

# Legislative Assembly

Wednesday, 4 November 1981

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

## WATER RESOURCES: EFFLUENT

### *Point Peron Pipeline: Petition*

**MR BARNETT** (Rockingham) [2.17 p.m.]: I have a petition, addressed to the Speaker and members of the Legislative Assembly, which reads as follows—

We, the undersigned residents in the State of Western Australia do herewith pray that Her Majesty's Government of Western Australia will in respect of the proposed Cape Peron effluent pipeline abandon its plans to terminate the pipeline on the landward side of the five fathom bank. We believe the Government should upgrade the Woodman Point treatment plant to a level which will obviate the need for a pipeline at all. The pipeline option should be the last one considered. It should only be allowed if it terminates on the seaward side of the five fathom bank and adequate environmental studies show it to be not harmful to the marine ecology.

Your petitioners therefore, humbly pray that your honourable house will give this matter earnest consideration and your petitioners as in duty bound will ever pray.

It contains 2281 signatures and I have certified that it conforms with the Standing Orders of the House.

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

(See petition No. 111.)

## STATE ENERGY COMMISSION AMENDMENT BILL

### *Second Reading*

**MR P. V. JONES** (Narrogin—Minister for Fuel and Energy) [2.20 p.m.]: I move—

That the Bill be now read a second time.

The Bill now before the House proposes an Act to amend the State Energy Commission Act 1979.

Members will recall that, in 1979, my predecessor in office laid before this House a Bill which was most complex in content, and which consolidated the fragmented legislation under

which the commission had been operating until that time.

Every opportunity was taken during the drafting of that Bill to include provisions which would enable the commission to operate more efficiently by making the best use of modern technology and commercial expertise. In general, the provisions of the State Energy Commission Act have worked well since it came into force on 1 February 1980.

The composition of the commission, which was settled in 1975 when the State Energy Commission was constituted, was not altered in 1979. The present structure has operated most creditably, but, due to the rapid expansion of the commission's functions and duties, particularly those connected with the development of the North-West Shelf, resulting in an exceptionally heavy work load being placed upon the commissioner, it is proposed that a substantive appointment of a deputy commissioner should be created to assist him to carry on his many functions and duties.

It is considered that it would be both helpful and desirable to have available additional independent expertise and advice at board level, and it is proposed, therefore, that an additional associate commissioner should be appointed to represent such additional interests as the Governor might consider appropriate to the commission's present needs or requirements.

I believe that these appointments should ease the burden upon the commissioner, and assist with the more efficient operation of the commission.

However, certain difficulties have arisen as to both the legal interpretation, and the practical application of a number of provisions in the Act. I refer particularly to those provisions which govern the commission's power to raise finance, and its ability to enter into agreements, other than under its common seal, both of which have been questioned.

The sections of the Act setting out the commission's powers as to finance contain a number of provisions which require the commission to obtain the consent of the Treasurer or Under Treasurer before the powers are exercised.

The commission has had great difficulty in satisfying the solicitors acting for banks or other financial institutions lending moneys to the commission, that such consents have been obtained, or as to the adequacy of the evidence that has been produced in this regard.

Both the Treasury and commission officers and their legal advisers consider that such matters are really of a domestic nature, and, therefore, need not be specified in detail in the legislation, or concern third parties dealing with the commission.

The ability of the commission to delegate its authority to its officers or agents, to execute documents on its behalf, has been called in question, and some doubts also have been expressed as to the Treasurer's power to delegate his authority to execute a State guarantee to the Under Treasurer, or any other officer of the Treasury.

These doubts still remain, and members of this House will agree that it is essential that steps be taken to remove them without delay, so there can be no question as to the legal validity of deeds or documents executed by the commission or its duly authorised officers or agents, or as to the execution of specific guarantees given by the State. I believe the provisions of the Bill now before members will overcome the possibility of such a legal challenge arising.

Members will be aware of the steps that have been taken by the commission to deal with persons unlawfully tampering with the commission's meters.

It is believed that the existing penalties are not acting as a sufficient deterrent, and, therefore, provision has been made to make the penalty on conviction more appropriate to the seriousness of the offence.

The opportunity has been taken during the preparation of this Bill to make such minor amendments as were considered necessary to remove ambiguities, and to clarify in the Act a number of provisions which have also given rise to legal doubt as to their exact interpretation.

I will now deal with the main provisions of this Bill in more detail, and in the order in which they occur in the Bill.

This Bill provides that the commission may, by writing under its common seal, appoint a person to execute deeds or documents on its behalf which are as binding upon the commission as if they were under its common seal.

The commission is also given power to authorise a person acting under the commission's express or implied authority to make, vary, or discharge a contract in the name or on behalf of the commission in the same manner as if the commission were a natural person: for example, a parole contract.

These acts will be effectual in law, and bind both the commission and the other parties to the contract. Such an authorisation, however, will not prevent the commission using its common seal to do any of these things.

It is essential that the commission be able to operate effectively at all times and, to this end, provision has been made for the appointment of an additional associate commissioner, and a deputy commissioner. In view of these proposed appointments, the Government considers that it is now also appropriate to change the composition of the commission.

Members will observe that the Bill provides for a board of commissioners which will comprise—

- (1) a commissioner who will be the chief executive officer of the commission;
- (2) three associate commissioners, one of whom will be the Chairman of the Energy Advisory Council; and
- (3) a deputy commissioner.

At any meeting, all these persons will have a vote, and the commissioner or, in his absence, the deputy commissioner, and two associate commissioners, shall constitute a quorum.

As there is already a provision in the Act for the appointment of acting members, the provisions relating to the appointment of deputies have been deleted.

The Bill provides for the appointment of an additional assistant commissioner to assist in the day-to-day running of the commission.

It is believed this new structure will enable the commission to operate and conduct its functions and duties more effectively and efficiently, and will enable members of the commission to devote more of their energies to the more important issues which concern the commission.

The commission will shortly be involved in negotiations with overseas and other lenders as to the financing of the North-West Shelf pipeline project. The commission was given very wide powers in the State Energy Commission Act 1979 to raise or borrow funds, subject to stringent Treasury control.

As I have mentioned already, various provisions require the commission to obtain the approval of the Treasurer or the Under Treasurer before these financial powers can be exercised, particularly where the borrowing is to be guaranteed by the State, and a specific State guarantee executed.

It is these provisions which either have caused legal arguments as to their interpretation, or have been extremely difficult to comply with in

practice, due to the time constraints usually involved in such transactions.

The commission also has had great difficulty in producing evidence that will satisfy the legal advisers of the financial institutions that the necessary approvals or consents have been obtained, or are in the right form. Long discussions have taken place between Treasury and commission officers and their legal advisers in a joint attempt to overcome these problems.

It is accepted that these approvals or consents are, in reality, as between the Treasury and commission, domestic matters, and should not concern third parties. These provisions need to be flexible, in order to reflect both Government policy and the requirements of Loan Council, but such matters should not affect the validity of contracts entered into by the commission with third parties.

It is therefore proposed that all reference to the restrictions placed upon the commission's powers be removed from the Act, and replaced by one provision which will enable the Treasurer to give the commission directions as to the exercise of its financial powers, and which will be enforceable against the commission.

However, as a safeguard to banks and similar institutions dealing with the commission, it has been provided that such bodies need not concern themselves with whether any such directions have been given, or whether they have been carried out.

To overcome the uncertainties which have been raised by the legal advisers to overseas lenders, the provisions relating to the power of the Treasurer to issue a State guarantee by way of security for the commission's borrowings have been simplified.

The powers of the Treasurer or Under Treasurer to delegate their respective authority under the Act have been redrawn completely, and are set out in detail in this Bill.

Members are no doubt aware that certain contracts are unenforceable against the commission unless ratified by the Governor after their execution. These contracts comprise those wherein the amount of the consideration at the time of their execution exceeds \$200 000. In view of the new provision which will enable the Treasurer to give directions, and because of the rate of inflation, it was considered that this limit should be increased to \$1 million.

Furthermore, it is now proposed that the Governor should have power to give his approval to enter into such contracts prior to their execution, as well as being able to ratify the execution of contracts, and it is believed this will

overcome another serious practical problem experienced when dealing with overseas lenders.

I am satisfied that these new provisions, prepared with the concurrence of Treasury officials, will greatly assist the commission to overcome the legal and practical problems which have arisen. I am satisfied also that the commission's borrowing powers themselves have not been enlarged by virtue of these amendments.

As members are aware, the commission has been able to provide a supply of energy to many consumers throughout the State under the terms of its contributory extension scheme.

The provisions in section 61 of the Act, relating to this scheme, have been amended so that the capital contribution payable by the consumer no longer has to be paid in advance. It is proposed that this may now be paid within three months of the date of the agreement being made, or such further period as the commission may agree. I feel this will be of great assistance to many prospective consumers.

Amendments are proposed also to those sections of the Act which relate to the commission's accounting procedures, and I am satisfied that the proposed amendments will reflect modern accounting practice and procedures.

The remaining amendments proposed by this Bill either are of a consequential nature, or are intended to clarify or remove any ambiguities from existing provisions, or correct typographical errors.

Members will appreciate that a great amount of research and thought, supported by the best legal opinion available, is reflected in these proposed amendments, which I believe will greatly assist the commission to carry out its functions and duties.

I commend this Bill to the House.

Debate adjourned, on motion by Mr Grill.

#### *Message: Appropriations*

Message from Governor received and read recommending appropriations for the purposes of the Bill.

### **APPROPRIATION (CONSOLIDATED REVENUE FUND) BILL**

#### *Second Reading: Budget Debate*

Debate resumed from 3 November.

**MR HERZFELD** (Mundaring) [2.33 p.m.]: In the time I have been in this place this is the fifth Budget I have heard delivered to this Parliament.

Unquestionably the Treasurer framed it in extremely trying circumstances. We had been led to believe that some very difficult decisions would have to be made, so I do not think many members in this place expected as good a Budget as that which was brought down.

It is an extremely good Budget despite a number of factors, the first being a substantial funding cutback from the Commonwealth Government, a cutback in real terms of something like 5 per cent or 6 per cent. Despite a significant real growth in wages expected this year to be between 3 per cent and 4 per cent, this Budget is extremely good. This growth will occur over and above the growth of 5.4 per cent in real terms which took place last year. Despite the fact that there is great competition for funds to provide the cost of new services for resource development projects taking place throughout the State, this Budget is extremely good.

The only criticism the Opposition made of the Budget, a criticism which I could discern smacked slightly of some sort of reasonableness, was the contention of the Leader of the Opposition that the Budget lacks direction and thrust. If we have policies proven to be successful, obviously it is in the interests of the State that those policies are pursued in the way they were in the past. No doubt exists in my mind that the policies of the Government have been successful. I will indicate one or two economic indicators to substantiate my point.

Mr Brian Burke: It is a Government in reverse.

Mr HERZFELD: Last year's Consumer Price Index increase at 8.2 per cent was the lowest since 1973. Despite that fact, average weekly earnings increased by 13.6 per cent; in other words, there was a real increase of approximately 5.4 per cent in wages—the prosperity enjoyed by the people of this State. Last year we had strong employment growth, at 3.3 per cent, and, more importantly in the industrial sector there was an employment growth of 11.2 per cent.

In front of us we have a magnificent catalogue of new resource projects; some very big ones are on the way, and others are in the pipeline.

Mr Davies: Many of them are suspect.

Mr HERZFELD: The main matter to which I wish to turn my attention on this occasion is that of education. During the post-war years in Australia we have witnessed a tremendous growth in the influence of Governments over, and the intervention of Governments in, the everyday lives of citizens of this country. I am glad to say that we are now witnessing a diminution of that

interference—a contraction of the public sector, and deregulation.

Already the State Government has shown it is attune to the call from our society for deregulation—for the Government to get out of the many activities in which it need not be involved. For instance, I refer to the activities of the Minister for Transport. He has taken action and will take more action to deregulate the State public transport system. The trend has been towards a greater emphasis on need in relation to cash transfers from Government sources to the people. In this regard I refer to the joint venture project initiated recently by the Minister for Housing in relation to welfare housing. We have witnessed the encouragement of greater private health care. These things are just a few examples of an encouraging trend.

Perhaps these forward steps are only tentative, but at least they show that both the State and Commonwealth Governments are attune to what Australians and, in particular, Western Australians, are requesting.

One area of Government responsibility which needs urgent attention in the manner I have suggested is that of education. It is high time we carried out a searching review of what we expect from our education system. We should try to come up with a system that is far less centralised and bureaucratic than the one we have at present. In the last decade alone there has been a trebling in real terms *per capita* in our education spending.

Mr Bryce: Wasn't that necessary?

Mr HERZFELD: That is a very significant redirection of the resources available to the State. To answer the Deputy Leader of the Opposition, yes, quite a deal of it was very necessary, but I point out to him that despite the fact that there has been a threefold increase in *per capita* expenditure, dissatisfaction exists and we have an educational system where the demands and expectations of people will never be satisfactorily met. More must be done to point out to the community that there is a limit to just how far the Government can go, as there is a limit to the resources we can siphon away from other pressing needs and redirect into education.

There is greater benefit in trying to look at the education system to see how money can be used more effectively. One of the areas we should be looking at is the nature of the whole bureaucratic centralist system we have. This injection of vast amounts of money into education over the last decade has resulted in the whole system getting out of hand and it has grown so fast that it has not been possible to implement the sort of

management control and practice that any major enterprise should have to ensure that the money is being spent effectively. Let me remind members that the Budget this year for recurrent purposes contains \$470 million for education. Despite this, there are ongoing complaints from teachers—certainly the militant ones who seem to have control of the Teachers' Union now—that insufficient money is being spent. It is regrettable that these people have lost sight of the real interest that they are paid to serve, and that is the interests of their pupils.

The public has this cargo cult mentality of equating dollars spent on education with quality, something I cannot accept as valid. I put to one teacher at a meeting I attended, "If the department were to pay you three times the amount they do now in salary, and do the same with all your colleagues, would this mean, according to your argument, that we would have three times the education system we have now?"

Mr Bateman: That didn't have anything to do with salary. The argument had nothing to do with it. You are being dishonest, you know. It has nothing to do with salary. The Teachers' Union's problem was the cutting down of the teaching profession.

Several members interjected.

Mr HERZFELD: For the member for Canning's benefit, he might as well go to back sleep because I certainly was not saying anything about teachers' salaries.

Mr Bryce: You just said, "three times the salary".

Mr Bateman: That is right. You are making a mock of statements.

Mr HERZFELD: I do not know why people equate dollars with quality in education. For the benefit of the member for Canning, if he would like to listen, I said to that person—

Mr Brian Burke: None of us would like to, but we have to.

Sir Charles Court: We are listening.

Mr Bateman: It is very uninteresting.

Mr HERZFELD: If we were to pay teachers three times what we do now—

Mr Bateman: You are back on to salaries again. That was not their argument. That is what you said.

A Government member: Settle down!

Mr HERZFELD: That is quite clearly what I said. If the member for Canning wants to go back to sleep, he need not worry any longer.

Mr Bateman: I want to request a withdrawal because I have not been to sleep, but I will not do that. It is very rarely that I ask anybody to withdraw anything.

Mr HERZFELD: Simply the pumping of money into the education system certainly will not provide something better than we have now.

Mr Brian Burke: Pumping money out will not, either.

Mr HERZFELD: The amount of money we are presently spending on education could be better spent. There are some areas that need looking at. I mentioned that the present system is very centralist, bureaucratic, and overregulated. The system is large and employs nearly 24 000 people. It is inefficient and cumbersome, and, despite regionalisation, we have a long way to go before we get anywhere near a properly controlled situation. Morale is low for the reason that people feel their true capacities and capabilities cannot be fully utilised within present administrative constraints. I believe most strongly that accountability for the amount and method of expenditure on education is inadequate, as is discipline in schools.

One of the elements that are missing in schools is that of a competitive spirit. I hasten to add that I am not directing my remarks at teachers either professionally or individually, or at any of the departmental officers, but at the system as a whole, which is the way we should consider the situation. It is not only in Western Australia that problems are being experienced. I refer to a report brought down earlier this year by the Public Accounts Committee in the Parliament of South Australia, and entitled, *Accountability in Education Department and Schools*. I was extremely surprised when I read this document to discover its contents because the South Australian system has always been held out to be the most advanced education system in Australia and it is the system often held in education circles as being the best, because that is where the expenditure is greatest *per capita*.

I will be referring to some of the comments made by that committee. It is a most interesting report and I commend it to any members having an interest in education. It details the aspects we have looked at, and the conclusions were reached logically. Like the Western Australian department, the South Australian Department of Education is centralist as it appoints and pays staff and centrally shares out resources, directs building programmes, and provides equipment and materials.

The SA department is further advanced than is ours on the matter of local management. It has school councils which are consulted and they work in very closely with the principal. Nevertheless, that does not mean to say that the SA department has gone as far as I would like our system to go.

The situation in Western Australia is similar to that which I described for the South Australian department. In this State appointments are made centrally; the sharing of resources is made centrally. There is central direction on building programmes and the provision of equipment and materials. With that system, if a school requires more than it has been allocated, it has to fight head office for a greater share or establish some sort of priority.

There is no challenge for the better use of resources and no opportunities at school level for innovation. This factor was raised by the South Australian Public Accounts Committee report on pages 8 and 9. It was stated as follows—

The PAC understands that South Australia is ahead of most other Australian States in its decision to delegate financial responsibilities to schools. The PAC welcomes this situation as it believes that this enables schools to make decisions and budget according to local needs. This in turn facilitates greater financial responsibility. However, the PAC is concerned that the Department has recently imposed a moratorium on further financial delegations to schools.

The PAC considers that far from imposing a moratorium on financial delegations, the Department should take steps to re-orientate the system of budgeting and funding. The PAC advocates a school-based approach rather than a centralised system.

