided by the State Government; reserves; and capital stock. In his second reading speech, the Minister said that the \$35 million would be an interest bearing advance to the R & I Bank. If it is to be an interest bearing advance, how does it comply with the capital adequacy requirements established by the Reserve Bank? If it is recorded as a liability, there is still money in the bank on the other side, thus increasing the assets. That, in turn, affects the capital adequacy ratio of capital to assets. Perhaps there has been some misuse of words in the second reading speech; it would not be the first time. An alternative would be for it to be recorded in the context of capital stock, but that was not stated in the speech. The Minister may recall that the bank issued some capital stock to the tune of \$60 million some years ago. The annual report of the bank states -

Capital stock is non-repayable, ranking after creditors, but before subscribed capital. The stock carries no voting rights and is not covered by the Government guarantee. Investors in the stock are entitled to a return calculated in accordance with a formula prescribed in Regulations. The rate calculated in respect of the 1986/87 year is 15.78%.

I hope the Minister can clarify the decision with respect to the \$35 million interest bearing advance to the R & I Bank, because the second reading speech does not give a satisfactory explanation. We are agreeing to the amount retrospectively. It does not seem to go into the right account or the right hole as required by the capital adequacy requirements established by the Reserve Bank. Capital stock will fit within that rule. The Armstrong Jones Prime Trust has about \$30 million and the SGIC has about \$10 million of that \$60 million. I would be very interested to know exactly what has happened to the \$35 million.

In May or June last year there was another quick sleight of hand when \$19 million was invested in the R & I Bank. That lifted its capital from \$242 million to \$261 million. Obviously, it was discovered on 31 March, the date on which the balance was \$242 million, that the capital adequacy ratio was not sufficient, so a further \$19 million was injected. The total assets of the R & I Bank at that date were \$5.2 billion. Five per cent of that is \$260 million. Therefore the capital ratio of the R & I Bank was only five per cent of the total assets which I read about elsewhere. I did a calculation just to see if that were the case. I am therefore amazed to read in the second reading speech that a \$35 million advance to the R & I Bank was necessary to meet the capital adequacy requirements of the Reserve Bank. Last year the ratio of capital to assets was lifted to only five per cent, although the Reserve

Bank has a six per cent ratio requirement for banks established before 1981 and a requirement of more than six per cent for banks established after that date. I ask the Minister whether the Reserve Bank has settled for a five per cent factor; and, if so, why?

Hon J.M. Berinson: Historically, the Reserve Bank has always recognised the distinctive positions of State banks.

Hon MAX EVANS: Are they not subject to Reserve Bank regulations because they are different?

Hon J.M. Berinson: The Reserve Bank is keen to have a uniform standard, but it recognises the support which State banks have and does not necessarily push them to the extent it would push banks which do not have the support of the State.

Hon MAX EVANS: That is interesting. That must be why we now have the gold banking legislation coming back to us, because they say the State Government does not really hold the same capital adequacy ratios in respect of prudential standards that the Reserve Bank expects; in other words, five per cent not six per cent. We have legislation coming before us today or tomorrow dealing with the Gold Bank, which is all about that bank not being able to comply with the prudential standards of the Reserve Bank; and I can see why there might be worry in this particular instance. They might say, "If you only have five per cent in this one, what will the next one be?" We will debate that in relation to the next bit of legislation.

The Minister for Budget Management replied by way of interjection across the House to Hon Gordon Masters that the \$35 million had no relation to the Teachers Credit Society, which seemed amazing to me because I think it took on \$300 million of deposits on one side and \$200 million of personal loans on the other side, the rest to be cash in the bank. Actually, it is money still owing by the Teachers Financial Services, so the R & I Bank lifted its assets by about \$300 million. At five per cent, this required at least \$15 million of the \$35 million new capital required to cover what was taken over from the Teachers Credit Society.

Hon J.M. Berinson: I think Hon G.E. Masters was referring mainly to the debts that the R & I Bank was looking after which arose from the Teachers Credit Society.

Hon MAX EVANS: I clearly understood what he was saying, that on 15 January the Government announced that on 31 January it would transfer funds of \$300 million from Teachers Credit Society. That would have immediately required an improvement in the capital ratio of at least five per cent on \$300 million, or \$15 million. It has taken quite some months to catch up with. I would have thought, if anybody had been on the ball in the Treasury Department - and we will come to that in a minute - that \$15 million should have been put in before 31 March, because that is the annual balance date of the R & I Bank, and not some time later, although the Minister might have me there. Maybe this \$34 million was put in before 31 March. I would like the Minister for Budget Management to give a specific date when he replies, and then the matter will be clarified.

Hon J.M. Berinson: I believe the member will find the increased capital requirement is on the ordinary business of the bank and is not really driven by the Teachers Credit Society aspect.

Hon MAX EVANS: It had to be. One cannot ignore \$300 million taken on board at five per cent, because another \$15 million in capital is needed immediately.

Hon J.M. Berinson: As the member pointed out, the amount is six per cent, and that is not being met; it is something short of that.

Hon MAX EVANS: I am giving the Minister the benefit of five per cent on \$300 million, not six per cent. I know what they should have; you would be looking at another \$52 million if it was six per cent.

I put on record that I believe that the Teachers Credit Society will have a material effect on the cash flow of this State. At the risk of repeating myself in the Address-in-Reply debate, I said I cannot understand, and maybe the Minister can explain how the \$19 million last time came out of capital works or loans money, for a capital investment in the R & I Bank and now this \$35 million comes out of Consolidated Revenue, and its interest bearing advance, which I assume means it will come back. The Minister for Budget Management might like to clarify that interest bearing advance, because if it is capital stock it does not come back until liquidation; it is paid out prior to capital provided by the State Government. If it is an

interest bearing advance it is taken out of Consolidated Revenue and put in there as a capital investment then brought back the next year as revenue. "What a good job I have done. I have made a huge lot of money - \$35 million profit overnight." I think that is terrific.

Hon J.M. Berinson: The member does not really think that that is what will happen, does he?

Hon MAX EVANS: The Government will reduce its surplus by \$35 million, which was lent to R & I Bank; it pays it back the next year to Consolidated Revenue and you have made a good profit; that is marvellous.

Hon J.M. Berinson: What will it do to capital adequacy next year?

Hon MAX EVANS: I do not know; that is the Minister's problem.

Hon J.M. Berinson: It will not be a problem because it will not happen.

Hon MAX EVANS: We have already proved that it is not capital and does not comply with the capital adequacy ratio. When Mr Strebbins recovers from his heart attack he might have another when he reads this; he is the head of the Reserve Bank in Perth. He is led to believe that this is to be extra capital, but the Minister for Budget Management says it is interest bearing advances not extra capital, so if it is not extra capital there is still a shortage of \$35 million extra capital; I hope that is not pulled out before the end of June. The Minister for Budget Management should make up his mind; is it an interest bearing advance that will be repaid next year, or is it capital, which is what the second reading speech says it is?