An experiment was conducted in this State a few years ago termed "school-based funding". It ran for a number of years with pilot schools, but I am disappointed to say that it appears to not have worked.

The experiment was abandoned, the reasons for which I am not certain. The committee continued as follows—

The PAC considers that schools should identify their needs and make budgetary submissions to the Education Department based upon those needs. Once budgets have been approved, school managements should have the flexibility to manage their schools and to perform to their budgets.

The committee then recommended in those terms. The sentiments which were expressed by the

committee are valid and we should give thought to them.

The SA Public Accounts Committee directed a great deal of attention to the question of accountability. I think it would be of interest to members if I again quoted more of its recommendations and views on the matter. The report said—

The PAC therefore recommends that the role of school councils be strengthened to enable them to play a more active role in the management of schools and that procedures be established to attract and appoint independent chairmen of councils. Further, the Education Department should establish free and voluntary training programs for school councillors and should prepare an information kit to be presented to each councillor upon election or appointment.

That recommendation states that the management and direction of schools should devolve much further down the line than is the position at present. Again, this is something we should be considering much more closely. I do not believe this could be done overnight because the management of school affairs requires a certain amount of expertise and that expertise is not always around just for the picking.

My suggestion would be that a pilot scheme be set up under which voluntarily a number of schools and parents would agree that the schools manage their own affairs. The schools would employ their own staff and manage the funds allocated to them. The funds would be no more than would be allocated normally. They could then use the funds in the manner they considered to be best for the schools and their needs.

The committee also made recommendations in a number of other areas. It dealt with school buildings and maintenance. This area should receive closer consideration because we have a fairly complicated system in this State whereby this work is not done by the Education Department itself; it is carried out by the Public Works Department.

If work is to be done in a particular school, the principal is required to work through his department to the Public Works Department to have the work attended to. The work is often of a minor nature and because the Public Works Department wants to build up enough work to make it worth while to send a tradesman to a particular area, the schools have to wait until there is enough work in the area.

I do not understand why, on a rational basis, there could not be an allocation of funds for

schools for maintenance, and if the work is required, the principal could contact a local tradesman and arrange for the work to be done. It seems to be so simple and I fail to understand why this cannot take place. It is of interest to note that South Australia has similar problems. The committee referred to this matter as follows—

The PAC questions the operation of the current system whereby the schools do not have to pay for maintenance requests. They are therefore under no great pressure to ensure that the repairs are necessary or that the request is carried out satisfactorily at an appropriate cost.

If there is an element of inefficiency in the system in South Australia we should be considering our position.

Earlier in my speech I referred to the lack of discipline and competitive spirit in schools. I believe this is one area where a great deal more could be done. If schools had more autonomy at a local level one result would be the development of a greater *esprit de corps*. I find that this is sadly missing in many schools today; many students do not have the feeling of belonging.

I was at an interschool sports meeting recently and I was amazed that although the team was there the principal was not present to urge it on. It may well be that principals are so busy these days that they cannot find the time to attend functions of this nature. I can say only that if that is the situation, it is a great pity.

Mr Barnett: Did you check to see if the principal was sick?

Mr HERZFELD: Yes, I did.

Mr Barnett: I do not disagree with what you say. I just thought there may have been a reason for his absence.

Mr HERZFELD: There is a deputy at the school also. Perhaps it is only a small thing and one should not make a big deal of it, but there are many opportunities to build up a feeling of belonging among students. Being part of a team—part of a community—is one way to encourage this feeling. Students need to feel that they have a contribution to make, and if they do not make that contribution they are letting the team down. Of course, this sort of spirit can occur and be developed in many ways, and one such way is for students to be required to wear a school uniform. Some of the get-up that school students wear to school these days appalls me. Many are untidy and in my opinion very slack. It is not a question of cost because I believe students can look better dressed in a uniform than by wearing jeans with perhaps a T-shirt hanging out.

Mr Bateman: Perhaps some of them couldn't afford the cost.

Mr HERZFELD: Obviously the member for Canning wasn't listening.

Mr Bateman: I know some in my area, the SHC area—

Mr HERZFELD: I said it is not just a question of cost.

Mr Bateman: It is a matter of cost.

Mr HERZFELD: I said alternative clothes can be obtained just as economically.

Mr Bateman: You are talking about a uniform they are not going to wear outside the school, and that is a cost burden. Goodness gracious, with the high cost of water and electricity, how can they afford a uniform?

Mr HERZFELD: I am talking about standards.

Mr Bateman: In your area they are all very wealthy, but in my area they can't afford uniforms.

Mr HERZFELD: Many school uniforms are grey shorts and a grey shirt—something like that.

Mr Bateman: Come out to the Housing Commission area and say some of these things. You won't last long there.

Mr HERZFELD: There is a lowering of standards these days, and it does not help the children when they leave school for the work force not to have a good standard of dress when job hunting.

Mr Bateman: This is where the standard breaks down, right from the Government; that's where it starts.

The ACTING SPEAKER (Mr Crane): Order! We will have some order—a high standard of behaviour.

Mr Bateman: We try to do that.

The ACTING SPEAKER: It would be most appreciated. The member for Mundaring.

Mr HERZFELD: I thought I was trying to behave.

Mr Grayden interjected.

Mr HERZFELD: I apologise for any implication there may have been in my comment.

I am not a great adherent of the independent school system despite the fact that I attended one in my earlier days. There are, however, a number of aspects that the State school system could learn from independent schools. I believe one of these is the introduction of flexibility within schools where curricula and activities can be tailored to the local needs of the particular school. I know that there

cannot be complete flexibility, but there is some and the result is that activities in the school tend to reflect the general desires that parents have for their children. This is where I see that a local management committee—at a local level—could assist so much.

There would be also a greater degree of efficiency. There is no question that a small unit—and this is something we could guarantee—operates more efficiently. This is why I promote the idea of the setting up of a number of pilot schools on a trial basis to see how they would fit into the general aims of the Education Department. However, I would like to see more local control and, therefore, greater accountability. I have talked about the question of discipline and *esprit de corps*. It seems to me that independent schools do tend to achieve better results in this regard.

The Education Department has to come to grips with the question of staff continuity. It is bad for the system to have staff transferred frequently. It is bad for the school and for the children. I believe that if we can establish a local management system it should be possible eventually for the school councils to employ their own staff. This would be of great benefit and the result would be that there would be a better continuity of staff. When staff stay longer they become part of the school unit and the school community. This would be much better than the present situation where staff stay in schools for only a short term.

In conclusion I would like to say that what I am promoting and what I am hoping might happen is that we look towards a new direction for the education system within this State. None of what I have said is meant as criticism of the individuals or staff involved in the Education Department at the present time. I believe that every so often there needs to be time to pause and look at where we are and where we are going, and as far as this matter is concerned, I think that that time is now.

I would like the Minister to investigate a pilot school arrangement where we could try to break down the centralist direction—the bureaucratic direction—that is current at the present time. The schools that would be involved should volunteer to undertake the trial with school boards being set up. They would be funded in exactly the same way as they are at the present time. I sometimes wonder whether people understand how much money is spent in individual schools. For instance, a high school with 1 000 pupils costs something like \$50 000 per week to run. That is \$2 million per year, and that is a big empire to run by remote control from Perth.

Mr Grayden: Schools already have a large amount of autonomy—

Mr HERZFELD: There is no question about it. In many schools a lot of consultation takes place with the P & C Associations. I think members would appreciate P & C Associations have control of expenditure and no real autonomy exists. For instance, P & C Associations cannot alter staffing ratios if parents want to emphasise one aspect or place less emphasis on something else. It all hinges on the amount of money available.

I believe also that that sort of ability to make decisions on finance would lead to a situation in which there would be much greater accountability, because there would be closer scrutiny of the way the money was being spent. That would result in a more cost-effective system and, in the ultimate, in a better quality of education. Such a policy would result in many beneficial side effects, not the least of which would be that parents and the public at large would have a better understanding of just how much money goes into the education system and perhaps would be a little more understanding instead of continually making demands for more and more.

What I have proposed today is in line with what I believe good government will be all about in the 1980s; that is, there should be a reduction of the amount of Government regulation and Government interference in people's lives, and a cutting down of bureaucracies to improve the cost effectiveness of the areas in which they are required to be involved, because there are no other alternatives. I believe greater efficiency and a better cost effectiveness will be the hallmark of good government in this decade and it is something to which we in this place increasingly will need to turn our attention as the years go by.

I conclude by saying that I do not want my remarks to be construed in any way as being negative criticism of what has been achieved up until now, and what is being done by those involved in the education system today. What I am saying is that there are better ways of doing things that would be better for the children of our State—and that, after all, is what education is all about.

With those few words, I support the Budget and urge other members to do likewise.

MR BARNETT (Rockingham) [3.12 p.m.]: I wish to take the opportunity to raise a number of issues, and I hope I have sufficient time adequately to deal with each of them. However, that is a remote possibility because of the



importance of a number of the topics I intend to raise.

I am pleased to see the Minister for Local Government has resumed her seat because the first of the five topics I intend to raise relates to problems being experienced in the Serpentine-Jarrahdale Shire Council area. The second matter relates to the Government's proposal to launch an effluent pipeline within my electorate.

Sir Charles Court: That is a surprise.

Mr BARNETT: I thought the Treasurer would be surprised about that; that will be one of the major topics I intend to raise, and I am glad he is listening, and is interested.

The third matter relates to the Government's attitude to a number of issues of importance to me—but which it appears are not of concern to the Government—regarding the System 6 report. The fourth matter relates to the projected closure of Australian Iron and Steel Pty. Ltd. and the problems this closure would cause in my electorate. The last topic is the recently announced decision to close Fairbridge Farm at Pinjarra.

I turn firstly to the matter of the Serpentine-Jarrahdale Shire Council. Between 1974 and 1977, I was the member for that area, and it came within the auspices of the Rockingham electorate. As a result, a number of people residing within that area feel they still can contact me regarding their various problems.

Early this week it was drawn to my attention that the Serpentine-Jarrahdale Shire Council had imposed a 122 per cent rate increase on its ratepayers. The increase is not to apply across the board, which would have made it somewhat more acceptable—despite the fact it is still an excessive increase—but to only some ratepayers.

Mrs Craig: Was it as a result of a revaluation, or a change in the rating structure? It is important to know which.

Mr BARNETT: My understanding is that the increase has come about as a result of both factors. It may well be that certain areas such as Byford experienced an increase in valuation rather than a change in the basis of rating or a change in policy of the shire council.

Mrs Craig: There could not have been a change in policy; the council can levy only a rate in the dollar.

Mr BARNETT: In any event, the increase of 122 per cent caused such an outcry amongst the ratepayers of the area that a public meeting was called to discuss the matter. Irrespective of the

reasons for the increase, the residents are irate at the situation.

I am told—and I have no reason to disbelieve it—that a large number of the shire councillors are farmers within the Serpentine-Jarrahdale Shire Council region, and that the shire council has a policy of rating land on an urban farmland basis. That would indicate to me a number of the shire councillors would benefit considerably from such a policy.

Mrs Craig: They must declare an interest if they are going to do that.

Mr BARNETT: If they declared an interest, only one member of the shire council would be able to vote on the matter.

Mrs Craig: In that case, they must refer all applications to my office, and they would be considered independently so that there can be no assertions of the sort you are making now; namely, that some people are benefiting wrongly.

Mr BARNETT: That will need to be checked.

Mrs Craig: Yes, it is important that it is checked.

Mr BARNETT: I do not think they did declare an interest.

Mrs Craig: It is a prerequisite.

Mr Brian Burke: That does not mean everybody complies with it.

Mrs Craig: It will be interesting to check the matter to ascertain whether they did in fact declare an interest. There is a prerequisite, although I could not tell you whether they complied in this particular case.

Mr BARNETT: Irrespective of the reasons for the 122 per cent rate increase, the matter of real importance in this whole issue is that, at the meeting, a motion of no confidence was moved in the Serpentine-Jarrahdale Shire Council. I am informed the meeting was run by the shire clerk. When the motion of no confidence was voted on, there was a show of hands, and the shire clerk, assisted by a shire councillor, counted the votes. This will make the Minister for Local Government sit up. The first time the votes were counted, there was a majority of five votes in favour of the motion of no confidence in the council. Somebody then complained it was not a fair way of going about it, so the vote was taken again. The same two people—who, naturally, had an interest in which way the vote went—counted the votes and this time, the motion was lost by two votes.

Mr Williams: Are you saying they were dishonest?

Mr BARNETT: No; however, I am saying that irrespective of the way the vote went, the matter is one of such extreme concern to the residents of the area that it is time the Minister had one of her officers investigate what is going on to try to establish whether there really is a problem.

That matter came to my attention earlier this week. I will not dwell on it, but it causes me some concern; and I would like the Government to give it consideration.

Mrs Craig: It was reported in the Press in very much the same terms as those you have used. Are you saying you believe the council should not have the autonomy?

Mr BARNETT: No, not at all. My real concern is the way in which meetings are conducted. If a meeting is to be conducted in that manner and votes are not counted correctly, the people are not being allowed to express their will in respect of votes of no confidence in their council.

Mrs Craig: That matter ought to be taken up with the person who chaired the meeting, because he was the one specifying the rules under which the meeting would be held.

Mr BARNETT: I will not dwell on it.

I turn now to the effluent pipeline that the Minister for Water Resources intends to inflict on the people of Rockingham. I will go into the history of this matter briefly.

The need for this arose as a result of investigations and reports on Cockburn Sound. They arise particularly from the latest of those reports, the so-called Chittleborough report. That report was published early last year, and it indicated that the two major polluters in Cockburn Sound at that time—not the only polluters, but the two major polluters—were CSBP & Farmers Ltd. and the Woodman Point sewage treatment plant. CSBP is a private company producing fertiliser, and the Woodman Point plant is a Government concern.

CSBP was named as one of the major polluters because it dumps 350 tonnes of gypsum into Cockburn Sound each day. That causes navigation problems, and also the heavy metals contained in the gypsum are transferred into the marine biota that live in that region.

The Woodman Point sewage treatment plant was named as the other major polluter because of its nutrient input into Cockburn Sound. It is one of the major causes, along with the effluent from Kwinana Nitrogen Co. Pty. Ltd., of the algal blooms and the major visual problems being experienced in Cockburn Sound.

In its report, the Chittleborough team recommended that CSBP use land disposal of gypsum. The major reason was that not only was CSBP to continue dumping 350 tonnes of gypsum per day, but that there would be an increase in production and a subsequent increase in effluent which would mean that, in the near future, 1 000 tonnes of gypsum would be dumped per day. That gypsum would still contain the heavy metals of which I spoke before.

Fairly close to its factory CSBP happens to own an area of land known locally as "Pickles Swamp". For some time CSBP has been conducting surveys in respect of the disposal of the gypsum waste into Pickles Swamp. This is not the first time that I have raised this matter; but the situation has not changed since I raised it.

I wish to read from a small section of the latest available annual report of the Environmental Protection Authority in respect of the decision by CSBP to dump its gypsum in Pickles Swamp. The report states—

However, the initial site chosen by the Company and the preparation proposed has led the EPA to express concern since it is a wetland with a high water table and uncertain loadbearing characteristics.

It continues—

The Authority's concern relates to the problem of preventing contaminants in the gypsum stockpile being leached into the groundwater which ultimately finds its way into Cockburn Sound.

That situation has not changed in the 12 months since the issue of the report. The Government has taken no action to ask, pressure, or force CSBP to find a more suitable site.

The EPA has not changed its attitude to this problem. We will be faced with the situation of no solution to the Cockburn Sound problem in respect of the leaching of gypsum. It will be only a partial solution for a short period of time, because if CSBP is allowed to dump this amount of gypsum in Pickles Swamp, it will be a short time only before it leaches into the ground water and, subsequently, into Cockburn Sound.

I draw that fact to the attention of the Government yet again. I hope the Government will do something about that matter in the near future. I hope it will force the company to act in a far more responsible way than it has done in relation to the disposal of such a hazardous waste material in one of our more important wetland areas.

In relation to the other major polluter of Cockburn Sound—the Woodman Point sewage treatment plant—the Chittleborough report offered two major options to the Government. The first option was to upgrade the treatment at the plant to a secondary or tertiary level; and the second was to implement a pipeline system for the disposal of the effluent.

In relation to the pipeline option, three alternative routes were suggested as suitable. The first route would have gone from Woodman Point, travelling north through the shipping channels, cutting the Parmelia bank, to be disposed of out to sea beyond Fremantle Harbour. The second pipeline would have gone straight out to sea from Woodman Point, between the northern tip of Garden Island and the southern end of Carnac Island. It would have passed over the reefs and gone out to the five-fathom bank. Both those options have been refused by the Government for various reasons which may well be good ones; but their refusal indicates that the Government has not done a great deal of research into them.

The third route open to the Government was to direct the pipeline from Woodman Point by land past the Kwinana industrial strip. The land section of the pipeline would terminate at Point Peron, which is one of the most beautiful and scenic areas within a reasonable drive of Perth. I suggest to the House that it could be one of the most scenic areas in the whole of Western Australia. From Point Peron, the pipeline would go out to sea for four or eight kilometres—depending on whether it went inside or outside the five-fathom bank—and the effluent would be disposed of at a considerable distance at sea.

If the third pipeline were to terminate inside the five-fathom bank, the cost to the Government would be \$36 million, including the cost of its construction on the land and the four kilometres out to sea.

If the pipeline were to terminate outside the five-fathom bank, the cost would run to \$70 million. I am not entirely satisfied with the figures I have been given by the Government, because I feel they could be rather cheaper for this option.

Incidentally, the cost of the upgrading of the treatment at the Woodman Point sewage treatment plant to a secondary level, which would include the removal of the nitrogen, is quoted as \$47 million. That possibility falls somewhere between the two pipeline options. It is only \$11 million more expensive than the cheaper of those options.