I would like to know how the R & I Bank and the Treasury work, because I read in the paper the other day - and one cannot always believe what one reads in the paper, but I did believe this because we are talking of big sums of money - that the Burswood Casino has overruns of \$115 million, so they ought to be short that amount of money, or half that amount because I think shareholders put in extra capital. The prudential standards of the Reserve Bank say that if a bank lends an amount equivalent to 10 per cent of its capital - in March last year that was \$24 million - to one person, it must advise the Reserve Bank of that. I know that the Minister rarely answers questions on Treasury matters, so he probably will not answer this one; we hope he will. At what stage does the R & I Bank advise Treasury in the same manner other banks advise the Reserve Bank under prudential standards when it lends more than 10 per cent, which is what it would have done to a number of organisations? I would like to know that because we know now from recent times the State banks also must keep the Reserve Bank informed, and so must the auditors.

Under legislation passed last year, the Auditor General must apply the prudential supervision in relation to banks. In relation to banks, the external auditors of the R & I Bank will be asked to bring to the attention of the Reserve Bank through and after discussion with the bank's management any matters which in the auditors' opinion may have the potential of the material interest of depositors, the depositors being the public; so the Auditor General will have to comment on what is happening on these loans and to see the procedure. I wonder if the Minister for Budget Management can tell us what is the procedure of the R & I Bank in respect of advising Treasury. This was not just a loan of 10 per cent of capital, \$24 million; we are talking of a loan of over \$100 million, a very material amount.

Hon J.M. Berinson: I am sorry, I was distracted a moment ago, who was this loan to?

Hon MAX EVANS: There was a report in the paper last Friday of a large loan to the Burswood Casino Trust from the R & I Bank; they are saying that it went over \$100 million. I was pointing out that if a loan is up to 10 per cent of the capital of the bank, the bank must advise the Reserve Bank, and I presume if the State Government ties in the R & I Bank with similar sorts of regulations it would advise Treasury. I want the Minister for Budget Management to tell us when the R & I Bank advises Treasury, because the last prudential statement in the book in June 1987, as a result of of very big loans in May during this explosion of the money market and investment, under the heading "Prudential Supervision of Banks Large Exposures", states under prudential statement 15 -

The Reserve Bank has now asked each bank to give it prior notification of the bank's intention to enter into an exceptionally large exposure to an individual client or group of related clients. It has indicated that in such cases a bank should be able to show that the proposed exposure would not result in it undertaking an excessive risk.

The above change is in line with banking supervisory requirements in other countries

whose arrangements for supervising large exposures are similar to those used by the Reserve Bank.

Hon J.M. Berinson: Given the bank's capital, what amount of loan do you see as triggering the requirement you are referring to?

Hon MAX EVANS: Over 10 per cent. The bank's capital is \$242 million and 10 per cent is \$24 million. Up to 10 per cent they must advise the bank. A large exposure is over 10 per cent under the definition. Therefore, \$100 million of \$240 million is roughly 40 per cent of capital. We are getting back to the figures of Teachers Credit Society. That figure of \$100 million might not be right; I am just reporting what was in the Press.

I come back to another specific instance with Teachers Credit Society. It will be a catch 22 situation. The Government says, "Though shalt lend money to the Teachers Credit Society because we are going to guarantee it." We know there was a draw down to 31 December, from memory of \$199 million, which would have come from overdraft; in other words, Teachers Credit Society had a big run down of funds up to 15 January; there was \$199 million, which would have been a very large overdraft or advance given by R & I Bank to the Teachers Credit Society. I assume there would have been a similar notification in that matter, as well. It would be interesting for members to know that our State bank is so important. We would like to know the relationship, and what control there is over that body, because it becomes important when we have to inject \$35 million, an increase of nearly 15 per cent, to bring its capital up to \$300 million.

I have a couple of other comments on Treasurer's Advances. I would have thought the Minister for Budget Management would have told us what he was doing about the Teachers Credit Society loss. He told us in January the sum involved was \$48.5 million. Originally it was \$62.5 million, less the sale of assets - there was a bit for goodwill. He acknowledged that it was \$48.5 million. Has that been paid out? If not, when will it be? It is a real debt; that is outlined clearly in the report. I would have thought in the Treasurer's Advance we would have seen that being paid out of Consolidated Revenue this year. The debt has come in this year, it is acknowledged this year, and taken over this year. It should not come into next year. This comes back to my argument last week about accrual accounting. That way it could be brought in by journal entry, but here we are only using cash accounting. I would have hoped it would have been drawn out this year so that it could be identified this year. In January the Minister said it was a real debt.

Perhaps the Minister can tell me if some money has been paid, or if it has not been paid, or will never be paid. When will it be paid? If it has been paid there should be some authority. We had no notice of it in the Budget last year. In addition we have a \$13.3 million loss for the Swan Building Society. The Minister has already acknowledged that, and we are told it is lost; we will not get it back. In fact I think the amount is becoming bigger. That \$33.3 million is clearly stated as a loss. Why has that not been paid across? Why is there no appropriation here? Let us get out of the fund this year. The Minister tells us there is a big surplus, but why is that not in here?

Hon J.M. Berinson: Why is what not in here?

Hon MAX EVANS: Why has the money not been paid out before June?

Hon J.M. Berinson: Some of it has been paid, but it is not in the nature of this advances Bill to detail every item; that will emerge in the Budget papers.

Hon MAX EVANS: That is in next year's Budget papers?

Hon J.M. Berinson: That is right.

Hon MAX EVANS: I would have thought it would have been paid out before June this year.

Hon J.M. Berinson: That is right, but next year's Budget papers show the full outcome of last year in all those thousands of categories.

Hon MAX EVANS: Have the funds of Swan Building Society been paid across to the Home Building Society at this date?

Hon J.M. Berinson: Some certainly have.

Hon MAX EVANS: What about the Teachers Credit Society - \$48.5 million?

Hon J.M. Berinson: By 30 June I expect only a small amount of that will have been paid.

Hon MAX EVANS: I should have thought most of it would have been paid as the debt is already there. This might have been brought up in questions in the other House when we were discussing the Teachers Credit Society last year. When the R & I Bank was appointed administrator, I was worried about putting the financial services section through under the provisions of the Credit Unions Act where the classification and the shareholding could be changed. Towards the end of February all the shareholders in the Teachers Credit Society were paid out \$10 each. They still had a loan account there. It was ultra vires, because only members could borrow money - but that is not what we are on about.

Teachers Financial Services came into being as a restructuring of the Teachers Credit Society. It was restructured under the Act and issued four shares, one to Mr Bill Phillips, one to Mr Patrick Doody, and two to the legal advisers to the R & I Bank. Those four shares were held on behalf of the R & I Bank, not on behalf of the Government. Mr William Phillips was a commissioner or a director of the R & I Bank. Those four people own the only four shares in Teachers Financial Services. I am certain they did not put up \$1 of their own money to own those shares individually. What impact could this have on the R & I Bank? As I said last year, I warned the Government that the R & I Bank should not take up any shares in Teachers Financial Services because they could be looking at consolidated accounts. It would be a wholly owned subsidiary of the R & I Bank. Those men were all employees of the bank; I cannot see them holding shares in their own names. I do not know whether the Minister can explain that. I am worried about what can happen to the R & I Bank when this sort of thing is done - taking up shares in a body like Teachers Financial Services, which still has some \$300 million worth of commercial loans. There are many problems there; there may be some further bad debts over \$62.5 million, and that is a problem which has already been identified.

I support the Bill, but I have some concern about the appropriations announced.

HON J.M. BERINSON (North Central Metropolitan - Minister for Budget Management) [5.36 pm]: I thank the speakers who have indicated their support for the Bill in this debate, and the least I would like to be able to do is to reflect their positive attitude to it by a detailed response to questions which they asked. I hope that they themselves, even as they ask the questions, understand that those details are not really properly part of the present debate. In particular, the use of the reference to an increase in the R & I Bank capital base really cannot justify an inquiry into innumerable aspects of the bank's operations. That is something to put in the context of a debate on the R & I Bank, or put on notice or to ask some other way. All Budget debates have their limits, and so does this one.

Hon Max Evans: I asked that merely -

Hon J.M. BERINSON: I will deal with that one, but I am referring in the main to questions like, "At what point does the bank report to the Treasurer, and about what size advances?", and that sort of thing. I am not saying any of those questions is unreasonable; I am just saying that I cannot answer them. Being serious about it, I suggest that they are really of a sufficiently technical and specific nature to justify questions on notice which can be addressed properly by people in a position to answer them, and the answers will come. It is easy in this debate to ask a generalised question and give a generalised answer, but the next time we debate the matter the same issues will emerge again. I do not want to suggest in any way that the questions are unreasonable or that they should not be answered, but the best way to secure the sort of detailed response members are looking for is to put the question on notice, or alternatively, put a written, specific question to me and I shall be happy to provide a response.

If I can link a number of matters in which Mr Masters and Mr Evans both showed an interest, I turn firstly to the question of the \$35 million addition to the 1987-88 allocation for the purposes of increasing the capital base of the R & I Bank. As was suggested in the second reading speech, the purpose of the \$35 million is to come closer to the capital adequacy requirements of the Reserve Bank. I think I may have changed the terminology. In the second reading speech I probably said something like, "satisfy the Reserve Bank requirements". It is true, however, that even with the \$35 million, on my understanding of the position the R & I Bank will still not be up to the capital ratios which a private bank would be expected to meet. To answer one part of Mr Master's comments that injection of

funds does not relate to any need for funds by the bank to meet the debts of the Teachers Credit Society, I believe that by the end of the year we will see that something in the nature of \$4 million or \$5 million has been expended on that account, and certainly that is something that the R & I Bank would cope with in the ordinary course of events. Nor is this requirement based on any other consideration related to the Teachers Credit Society. The fact is that there has been a very great increase in the ordinary business of the R & I Bank. That is something that I am sure all of us will be pleased to observe and support. Not only that, but the R & I Bank projects further substantial increases, and it is with a view to at least partly accommodating the general requirement of the Reserve Bank that this additional injection of capital was made.

The question has been raised several times as to why the funds to the R & I Bank sometimes come from the Loan Fund and, on this occasion, from the Consolidated Revenue Fund. To tell the truth, I do not have a ready answer to that, although it seems to me that all that happens is that money is taken from wherever it is available. I digress a little at this point to indicate to the House that we are currently heading into an unusual situation in budgetary terms. During the five years that I have been associated with Budget preparation we have been in a position where there has been heavy pressure on the CRF, but a reasonably flexible position with Loan Funds. That has resulted, on some occasions, in expenditure, which in earlier years would have come from CRF, coming from Loan Funds. The reason was that the funds were there.

What we are currently looking towards, especially after the recent Premiers' Conference and the further sharp contraction of Loan Fund approvals, is the contrary situation. Certainly this is the first time this has happened in my direct experience, and I would think it is quite unusual historically. This year the greatest pressure will be in the search for ways to meet minimum capital expenditure requirements. Although it has not been our standard practice, we could well face the position of having to meet some of those capital requirements, which in earlier years would have come from Loan Funds, from CRF. That is probably all that is reflected in the difference between the second last, and the most recent, allocation of funds to the R & I Bank. However, I will check with the Treasury and if there is any different reason for the change in the source of funds I will be happy to let both honourable members know directly.

Hon Max Evans raised a question about the terminology, "interest bearing advance", and questioned whether that was really a capital injection. Again, I would be happy to check with the Treasury. What I can say with confidence is that whether or not this way of describing the payments is the best way that might have been adopted, these payments have been accepted by the Reserve Bank as meeting these requirements. That is the essential thing.

Hon Max Evans interjected.

Hon J.M. BERINSON: That is very likely, and I will pursue it. I think that "advance" does give an indication of repayable funds, although my understanding is that that is not the purpose. I can certainly assure Hon Max Evans that there is no question of his scenario of payments out this side of 30 June, and payments in the other side of 30 June, for other purposes -

Hon Max Evans: I didn't think of that when I was on my feet, until I saw the smile on your face.

Hon J.M. BERINSON: It seemed like a good idea at first blush, but as I indicated by way of interjection, that would play havoc with the requirements of the Reserve Bank. This is one of those occasions when I do not think I even need to be so cautious as to say I will go back to the Treasury and check on it. I will take the responsibility on my own shoulders of saying that that scenario will remain a scenario only and will not be reflected in anything that actually happens.

Questions were raised by Hon Gordon Masters about other unavoidable commitments. All I can say is that these happen from time to time, they add up to a certain amount of money, and nothing has changed. Hon Gordon Masters himself said that this is the sort of Bill that we have had from time immemorial and that is why we have got it again. Actually, that is quite a good explanation of the nature of this Bill.

Hon G.E. Masters: You are not quoting me in full, Mr Berinson, as you know well. I said that in these documents it seemed that there were more extraordinary and unforeseen matters than previously occurred. I am suggesting that there might be something that you would like to tell us.

Hon J.M. BERINSON: The honourable member puts me in mind of that old television show -

Hon G.E. Masters: Not so much of the old.

Hon J.M. BERINSON: Although the honourable member probably does not recall it, the show started off by stating, "All these stories are true, only the names have been changed to protect the innocent." Hon Max Evans remembers that, but Mr Masters is too young, perhaps.

Hon G.E. Masters: Thank you.

Hon J.M. BERINSON: All I can say about these sorts of advance and supply Bills is that the form is, indeed, identical to what has probably gone on for 50 years, and only the figures have changed. They have changed to a larger extent this year than last year, and the major single element in that has been indicated - it is the \$35 million. The truth of the matter is that these advance authorisation bills are to cover what they say, and that is, extraordinary and unforeseen circumstances.

Hon H.W. Gayfer: How can they be extraordinary and authorised in the same breath? If they were authorised they would not be extraordinary, would they? What we are all saying is that the phraseology is out of fashion.

Hon J.M. BERINSON: With due respect, I do not think it is. Apart from the \$35 million which has been explained, the advance for next year is, indeed, for extraordinary and unforeseen circumstances. Mr Masters, at one point, asked what I thought was an uncharacteristically unfair question. When looking forward to 1988-89 he said, "What are the extraordinary and unforeseen circumstances that you are looking to fund?" The answer is, if we could foresee them, they would not be unforeseen. I could see that he spotted his own error even as he asked that question, because he did not repeat it, as he usually does when he asks a question.

Hon G.E. Masters: You knew exactly what I was asking.