I believe a number of other options are open to the Government, but neither the Minister for Water Resources nor the Minister for Conservation and the Environment has considered them. However, I will canvass that aspect a little later.

My concern is that this pipeline which the Government seems hell-bent on inflicting on the Rockingham area is described in both the Chittleborough report and the latest EPA report as being able to take all the effluent waste from the Kwinana industrial strip. Therefore, in addition to the 164 million litres of primary treated effluent entering Warnbro Sound we are considering a further 11 million litres of industrial effluent.

The Government has made a number of claims that this would not happen at least until an environmental impact report was submitted to indicate whether this pipeline could take industrial waste. I submit—as do 2 281 other people, as evidenced by the petition I presented earlier this afternoon—that this pipeline should not exist in the first place.

As the Government is so hell-bent on inflicting this pipeline on the Rockingham area and as a number of problems are involved, the Government called a public meeting. Of course, the Government knows full well that public meetings are generally not well attended because people are usually apathetic no matter what subject or what area of the State is involved; people generally are so happy with their lot that they do not go out of their way to attend these meetings.

The meeting was held on a Thursday night—late shopping night. The bus drivers were out on strike so there was no public transport. To cap it all, a substantial storm hit Rockingham that night and the rain was pouring down. Irrespective of all this, in excess of 700 people turned up at the meeting. The hall was able to hold 700 people and others stood outside in the rain waiting for an opportunity to get in and listen to what was said by the people invited by the Government to tell us down in the Rockingham area that what the Government was doing was, in fact, in our best interests.

We were regaled by a number of speakers from the Metropolitan Water Board: Mr Barry Sanders, the sewerage engineer; Mr Bryan Cox, who spoke on ocean pipeline construction; Mr Des Harvey, senior project engineer, who spoke on comparison of options; Mr Jim Patten, a partner in one of the firms which considered the onshore pipeline section of the project; and Mr Ian Le Provost who spoke on the ecology. We were then

to be regaled by Dr Ray Steedman, an oceanographer, but he did not turn up at the meeting, and I am not surprised.

It was the most poorly-run, inefficient, and unprofessional seminar I have ever encountered in all my 35 years. It was an absolute disgrace and a sham to present that sort of thing to the people of Rockingham in an endeavour by the Government to say that it—"Big Brother"—was doing the right thing by the people in the area.

What the experts with their bumbling were able to clarify for the people of Rockingham, including doctors, lawyers, engineers, and shire councillors—

Mr Davies: Indian chiefs.

Mr BARNETT: If there were any there they would have agreed with me. All these people expressed the same opinion about the meeting as I am expressing now. The meeting indicated that the Government has looked only at the economics of the pipeline and has not looked seriously at any other angle of it. The meeting showed there was a lack of any sincere attempt to consider the real options available to the Government to relieve the problem confronting Cockburn Sound—the real options to this proposed pipeline. The meeting showed there has been no attempt whatsoever by the MWB to combine some of the options available.

Mr Mensaros: You are being very dishonest. You use the place to accuse the Water Board, as well as the consultants, of unprofessional behaviour, yet you went to the seminar here and congratulated them on their performance. You say the performance was so much better than the one at Rockingham.

Mr BARNETT: Is the Minister saying that I went up to the speakers at the seminar put on by him and congratulated them for putting it on?

Mr Mensaros: The engineers.

Mr BARNETT: Rubbish! I have never heard a more blatant lie in this place.

#### *Withdrawal of Remark*

The SPEAKER: Order! I call upon the member for Rockingham to withdraw that word. He would know it is unparliamentary.

Mr BARNETT: I will, of course, withdraw it.

#### *Debate Resumed*

Mr BARNETT: Nonetheless, I have never heard such an untruthful statement in this place in the time I have been here; no more untruthful statement has been made in this place. The Minister should not dare to accuse me of saying

something I did not say. If the Minister has an argument to put in this place he should come out genuinely and put it. He should not dare to come out and make untruthful statements. I am not going to be concerned with any of his interjections again if that is to be the standard he adopts.

Neither the Minister nor the MWB has looked at the technique of removing nitrogen worked out by the Murdoch science department. The Minister does not know a nitrogen removal process exists. His study has been conducted over a period of less than 12 months. His Government will be making a decision in a few months, which will make it less than 12 months that the study has been conducted.

Mr P. V. Jones: Not true.

Mr BARNETT: It is true. The Government started this study last Easter and will be making its decision early next year before Easter.

Mr P. V. Jones: They were talking about the possibility of a pipeline when I was Minister for Conservation and the Environment.

Mr BARNETT: Can the Minister tell me when the studies for this pipeline began? He cannot. More than 700 people in Rockingham were told that the studies commenced in Easter of this year. We were also told that the Government would be making its decision long before Easter next year, which means the study will have taken less than 12 months.

Let me again refer to the oceanographer (Dr Ray Steedman) who did not turn up at the meeting. A few weeks before the meeting Dr Steedman was interviewed on television about this subject. He was asked about his studies into ocean currents and in answer to the reporter—and this is on tape and can be verified—he said that predicting currents in the area was like predicting the weather. The Government made sure this man was not at the public meeting so that he could not say things like that to the 700-odd people present and so embarrass the Government further.

Further to that, the equipment this man needs to conduct his studies has only just arrived from the North-West Shelf. It has been here for only a few weeks and he has installed it only recently. Yet the Government is trying to say that adequate studies have been carried out. That is just not true.

I have already raised in this House the problems being experienced in Cockburn Sound as a result of this pipeline spewing effluent into the sound. One matter which I raised only last week related to the problem of raw sewage being discharged into Cockburn Sound. The Minister for Water Resources assured me that could not

happen; however, information I obtained during my visit to the MWB sewage treatment plant at Woodman Point indicated there was a bypass line, the existence of which the Minister has denied.

Last week I received representations from various fishermen—not just one person—who indicated raw sewage was floating in rather massive quantities in Cockburn Sound. I ask members: What was the Minister's reply to that? He said there are hundreds of pleasure craft in the area and that is where the raw sewage probably came from. Does the Minister think these people travel in their pleasure craft to Woodman Point and use it as a toilet? That is the inference one can gain from the Minister's reply.

That is the sort of problem which exists in Cockburn Sound and the same sort of problem will be experienced off Woodman Point when the sewage treatment plant discharges its effluent there.

The fishermen in the area have assured me the drift in the Rockingham-Point Peron area is towards and along the beach all the way down to Mandurah from inside the five-fathom bank. Bearing in mind that information from the fishermen, the fact that raw sewage was disposed of in Cockburn Sound last week by the Woodman Point sewage treatment plant, and taking into account the comment made by Dr Ray Steedman, the oceanologist employed by the Government to the effect that predicting currents is like predicting the weather, it appears to me we will have very serious problems if the pipeline is allowed to be placed off one of the beaches.

Now the Minister is back in his seat, I ask him: Can he deny the comments to the effect that, if anything is released in that area, it is unquestionable that, irrespective of how far out from the beach it is released, it will drift back to the beach?

Mr Mensaros: All the research showed exactly the opposite.

Mr BARNETT: We have a situation in which the Minister says he can deny that and all the research shows the position to be opposite to that which I have put forward.

However, only two days ago a constituent approached me with an unusual object he had found on the beach. This man lives at Point Peron and walks along the beach every morning. I remind members that it is suggested the pipeline be situated at Point Peron. My constituent said to me, "I found a very interesting piece of material on the beach this morning and it indicates to me that, no matter how far out they put the pipeline,

the material which flows out of it will drift back to the beach". I said, "It is rather difficult to prove that sort of statement. How can you prove it?" This man gave me a pink card which, with your permission, Sir, I should like to lay on the Table of the House at a later stage. This pink plastic card is slightly weatherbeaten and has the number XL177 on it along with some words which read, "Drift card. Please return to the Director of Sea Fisheries, Capetown, South Africa". It also asks that, when it is returned, the date and place of recovery be given.

This drift card was placed in the ocean by the South African fisheries people to determine the nature of the ocean drift. If that card drifted all the way from South Africa and ended up on the beach at Shoalwater Bay, it is clear there is no way we could put a pipeline out there and expect the effluent not to drift back onto the beach.

Mr Mensaros: That is just so much nonsense.

Mr P. V. Jones: It is surface flow. It is absolutely crazy!

Mr BARNETT: It is not absolutely crazy. The System 6 report which has been presented to the Government recently, or is about to be presented, refers also to the Point Peron area. Before I deal with that aspect of the matter, I should like to point out that the Minister for Water Resources has indicated to me already that the water quality criteria relating to Point Peron allow for satisfactory and safe swimming to take place up to 1.5 kilometres from Point Peron. Bearing that in mind, I want to refer to the section of the System 6 report which relates to its recommendations in respect of Point Peron.

The report contains a map of Point Peron and around it a rather extensive line has been drawn. The recommendation is that the area encompassed within the line—an area of water extending 1.5 kilometres seaward from the low-water mark and extending northward around the cape—be declared a "C"-class aquatic reserve. The reason the System 6 people have recommended that is that it is an area of extreme importance and this Government, based on its water quality criteria, will allow swimming within that area of extreme importance. I suggest if this area is to be a marine reserve, all of it ought to be suitable for swimming.

This Government is saying, "If we accept that recommendation and make it a marine reserve, I suggest you swim only within the inward side of the 1.5 kilometre line, but not the outward side, because if we put in the pipeline, the water quality criteria on the outward side of the 1.5 kilometre line means the water will not be

suitable for swimming". That is another reason this pipeline is such a crazy idea.

As we are talking about System 6, perhaps I should move on to some of the other areas contained in the report and about which this Government has shown no concern.

Firstly, I shall refer to Garden Island. On the northern end of Garden Island there existed an area of Rottneet Island ti-tree which the report referred to as being probably the only stand of its kind in original condition as it would have been viewed by people such as Captain Stirling and his fellow travellers, when they first landed. The System 6 report recommends that, as a result of its unique features, this area be reserved in perpetuity so that people in future years will be able to see the sort of bush which existed throughout the area in bygone days. The report recommends also that, to facilitate the preservation of this area, the proposed armament depot on Garden Island be sited south of Cliff Head.

The Navy and the Government were aware of this, but went ahead and placed the armament depot, which is now fully equipped, right in the middle of this reserve. The Navy has done an excellent job in an endeavour to maintain the area in as natural a condition as possible; but, nonetheless, there is now an armament depot right in the middle of a copse of trees which could have shown future generations the sort of vegetation which existed in earlier years.

This has occurred, because the Government and, in particular, the Minister for Conservation and the Environment, are not concerned about some of the recommendations in the System 6 report. In fact, I believe the Minister is not concerned about most of them.

Mr Davies: Does the Government have that report yet?

Mr BARNETT: The Government has the report, but it does not accept it has been presented and it will not answer any questions in relation to it.

There is another reserve at Toodyay where the Beelaring and Goonaring Springs are situated. These springs are encompassed in a section of land which is owned by Agnew Clough Ltd. which obtained the land from the Government in recent years. Sections of the Government and the System 6 people were concerned about these springs and the System 6 report recommends an area of approximately 800 hectares surrounding them be retained as a buffer zone so that the springs, which contain rare fresh water crustacea, may be reserved in perpetuity.

When Agnew Clough Ltd. went to the Government and asked if it could subdivide the land, the Minister for Local Government said, "Yes, you can subdivide 100 lots, but in return for the permission we will give you to do that, you must cede to us 800 hectares surrounding the Beelaring and Goonaring Springs so that a buffer zone can be maintained".

The Minister for Local Government was concerned with this matter, and I praise her for her action. Agnew Clough Ltd. proceeded to sell the land to JIMWA Pty. Ltd. Members who have read Press articles produced about this matter in the last few weeks would know that JIMWA Pty. Ltd. did not proceed with the application to subdivide, but proceeded to clear the land surrounding Beelaring and Goonaring Springs.

Mr McIver: And it wiped out some of the rarest orchids in Australia.

Mr BARNETT: I have been informed of that. Certainly by the Minister's own acknowledgement in this House some of the rarest fauna of this State—fresh water crustacea—could be destroyed. The Minister could not tell me whether the fauna exist anywhere else in the State.

What has the Minister for Conservation and the Environment done about the situation?

Mr McIver: It is absolutely criminal.

Mr BARNETT: The Minister has taken no action whatsoever to ensure that the areas to which I have referred, and many other areas, recommended for conservation in the System 6 report, are kept in perpetuity or at least until the System 6 report is finally considered by the Government, and it can take action.

I put it to the House that this Minister is either absolutely incompetent or impotent.

Mr Mensaros: He is neither. He can act only according to the law. He cannot digress from the law.

Mr BARNETT: The Government is the law; it has the numbers in this House and the numbers in the Legislative Council. If the Government wants to preserve any area of this State it has the capacity to do so. It is within the Minister's capacity to do anything, and that includes walk on anybody in his way.

Mr Mensaros: We can't go outside the law.

Mr Sibson: We cannot go against what our electors want. The electors have the power. They are the people who have given us the power.

Mr BARNETT: Hello, the member for Bunbury is with us.

I cannot allow the time left to me to slip away. On another occasion I will speak about the pending closure of the Australian Iron & Steel Pty. Ltd. plant at Kwinana and the effect that will have on the Kwinana region. I will refer to that matter when we reach the section of the Budget that will give me an opportunity to question the Government's intentions for that plant. The member for Cockburn in a very adequate way referred to that matter last night, although I do not intend to leave the matter completely because I need more than the five minutes left to me to represent my electors properly—this matter is so important to them. I hope the Government will give sincere thought to offering incentives necessary to ensure that the 3 000 people now unemployed, and the many people who will be added to that number, in the Rockingham region will be adequately catered for. The Government must ensure that the disastrous effects that will occur if assistance is not provided will not be forthcoming.

Finally I refer to a matter which was mentioned in a newspaper report only two days ago—the closure of Fairbridge Farm. I am sure this closure is of concern also to the member for Murray who at present is the member representing that area.

Mr Shalders: Indeed it is a concern to me.

Mr BARNETT: I am most concerned about the closure. It was with a twinge of regret that I read the article because as a boy I attended the school at Fairbridge Farm—I know a fair bit about it.

The original concept of the farm established by Kingsley Fairbridge was to bring out children he saw as waifs and strays on the streets of London so that they could live in a farm environment. Fairbridge Farm was purchased and a school was established, and the children received opportunities that they could not have received in London. All this occurred in 1913.

My interest in the farm commenced in 1958 when I came to Australia as a 12-year-old under the scheme as conceived by Kingsley Fairbridge. I stayed at the school for three years—until 1961. I arrived on the ship *Fairsky* aboard which was the wife of Kingsley Fairbridge, Ruby Fairbridge, and I had the honour to meet her. While it was not as important to me as a 12-year-old as it is now, I did meet the wife of the founder of Fairbridge Farm.

Mr Pearce: You were one of their distinguished graduates!

Mr BARNETT: Thank you; I will not disagree with the member. When I lived at Fairbridge Farm it was something to be proud of. In those

days all of us at the farm were proud to be called "Fairbridge kids". It was a terrible shame that the system changed from one of bringing out kids from orphanages to a system of catering for children from split families. This change occurred after I left the school. The kids who go to the farm now stay for only a few weeks and therefore do not develop a pride in the school to keep it up to the standard at which we maintained it. I take this opportunity to express my extreme concern that the farm will close. I am concerned not only by the number of jobs that will be lost, but also by the loss of the whole concept. A magnificent dream brought to fruition by a magnificent person will be lost to this State. The types of people who came out of the dream of Kingsley Fairbridge will be lost to this State. They are the types of people this State needs.

I hope the Government takes up the matter and considers reverting the scheme to the original concept espoused by Kingsley Fairbridge, because I believe there is still a need for it to be used by children in the way Kingsley Fairbridge first conceived it. Over the last 70-odd years 3 000 children have used that establishment, and it still has a part to play in the development of this State. I hope the Government will not let the magnificent dream of Kingsley Fairbridge disappear.

The SPEAKER: I ask the member for Rockingham to make available to one of the attendants the item he said he would table, and I order that the item be laid on the Table of the House for the rest of today's sitting for the information of members.

*The document was placed on the Table of the House for the information of members.*

MR GREWAR (Roe) [3.56 p.m.]: It is not my intention to labour the attack on the Federal Government's Budget. My sentiments are in line with those of previous speakers. The Federal Government has made it extremely hard for this Government to frame its Budget.

Mr Pearce: Perhaps you should work for a different Federal Government. We are.

Mr GREWAR: It was a good move that the Federal Government did not increase personal income tax, but directed increases towards indirect taxation. In the framing of our Budget it is obvious that considerable pressure would have to be applied on the people of Western Australia. Taxes and charges to meet Government works and other expenditure had to be increased. The only alternative was a cut in services, which is not an easy thing to place before the people.

I believe and have believed for a long time—many people in the community share this belief—that there is great inefficiency in Government departments. Most likely similar inefficiencies exist in private enterprise, but they are more likely to be found in Government activities. I urge Ministers to continue to work for an improvement in the standards of their departments' operations and a general upgrading of Government efficiency.

Often public servants are too close to their departments to recognise areas that can be improved; it may be necessary to employ efficiency consultants at the various levels of each department. Government costs can be cut.

People such as myself involved with agriculture are very aware that costs can be cut. In our industry our costs have risen far higher and faster than have costs in most other industries, but the returns have not kept pace with those increasing costs. This situation has occurred during the past 15 years, so we have had to cut our costs; we have had to impose severe restrictions on our spending. As a result of these measures we are still producing more and more from our properties.