Hon J.M. BERINSON: The same thing happened last year. This time last year we had an authorisation for extraordinary and unforeseen circumstances. Apart from the \$35 million which has been specifically dealt with and explained, this has just been eaten up in that way. I cannot give all the details as to how it has gone, although all of these appear in the Budget papers which not only deal with future estimates but also with last year's outcomes. In that process all of the payments that have gone to absorb last year's advance approval will be merged. Plucking one example out of the air - which comes to mind because it is in my own area - I refer to the cost of the Fremantle Prison riot. That is something that could not be anticipated and led to very substantial expense; that arose in circumstances where we could not go through the niceties of going to the Cabinet or even the Cabinet Budget Committee. If a lot of extra troops are needed, they are brought in; if they spend a longer time on overtime than budgeted for, that will happen as well. If big transport arrangements are made as a large number of maximum security prisoners need to be relocated, it is authorised and afterwards the Bill is looked at. It is not much good worrying about it at that point because the commitment has been made. Over the whole scope of Government - the departments and the authorities - especially towards the end of a financial year, it is found that certain limits have not been able to be kept to - for a whole host of reasons a whole host of dollars have gone out. General approval has been given and that is what has been met.

I was asked about State Superannuation Board charges. I must say that this has been -

Hon G.E. Masters: That knock on the microphone did the trick.

Hon J.M. BERINSON: It did not do any harm; that is about the most positive thing I can say about it.

State superannuation arrangements are costing a great deal of money, and of course that will be budgeted for next year; this year they were not all foreseen. It is all money well spent in

the long term but in the short term it is extremely expensive as retirees take up the opportunity of large lump sum payments. No doubt, even in retrospect, the Government has done the long term stability of State finances a good turn in the move that was made, but figures of \$50 million or \$60 million, in addition to our past average payments for superannuation, will not look exceptional at all until some time like the year 2000. At that stage the benefits will emerge; in the meantime the Government will meet the short term costs.

I took Mr Masters' point about entertainment and so on; but really, when talking about Budgets of \$3.5 billion or \$4 billion -

Hon G.E. Masters: What is a million or two one way or another!

Hon J.M. BERINSON: The Leader of the Opposition knows that we are not talking about a million or two, and certainly not talking about anything substantial, but do not let anyone think I support the work that is being done in various areas which Mr Masters criticised simply on the basis that comparing it with a budget of \$3.5 billion or \$4 billion, it is not all that much. Government entertainment is almost solely directed to community and industry groups which make an enormous contribution to the general life of the State and whose contribution ought to be acknowledged. It always has been acknowledged by successive Governments.

Hon G.E. Masters: The Minister knows that he will multiply that 10 times over.

Hon J.M. BERINSON: It is very proper that the present Government acknowledges that as well.

Hon G.E. Masters: Especially this year.

Hon J.M. BERINSON: I am not a big entertainer. So far as I can recall, I have had one such lunch of very modest proportions in this calendar year. That allowed me to express thanks on behalf of the Government to people who were by no means restricted to Government supporters but who are very helpful in my portfolio of Attorney General. These are people to whom I consistently send law related Bills, for example, for advice and from whom I received very helpful advice and opinions which are very often reflected in the legislation which is introduced in this place. I cannot see anything wrong with the Government expressing its thanks to people like that or to many other industry groups involved in that exercise. I do not elaborate further on that, Mr Deputy President, because I am sure the Leader of the Opposition is not as begrudging of these small gestures as he made out and certainly he realises that in the Budget context they involve figures which are essentially irrelevant. I thank members again for their indications of support for the Bill.

Question put and passed.

Bill read a second time.

Committee and Report

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

Third Reading

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

MOTION

Privilege - Request to Legislative Assembly

HON J.M. BERINSON (North Central Metropolitan - Leader of the House) [5.58 pm]: At the request of a Select Committee of this House, the Privileges Committee, I move, without notice -

That the Legislative Assembly be requested to order that leave be granted for Hon W.R.B. Hassell to attend on and give evidence to the Committee of Privilege on matters relating to the inquiry into Burswood Management Ltd.

I cannot really add to what I have said except to indicate that my understanding is that this motion is brought forward with the support and at the request of all members of the Select Committee.

HON N.F. MOORE (Lower North) [5.59 pm]: That statement is not correct. It was a majority decision of the committee and I want that to be on record.

Question put and passed.

Sitting suspended from 6.00 to 7.30 pm.

SUPPLY BILL

Second Reading

Debate resumed from 15 June.

HON MAX EVANS (Metropolitan) [7.32 pm]: I rise to support the Supply Bill for 1988. This measure seeks to grant supply to Her Majesty of \$2.2 billion for the works and services of the year ending 30 June 1989, pending the passage of Appropriation Bills during the Budget session for the next financial year. The Bill seeks an issue of \$2 billion from the Consolidated Revenue Fund, about half of the total, and \$200 million from moneys to the credit of the General Loan and Capital Works Fund.

I noted the Minister's comment in the second reading speech -

A recent review of the Budget indicates that estimated receipts and outlays will be above budget with the prospect of a surplus being achieved for the fourth year in succession.

We all realise that receipts should be well up because of the advantages of increased revenue from stamp duty on mortgages and the sale of property and shares. I know that the Minister will keep a tight reign on increases in expenditure, and certainly outlays should not increase in proportion with receipts otherwise this State would be in a serious position, because most of those outlays have no relationship to the increased revenue. It is certainly not necessary to employ more staff in the office collecting stamp duty from mortgages, stock exchange transactions and the sales of property. I ask the Minister to keep this under review because, although the property market is still good, we cannot expect the receipts to continue to increase in the same way they did last year. If expenditure continues to rise, there is the danger that it will continue to increase and revenue will not. The Minister stated that revenue collections in total are expected to be above estimate; that is only to be expected.

As I mentioned earlier today in the debate on the Treasurer's Advance Authorization Bill, in simple terms, if it were not for the \$35 million put into the R & I Bank out of Consolidated Revenue Fund, the surplus in the Budget would be \$35 million plus or minus the present figure. It is an interesting way of misleading the public. I look forward to the Minister's reply - which I hope will be provided in writing - to my query as to why last year \$19 million was taken from the Capital Works Fund and yet this year \$35 million will be taken from CRF. With regard to the investment last year, I think the \$19 million was put into the R & I Bank prior to June last year and we did not know about it until the Budget was presented in October. I believe it was on a back sheet in fine print, as a special appropriation or something like that. We should have been advised about it at the time of the Treasurer's Advance Authorization Bill in June last year; but perhaps Capital Works items are not reported in that Bill, only Consolidated Revenue Fund items. That significant amount of \$19 million should have been brought to our attention prior to June rather than being a fine line in the Budget papers in October.

The Minister will be pleased to know that I will not use the Supply Bill debate to make a long speech on other subjects, and I indicate the Opposition's support for the Bill.

Question put and passed.

Bill read a second time.

Committee and Report

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

Third Reading

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

SILICON (PICKTON) AGREEMENT AMENDMENT BILL*Second Reading*

Debate resumed from 16 June.

HON BARRY HOUSE (South West) [7.38 pm]: I rise to indicate the Opposition's support for this Bill, subject to certain misgivings. In supporting the Bill I reiterate some of the background; I mentioned it last Thursday in the Address-in-Reply debate, but it is worth repeating in summary form some of the background of mismanagement, as a result of which the agreement is before the House again.