The Government bureaucracy is growing. One only has to look back at the figures on increases in Government employment. The bureaucracy is developing into some sort of monster, regardless of the colour of the Government, and of whether it be State, Federal, or local. Society is becoming more complex and putting more pressure on the Government to do things. It should not always be the province of the Government to cater for the people's every wish. There is room for more industrial support. I single out the tourist industry. The entrepreneurs are the recipients of the promotions of the department; the hoteliers, the take-away food chains, and airline companies, but they contribute very little to the running of the department which supports them. A great deal more money could come from this area to promote bureaux themselves. It could apply also in agriculture. Very few services are provided to farmers for which they must pay. With contributions it would be necessary also to give more say to people who might fund some of the Government services. I wish increases to be made in a number of private schools as a means of keeping Government costs down.

Mr Pearce: And private people's costs up.

Mr GREWAR: I doubt that. The Government does make contributions to private schools.

Mr Pearce: Massive contributions.

Mr GREWAR: But the total cost to the taxpayer of the education programme is far less per child educated.

Mr Pearce: The cost to the individual person is higher.

Mr Young: What would be the cost to the individual person if all the people in private schools had to be educated by the State? It would not cost any more.

Mr Pearce: How can it, because the total amount of input would be the same?

Several members interjected.

The SPEAKER: Order!

Mr Young: Do you know what the definition "Oi Wie" is?

Mr GREWAR: Private enterprise should be doing more of the work presently done by the Government. A lot of people in the private field could be doing the work presently done by the Government and this would reduce the Government's overheads. Private enterprise must be accountable for its costs. The Government just adds to its deficits or passes the costs on to the taxpayer.

Mr Pearce: That is rubbish!

Mr Carr: That is a slight on the State Government's razor gang.

Mr GREWAR: When one drives along our roads one sees hundreds of thousands of dollars' worth of big equipment used for only 25 per cent of the time by the Main Roads Department. The equipment is worked for eight hours a day. Surely expensive machinery of this nature cannot amortise its capital cost on such low hours of work. Private contractors use similar machinery for 12 hours a day or longer, and during weekends. I do not consider the Government should be any exception and the taxpayer be made to pay extra to cover equipment costs. It is surely unnecessary.

Mr I. F. Taylor: Have you looked at the roads private enterprise has built in this State? They are shoddy.

Mr GREWAR: The Government needs to improve efficiency. I am amazed that the Governments, whether State, Federal or local, still charge ratable values on property. It is almost as though those who can pay will pay, with no relationship to the usage of a service.

Mr Pearce: You would be better off talking about China, you know.

Mr GREWAR: It is a most unfair system. Why should people in suburbs like Peppermint



Grove or Nedlands pay more for their sewerage services than people living in Balga?

Mr Pearce: Because they are rich and the others are poor.

Mr GREWAR: They still use the services as much.

Mr Blaikie: They pay the taxes.

Mr GREWAR: Local authorities are probably the worst offenders in this regard where the largest landholders can pay up to 100 times as much in rates as smaller land owners in towns located near services. People owning big properties which are often fairly remote and which may be 120 kilometres from towns, do not use the services, but still pay these great costs for those services. Once shires funded many roadworks in their districts and it was understandable that such a rate should be calculated, but now roadworks are a very small cost in the total of local government spending.

I wish now to deal with more specific items starting with education.

Several Opposition members interjected.

Mr GREWAR: I am trying. The Opposition did not do much when it was in Government. I would like to talk about education. I am pleased to see an increase made in education expenditure, be it less than at the rate that has been occurring over the past five or six years. The amount allocated to education will allay fears that have been expressed in our community by irresponsible people who use the argument that the quality of education would suffer. It is the children—

Mr Pearce: Your colleagues have said that. It just shows how much it has hurt.

Mr GREWAR: These people have failed miserably in their arguments.

Mr Pearce: Your constituents were coming to see me—

Mr GREWAR: What the Government has done has been to introduce cuts in areas of extravagance, and it is to be applauded for this. I now propose a scheme that could be used to the advantage of our community and as a means of helping unemployed school teachers or those teachers wishing to work part time.

Mr Bertram interjected.

Mr GREWAR: There is a need for this due to our changing family patterns. Today 11 per cent of our families are one-parent families. More than 50 per cent of married women work. There are resultant problems in the care of the school child in the hours the parent is working and is away from home. In the case of the single parent, that

parent has the option of either not working and suffering an existence on a pension, or working and having the children minded by neighbours or left to wander the streets. The same applies with working mothers. We need an organised system to cater for these untended children. We have the resources of unemployed school teachers or school teachers who wish to work only part time. We have schools with facilities such as grounds, equipment, and canteens that could be used to house these children before or after school hours. Our schools are used very little. I think of China where schools are sometimes used for three whole sessions a day, starting from first light in the morning, and finishing quite late at night. Our schools are used for only approximately 40 weeks per year, or seven hours per day, representing a terrible waste of capital investment. In the case of underage school children, if there are no facilities at the school to cater for them during school hours, it may be possible for a group to rent a home close to a school where they can use facilities outside school hours, and the canteens at lunch times or during weekends, if need be.

Mr Blaikie: How would your problems go?

Mr GREWAR: We would not have problems in our town.

Mr Blaikie: Not you. You are not alone.

Mr GREWAR: Most of these children would live within range of the school and the parents would have to go to work anyway, and whilst on their way to work, it would be simply a matter of dropping the child off.

My figures show there are approximately 1 000 teachers who may be unemployed at the beginning of any school year and these people, in terms of money spent on them in their education, represent a tremendous wastage, especially when they are unable to find employment. Three years of expensive training, probably at a cost of \$3 000 a year, in real terms amounts to a loss of \$9 million per year. I hope the Minister will look at this proposition and set up a pilot scheme in the metropolitan area where it could be monitored.

The cost to the Government would be nil. The parents would pay the teacher an hourly rate. The disadvantaged parent could work. More efficient utilisation of our facilities would result.

Much public debate has taken place on education in recent times. Some criticism has been made of the State's system because of the lack of choice within it. There have been various exponents of the expansion of the role of private schools. The State system we have is a good one with dedicated teachers and administrators and no-one would deny that fact. However, the State

system does lack choice and many people fear monopolies or dictatorships. It is satisfactory when things are going well and the standards and ideals are high; then the result would be good. However, the converse could be the case. If a system were orientated towards education perfection and lacked initiative in other value areas, it may result in an educated but anti-social society.

Mr Pearce: Are you alleging that the State system does that?

Mr GREWAR: I am not alleging that. I am saying it could be the case. I do not like a monopoly system. I saw such a system in China where indoctrination was very effective and I would not like our system to go that way.

We have a diverse society with diverse values and standards and parents have the right to demand that the standards children are taught in the home are carried on in the school; especially in the early socialising of the child.

Mr Pearce: They can't get in now.

Mr GREWAR: Parents should have the right to choose the school to which their children may go. There are differences in the quality of teachers and their standards and I believe parents should have the right to send their child to whichever school they regard as best. Private schools could bring further competition to the education field and no doubt result in considerable upgrading of standards. Many people prefer private schools, because they cater for specialised areas. One example is religion. Parents are prepared to pay for the added value of sending their children to private schools. I do not believe the domain of private schools should be for the affluent only. I believe the voucher system which was promoted in England would be a means of achieving this and allow a child to go to any school. The vouchers would be provided for one year public or private schooling. This would certainly broaden the base and bring further competition to the education system.

Mr Pearce: This is just a back-door way of bringing in complete funding for private schools.

Mr GREWAR: I do not agree. The State would be receiving the full value. Competition works everywhere else and I do not see that it would not work with education.

Mr Pearce interjected.

Mr Clarko: It would bring the cost of education down.

Mr GREWAR: Some teachers are absolutely hopeless.

Mr Pearce: It depends on the attitude of people like you.

Mr GREWAR: I hear a great deal from parents about the quality of education in some of our schools, and it shocks me.

Mr Pearce: They can send their children to private schools and not ask the Government to pick up the tab.

Mr GREWAR: It is cheaper for the Government.

Mr Pearce: I am not objecting to the private sector or to Government spending in the private sector, but the proposition of the member for Roe means that you would be giving a person the same amount of money to keep a child at a private school.

Several members interjected.

The ACTING SPEAKER (Mr Sibson): Order!

Mr GREWAR: An article in the *Daily News* quoted Dr Lauchlin Chipman as saying that many teachers employed by the Education Department were there simply because they could not enter another field of endeavour due to low academic achievement. If this is true it is very serious and sad for education. I do not believe teachers should always have academic excellence; there are other qualities involved in teaching. However, as a Government we should insist that our children have the best.

I am delighted to note that there is an increased allocation to agriculture. Few other areas of Government expenditure return so much reward to farmers and to the economy gradually. Primary producers do a tremendous amount for themselves in their research projects; however, it falls on the Government to direct inputs into research programmes. This is necessary if agriculture is to remain efficient and if our products are to compete against those of other countries, and on the overseas market. We have a rural population and rural work force which are falling in numbers each year, yet we must keep our production at least level or, preferably, on the increase. At present approximately 6 per cent of our country's force is engaged in agriculture which is still producing 45 per cent to 50 per cent of Australia's export earnings.

I am pleased to note that some resources have been directed towards soil conservation and salinity research as a means of maintaining or improving our soil resources. Nature has not been kind to Western Australia. Our inheritance shows we are left with poor soils which are saline and are prone to erosion. Also we have an unpredictable climate when we are subject to

floods and drought. We have a need to apply improved methods of agriculture to maintain profitability of our vast areas of land. I am pleased that funds have been directed by the Government, into aspects of soil conservation because there has been much more exploitation of land as farmers are cropping in narrower rotations in an effort to keep their returns above their expenses.

Nothing has been as destructive to the livestock industry as has been the recent experience where there have been substitutions of horse, kangaroo, and sheep meats in beef exports. The consequences of this action are indeed overwhelming and all primary producers will be glad when the offenders are brought to justice, tried, and severely punished if guilty. We trust that such things will never happen again. It is probably the most serious thing ever to have occurred to our meat industry since the early days when we experienced troubles with refrigeration on the long sea journeys to overseas markets.

The cruel aspect of this matter was that the issue had been rumoured for quite some time and had been dismissed. It is now incumbent upon the Government and its meat inspectors to monitor the whole passage of meat processing right through to shipside and even until the ship leaves. Consignments of meat should have a laboratory analysis taken in order to prevent a recurrence.

In this issue meat inspectors have come out poorly because they surely were aware of the rumours of substitution that existed at the time. I think everyone in the industry had heard that such practices were occurring. I even recall a constituent telling me several years ago that the substitution of meat and the false labelling of meat was taking place. The matter was passed to the Minister and finally to the Federal Government, but I was told that such things could not happen under the eyes of the meat inspection services.

I am pleased to see that the Government is introducing five new wheat varieties, one barley variety, and two lupin varieties for the 1982 sowing. It has been a long time since the Department of Agriculture has released new varieties to the farmers and I wonder whether this effort might not have resulted from the fear that private enterprise might enter the plant breeding arena. The department releases only varieties that show a better agronomic characteristic and higher yield, and it is to be hoped that the new varieties measure up in that way.

The Western Australian wheat yield has increased only slowly since the turn of the century

and in 80 years we have seen an escalation of only 30 to 35 per cent wheat yield. During this time there has been much improved technology, better machinery, and better fertilisation. It does not say much for the quality of our varieties; as possibly the greater part of the increased yield was brought about by the better technology. We still have a long way to go. There is another point: Possibly at the turn of the century farmers were cropping better soil in the State and since then we have had to bring into production poorer soils in drier areas. This could have had some influence on the small percentage increase in yield.

The primary industry is very concerned about the lack of fodder grain legumes suitable for the wheatbelt areas of this State. These plants are necessary as part of the rotation in an intensive cropping programme to build up soil fertility and also to produce high protein seed grain for animal or human use.

I urge plant breeders and agronomists to direct their attention to this important area. It is vital for the stability of an intensive agricultural system to have a grain legume crop which will improve soil fertility as well as act as a cleaning agent. I trust the Minister is aware of this problem and that he will direct his department accordingly.

I now turn to forestry matters and I express my appreciation for the increase in the Budget of 13.6 per cent. In so doing I hope that some of the 45 additional officers will be appointed to inland wheat and sheep areas in a bid to protect our natural vegetation areas and also to expand reafforestation in the drier areas of the State.

Many people are not aware that 25 per cent of the Australian eucalypts occur in the Western Australian wheatbelt and on its eastern margin. Eucalypts are not necessarily long lived, although there are many misconceptions about this. Certainly some live for about 100 to 200 years, but some live for 50 years only and many areas are now showing evidence of this. Farmers originally left many of the mature trees standing at the time of clearing and these are the ones that are now under pressure of old age. Over the next 20 to 50 years we will see a dramatic change as considerably more will die from the effects of salinity, insect damage, and diseases. These effects are compounded where there is only a small section of eucalypts remaining for a whole eco-system.

It is vital we become more conscious of reafforestation matters in our wheatbelt. If we do not do that, we will lose the whole character of our countryside. The ultimate result will be a vast

and treeless prairie. However, the more important aspects on the use of vegetation and especially trees is in the control of salinity, the reduction in wind velocity and the control of soil movement, as well as sheltering live stock.

There is a need for fencing existing wood-lots to allow regeneration. In these areas trees are reaching maturity and there are no young ones replacing them. Farmers cannot afford to fence these areas away from their stock and consequently sheep graze any natural regeneration. The Government may have to help in this direction with a provision of a fencing subsidy or a taxation concession. Trees are a national asset, the property of this country, and we cannot see them further destroyed. It is vital that we support new plantings now to replace trees that have died.

The Forest Department has carried out considerable work in relation to species of trees for the south-west of the State. It has established an arboretum in the drier areas of the State but apart from testing a few species it is unable to give a sound guide on the economic value of particular species. The most important thing a primary producer wishes to know is how to grow species at the minimum cost, the number to grow to reduce salinity, which species to grow and where to place them in relation to reducing wind velocity, when to sow them and where to sow them, and ultimately, what is the likely economic return. The economic return is of course a big incentive.

Mr Pearce: Is it true that sheep blow away in Esperance because the winds are very strong?

Mr GREWAR: I will answer the member outside.

Mr Pearce: I ask that question because the Minister for Education alleged that at a meeting held in Geraldton.

Mr GREWAR: We have our problems, but not as bad as that.

CSIRO has demonstrated that some form of agro-forestry offers a means of control of salinity and soil erosion. The work is still in its early stages and the CSIRO is not at the point of being able to make a firm recommendation. Unfortunately the work carried out by the Forest Department and the CSIRO has been carried out in areas receiving more than 600 mm of annual rainfall and nothing has been done in drier areas.

Mr GREWAR: The Forests Department has supplied trees in relation to roadside planning. All other trees have to be purchased by the owners of land.

The ACTING SPEAKER (Mr Crane): Order!

Mr GREWAR: No one has taken the trouble to study the problems in the drier agricultural area. Trees have a long growth time and it could be 20 or 30 years before worth-while recommendations could be made by the Forests Department.

It is incumbent upon the Government to get things moving if it is to arrest the problems in the wheat-belt concerning salinity and to protect the fragile soil from erosion.

While salt may be a problem in wetter areas of the State, it certainly will be a greater problem in dry areas. Few primary producers plant trees and it is only those who have had a fad in this direction who do.

Those farmers proceeded without any initiative from the forestry officers. However, most of the farmers are waiting to see what will happen. They will not undertake a programme of planting without some encouragement. They argue that they should not have to exclude 50 to 100 acres of their cropping land for tree culture if there is no possibility of an economic return. The whole exercise would seem fruitless.

Last year and on many previous occasions I spoke on the same subject. However, nothing much has happened. I am so concerned that if nothing happens before the next session—and I am not offering this as a threat—I will move for a Select Committee to consider the whole problem. Such a Committee could consider an inventory of the natural species remaining; it could study their decline and the possibility of regeneration; it could study reforestation using indigenous or exotic species; and it could study the economic gains from such a programme.

Mr Pearce: Over what area would you intend this to operate?

Mr GREWAR: This would apply over the entire cereal-growing area.

Victoria has forestry officers stationed throughout the whole of its country areas, and so has New South Wales. In Western Australia, apart from the south-west, we have forestry officers only at Kalgoorlie, where they are involved in inspection work; Kununurra, where they are associated presumably with tree planting in the town; and similarly in Karratha; and in Narrogin there is an office which is responsible for nursery and forests work. We need six forestry offices to be set up in Western Australia's wheat belt—one at Esperance, serving the south-eastern area; one in the Lakes-Jerramungup area; one in the Northam area serving the central wheat belt; one in the Merredin area serving the eastern

wheat belt; one in the midlands serving the midlands and north-eastern wheat belt; and one in the Geraldton area serving the northern wheat belt.

We have a great deal to do, and time is running out. I hope that the Minister will take the initiative and involve the Forests Department in our problems.

It never ceases to amaze me how little effort and expense is directed to the location of underground water supplies, or the desalination of water in this State. We live in the driest continent in the world, and yet we rely on the mining and petroleum companies to discover underground water supplies and on overseas countries to do research on desalination. Such activities should be extremely high on the agenda of the Public Works Department, because of our expanding needs of population, industry, and agriculture.

Recently a desalination device was promoted on the local market. The manufacturers claimed that it produced potable water at a cost of 30c a kilolitre from a saline supply. If that is correct, we have little further to worry about.

Because of my concern about this matter, I asked a question in this House about the reverse osmosis device which would revolutionise water supply techniques in this State. I was surprised at the answer I received. The PWD virtually dismissed the question offhandedly. Maybe the PWD is God, or maybe it just thinks it is God; but I am surprised that it should adopt this sort of attitude. This is a very poor approach, and certainly it is not one that we should expect from scientists and engineers.

I urge the Minister for Water Resources to have his department consider this device more closely, because many of the farmers in Western Australia have underground supplies of salty water, and they could use this desalination device.

I would like now to throw bouquets at the Minister for Water Resources for his prompt action in dealing with the provision of additional water supplies for Ravensthorpe and Hopetoun. I have been gratified by the number of my constituents who have approached me expressing their thanks for his rapid involvement and his concern.

Whenever I have visited a police station, I have been conscious of the need for more police officers. However, I never fail to be unimpressed at seeing trained police officers sitting behind typewriters, or breasting the counter answering accounting or general customer queries. If we are so short of police officers, surely they could be relieved of those sorts of duties by clerical

assistants who could be paid about half the wages of a police constable, and who would do the job better. They would leave the policemen to do the jobs for which they have been trained.

I am pleased at the recent announcement by the Treasurer of the updating of the loan guarantee for the meat export abattoir at Esperance. I commend him for his decentralisation initiative which will ensure the viability of the livestock farmers in the south coastal and south-eastern agricultural areas. The south coast has tremendous stock potential, which has been not fully utilised due to the fact that we still have vast areas of virgin land. At the present time, cereal cropping is more profitable and the primary producers are concentrating more on this aspect than on livestock raising. Since 1960, millions of acres of land have been released for settlement in our area. It is true that we are now grazing more than two million sheep and tens of thousands of cattle; but the profitability of the livestock enterprises is hampered by our high transport costs in shifting the stock to markets in the metropolitan area. It costs us approximately \$2 to \$3 to transport a sheep by road. It costs \$20 to \$30 for a steer.

This cost represents 10 to 50 per cent of our gross return. Unfortunately it is deducted from the profit end of the enterprise. The establishment of the abattoir in our district will reduce our costs considerably, as it is much cheaper to transport a frozen carcass than a live animal.

Hopefully, in the future, the produce of this abattoir will be exported through the Port of Esperance. However, in the meantime, most of its product will be containerised and exported through the Port of Fremantle or sold on the Western Australian market.

The result of this decision will be a considerable change in our livestock enterprises and their structure. Now we are essentially a wool and live sheep export area, but we will be able to include fat lambs in our enterprises. Hopefully this will open up a significant profit area for us.

I would like to deal now with the problem of old age and its impact on society in the years ahead. I know this is not a subject of great concern to the State Government, but I am raising it because there will be a doubling of the number of aged pensioners in approximately 20 years. This will come at a time when the numbers in the work force will not have increased very dramatically.

It is a tragedy for a country such as Australia, which needs people, to experience the zero population growth that we are now experiencing.

I do not believe we should discredit the freedom that has been given to us by science. It has had a tremendous effect on women who are now able to join the work force and contribute to our society in many ways, compared with the old system when these people were forced to stay at home and, in many cases, degenerate.

The Government needs to look closely at the impact of our declining birth rate. I am sure we could introduce more migrants into our country. However, it is more in the interests of our homogeneous society to entice people to have larger families. It is a question of money. If more allowances could be paid to women to remain at home, I am sure many of them would accept such an alternative. The allowances could be removed if a person or a family achieved a certain income level.

The impact on the work force of funding aged pensions is a major issue and it will be a compounding problem. It is about time we did a little more to help ourselves through superannuation and insurance schemes which were the usual method in years gone by, rather than rely on the taxpayer to provide retirement pensions. All people should in some way contribute to their retirement or pension allowances. It is possible that some sort of pension at a sustenance level could be paid to non-subscribers by the Government, but if people wish to receive a pension greater than that in their retirement years, they should make some sort of contribution during the time they are in the work force.

It is obvious such a scheme would have to be backed and subsidised by the Government, but it would save the work force of tomorrow the considerable cost of maintaining pensions even at their present level.

I support the Bill in the knowledge that the Budget is a responsible one and will continue to bring stability to this State.

**MR WILSON (Dianella)** [4.41 p.m.]: This State Budget has been framed within the context of a situation which is marked by the most drastic change in housing policy we have seen in the last 40 years. Of course, one of the major aspects that has brought about this drastic change in effect has been implemented—as I shall indicate later—largely as a result of an intentional policy on the part of the Federal Government which has produced the highest interest rates in the history of Australia. Interest rates at the present time are the highest we have experienced both in nominal and real terms, taking into account the rate of inflation. Therefore, we are at a stage where, to

borrow a typical housing loan of \$30 000 over a period of 25 years, one needs an income of \$15 700 a year which is \$302 a week. If one does not have that income, one cannot meet the repayment requirements of the lending institution and, therefore, cannot obtain a loan.

One must measure that information against the fact that the average weekly earnings at present are less than \$300 a week. They are in the order of \$293 or \$294 a week.

We have a situation in which approximately 80 per cent of the income earners of this country are below the level required to meet the repayments necessary for a typical housing loan such as I have just described. We can say that four out of five income earners in this country are excluded from obtaining such a loan and, therefore, are excluded from the home-buying market.

The vast majority of the population is now excluded from the home-buying market, because they have to overcome not only a deposit gap, but also a quite substantial repayments gap. As I am sure all members will agree, this is an appalling situation.

These clearly damaging effects on the Australian and Western Australian people in particular show that the Federal Liberal Government is totally out of touch with the needs of the people. It is so blinded by its monetarist policy and ideology that it cannot see or does not care to look at the immense damage it is doing to the people.

The impact on income distribution is important also, because savage rises in interest rates make the distribution of incomes in this country much more unequal; that is, the poor pay the higher interest rates while the rich benefit from them.

People with only small savings or few assets must inevitably borrow if they want to make substantial purchases of items such as a home, a car, or even a washing machine. Therefore, they are greatly affected by rising interest rates and the rising cost of rental accommodation. There is no doubt rents will rise and, as we know from recent reports, they are rising already.

The impact on the population of savage rises in interest rates is quite disastrous. Interest rate rises reduce living standards; they force people out of their homes and out of the home-buying market; they worsen the inequality of income and wealth distribution; and they reduce economic growth and increase unemployment.

In the light of that, it is amazing the Federal Liberal Government seems to insist that it is proper and desirable for interest rate increases to occur. The present Treasurer has said, "If the

Government is able to fulfil its borrowing programme and to ensure that funds are available for housing, it must have these increases in interest rates". He said also, "Without increases in interest rates, there will be no funds at all for housing".

I should like to make two points about those comments. Firstly, they sidestep entirely the fact that the policies pursued by the Fraser Government have brought about this situation of rapidly rising interest rates in the uncontrolled area and are creating pressure for continuing rises in controlled interest rates. Secondly, the rapid rises of bank and building society interest rates may make more funds available for housing than would have been the case otherwise, but who can afford to take out loans? Certainly not the ordinary wage earner, because he has this enormous repayment gap with which to cope. He is excluded from the market, even if the money is available.

Perhaps finance is being made available for housing, but only for high income earners, and not for the vast majority of the population. I believe these examples show the Federal Liberal Government is totally out of touch.

Members are probably aware the Federal Treasurer's wife said on television not so long ago that the Treasurer knew nothing about the food and grocery bills of families. It is quite obvious he knows nothing about family finances in general.

Mr Pearce: Indeed, he knows nothing about any type of finance.

Mr WILSON: Unfortunately, not only is this the case, but also we are hearing from a wide number of sources that further increases in interest rates are on the way. Mr Sorenson of the Perth Building Society predicted only a week or so ago that a further rise of 0.5 per cent is likely in the near future. Of course, it is interesting that when people talk about interest rate rises, they refer to increases of approximately 1 per cent or 0.5 per cent. It is really a misrepresentation to talk about interest rate rises in that way, because the so-called 1 per cent rise results in an 8 per cent increase in interest and the 0.5 per cent rise, which is predicted will be introduced in the near future, will in fact be a four per cent increase in interest rates.

The Managing Director of the ANZ Bank predicts that liquidity will remain tight in 1981-82 and this will maintain the pressure on interest rates.

A survey of business opinion in Western Australia for the September quarter showed that 40 per cent of respondents in the business area of

Western Australia expected the Federal Budget to exert upward pressure on interest rates, while only 6.4 per cent expected that interest rates would be reduced as a result of these budgetary policies.

Further pressure for the upward movement of interest rates has come as a result of the partial deregulation of interest rates by the Federal Treasurer last December and this will certainly be exacerbated if the Federal Government accepts what is expected to be the recommendation of the Campbell report for the complete deregulation of interest rates.

I refer to a statement made by the Honorary Minister for Housing last week regarding his concern for the very intense problems for home buyers which would arise from any further increases in interest rates as a result of the deregulation which would occur if the Federal Government accepted the recommendation which is expected to be made in the Campbell report.

It appears that it is likely that they would because they have already begun on that course as of last December. Of course, in my view and that of the Opposition, that call from the Minister for Housing was a rather plaintive call at a great distance and was largely for local consumption. I do not believe that the Prime Minister or the Federal Treasurer would have read *The West Australian* or the *Daily News* or listened to the local ABC news, so I do not think the message is likely to have got through to them, nor probably did the message get through to his Federal colleague, the Minister for Housing and Construction, about the fact that he thought he should get the sack. I do not know why.

Mr Laurance: In fact, they are very sensitive. My phone was ringing in my office the following morning.

Mr WILSON: They are very sensitive, he says. I am glad they are sensitive. Unfortunately, their sensitivities do not extend to the point where they are actually doing something about it.

Mr Laurance: I think they might be.

Mr WILSON: I am glad the Minister interjects and says "they might be", because not long ago in this Parliament he was trying to tell us that interest rates might come down in the future. Not long after he said that, he was reported in the newspaper and heard on the airwaves saying that if this measure went ahead, they will go up.

Mr Laurance: That is right.

Mr WILSON: Not long after he said they might go down, Mr Sorenson was reported in the

newspaper as saying they were going to go up 0.5 per cent in the future. I do not know where he gets his information from. He is obviously not in very close touch with people like Mr Sorensen, otherwise he would not be saying what he is saying in this House. He is rather a Dr Jekyll-and-Mr-Hyde type of Minister. In response to the Opposition's motion in Parliament expressing the Opposition's concern about interest rates, he said we should not worry too much about that, because interest rates might come down soon. Then a week later we are hearing from the people who really know what is going on, that the rates will go up, and we hear the Minister also complaining about the fact that they will increase so we cannot really depend on information coming from the Minister.

Mr Pearce: What goes up might come down.

Mr WILSON: Yes. I do not think we can depend too much on that. That would be wishful thinking. The Minister seems to indulge a great deal in this.

Mr O'Connor: What will happen then?

Mr WILSON: I have just been quoting some very reliable sources which predict that in fact the continuing pressure will remain on them because of liquidity levels and, according to a number of sources, they are likely to continue to increase.

Mr O'Connor: Do you agree with that?

Mr WILSON: Whether I agree with it does not matter. What I am saying is that people with that sort of expertise are making those predictions, yet the Minister in his statements to the House is making contrary predictions and therefore the predictions the Minister is making are open to question.

Mr O'Connor: At least he has a view.

Mr Pearce: It is always wrong.

Mr WILSON: All sorts of people in the community have views and they are welcome to put their views.

Mr O'Connor: To quote everybody's view?

Mr WILSON: A man in the position of the Honorary Minister for Housing, if he is putting a view which is at variance with that of other people in the community who are heavily involved in building societies and the banking industry, should stand to answer for the information that he is giving in this place.

Mr O'Connor: You will never be wrong if you never make a decision or put forward a view.

Mr Grayden: The Honorary Minister for Housing is 90 per cent right all the time.

Mr WILSON: According to the Minister for Education, for whose authority I would not give two hoots, the Minister for Housing is 90 per cent right. If he is 90 per cent right, at least the Minister for Education gives him a 10 per cent margin for inaccuracy, which is better than the Premier who is said to be 100 per cent right all the time.

Mr Laurance: Have you read *The Australian* today? It says that the Federal Treasury also anticipates interest rates will come down.

Mr WILSON: I do not know about the Federal Treasury, but the Treasurer has been saying for months now that interest rates are levelling out and will come down.

Mr Laurance: Are you anxious to prove him wrong?

Mr WILSON: I am not anxious to prove him wrong, but when other people in the community of the stature of Mr Sorensen are saying that they will increase, I think the community and the members of Parliament have a right to question people like the Minister who is giving a contrary view.

Mr Laurance: You have been verballing on about whether what I said was right or wrong. If you read the third page of one of the major national newspapers of this very day—

Mr WILSON: I will refer to it later. I have not as yet done that, but there are many other authorities who, in the past week, have been putting a counter point of view.

Mr Laurance: What is your opinion?

Mr WILSON: The Honorary Minister for Housing and the Honorary Minister for Industrial Development and Commerce and all the other things he is Minister for, would not always have had faith in the Federal Treasury and in its predictions. On this occasion, of course, it suits him to do so because it suits the Government to believe what is being said although other people in the community—business leaders and other people with whom, I assume, they have been in agreement—are predicting otherwise.

Of course, whatever their predictions are, we know that unfortunately if all the economic indicators and all the people I have been quoting are correct, the people who are to suffer will not be the Honorary Minister for Housing, but a large number of people in the community. The building societies and the construction industry are also heavily implicated in these current trends in interest rates. The construction industry in Western Australia has suffered two very bad quarters in the last six months.



I would like to quote from the July 1981 publication *Economic Activity* in which it states that—

the construction sector had a very bad June quarter: 57 per cent of respondents reported poor profitability and trading conditions; employment [21 per cent] overtime hours [14 per cent] work-in-process [28 per cent] sales [43 per cent] orders on hand [36 per cent] and profitability [36 per cent] all declined. Forty-three per cent of respondents thought overall conditions had deteriorated and 64 per cent stated that orders were a constraint to further business. The situation does not appear to hold much promise for the next quarter, which is also expected to be bad.

In fact, if one refers to the October edition of the publication, a comment there is that—

The construction sector is still depressed but, worse still, expects conditions to become even more critical. Forty-four per cent of respondents reported poor profitability. . . . Orders and finance remain the major constraints to further business. In the next quarter sales are expected to decline for 45 per cent of respondents; orders to decline for 39 per cent and liquidity to decline for 34 per cent.

They are all increases on the previous quarter. Further interest rate increases, even an increase in the order of 0.5 per cent, will have a drastic effect on the building industry. It could possibly mean that many more builders will face hard times and some more will be forced out of business altogether. We must remember that in those situations not only the builders suffer, but also their customers suffer.

There is a need to consider seriously the formation of some kind of builders' fidelity fund to provide some protection for home buyers in cases where builders are forced into bankruptcy while homes are in the course of erection. Many instances are known to me of people caught in that sort of situation. It would not go astray for the Government to consider such a fund. Not only would it protect the good reputation of sound builders, but also it would be a means of protecting home buyers who are unfortunate enough to be affected by builders being forced out of business altogether, frequently because of difficult economic conditions rather than through any fault of theirs.

Mr O'Connor: A fidelity fund would do what you say all right, but it would also mean that

others who build through reputable companies would have to pay more.

Mr WILSON: That may be so, but a decision will have to be made as to the best alternative. Having been involved with home buyers caught in that situation, I know the best alternative. Some home buyers have suffered a great deal, and the building industry itself has suffered in terms of its reputation as a result of such instances.

Another disturbing indicator is the reports coming through from the Western Australia permanent building societies about the fall-off in approved loans. In August of this year approved loans for all purposes amounted to \$29.5 million, compared with \$32 million for July and \$32.2 million for August last year. In the new dwelling sector, the amount was \$7.4 million compared with \$8.6 million for the previous month and \$9.6 million for August 1980. Building societies have predicted a 30 per cent drop in the number of people receiving loans for the rest of this year. I understand that the forecast figure for the month of September will be available soon and that it will confirm the prediction of further falls in approved loans.

If the deregulation of interest rates proceeds, building societies will suffer a further blow to their previously favoured status. Obviously they will be forced to look at changing their role from that of housing specialists to a role more predominantly for housing oriented activities. That is part and parcel of the drastic change in housing policy which is being foisted upon Australian home buyers by the Federal Government. This is a change in the political attitude of the Federal Government with regard to housing. It is a radical change of attitude and policy.

From the policies of the Federal Liberal Government it seems to be clear that the Government is determined to allocate funds to resources rather than housing, so that housing becomes an ordinary commodity, rather than a subsidy welfare commodity. That is the real basic and drastic change in the housing policy—the most drastic change in Australia since the end of World War II. Underlying it there seems to be a decreasing unwillingness to uphold the principles that have undergirded housing policy in the last 40 years. These principles placed a great emphasis on the social value of adequate shelter for Australian families; on the value implicit in a family having a secure home; on the value implicit in the need for Australian families to have security of tenure as a basic right.

These drastic changes of mood and policy are being forced upon us by the policies of the Federal Liberal Government. The Opposition is totally and irrevocably opposed to this drastic change in Government policy. We believe a need exists for a much more energetic approach by the State Government in taking on its Federal counterparts about this change of policy.

We believe that the Premier and the Honorary Minister for Housing should seek the co-operation of the building societies and construction industry. This co-operation has always been given in the past. A full-scale concerted approach should be mounted to the Federal Government. Such an approach could constitute a deputation representing the Government, the building societies, and the construction industry. This deputation should try to impress on the Prime Minister and the Federal Treasurer the drastic effects of these rises in interest rates on Western Australian home buyers, and the horrendous effect of further interest rate rises. The deputation should express its implacable opposition to the radical change in housing policy.

Such action has been taken in the past, and the Government should continue to do so by way of a concerted deputation to the Prime Minister and the Federal Treasurer. It should take up with the Treasurer the necessity for taxation concessions on home mortgage repayments. Not only should we have such a joint deputation, but also approaches should be made to Federal Government back-benchers and to Western Australian Federal Government members.

It seems to me that WA Government members in the House of Representatives and in the Senate have not taken a very strong lead in opposing the interest rate increases. It seems in fact that some of the Western Australian Liberal and Country Party members of the Federal Government are not very interested in taking such a stand. They seem to be amongst those who favour the deregulation of interest rates as part of the general deregulation in Government policies.