The silicon smelter project began at Wundowie with another company and then proceeded to Pinjarra once the Barrack Mines Group had control of the project. In October last year it was decided to move the project to Picton, near Bunbury; this move was for the most part for political purposes. I cannot think of many other reasons for it having been moved to Picton. The legacy is a \$5 million bill for the taxpayers - that is stage one of the saga. Last Thursday I mentioned the South West Development Authority's role in this affair; it had acquired land to the tune of \$1.2 million and in doing so became a political tool of the Government's pork barrelling of the south west. The initial decision overrode the Dardanup Shire Council, which was almost completely bypassed when the announcement was made. The Picton site was selected on the basis of the Bunbury region plan and I mentioned some of the problems with that plan last Thursday.

The Bunbury region plan did have that classification for industry, but there was some doubt about the original Bunbury region plan because option C was not available for public submission. The Bill was rushed through the Parliament last November and December, and was passed without anyone really understanding its implications; and problems arose later on. Local concern was mounted quickly, and I would like to praise the efforts of the Dardanup Shire Council and the Eaton Ratepayers' Association, and particularly Trevor Stewart, a resident of Eaton, who took the running, and Maurie Johansen, who did a lot of work in establishing the background in that area. I know other people were involved also in galvanising public opposition and information about the Picton site.

I attended two public meetings, which were by anybody's standards very large. The first meeting was attended by about 700 people, and the second by about 500 people. The second meeting was organised while the Premier was in Bunbury so that he could attend the meeting, but he saw fit not to show up. A unanimous vote of no confidence was passed at that meeting about the handling of the situation by the South West Development Authority and the Government. We have seen the Government in disarray about the silicon smelter saga. We have seen a Cabinet decision being made, and the Premier being contradicted by the member for Mitchell, and later by the Minister for Education, who attended a meeting at the Eaton Primary School, and who came out against the decision which she had previously approved of.

The Environmental Protection Authority's report on the Picton site approved of the project in principle, but its clearance was subject to many conditions. There was in the EPA report an implied criticism that alternative sites were not given sufficient consideration. For example, the Kwinana, Wagerup, Worsley, Collie, and Coolup sites were dismissed in a couple of lines as they were not really in the EPA's brief. The Picton "wedge" and the location along the Picton-Muja power line were considered briefly. The EPA report mentioned that the alternative sites had a number of disadvantages, but investigations have been incomplete; so the EPA did not feel that it was qualified to consider alternative sites.

The Kemerton site was considered, and the EPA admitted that it did give some credence to that site. The EPA report states on page 26 -

Kemerton is also more distant from existing rail connections, but submissions noted that the present plans for ore transport made this issue relatively insignificant.

The report goes on -

The EPA agrees with these arguments and considers that the arguments given by the proponent for rejecting the Kemerton site may have been incomplete.

So the EPA was clearly aware of the approval for the Picton site, and left the door open for a change to Kemerton.

A couple of days after the second public meeting at Eaton, meetings were organised with the Harvey Shire Council, and an announcement was made of the shift to Kemerton. I supported the shift away from the Picton site because it was clearly unsuitable, but I wish a couple of the alternative sites had been further investigated. I know a lot of the local people are also of the opinion that there possibly are other alternatives, such as Collie, or in the foothills, which could have provided a suitable site for the silicon smelter. The legacy of the Government's incompetency in handling the situation is a huge cost to the taxpayers of Western Australia. An amount of \$5 million was given to the company for the original shift from Pinjarra to Picton, which was followed up by the allocation to the site of the land at Picton, owned by the South West Development Authority. This land was purchased for \$1.2 million. Infrastructure, in the form of roads and Telecom installations, was put on the site before the EPA approval had been given. That land is now lying idle, with the South West Development Authority being unsure about what to do with it.

Following the project being moved from Picton to Kemerton, \$3 million compensation was paid from taxpayers' money. There is also in the Bill a clause to pay \$1.1 million every month for six months for delays in construction of the project. If we add to that the infrastructure that will be necessary at Kemerton in the form of roads, power, and maybe even rail at some future date, we have a huge bill.

A last item, which cannot be ignored, is that the land at Kemerton, consisting of 160 hectares, has been given to the company freehold, and its value must be estimated at between \$2 million and \$3 million. There is also an extra \$5 million on a complicated loan basis. If we add that up - and it is difficult to come to an exact figure - we come to a figure of around \$20 million. That is taxpayers' money, and the pity about it is that it could have been avoided if the project had gone to Pinjarra. The State could have had this project at Pinjarra without any cost.

I believe the Government should have given more thought to the water situation at Kemerton. The EPA report on the proposed silicon project at Kemerton did not address that situation. The report says on page 22, under the heading of water management -

The issue of water supply for the smelter has not yet been addressed in detail. It is not possible for the EPA to provide advice and recommendations until more information is available.

Many of the local residents fear that the water allocation will come from the quota originally allocated to the aluminium smelter. That is fine, but we will have problems down the track because there are fears that irreparable damage will be done to the underground water supplies - the Leederville aquifer, which meets most of the needs of the Bunbury suburban centre. The Opposition would want an assurance that the issue of water management will be addressed in the future.

Another consideration which must be raised is the supply of wood for the charcoal which is necessary as a reductant for the silicon process. Doubts have been raised about the supply of wood, especially as the company has hinted that it plans to expand its plant from the original size. People are not convinced that the answers given by CALM are sufficient. There are serious doubts about the long term effects on the forests of the project, and about the ability of the jarrah forest to cope with the demand in future years. Smelters exist in other parts of the world. They exist in three countries that I know of - South Africa, Brazil, and France. These three countries do not use jarrah to make the charcoal as a reductant; therefore it must be possible to use other timbers. There seems to be a need to look closely at the possibility of using karri, marri, banksia -

Point of Order

Hon ROBERT HETHERINGTON: It appears to me that the member may be in breach of Standing Order No 73.

The PRESIDENT: In what regard?

Hon ROBERT HETHERINGTON: He is reading his speech.

The PRESIDENT: The honourable member is not allowed to read his speech, but I was watching, and I did not take it that he was. There is no point of order.

Debate Resumed

Hon BARRY HOUSE: Mr President, I am not reading my speech, I am just using notes. If I happen to be looking down instead of looking at you, I apologise.

Hon G.E. Masters: That was a most unkind thing; we will remember it, Mr Hetherington.

Hon BARRY HOUSE: I was dealing with the possible problems with wood supply for the silicon smelter. It seems there is a need to look closely at the availability of fast growing Australian eucalypts such as Tasmanian blue gums and sugar gums in the future. More research is needed on the charcoal reductant qualities of other timbers. That is looking towards the preservation of jarrah forests in the future, as we are all very concerned about it, and I am sure Mr Hetherington is too. Also there is a need to look at the possibility of using coal or maybe even petroleum coke, which apparently is suitable for producing the metallurgical grade of silicon. If that is possible, and I believe it is, this would reduce by half the amount of jarrah required for use in the plant. One of the retorts could use coal and the others jarrah. The jarrah is obviously required for the chemical grade of silicon.

The Opposition supports the Bill, but we deplore the Government's mismanagement of the whole saga, the huge cost to the taxpayers, and the waste of taxpayers' money that it has incurred. I urge further consideration of the two aspects of water supply and wood supply to the silicon smelter. I certainly welcome the industry to the south west and wish the company well.