Mr Bertram: The Premier has more or less indicated his own intention to have no interest rate ceiling.

Mr WILSON: I would be pleased to know whether the Western Australian Government submission to the Campbell inquiry was in favour of deregulation of interest rates. If it was, that makes a mockery of the Honorary Minister's statement last week about the drastic effect the deregulation would have on interest rates for home owners. I do not know if the Honorary Minister knows whether or not the Western

Australian Government was keen to make this point to the Campbell inquiry.

Last week I asked the Premier a question on this issue. He was very coy about answering it. I am interested to know whether the Honorary Minister is aware of the Government's submission to the Campbell inquiry, and whether part of that submission was to draw the attention of the inquiry to the dangers implicit in the deregulation of interest rates because of the effect of further increases in payments for home buyers in Western Australia. It would be interesting to know whether the Government, the Honorary Minister, and the Premier, are adopting a consistent approach.

In my opinion this approach to Federal Government members has not been conducted with nearly enough energy and consistency. I do not know what special representations the Premier and the Honorary Minister have made to the WA members of the Federal Government. I do not know whether they have ascertained the views of those members on this question of deregulation of interest rates and relief for home buyers affected by increasing interest rates. If they have not, then it is time they did. It is time they made a much stronger and more concerted approach, as I have said already. The building companies and the construction industry are not pussy-footing about the possibility of interest rates rising or not rising. They are the ones expressing concern.

It is not good enough for the Honorary Minister, or for any Minister, to quote the latest comments in *The Australian* by the Federal Treasurer who is trying to placate us about future movements in interest rates. That will not placate those people already badly affected by the increases, and the many more who stand to be even more adversely affected by even a 0.5 per cent increase in the near future.

We in the Opposition will not only continue to put our view to the Government that should the Government proceed with the measures already announced by it—and I recognise there are limitations on what the States can achieve and that it is largely as a result of Federal policies and intentions that the present situation pertains—but also we will continue to emphasise the points we have made. We asked the Government to seriously consider the introduction of a family allowance conversion scheme, we asked the Government to consider a scheme to defer stamp duty for new home buyers over a period of five years, and we asked the Government to extend the mortgage assessment and relief committee scheme introduced earlier this year so that people

suffering the effects of the increases will have greater recourse to relief.

Other aspects of the growing housing crisis in Western Australia are characterised by rapidly rising private rents and the quickly reducing vacancy level in Housing Commission accommodation. It was predicted that private rents would rise, and they did rise 10 per cent in the last quarter. They are expected to rise a further 10 per cent this quarter. The prediction is that private rents might rise up to 50 per cent by the end of 1982. Such increases are affecting large numbers of private tenants who, until recently, have rented private accommodation on a long-term basis. Some of these people are pensioners who have lived in the one place for long periods.

With the upward movement in private rentals, and with flat accommodation changing hands, the opportunity is being taken by some property owners to increase rents considerably. Cases have been brought to my attention concerning some landlords who are prepared to renew leases only on a monthly basis, thus placing private tenants in a particularly vulnerable position, raising as it does the possibility of further rent increases being implemented at regular intervals. Owners of rental properties are requiring tenants to increase the bond moneys they originally paid when they took up residence some years previously.

Mr O'Connor: That situation has not come to our notice.

Mr WILSON: That is regrettable, because it is something which is happening. Perhaps the people who are being affected are not aware as to where they can direct their complaints. Not many people are aware that the Bureau of Consumer Affairs concerns itself with rents and bonds.

Mr O'Connor: They receive a large number of inquiries in that area; however, they have not received approaches of that nature.

Mr WILSON: I know the Minister has indicated that position to me by way of answer to a question, and I accept his department has not received that information. However, it is information which has been coming through to me and I can assume only that with further increases in private rents, additional pressure will be placed on private tenants in these sorts of areas.

Pensioners will not be able to sustain frequent rent increases and, naturally, they will be forced to have recourse to the State Housing Commission. Unfortunately, according to the latest information available from the Housing Commission, they will not receive much joy in

that direction. The waiting list for people wanting State Housing Commission accommodation in the metropolitan area apparently has increased by 15 per cent since April. On the other hand, over the past year new applications have increased by 69 per cent. I am further advised that, in the last six months, vacancy levels have decreased from about 7 per cent to 2 per cent. I understand from real estate agents that a vacancy level of 2 per cent is considered to be full occupancy. So, as far as the stock of Housing Commission rental accommodation is concerned, we have virtually full occupancy.

Mr O'Connor: A figure of 2 per cent represents about 500 homes.

Mr WILSON: According to the information I have received, it is regarded as the equivalent of full occupancy. I imagine that with the turnover of Housing Commission stock, and with the length of time it takes to make available that turned-over accommodation to incoming tenants, the number of vacant units involved in that process could well represent a large part of that presently unoccupied stock of houses.

This indicates there is a growing crisis in the housing situation in Western Australia. These movements have placed tremendous pressures on the ability of the Housing Commission to cope with the flood of new applications and applications for transfers. It appears that existing staff levels are simply not adequate to cope with the increased work load. Consequently, there are delays in inspections being carried out and maintenance work being undertaken. I am sure that situation has been referred to other members of Parliament apart from me.

I wish now to draw attention to what might be considered to be the lower end of the housing market and of housing accommodation in Western Australia; I refer to the position pertaining to Aboriginal housing. The Aboriginal Housing Board is facing increasing problems in this area, to the extent it has stated it cannot fill its emergency housing needs. Many Aboriginal families, recognised as the poorest group in the community because of their limited resources, in some cases have been forced to rent expensive, substandard private housing and to overcrowd that housing with other Aboriginal families which, in turn, is creating tremendous problems in some suburbs. Naturally, the problems are being experienced only in Housing Commission suburbs in low-income areas; they are not occurring in areas where most members of Parliament live. This overcrowding, in turn, is leading to increasing social friction in these neighbourhoods.

In large measure, the Aboriginal families concerned cannot be blamed for this situation. People must live somewhere. Aboriginal families who cannot find accommodation can go and live only with their kinfolk. Where else are they to live? Are they to live under bridges, on river banks, or in shanty towns on the edge of the community in the middle of winter? What would their families be like if they turned them away because they knew problems would be created within their neighbourhood?

This is a very serious situation because in many cases, the health and education needs of the children of these families are critical; I could quote to members some very sad instances involving Aboriginal children. The life chances of these children are being damaged irreparably by the conditions under which they are having to live.

Many of these families are having to live in women's refuges in what was meant to be emergency accommodation, not long-term accommodation. Cases which are currently before me involve Aboriginal families, including several adults and children, who are having to live in one room in refuge situations. That is completely inadequate housing for anybody.

Some Aboriginal families are being forced to live in houses owned by the Main Roads Department which are due for demolition and which are in a very substandard condition. In most cases, these families, include children with severe ongoing health problems.

It really is a scandal in our community that some Western Australian families—I do not care whether they are Aboriginal or European in origin—in this affluent community should be expected to live under such deprived conditions which, as I have pointed out, will leave scars and marks which the children concerned will carry with them for the rest of their lives and which, in many cases, will shorten their lives.

An effort must be made to force the Federal Government to realise the serious situation which exists. The State Government must make an effort to realign its priorities and to ensure the highest priority is given to housing people who are less able to afford their own housing. I cannot countenance a situation in which a State Government gives a higher priority to building a public library—no matter what the need for that library—at a cost of several million dollars, to furnishing a new education building at a cost of \$3 million, and to going ahead with other public works at a cost of several million dollars than to accommodating deprived Western Australian

families with children suffering serious health and education problems.

It is a mark of disgrace on this Government and on the Government in Canberra, and I look forward to the day when we have a Government in Canberra and a Government in this State which will reassign the highest priority to those needs on behalf of those people and other people in the community.

**MR LAURANCE** (Gascoyne—Honorary Minister Assisting the Minister for Housing) [5.25 p.m.]: I welcome the opportunity to make a contribution to this Budget debate and to outline for the benefit of members the position relating to the housing policy in this country. It is a very propitious moment for me to enter this debate because on the front page of today's *The Australian* is the headline "Interest Cut Plan to Aid Home Buyers" with the smaller heading "Liberal Party pressures Canberra". This very day, changes have been foreshadowed to the housing policies of this nation. We as a Government welcome that situation; it is the breakthrough we have been working long and hard towards achieving. I am pleased that, whilst I have not been able to obtain any substantive reports to back up the newspaper article—in other words, there has been no release from the Federal Government on the matter—

Mr I. F. Taylor: That is par for the course for *The Australian*.

Mr Wilson: It is par for the course for the Honorary Minister not to be able to provide substantiation.

Mr LAURANCE: I have contacted the office of the Federal Minister for Housing and Construction, but, unfortunately, nothing has come out of that office to substantiate the report.

Mr Wilson: Nothing ever does.

Mr Bertram: In other words, the report is not worth two bob.

The ACTING SPEAKER (Mr Crane): Order! The Minister listened to the member for Dianella in complete silence, and he deserves the same courtesy.

Mr LAURANCE: This gives an indication that the Federal Government's policies and ideas are changing.

Mr Wilson: What a fatuous remark!

Sir Charles Court: Why don't you listen? We listened to a lot of rubbish from you; listen to some sense now.

Mr Wilson: There is no evidence.

The ACTING SPEAKER: Order!

Mr Pearce: The Premier is interjecting, too. What about being impartial?

The ACTING SPEAKER: Order! I am impartial. When I need advice from the member for Gosnells, I will ask for it.

Mr Bertram: The Honorary Minister should be more responsible; that is what he is being paid for.

Mr LAURANCE: Because we are at a point of change in the housing policy of this country, I wish to take a few minutes to relate some of the history of what has happened over the last few months. Now we are seeing some breakthrough as a result of a number of things—not only the pressure applied by myself and the State Government, but also other factors—and it is important that I relate these events to members. Since interest rates first started to increase some 18 months ago—in fact, there have been five increases in interest rates since April last year—this Government has campaigned strongly and consistently on the matter.

It was in February that I had listed on the Housing Ministers' conference for that month the agenda item relating to income tax deductibility for mortgage interest rate repayments. I also sought to make the homes savings grant a more effective Federal Government initiative. As a background for that agenda item for the February conference, I provided the Federal Minister for Housing and Construction with a summary of the income tax deductibility schemes which apply in almost every other western country comparable with Australia. Canada is the only comparable country the housing policies of which place home buyers in a more difficult position than home buyers in Australia.

Then, on 16 August, the Federal Government introduced a Budget which provided an allocation to the States for housing. I make a particular point of that because it was the first time the States had had to wait until the middle of August to find out exactly how much money they would receive.

Under the terms of the new Commonwealth-State housing agreement—the complementary legislation to enact that agreement has passed through this Parliament—which will go for five years, there is a base amount made available to the States and we will know what that is at the beginning of the financial year. In all previous years the State has had an indication of what amount would be made available to it. It has not breached any Federal Budget confidentiality; it has been an understanding between the Commonwealth and the State housing agencies.

This year, because there was a base funding amount and any further funds were to be made available by way of the Federal Budget, we had to wait to find out what the top-up funds would be. The State did receive some top-up funds, but there was a decrease of \$3 million on last year. It was not until August that we knew what we were to receive. This made it difficult for the State Government to plan its housing policy and commitments for the financial year, not only for funds for terminating building societies, but also for its own building programme. Once those funds were made available the State was able to announce its policy for this year.

At a Press conference on 1 September I released a nine-point plan which was an endeavour to assist Western Australian home buyers and home owners in the current circumstances. It provided that interest rate subsidies and subsidised finance would be made available for home buyers with a \$21 million scheme through the permanent building societies with a further scheme through the terminating building societies. So these people who were eligible could get subsidised interest rates through the initiative of the State Government.

In addition, the mortgage assessment and relief committee was established to provide assistance to people who could demonstrate genuine hardship as a result of increasing payments on their mortgages. In the light of our experiences over the last two months it can be shown that our strategy has been effective, given the constraints placed upon the State Government by the funds made available to it by the Federal Government. So, within our resources we have taken very effective action.

The next point on this chronological list of events covers 4 September when we had another Housing Ministers' Conference. Again I requested the conference to list on its agenda a scheme for income tax deductibility. I put forward a plan which I felt would be acceptable to the Federal Government. It did not cost anywhere near the \$800 million to \$1 000 million the Prime Minister said such a scheme would cost.

In details released to this Parliament at the time I indicated such a scheme could cost between \$89 million and \$120 million and would give effective relief to everyone who had entered into a contract within the last two years. The scheme would continue for a five-year period.

The 4 September Housing Ministers' Conference was a very acrimonious affair, mainly because the Federal Minister decided on the morning of the conference, and before the

conference had started, that he would release a Press statement attacking the States even before he had heard their case. When the States quite rightly indicated there was a problem with housing and the Federal Government was refusing to recognise it, the State Ministers did not know they had already been harangued by their Federal counterpart in his Press release.

Mr Wilson: You said this two weeks ago.

Mr Young: You have made the same speech for five years.

Mr LAURANCE: That particular conference did not achieve a lot; but we know all the States did accept the Western Australian proposal for a scheme of income tax deductibility in this country. The Federal Minister for Housing was not prepared to take that scheme on board. I was unhappy with his attitude at the conference.

On 13 October the State Budget was introduced to this House and for several reasons it was important for housing. Despite the very difficult financial climate facing this State in introducing its Budget the Treasurer was able to indicate in his Budget speech this year that an extra \$4 million of State funds would go to housing. Members will see that we were cut back by \$3 million in Federal Government funds, but this loss was compensated for by this additional \$4 million allowed for in the State Budget. It gave the lie to the point used by the Federal Minister for Housing when attacking the States on their housing policies. He said the States had been given tremendous amounts of money. That was the first point on which we took issue with the Federal Government. The State had been given less money, not more. Secondly, he had said the States were not prepared to allocate more money for housing in their own Budgets. In the case of Western Australia that statement was quite wrong because the State Treasurer had made available an additional \$4 million for housing this year. This additional money will help to make up the huge gap left by the decrease in the Federal allocation.

I compliment the Treasurer on giving housing the high priority it deserves. Even in these very tough financial times the Treasurer has been prepared to strain the State resources in order to put more money into the housing sector to make sure we keep up with a building programme for the State Housing Commission which is appropriate to the circumstances; it will assist those people going on to the waiting lists and will enable people to utilise the interest rate subsidies and mortgage relief we have provided.

In addition the State Budget made available relief for all people from stamp duty on conveyances for properties up to \$50 000. We would like to have gone further. Other States have higher stamp duties, but at least, in this difficult financial climate, we were able to provide a relief which was not available previously for people paying stamp duty.

A few days before the Budget, when it was quite clear that the Federal Minister was wrong in saying that none of the States had allocated more for housing when in fact Western Australia had done so, and after he had consistently refused to co-operate with Western Australia and the other States in meeting the housing problems, I made a public call for him to be relieved of his portfolio. On 20 October I issued a Press statement headed, "McVeigh must go". He had been in that portfolio for 12 months and had shown no sign of taking on board any of the recommendations this or any other State had put to him. He had refused to co-operate, so on 20 October I called for his resignation.

On 23 October in *The Australian Financial Review*, opposite Mr McVeigh's photograph, an article appeared headed, "More aid may be given to home buyers". This was quite remarkable, as it came after 12 months of his consistent refusal to co-operate with the States.

Mr Bertram: Will it be given?

Mr LAURANCE: I gather from that—optimistically—that my statement for his dismissal may have hit home. Just three days after my call for his resignation the Minister is quoted as saying that more aid may be given to home buyers.

Only a few days later we come to the present moment and find that *The Australian* carries a headline, "Interest cut plan to aid home buyers". Members can rightly deduct from that headline that the worm has turned and that the long-running campaign waged by myself and the State Government is starting to pay off. It seems the Federal Government is now recognising it has a tremendous problem in this area.

Not only do we find a headline in the Press indicating that there are plans in the wind to change present circumstances for home buyers, but also today here at Parliament House I was able to meet with two of the Western Australian Federal members to discuss with them likely changes in the housing arena; namely, an interest rate subsidy and some form of income tax deductibility. The two members are back-bench members of a Federal Government committee on housing and they are the member for Tangney

(Mr Shack) and the member for Curtin (Mr Rocher). They have shown a willingness to co-operate with us to work out the best scheme to give relief to the largest number of Western Australian home buyers.

Mr Wilson: What about the member for Moore?

Mr LAURANCE: I compliment them on their providing me with the opportunity to co-operate in this way and to discuss with them possible means of implementing a scheme which will be worth while and which will give effective relief to home buyers in this State.

The Western Australian Government has conducted a very effective campaign. It has brought to the notice of the Federal Government in the strongest possible terms the need for the Federal Government to reorganise its housing policies before things go too far. We are looking forward to negotiating with the Federal Government to make sure the plan it implements is an effective one. We hope to be able to come to some finalisation of the plan in the next few days or weeks.

At a housing seminar organised by the Young Liberals I publicly stated that I was concerned about the Campbell committee of inquiry's report which was handed to the Federal Treasurer last week. He has indicated the report will be made public within a month.

We saw the partial deregulation of banks last December. It has been said in most Australian financial circles that the Campbell committee would recommend a complete deregulation of the banking system. Philosophically I agree with that stance, but I have said already that the time is not right for deregulation of interest rates in this country, because this would mean a further increase in mortgage payments to building societies and banks. This is not the time for that to happen.

The housing situation is stretched to the limit now. We are desperately seeking to persuade the Federal Government to provide relief. It would not be the time to further deregulate the banking system. It would be desirable for us not to disrupt the interest rate situation any further.

In the last month lending by financial institutions in Australia went down by 12 per cent. When we analyse the situation we find that building society lending was fairly static, but there was a decrease in lending by banks. I believe the banking system is holding off and waiting for the Campbell committee report in the hope that, in a month or two, banks will be able to lend funds at higher rates of interest.

I hope we get something positive from the Federal Government indicating that bank interest rates for home lending will not be allowed to increase in the short term. We welcome the fact that the Federal Government is now making moves to implement a form of income tax deductibility—

Mr Wilson: You do not know that it is.

Mr LAURANCE: —or an interest rate subsidy, or both. We believe such schemes could be funded in part by removing the home savings grant; that could be an acceptable trade off. We have campaigned also for the home savings grant to be paid much closer to the day a family moves into their home. It is a good scheme, but it is being ruined by the fact that the grant is not being paid until perhaps nine months after the family have moved into their home. It is a good idea theoretically, but in practice it does not work well.

If something had to go in order to give a more widespread relief to home buyers by providing income tax deductibility on interest payments, the home saving grant would be an acceptable trade off. If the Federal Government decided to retain that grant it would have to look to its Budget to make funds available for income tax deductibility.

It has been a long-running campaign by the State Government, a campaign which will be continued. We are giving it top priority not only in our Budget, but also in the pressure we are maintaining on the Federal Government. At last it is starting to bear fruit.

Debate adjourned until a later stage of the sitting, on motion by Mr Trethowan.

## QUESTIONS

Questions were taken at this stage.

*Sitting suspended from 6.14 to 7.30 p.m.*

## APPROPRIATION (CONSOLIDATED REVENUE FUND) BILL

*Second Reading: Budget Debate*

Debate resumed from an earlier stage of the sitting.

MR TRETHOWAN (East Melville) [7.30 p.m.]: I join with my colleagues on this side of the House in expressing my appreciation of the extremely good Budget presented this year by the Government. It was developed under very difficult circumstances and I believe it represents a fine balance of judgment and creativity, yet it is soundly financially based.

Mr Pearce: I think all Government backbenchers are making the same speech.

Mr TRETHOWAN: It may be that we need to so as to enable the member for Gosnells to appreciate the importance of the financial details in the Budget.

Mr Sodeman: It takes a while to penetrate.

Mr TRETHOWAN: It does; it is worth saying more than once.

Mr Pearce: Is it worth saying more than 10 times?

Mr TRETHOWAN: The kind of financial stringencies under which the Government has been placed in terms of framing its Budget in many ways are representative of the kind of problems faced in recent years by most Governments of western industrialised countries. There seems to be an increasing public demand generally for Government services to be provided in the public sector as a result of which considerable expansion has been experienced in the past 10 years in most industrialised countries. At the same time, there is an understandable reluctance on the part of most people to face the increased taxation load that such expansion of services creates.

Given this dichotomy of interest, it seems to me there are one or two areas which can be looked at reasonably to increase or maintain the level of services which currently are provided, yet at the same time not to increase, but in fact seek to decrease the level of taxation load faced by the population in general.

I find myself in agreement with the members for Mundaring and Roe, who mentioned there probably were areas in which Governments currently involved themselves which would be more efficiently handled by the private sector or even by voluntary organisations; this is something all Governments should consider very carefully.

However, in addition to that there is another problem which is of fundamental importance to the operation of the public sector and which represents one of the prime questions to which Governments should address themselves; I refer to the efficiency and effectiveness with which they use the tax dollar provided for them.

It must be realised that the individual organisational entities—the departments or instrumentalities—in the public sector are very large when compared with most organisations within the private sector. For instance, the Education Department in this State employs in excess of 22 000 people, and I understand the hospital system employs in excess of 19 000

people. When we compare the hospital system with, for instance, Alcoa of Australia Limited, which employs approximately 3 600 people and is amongst the largest private employers in this State, we can see the order of magnitude difference between the size of private enterprise and the size of public enterprise.

Mr Hodge: That is not a valid comparison.

Mr TRETHOWAN: Why not?

Mr Hodge: Because one is a profit-making company and the other provides a service to the people of this State.

Mr TRETHOWAN: Both are managed by people in order to achieve objectives; both require efficiency in the use of the financial resources available to them. I take it that interjection is typical of the Opposition's attitude that Government services should not be required to operate with that sort of efficiency, and that there is an endless volume of taxpayers' money ready to fund the kind of services the Opposition dreams up as being necessary.

Mr Evans: Have you tried to make a profit out of the Police Force? That would be an interesting exercise.

Mr TRETHOWAN: What I said was that both require an efficient use of their financial resources. I am well aware the public sector does not have profitability as one of its goals; however, it has measures of efficiency and effectiveness, whereas in the private sector, profitability and productivity are the sole aim. The difference is that efficiency and effectiveness require far more complex managerial skills in order to assess and maintain them than do the parameters of profitability and productivity.

The point I am making is that the size of public enterprise is such that it represents up to five times the organisational size of firms in the private sector in this State. The fact is that the difficulty of maintaining efficiency of operation increases in an organisation almost directly with the size of that organisation. Let us take the example of a small business which employs, perhaps, five people. It is quite clear the person running that business has an intimate knowledge on day-by-day and sometimes an hour-by-hour basis of what is going on in that business. He is in full possession of all the facts relating to the area of managerial control; he does not need to seek that information, or to rely on a system to provide it.

As an organisation grows, so the experiential information becomes dispersed. Managers must rely on information flows to make decisions, and on obtaining results through organising other



people to carry them out. The larger the organisation, the more complex this problem becomes.

The point I am trying to make is that in the public enterprise, we are faced with an extremely complex and difficult managerial task in order to achieve the highest degree of efficiency and effectiveness. I believe the managers and senior executives within the Western Australian Public Service, and other Government instrumentalities are amongst the best within the whole economic sector of this State, and certainly rank equal to any in Australia.

However, even though the ability of managers in the public sector is not under question, I believe that because of the complexities which derive from the size of these organisations, there perhaps needs to be a fresh look at some of the approaches to the managerial, information, and accountability systems of these enterprises; certainly, much greater attention should be paid to the development and training of the future managers who will be coming up through each organisational area.

Managers of such organisations need to have a very great depth and width of managerial experience. They need to be able to handle complex tasks within their organisations, and at the same time need to be sensitive, and understand the external environment in which they are working.

The larger the organisation, the more effort must be made to ensure that it is efficient in achieving its objectives. Over recent years, quite significant strides have been made in managerial technology. If we look directly at data systems, we realise the advent of sophisticated electronic data processing and word processing systems have had a direct effect on the amount of information which can be sifted and collated in an organisation. These tools are of dramatic benefit to large-scale operations, as they allow information to be collated and sifted to the appropriate level, for effective decisions to be made.

In addition to the technology which is available, management systems have been developed increasing the efficiency of the operation of large organisations. These systems include management by objectives, and efficiency audits. I am aware that within the Public Service at present, many of these techniques are used. However, benefit could be derived from the exploration of the many new techniques which are becoming available.

The criteria under which the public sector should always work is not only to deliver the

highest quality service in order to achieve the objectives which are set, but also to do so at the lowest cost to the community. Given the current Budget, and the current financial stringency under which the Government is working, it is important that consideration be given to managerial development of middle-ranking officers within the Public Service.

If we are looking for increased efficiency in such large and complex organisations as many of the departments and instrumentalities operated by this State, we should ensure that we train our future managers to the highest standards. Not only should this training be contributed to by the internal training that is provided currently through the Public Service Board, but also opportunity should be made available by each department for its future officers to be trained at some of the many external management schools within this State, and in the Eastern States of Australia.

The provision of this academic training would complement a system of experience training which also should be provided. It would be of great advantage to most officers in the middle-management level if their training included interchanges between the department in which they work and other departments in the Government sector so they experienced different managerial environments, and so their abilities were demonstrated more clearly. In addition, it would be fruitful to arrange interchanges between officers in the public sector and the private sector. The wider the range of experience of management that is offered, the greater is the depth given to the particular manager in fulfilling his function.

Experience in the private sector can allow him a substantially different experience, with different parameters and different pressures from those encountered within his original department or another Government department. Such exposure would allow an officer to approach the management problems he will encounter in the future with a great breadth of creative decision making and planning.

A Government faced with managing the largest and most complex organisations in our society requires extremely good and flexible managers and the most efficient management systems in order to achieve results. We should look very carefully at all requirements of Government endeavour in order to ensure not only that the technical standards of services required are supplied at high standards, but also that the cost of doing so is the lowest cost to the community.

The current Budget has gone a long way towards assisting the achievement of these objectives: but I hope that training programmes will be given continuous emphasis in each department to ensure the future efficiency of all areas of Government employment.

**MR I. F. TAYLOR** (Kalgoorlie) [7.50 p.m.]: Since this Budget was introduced on 13 October and the Treasurer made his Budget speech, every time members of the Government have risen to speak we have heard a litany of excuses, blaming the Commonwealth for the difficulties of the State Government. Essentially, Fraser, the Prime Minister, has caught the Treasurer with his pants down and his mouth open. Every time we have gone to the Commonwealth, it has taken us to the cleaners. As a result, the people of Western Australia are suffering for what the Treasurer has brought upon them.

This year we have had a Budget in three parts. The first part consisted of the substantial increases in taxes and charges imposed on the Western Australian community earlier this year. The second part was the Budget itself; and the third part has been found in the gradual leaks from the Cabinet expenditure review committee. I would like to deal with each of those parts of the Budget.

In 1981 we have experienced the following increases in taxes and charges: electricity charges rose by 16 per cent; gas by 16 per cent; metropolitan water domestic users' rates by 14 per cent, and industrial and commercial users' rates by 11.7 per cent; sewerage in the metropolitan area by 14 per cent; drainage by 5 per cent; MTT bus and train fares by 27.3 per cent; Westrail freight rates by 15 per cent; hospital bed charges by 46-70 per cent; country water charges, 50 per cent; country sewerage charges went up; and country drainage charges went up. I could go on, but I will not. Those increases constituted the first part of the Budget—they were part of the Treasurer's Budget strategy—and had a devastating effect on our community.

The second part of the Budget is the Appropriation (Consolidated Revenue Fund) Bill which was presented in this House by the Treasurer on 13 October. I would like to deal with some of the previous Budgets presented in this House by the Treasurer.

In 1975-76 the only serious criticisms of the Commonwealth were those of a purely political nature that took into account the fact that we had a Labor Government in Canberra.

In 1976-77, when speaking of the Budget, the Treasurer said—

This will require the acceptance of new attitudes to budgeting, recognising that variations in revenue from year to year are likely to be more marked than before, and an even greater emphasis on sound financial management practices.

This is the price one has to pay because with rights go responsibilities, and I for one would have it no other way.

Since then, the Treasurer has done nothing but bleat to the people of Western Australia, even though he said in 1976-77 that he would have it no other way. We certainly would have it in another way.

In 1977-78 the Treasurer made an attack on the Commonwealth Government regarding specific purpose payments for recurrent charges, and he said—

The manner in which these changes have been made disturbs me greatly.

The decisions were made by the Commonwealth without any prior consultation with the States.

In 1978-79, the Treasurer referred to the Budget as follows—

....the most difficult and challenging Budget which the Government has had to prepare since it came to office.

He said the same thing of the 1981-82 Budget.

The Treasurer admitted of the Budget in 1978-79 that it was only the guarantee clause that kept the floor payments to the States at a reasonable level. The guarantee clause was, of course, the clause based on the Whitlam Government's formula for financial assistance.

In 1979-80 the attack on the Commonwealth continued. In 1980-81 the Treasurer described it as galling to attend Premiers' Conferences and Loan Council meetings and have to plead in vain for recognition of our obvious needs. He went on to describe how we were not receiving realistic payments from the Commonwealth.

Of course, in 1981-82 the Treasurer described the Budget as the most difficult in his experience and, indeed, in the memory of Treasury officers. He went on to criticise the Commonwealth for a deep-seated lack of understanding of the nature of the responsibilities borne by the States.

Since 1976-77, the Treasurer has failed to get the message through to the Prime Minister. He has admitted his failure, and the people on the Government side have admitted that failure.

Therefore, the Budget itself is no more than a repeat of past performances. It is a Budget that offers concessions valued at \$7.15 million in a full year; and the cost of that Budget to the community in a full year is \$39.3 million in increased taxes and charges.

I will stress one or two specific matters in the present Budget. One of those is the miscellaneous services expenditure where we see that nearly half of all the charitable and other bodies receiving grants from this State Government have had their grants cut, or they will receive no increase whatsoever. Those charitable and other bodies are fulfilling a worth-while and important part in our community. It is important that they be given more recognition than they have been given in this Budget.

Another aspect of the Budget which is of importance is the changed procedure relating to the Budget provision for wage increases to be awarded this year. The Treasurer said—

The practice for some years has been to make an overall provision for this contingency and to allocate it broadly on a *pro rata* basis across all departments.

He went on to say that we now have a two-part approach, and that the basic provision is spread across the departmental allocations, and a lump-sum estimate is provided in item 164 of the miscellaneous services division, salary and wage adjustments. That estimated expenditure is \$26 million, or thereabouts.

It is interesting to read that in 1975-76 the Treasurer, in a speech in this House, said—

Members will note a changed approach this year in the method of providing for wage increases in the Budget.

He went on to say—

... been the practice for some years to make a global provision in the miscellaneous services division of the Estimates while making no provision in the votes of individual departments.

He said also—

In fact the expenditure was incurred against departmental votes but the resulting excess over departmental estimates was offset by the unexpended allocation in Miscellaneous Services at the end of the year.

This practice was made necessary by the unpredictable size and timing of award increases granted to different sections of the government workforce which made it

impracticable to estimate the impact on individual departments.

Then he said—

Nevertheless, it is not a desirable procedure.

Yet after telling us in 1975-76 that it was not a desirable procedure to include a lump-sum amount in the miscellaneous services division for salary and wage increases, in 1981-82 we find that that situation is recurring. Do we have the best of both worlds, or has the Treasurer chosen to ignore his comments in 1975-76 and chosen once again to return to something that he described as "not a desirable procedure"?

Another matter in the Budget on which I should like to comment is the allocation for motor vehicles. The contribution to the trust fund for the purchase and replacement of motor vehicles has risen from \$5 million to \$11.5 million. At the same time the Government has announced an inquiry will be carried out by consultants who will look at the procedures in relation to the use and purchase of motor vehicles. It is very unusual to employ consultants to investigate the situation while at the same time increasing the provision for motor vehicle purchases by 130 per cent.

The third aspect of this budgetary process, and one I touched on earlier in this address, concerns the Cabinet expenditure review committee. It is quite evident from the Government's actions in the last couple of weeks and also tonight in this House that the Treasurer is not anxious to reveal the details of the operations of that committee except that essentially the Cabinet expenditure review committee has brought about actual cuts in Government activities of \$12 million and cuts in proposed Government activities of \$20 million in 1981-82. However, we await with interest to learn of the results of the activities of the Cabinet expenditure review committee for the remainder of 1981-82 and certainly for 1982-83.

In his Budget speech the Treasurer said, "Further reductions in activities are proposed for implementation from the beginning of 1982-83 and others are under consideration by the Government for possible implementation as the year progresses". It did not take very long for the year to progress because already cuts in local government funding have been announced for 1982-83 which were not mentioned in the Budget speech. Reflected in this Budget is the Government's attitude to the proposed cuts in funding for the education of four-year-olds and to its saving of a miserable \$6 000 in order to abolish the Consumer Affairs Council, even though the

members of that council have agreed to serve for nothing.

We have also had rumours in respect of the future of the office of regional administration in this State. Therefore, four matters which have arisen already since the Budget was announced can be traced back to the activities of the Cabinet expenditure review committee. I am quite certain that the people of Western Australia will remain very concerned as to the activities of that committee for the remainder of the year. Of course, it all fits into the statement that further reductions are planned.

We have now the spectre of lay-offs and reductions in Government administration, because of the recent decision of the Industrial Commission in this State—a decision which represented the first general wage increase awarded to people under State awards and agreements since before the abandonment of wage indexation in July of this year.

The commission awarded an increase of \$6.30 by applying the 2.2 per cent CPI rise for June and the 2.1 per cent increase for the September quarter to the old female minimum award of \$144.90. That was not an unrealistic increase, taking into account movements in prices.

The commission has recognised industrial reality: the Treasurer has not and has even suggested it is inappropriate to adjust wages by way of indexation. It appears that the Treasurer's comments in the Budget speech relating to pay increases apply no longer. It appears also the Treasurer receives ad hoc and ill-informed information from the people in the Government—from the bureaucracy—with respect to such increases.

The Treasurer is so critical of the commission's decision and yet in his Budget speech we have a clear statement to the effect, "The Government does not oppose for Government employees wage adjustments that represent wage justice in line with community standards. We expect claims to be justified before the appropriate tribunals and a case to be established. Moreover, we accept the verdict of tribunals in these cases". Accept the verdicts of the tribunals! At the same time as the Treasurer stated he would accept the verdicts of the tribunals, he said he was disappointed and amazed at the increases awarded by the commission which might please some, but which would be poor comfort for those who paid for them through their jobs. Let us hope that is not an implied threat to the jobs of Government workers in our community and the people of Western Australia that can look forward to

further unjustified increases in taxes and charges. Surely the Treasurer and his advisers must have realised some increase would be forthcoming from the hearing of the Industrial Commission. If such an increase has not been taken into account, I can say only that the Treasurer should change his advisers in this area.

I should like to refer to one of the Budget documents which is called *The Western Australian Economy 1980-81*. From experience, I know the Treasury can do better than to present this document to which I have just referred. Treasury could produce an incisive, well-informed, constructive, and analytical analysis of the economy of Western Australia and the related Australian economy. However, political pressure or, at the very least, an implied threat of political pressure, whether it be imagined or otherwise—I do not believe for one minute it is imagined—causes the Treasury to produce an historical analysis of the economy of Western Australia.