HON C.J. BELL (Lower West) [7.52 pm]: I say with a tinge of regret that we do support the Bill. I say that because of the clear political opportunism which has encompassed this whole project. There is no doubt that we could have had this industry up and running, and probably in production by now, had we not had political interference in the whole situation. I realise that the Government will say there was some public concern about the siting at Pinjarra. I would say that from this time on we will never have the opportunity to bring an industry into an area and receive no criticism. That time has passed, and people will always question and legitimately say whether or not an industry should be in an area, and some will come to the conclusion that no industry is acceptable in the area in which they live.

The constant use of the phrase "at Pinjarra" is misleading as really the proposed site was at Coolup, some 10 kilometres south of Pinjarra and in a very sparsely settled rural area, although of course the owners of farms situated near the proposed site were concerned that an industry with a possible pollutant capacity was to be placed in an area which has long been free from anything of that nature. However, the south west by-election came along and the political opportunism came with it. As Hon Barry House has said, we then saw the project proposed to be sited in South West Province in an endeavour to influence the course of that by-election. The fact that the Government did not succeed there was due, I believe, to an error of judgment on the part of the Government in that the public caught on very quickly to what was proposed and how much more detrimental it would be on the site envisaged at Picton.

We then saw the consequence that the Government had to seek another site, and it has come up with Kemerton. Kemerton is an obvious industrial site. As Hon Barry House has said, the possibility for problems exists, given the water problems in that area; however, it is much more acceptable than Picton. But the real situation at the end of all this is that the old political opportunism has come back to haunt the Government. Unfortunately it is not those Government members who made the decision who will have to pay the bill, it is the taxpayers of Western Australia, and from my reading of the *Hansard* from the other place I see that it was not disputed that the likely cost of this political opportunism is \$20 million.

If the Government had \$20 million to spend on attracting industry, I think it could have done much more to benefit the south west had it taken that \$20 million in the first place and set out to do something with it, because this industry was available for free. The Government gave it away in the hope that it would benefit politically, and now the public of Western Australia must pay the bill for a long time to come.

Another aspect is that within the agreement there appear to be some endeavours to go even further than just the cash cost. There is a positioning of the moneys which flow to benefit the company with taxation; in other words, increasing or enhancing the money available from the Government by increasing its benefits tax-wise. It is extremely unfortunate that this

should happen. I hope it is a lesson to the Government that if in the future something is right in the first place, it should make a judgment and follow it through. It should not seek to run around all over the place, hawking a project on the basis that the Government hopes it will pick up some votes, because in the end the public will have to pay the bill. I think that is extremely bad Government.

I support the Bill.

HON J.M. BERINSON (North Central Metropolitan - Leader of the House) [7.58 pm]: Once again I am in the position of thanking members of the Opposition for their support of the Bill in spite of the reservations which they have expressed. We often have the position, not only in this House but also in the Parliament as a whole, of being relatively restricted in what we can do about agreement Bills, especially where we have an agreement, as here, which is for an industry which is desirable and placed in an area where there will be local benefits. We are not really in a position to do other than accept, since the only options we have are to accept or reject. Nonetheless, the opportunity has properly been taken by members to express some concerns that they have, and in relation to those matters raised by Hon Barry House in respect of the water supply and wood supply I will naturally draw those to the attention of the Minister. I am sure they already have had careful attention and will be subject to continuing consideration. Hon Colin Bell's criticism of the arrangement embodied in the agreement -

Hon C.J. Bell: The need to amend should never have arisen in the first place.

Hon J.M. BERINSON: The view of Hon Colin Bell that it is just a matter of political interference is, I think, not giving credit to the positive aspects of the arrangement as seen from the Government's point of view, and those go directly to policies of decentralisation and the development of the south west area.

Hon C.J. Bell: Is the Leader of the House suggesting that Pinjarra-Coolup is not a decentralised area?

Hon J.M. BERINSON: No, I am not saying that. In general the desirability of adding to the development further south is well established if we are to allow for the expansion of what is already a major regional centre.

Hon C.J. Bell: Does the Leader of the House not think better value for the \$20 million could have been received?

Hon J.M. BERINSON: There have been problems along the way which were not anticipated. At the end of the day we need to ask whether the first site that was chosen as an alternative to Pinjarra should have been stuck with in spite of views to the contrary in the local area and as expressed by the Environmental Protection Authority. Certainly in retrospect we could have found better ways; but in all circumstances the arrangement now entered into will at least ensure that an important industry is developed and that it will come to an area to which it will contribute in important ways.

I have noted the views expressed by both speakers in this debate and I will ensure they are drawn to the attention of the Minister for his direct consideration.

Question put and passed.

Bill read a second time.

Committee

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

Clauses 1 to 5 put and passed.

Clause 6: Sections 4A and 4B inserted -

Hon BARRY HOUSE: New clause 6(1) of the agreement states -

The State shall cause the silicon plant site to be granted free from encumbrances and vacant possession thereof to be given to the company at such time and on such terms as agreed between the parties.

Was the land valued and, if so, what is the value?

Hon J.M. BERINSON: I do not have that information. I would be happy to take the question on notice and provide it to the member directly.

Clause put and passed.

Clause 7 put and passed.

Clause 8: Schedule 2 added -

Hon BARRY HOUSE: At the bottom of page 5 of the Bill, new clause 6A of the agreement refers to an amount of \$8 million. Could the Leader of the House explain how the loan of \$8 million will be worked?

Hon J.M. Berinson: I am not exactly sure what the member means when he asks how will the loan work.

Hon BARRY HOUSE: The amount of \$3 million - within the \$8 million - will be in compensation for the move from Picton to Kemerton; the other \$5 million is in the form of a complicated loan process. I am asking about the mechanics of that loan.

Hon J.M. Berinson: What sort of mechanics? A loan is a loan.

Hon BARRY HOUSE: I understand the money will be paid back to the Government by the company, but then the Government will pay back the company in some other form. This will be at the rate of \$400 000 per annum.

Hon J.M. Berinson: Can I make sure, in the first place, that we are talking about the same thing? I am looking at the bottom of page 5 where the proposal is to insert new clause 6A to the agreement, is that correct?

Hon BARRY HOUSE: That is right.

Hon J.M. BERINSON: I am sorry to repeat myself, but in respect of this loan, is the honourable member asking how the loan is paid over or how it is repaid?

Hon Barry House: It is a combination of both. Hon Max Evans would be able to understand it clearly; I am afraid I cannot. How do the mechanics work and what is the purpose of having the loan in that form?

Hon J.M. BERINSON: I think there is a genuine problem here. I am not sure whether I misunderstand the question or whether the question is not being put sufficiently clearly. I take it from everything the member has said previously that he does not regard the mechanics of the loans, as he calls them, as crucial to the support of the agreement. He is aware of the urgency of getting this through. If he is prepared to allow the Bill to be further processed, and if that does not affect his support, I will arrange for him to be briefed by a departmental officer in an informal discussion in which all of these questions may be elaborated more easily.

Hon Barry House: That is fine by me.

Hon JOHN WILLIAMS: I presume the Leader of the House will report progress and ask leave to sit again in order that the member can be briefed and debate those clauses of the Bill that concern him in the Committee stage. I sympathise with the member because he and I are not accountants and this clause is complicated.

Hon J.M. BERINSON: That was not my intention. I understood from the response by the member earlier that he did not regard the details about which he was inquiring as of such a crucial nature as to affect his general support of the Bill. I thought we had reached the point of finalising the Bill now and his accepting a briefing later. To the extent that I understand the question, I believe it is a matter for clarification only, and his queries do not go to any issue which worry him significantly.

Clause put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

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

ACTS AMENDMENT (EDUCATION) BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon Kay Hallahan (Minister for Community Services), read a first time.

Second Reading

HON KAY HALLAHAN (South East Metropolitan - Minister for Community Services)
[8.15 pm]: I move -

That the Bill be now read a second time.

The purposes of the Bill are twofold: Firstly, it facilitates and enhances the provision of financial assistance to non Government schools. Specifically, it enables the low interest loan scheme to be implemented and changes to be made regarding the payment of recurrent grants. Secondly, it formalises the establishment of the Ministry of Education with the Chief Executive Officer as its head. I shall address these objectives in turn.

The financial assistance provided by the Government to non Government schools includes the provision of funding for capital development projects and recurrent funding based on student numbers. The Bill provides a framework for change which will enable the Government to respond in a more effective way to the needs of non Government schools.

Capital assistance will be provided through a low interest loan scheme which will replace the interest subsidy arrangement that has operated for a number of years. The new scheme has been developed in close consultation with representatives of non Government school systems and has been well received by them. Loans will be provided by the Government at concessional interest rates to finance approved capital projects in new and existing non Government schools. The scheme will operate initially for a three year trial period. During this time new schools may apply to borrow up to \$5 million and existing schools up to \$3 million. Interest rates will be determined annually on the basis of the relevant State borrowing rate. In 1988 -

the base rate, which will apply to most projects, will be six per cent per annum;

loans for the construction of approved new schools will be at 1.5 per cent per annum less than the base rate;

schools classified by the Commonwealth as being among the most highly resourced schools - categories 1 to 3 - will pay a rate of 1.5 per cent per annum above the base rate.

Schools which are presently receiving interest subsidies under the existing scheme will continue to receive them. The interest subsidy scheme will not be formally wound up until all obligations under the scheme have been met. I am confident that the new scheme will greatly assist in the provision of school facilities in the non Government sector.

Recurrent funding, which is paid on a per capita basis to non Government schools, is presently transmitted directly to individual schools. In order to simplify administrative procedures for a number of non Government schools, the Government has agreed to make block payments of per capita grants to non Government school system authorities. This change has been developed in close consultation with representatives of the Catholic Education Commission, the Seventh Day Adventist Conference, and the Anglican Schools Commission. Schools which operate outside systems will continue to receive their grants by way of direct payments.

The existing section 9A of the Education Act limits the types of financial assistance which the Government can provide to non Government schools because of the specific nature of the provisions. This section is being repealed and replaced with broader provisions to allow some flexibility to amend programs and provide additional forms of assistance within the established framework. Details of funding arrangements will be contained in notices published in the *Government Gazette*.

The Bill provides that Government subsidies to non Government schools are payable only in respect of students who are permanent residents in Australia. It is inappropriate for

Government subsidies to be paid in respect of students who are temporary residents. The Bill gives the Minister the power to waive the requirement for permanent residents in exceptional cases, such as those involving Rotary exchange students.

The change in designation from "Education Department" to "Ministry" reflects the broadening of the role of the former department. It signifies an important development from a department involved only with schools and school programs to a Ministry concerned with assisting the Minister in coordinating educational activities at all levels. The adoption of the title "Chief Executive Officer" for the person who heads the Ministry is in keeping with recent development in public sector management and emphasises the overall administrative and financial responsibilities of the position. In formalising these changes, the use of generic terms has been adopted in this Bill and in other Acts in which the former designations appear. This will allow specific titles to be adopted and, if required, changed without the need for further legislative amendments.

I commend the Bill to the House.

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

ADJOURNMENT OF THE HOUSE: SPECIAL

On motion by Hon J.M. Berinson (Leader of the House), resolved -

That the House at its rising adjourn until 3.30 pm on Wednesday, 22 June 1988.

House adjourned at 8.20 pm

QUESTIONS ON NOTICE

POLICE

Burglary - Statistics

166. Hon P.G. PENDAL, to the Minister for Consumer Affairs representing the Minister for Police and Emergency Services:

- (1) Can the Minister indicate the number of house break-ins in the suburbs of Ferndale, Lynwood, Parkwood, Riverton, Rossmoyne, Rostrata and Shelley in the last 12 months?
- (2) Can he give the corresponding figures for these suburbs in the 12 months prior to this?
- (3) Can he indicate the number of vehicle thefts from each of these suburbs in the past year?
- (4) Can he indicate the corresponding figures for these suburbs in the 12 months prior to this?

Hon GRAHAM EDWARDS replied:

HOUSE BREAK-INS

(1) 14.6.87-13.6.88

(2) 14.6.86-13.6.87

Ferndale	51	Ferndale	84
Lynwood	108	Lynwood	144
Parkwood	12	Parkwood	29
Riverton	58	Riverton	77
Rossmoyne	12	Rossmoyne	28
Rostrata Estate	2	Rostrata Estate	1
Shelley	37	Shelley	45
	280		408

VEHICLE THEFTS

(3) 14.6.87-13.6.88

(4) 14.6.86-13.6.87

Ferndale	26	Ferndale	14
Lynwood	46	Lynwood	52
Parkwood	7	Parkwood	12
Riverton	30	Riverton	34
Rossmoyne	15	Rossmoyne	9
Rostrata Estate	2	Rostrata Estate	2
Shelley	7	Shelley	7
	133		130

COMPANIES

Annual Returns - Penalty Notices

169. Hon P.G. PENDAL, to the Attorney General:

I refer to penalty notices issued to companies which have failed to lodge, on time, annual returns with the National Companies and Securities Commission and ask -

- (1) Prior to the issuing of a penalty notice, is a written or verbal reminder given to a company that it has failed to lodge its return on time?
- (2) If the answer to (1) is yes, how has such a reminder usually been given?
- (3) Is it correct that during the current financial year a newspaper advertisement was the only reminder given to companies by the Corporate Affairs Department that their returns were late in being lodged?
- (4) If so, as newspaper advertisements are unlikely to be read by the entire business community, can consideration be given to the sending of individual written reminders to those companies which are late with lodgment?

Hon J.M. BERINSON replied:

- (1) No.
- (2) Not applicable.
- (3) Yes.
- (4) In the past, individual reminder notices were sent out, but they were largely ineffective as well as being costly in terms of staffing and administrative expenses. In any event, company directors and secretaries are well aware of the requirement to lodge an annual return.

WATER SUPPLY

Augusta - Poor Quality

172. Hon BARRY HOUSE, to the Minister for Community Services representing the Minister for Water Resources:

- (1) Is the Minister aware of the high alkaline content and general poor quality of the Augusta water supply?
- (2) Does the Western Australian Water Authority have any plans to upgrade the water supply in Augusta in the near future?

Hon KAY HALLAHAN replied:

- (1) I am advised that the quality of water supplied is continually monitored by the Water Authority to ensure that the National Health and Medical Research Council guidelines for drinking water quality in Australia are met.
- (2) Not applicable.

DAY CARE OF CHILDREN

Day Nurseries - Bunbury

174. Hon BARRY HOUSE, to the Minister for Community Services:

- (1) Is the Minister aware of the under-utilisation of private day care centres in Bunbury since the inception of the Government subsidised child care centres in Bunbury?
- (2) Why will not the Government extend the subsidies to the private sector so that the underprivileged may benefit as well as the working parents?

Hon KAY HALLAHAN replied:

- (1) The Minister has been informed that the child care centres operated on a for-profit basis in Bunbury are currently under-utilised.
- (2) Recurrent funding for child care is a Commonwealth Government responsibility.

STREETS

Street Numbering - Uniform System

177. Hon P.G. PENDAL, to the Minister for Consumer Affairs representing the Minister for Local Government:

- (1) Would the Minister advise whether consideration has been given to instituting a system of uniform street numbering?
- (2) In view of the importance of emergency services being able to readily locate an address, when can they expect that a better system of street number allocation will be introduced?

Hon GRAHAM EDWARDS replied:

- (1) The report of an Investigating Committee into Nomenclature and Street Addressing in Western Australia recommended in December 1984 that street numbering be rationalised. It noted that emergency services had difficulties locating residences.

- (2) Local governments have the power under section 314(2) of the Local Government Act to enforce house numbering. Local governments were reminded of these powers in July 1984 in a departmental circular. In view of the member's concern, I shall write to them again.

QUESTIONS WITHOUT NOTICE

CRIMINAL CODE

Life Imprisonment

68. Hon G.E. MASTERS, to the Attorney General:

I direct the Attorney General's attention to a headline in *The West Australian* today which states, "Horror killers face gaol until they die". In that article it is stated that the Criminal Code will be amended as soon as possible to include such provisions.

- (1) In view of his obvious involvement in that decision, can the Attorney General give us an idea of when "as soon as possible" is?
(2) Does he recall that exactly one year ago the former Premier, Mr Brian Burke, made exactly the same promise to the public?

Hon J.M. BERINSON replied:

(1)-(2)

I expect to introduce the legislation in the Budget session.

CAPITAL PUNISHMENT

Public Opinion

69. Hon G.E. MASTERS, to the Attorney General:

Is it pure coincidence that the Government made the decision immediately after the publishing of the Westpoll survey which found a majority of public support for the reintroduction of the death penalty?

Hon J.M. BERINSON replied:

Of course it is coincidence. There was nothing new in that poll. In fact, if anything, it might even reflect a small move away from the support for capital punishment which other polls have produced.

PRISONS

Manpower

70. Hon G.E. MASTERS, to the Attorney General:

- (1) Is there adequate prison space to meet the increased demands?
(2) Are present prison officer staffing levels adequate to cope with the Government's intentions?

Hon J.M. BERINSON replied:

(1)-(2)

Yes.

COURTS

Defendants

71. Hon P.H. LOCKYER, to the Attorney General:

Does a judge or magistrate have the right to make arrangements in a court for people choosing to defend themselves?

Hon J.M. Berinson: Could the member elaborate?

Hon P.H. LOCKYER: If a person chooses to defend himself in a court does the judge or magistrate have responsibility for arrangements relating to tables and chairs or is there a standard practice that applies to every person who chooses to defend himself?

Hon J.M. BERINSON replied:

I have not come across this question before and I cannot be confident about the answer. I am inclined to think that it would be a matter for the discretion of the judge or magistrate, but I will take the question on notice and obtain more definite advice for the member.

FAMILIES

Western Australia

72. Hon P.G. PENDAL, to the Minister for Community Services:

I refer the Minister to her media release of 10 December 1987 announcing a study into the state of Western Australian families and ask -

- (1) Did the Minister promise that the findings of that study would be ready by April 1988?
- (2) Have the findings been received by her?
- (3) If so, will she provide me with a copy of that report?

Hon KAY HALLAHAN replied:

(1)-(3)

I have not got the Press release with me so I do not know whether I made a promise to have it ready by April. However, an innovative study is going on. The project is the first in Australia and involves cooperation between the State Government, the Institute of Family Studies and the Australian Bureau of Statistics. It will give us an idea of the profile of Western Australian families. We know that the profile of families has been undergoing a change, but we do not know what the family formation is.

The research project will give an idea of the experience of families today. The information will be widely available and I will include the member in the distribution list once the report is received and is in a form ready to be distributed to the community.

PRISON ESCAPES

Bandyup Prison - Security System

73. Hon G.E. MASTERS, to the Minister for Corrective Services:

In view of the escape by five women prisoners from Bandyup Prison on Saturday night, I ask -

Has the Government any plans to upgrade the security system at the prison?

Hon J.M. BERINSON replied:

The perimeter security at Bandyup has been approved for upgrading. I understand that work on that has actually commenced. In any event, it was approved for funding in this financial year and will certainly be completed within the next six or seven months.

STANDING COMMITTEE ON CORRUPTION

Appointment Proposals - Debate

74. Hon G.E. MASTERS, to the Leader of the House:

When will the Government debate the National Party's motion on the appointment of a Standing Committee on corruption?

Hon J.M. BERINSON replied:

I do not have a firm timetable. We have had a strange session as members know, with a very slow start, and now we have a very concentrated flow of legislation that we are hoping to complete within a few days. The other consideration that I have had in mind in terms of the timetable for this motion is the proposal that is being foreshadowed by the Opposition spokesman in the Legislative Assembly to introduce a Bill on the same matter.

Hon G.E. Masters: Did I hear you say you will support that?

Hon J.M. BERINSON: I do not think I said that. I said I was expecting it to come in and it occurred to me that it could be helpful, before proceeding with the proposal to appoint a Standing Committee, to have available to us the alternative suggestion that the Liberal Party is presenting. When both of those are before us, the Government will be in a position to make a response to both, no doubt by way of its own proposal.

STATE POLOCROSSE ASSOCIATION TEAM

Subsidies

75. Hon C.J. BELL, to the Minister for Sport and Recreation:

- (1) Is the Minister aware that the State Polocrosse Association's team to represent Western Australia in Darwin left last weekend?
- (2) Did his department make any financial contribution to that team's participation?
- (3) If so, what funds were made available?
- (4) If not, why not?

Hon GRAHAM EDWARDS replied:

- (1) I am sorry; I understood that the team was due to leave on 22 June.
- (2) Yes.
- (3)-(4) The department contributed \$20 000 which I might add is a very generous subsidy for travel costs. Travelling is one heck of a problem for sports people who live in this State and who want to get to the Eastern States.

Hon G.E. Masters: Are you not allowed to speak much at home?

Hon GRAHAM EDWARDS: It would not be right if I gave but a full and complete answer to that question.

Hon A.A. Lewis: What about the horses?

Hon GRAHAM EDWARDS: That is the other problem I was going to mention. I do not want people to run away with the idea that we are spending a lot of money on these subsidies. We need to consider travel and the needs of our athletes, whether the sport involves yachts or horses. Our athletes need to know that they can participate fully in national events, but they have to understand that we are limited in what we can give them. As I said, I feel the donation was a generous one.