This document does not lack in statistical accuracy, but it certainly lacks a great deal in terms of being an in-depth and subjective analysis of the State's economy. Not once in this document has it been found necessary to criticise the WA Government and not once in the history of the production of this document has it been found necessary to criticise the economic role of the Government of this State. No-one from either side of the House can convince me the Government of WA is blameless in terms of the condition of this State's economy this year, next year, and for the last four or five years.

Sir Charles Court: You are being very patronising and unfair to your former colleagues, because they produce that document each year on their own initiative and without any reference to the Government whatsoever.

Mr I. F. TAYLOR: My former colleagues produce this document, because they consider they are obliged to do so. They know as well as I that they could do better if they did not have the implied political threat or the threat that, if they told the truth about the economy of this State and made an analytical analysis of it, the Western Australian Government, led by the Premier, would not be blameless.

Mr Bryce: Right down the line!

Sir Charles Court: You are insulting very competent officers.

Mr I. F. TAYLOR: This document has never found it necessary to blame the Government for the economic conditions of this State. All it does is blame the weather, the Commonwealth

Government, and overseas forces which are beyond the control of this Government. The only reason the officers who prepare this document blame those three factors is the implied threat from the Treasurer that, if they do otherwise, they could be in trouble and the Treasurer knows that as well as I do. The officers of the Treasury who prepare this document could do a lot better if they were given the opportunity to do so. When we are in Government we will give them the opportunity to do so.

Sir Charles Court: You are insulting very competent and trustworthy officers.

Mr I. F. TAYLOR: I am insulting the Government, not the Treasury officers, because I know they can do better and they know that also.

Mr Young: They will get copies of your speech. It is in *Hansard* forever and a day.

Mr I. F. TAYLOR: All the officers in Treasury who assist in the preparation of this document have been aware of the situation for the last four or five years. If members go back and look through the document to which I have referred, they will find an historical analysis of economic trends, but no criticism of the Treasurer and his Government.

Sir Charles Court: You are insulting yourself now.

Mr I. F. TAYLOR: I am not insulting myself. The only reason this document could not be presented in a better form is because of the implied threat of claims of political interference by the Treasurer of Western Australia.

Mr Young: You have just called all your colleagues "a gutless bunch"!

Mr Bryce: That is your language.

Mr Young: That is what he did.

Mr I. F. TAYLOR: That is the Minister's interpretation of what I am saying. However, my colleagues are deserving of a great deal better than being made to produce this sort of document. They can do a lot better. They know they can and they just want the opportunity to do so.

Sir Charles Court: They produce that document without any instructions.

Mr I. F. TAYLOR: The Treasurer and I know better than that.

Sir Charles Court: Don't start insulting us. We do not mind you insulting yourself.

Mr I. F. TAYLOR: It would give me the greatest pleasure to insult the Treasurer. I only hope I do not have to spend the next two years insulting him.

Sir Charles Court: They prepare that document without any instruction or interference whatsoever, and they have done so for many years.

Mr I. F. TAYLOR: They have not. They would be more than happy to do away with this document as it stands at the moment. They would be more than happy to forget about it completely instead of producing this sort of material. They would rather go ahead and produce an analytical and critical document about the economy of Western Australia, because in the policy and research division of Treasury we have some very competent people. Those people are capable of producing a much better document than the rubbish which is contained in this booklet. The information contained in it can be picked up from the Bureau of Statistics any day. Not once since this document has been produced has there been any sort of analytical analysis of the economy of this State.

Mr MacKinnon: Did you ever once get a direction from the Government about what to put in that document?

Mr I. F. TAYLOR: The document goes to the Treasurer before it is produced.

Mrs Craig: How can it?

Mr I. F. TAYLOR: The document goes to the Treasurer before it is sent to the Government Printer.

Sir Charles Court: I have never read that document before it has gone to the Government Printer or before it was presented in Parliament.

Mr I. F. TAYLOR: The Treasurer is well aware of the contents of that document, and surely if he is presenting something to the House which bears the words, "Presented by the Hon. Sir Charles Court for the information of members"—

Mr Young: Who tabled it?

Mr I. F. TAYLOR: —he would read it first. The Treasurer is trying to tell us that it is something he has never read, and that is absolute rubbish.

Sir Charles Court: Read who prepared it.

Mr I. F. TAYLOR: Of course Treasury prepared it. Treasury prepared the entire Budget. Taking it one step further, is the Treasurer trying to tell us that he did not even read the Budget before it was presented?

Sir Charles Court: I have a lot to do with the Budget.

Mr I. F. TAYLOR: The Treasurer also has a lot to do with this document and what is contained in it.

Sir Charles Court: I don't have anything at all to do with it.

Mr Young: Who told you the Treasurer had anything to do with the preparation of that document and that he read it before it went to the Government Printer?

Mr I. F. TAYLOR: I worked in the Treasury for six years.

Mr Young: Yes, but you have no personal knowledge that the Treasurer sees that document before he tables it, so who told you that he has seen it?

Several members interjected.

The SPEAKER: Order!

Mr I. F. TAYLOR: We will move on from that controversial subject. Obviously it upsets the Treasurer and the Minister for Health.

Mr Laurance: You are very red faced!

Mr I. F. TAYLOR: Perhaps we can now turn to the subject of water and include the Minister for Water Resources in the debate. We need some clarification of a question which was asked of the Minister for Water Resources in Parliament this week. It was a question without notice which related to MWB charges. In answer to that question the Minister asserted that an ALP Budget advertisement was incorrect and contained totally non-factual and misleading statements. That is absolute nonsense!

Mr Herzfeld: That was not the only misleading statement in the advertisement.

Mr I. F. TAYLOR: It was the only statement Government members brought to our notice and it took them three weeks to do so. If they are so slow off the mark, no wonder they are doing so well—I mean no wonder they are doing so badly in the economic area.

Mr Clarko: That was a Freudian slip.

Mr Pearce: We are well ahead of you.

Mr I. F. TAYLOR: The statements on increases in the average family's annual sewerage, water, and drainage bill were based on information supplied by the MWB. This information includes rates, charges, property values, and statistics on water consumption and is the basis for the advertisement that the Australian Labor Party put in *The West Australian*. The information was provided by the Metropolitan Water Board and the average family's combined annual water, sewerage, and drainage bill was around \$76 in March 1974.

(165)

That comprised a water charge of \$23, a sewerage charge of \$43, and a drainage charge of \$10, making a total of \$76; but in 1981-82 the figure increases from \$76 to \$348—the amount shown in the advertisement—and this comprised a water charge of \$125, a sewerage charge of \$194, and a drainage charge of \$29, totalling \$348.

Mr Mensaros: What is the difference between the two?

Mr I. F. TAYLOR: The Minister can subtract them. I am not as quick as he is.

Mr Mensaros: What is it?

Mr I. F. TAYLOR: An amount of \$272, as I remember.

Mr Mensaros: What does the advertisement say it is?

Mr I. F. TAYLOR: Around \$300.

Mr Young: How accurate was the Royal Perth Hospital north block figure of \$75 million increase in that advertisement?

Mr I. F. TAYLOR: The member for Subiaco suggested in this House recently that the amount would be \$100 million for the north block.

Several members interjected.

The SPEAKER: Order! It is totally inappropriate to have two or more members shouting across the Chamber whilst the member on his feet is trying to speak, and I do ask members to desist.

Mr I. F. TAYLOR: Thank you, Mr Speaker. I prefer to shout by myself. It appears that the increase in the average family's water bill was \$272 and if we take into account property values and increased consumption, the amount actually approaches \$300, as stated in the advertisement. The Minister, in having his Dorothy Dix question put to him the other night, showed complete lack of understanding of what is going on in the Water Board. It is worth noting, of course, that in his answer to this House in relation to that question no attempt was made whatsoever to estimate the increase as far as the Government was concerned. It would be very embarrassing for the Government and the Minister to indicate exactly by how much they consider water, sewerage, and drainage charges would have increased over the period in question.

A Government member: Don't you think the advertisement was a bit misleading when it assumed everybody consumed water and was on sewerage, when that is not a fact?

Mr I. F. TAYLOR: A person pays if the service goes past his house. We are speaking of the average family. The average family consumes

water—I do not think there is any question about that—and has a sewerage line going past the property.

Mr Blaikie: No, it does not.

Mr I. F. TAYLOR: The Minister also indicated he was unquestionably out of touch with the increased charges imposed on the average family in the community, and was particularly out of touch with the fact that the Metropolitan Water Supply, Sewerage and Drainage Board's bill that goes out to members of the community during the year is so high that the average family finds it very difficult to cope with it.

The advertisement also claimed that we have in this Government inefficiency and wasteful expenditure resulting from higher charges, and in relation to the Water Board itself I mention a few instances of wasteful expenditure. The one of which we are all aware was the recent trip by the chairman which cost the Government in the vicinity of \$8 200. I need say no more about that trip and the cost to the Government.

In addition to that, we have the \$11 million Taj Mahal at West Perth owned by the department. If any member of this Chamber went through this building he would be very surprised at its luxurious nature.

Another waste by the Metropolitan Water Board was the \$2.25 million spent on the caustic soda project in regard to which it brought in United States advisers. It was a project which chemists had told the board they had tried seven years previously and it did not work. The operation was scrapped eight months after its commencement.

I have covered a wide range of topics in this debate tonight. The Opposition finds the budget totally unacceptable and does not look forward—nor do the people of Western Australia—to Government decisions in relation to the activities of the Cabinet expenditure review committee, the third part of this three-part Budget.

Mr Bryce: The secret part!

MR DAVIES (Victoria Park) [8.20 p.m.]: I met an old acquaintance one day last week in the terrace who I thought had retired, but who told me he was working again and had to do so because he found difficulty keeping up with the three vital liquids of life: petrol, beer, and water. I think that reflects the attitude—

Mr Blaikie: How important is the beer?

Mr DAVIES: That reflects the feeling of many people these days because they can see the standard of living falling and the things they

planned for in their retirement not being attainable, and feel they have to go back to work and break all the good resolutions they made. I am not blaming this Government entirely for the price of beer and petrol, but for the contribution it takes from those commodities which some people find more essential than others and is getting more than a fair share of the ordinary worker's earnings.

I did not know whether I would speak on this debate because I question the desirability of the debate and the form it takes. It seems to go on for a very long time and certainly is a good forum for people to make points and perhaps harass the Government as my colleague has just done. The other night the Premier said—

I would not like him to take things literally as they appear in the Budget unless he studies the background of the particular matter in conjunction with other programmes.

When we hear the Treasurer admitting tonight that he has not read this very important financial statement which he presented to the House on 13 October, and says he did not know what was in it until he got up to read it—

Sir Charles Court: No, no, that is not so.

Mr DAVIES: What did the Treasurer mean?

Sir Charles Court: He was not referring to that document at all, but was referring to the Treasury's economy assessment. I probably read my own at the same time as you read yours, just like the Auditor General's report; I get it when it comes here.

Mr DAVIES: I apologise to the Premier. He is admitting, is he, that this financial statement had been read and gone over and had been approved before—

Sir Charles Court: The financial papers—the Budget—that I tabled as such, of course. I am responsible for their preparation with the Treasury; but the document that he was criticising is the one that is prepared by the Treasury.

Mr DAVIES: That is the economy one?

Sir Charles Court: That is the economy one which is not prepared by the Government.

Mr DAVIES: But the Premier had read and approved the financial statement?

Sir Charles Court: It has got the Budget speech in it.

Mr DAVIES: That is right. The Premier had read it and approved it beforehand. That gives a

little more credibility to the exercise, but still makes me wonder—

Sir Charles Court: It happens to be my speech.

Mr Blaikie: We hope the Premier read it.

Mr DAVIES: The question is: Who wrote it for the Premier and how many changes had he made before its actual presentation to the House? There certainly seems to be some doubt about how much the Government knows about the Budget before its presentation to the House.

Sir Charles Court: I can assure the member we know plenty about this Budget. Just ask the Minister!

Mr DAVIES: As I say, it makes me wonder just what we should be looking for and what we should do with the Budget. If we are in the prosperous times that we have been led to believe we enjoy—and I refer to the Premier's Budget speech of last year—we can expect something exciting, something to look forward to.

This Budget shows no initiatives or new advances, nor any hope of an improvement in the economic standards of the ordinary working man. That is what we should be aiming at. This Budget is not a standstill Budget as it has been described, but is a step-back Budget. It is a Budget of a Government in retreat; there is not the slightest doubt about that. We wonder whether the boom ever existed. It is strange to find people hastening to say that they never claimed the boom existed, or if they are not trying to disclaim that, they say they did not say it in so many words. The fact remains that we have had it rammed down our throats. If one looks at the previous Budget speeches, which I have had time to do, strange to say, lately, one finds that we were living in days of great joy and great hopes and indeed words were used which could be described only as setting a euphoria of boom conditions.

We should find the Budget exciting, interesting, and something to look forward to, but Budget times have become times of fear. I do not use that word lightly. People are now afraid about how they will meet rising costs and know that every Budget that comes down will contain rising costs or reflect costs that have been raised in the previous three or four months. We are fearing the Budget each year. If the State is as good and prosperous as we are told it is, then we should be looking forward to the Budget and seeing what improvements will be made in our standard of living.

We have the usual huffing and puffing, and then when the Budget comes down it turns out to be not as bad as expected and the strategy is, of course, to hit in advance and create this bad

atmosphere of how tough and bad things will be; to put up charges week by week so, hopefully, they will not be noticed, and then when the Budget comes down say, "Look, it contains only minor increases", and everybody can cope with those. This is the strategy that is starting to wear thin. We all know where we have been hit and how the hip pocket nerve reacts, and the Government seems to believe it can get out of these financial difficulties by going to the public as a bottomless pit.

It would not be unreasonable to say a few words about the Budget and the way it is prepared. Despite the attempts that have been made over the years to simplify the Budget papers—and I have to give the Government some credit for that—they are still very difficult papers to comprehend. The Treasurer has tried to simplify them and has made some changes, with which I have not agreed at times, and which conveyed less information to the public than might otherwise be required, but some of the changes he has made have been good, and some have been confusing. One must go through the documents now page by page, almost line by line, if one wants a comparison of this year's Budget and last year's Budget. If one looks at this year's Budget papers—the CRF papers before us—one finds that the first physical change is that the document is some 27 pages thicker than it was last year. One of the things that has been changed is that under the Premier's section on page 56 of the Budget papers there is a heading relating to statutory authorities. There are 22 fewer statutory authorities listed this year than there were last year. Most of those statutory authorities that do not appear under the Premier's Department come under the Minister under whom one would think they would automatically come, and that is a good thing—the Minister for Resources Development was just going to challenge me.

Mr P. V. Jones: No, I was not.

Mr DAVIES: The change is good, because it shows in greater detail the workings and figuring relating to statutory authorities each of which previously occupied only one line in the budget.

I refer to such authorities as the MTT and many more. As I say, 22 others now come under a ministerial heading and we are able to have a better appreciation of what they are than we could previously when there was a one-line entry in the Budget.

Some of the authorities which have been moved to their respective Ministers are the Aboriginal Cultural Materials Preservation Committee, the Aboriginal Lands Trust, the Academy of



Performing Arts, the Agriculture Protection Board, the Art Gallery of WA, the Board of Secondary Education, and as I say, up to 22 others. However, I cannot understand why these particular authorities were selected and approximately 14 others were left as statutory authorities without the same action being taken. For instance, why should not the Pinnaroo Cemetery Board present us with detailed accounts and take its place under its ministerial heading, and why should not this happen with the Rottnest Island Board and the SEC—board services and registration fees, and a whole lot of others which apparently have been left there for some reason that is not immediately apparent to me? As I say, I appreciate the new structure of the Budget for those 22 authorities which are shown in greater detail, but I do not know why they were selected and others were not.

Under the estimate for the Premier, there is now no heading for State business undertakings. The Eastern Goldfields Transport Board disappears completely—I think we legislated to that effect last year. The only other State business undertaking is that associated with the State Implement and Engineering Works. Once again, what we considered as State business undertakings have been inserted under their ministerial heads, and I am pleased about that.

The State Government Insurance Office was mentioned on page 64 of the 1980-81 report, but there is no mention of the SGIO in this year's Budget and I do not know the reason. Perhaps there is a good reason, and the Premier may tell us about it. The same thing applied to the State Housing Commission. If I recall correctly, this entry was shown as a nominal estimate of \$10 so that we could discuss the commission. An entry appeared on page 83 of last year's Budget papers, but there is no mention whatever of the SHC in this year's Budget, and I wonder why.

Public utilities were shown under a separate heading, and public utilities concerned Country Water Supplies, Sewerage, Irrigation and Drainage, the State Batteries, and railways. They are no longer called public utilities and they are shown under the various headings of the Ministers whom one would expect to be responsible for them. However, they still appear at the beginning of the Budget papers in the summary which sets out the total figure for public utilities. I wonder why it is set out in that way.

Unless one goes through the Budget papers page by page and line by line, one finds it very difficult to make a comparison. I have made the same comment before in trying to follow staff figures. It is not always possible to do that.

Changes are made in staff listings from year to year, and it is impossible to make a comparison. The best one can do is to look at the total number of staff and say, "The Government appears to have contained staff numbers quite well". I know there are ways to obtain staff other than by employing them as permanent public servants—we know the State Government does this with ministerial appointments from time to time. We do not have a record of those, but in relation to staff numbers in the Budget papers, it is rather difficult to compare them year by year, although the total numbers are there.

The charges reflected in the Budget this year are well in advance of the inflation rate, and that is a matter for great concern. As the previous speaker said, the Budget contains concessions of \$3.4 million for a part year, and for a full year the concession is \$7.15 million. However, against those concessions there are increases of \$19.25 million for a part year, and \$39.3 million for a full year. So for a full term the Government is handing out concessions of \$7.5 million and taking away \$39.3 million—more than five times as much! Certainly the balance is in the Government's favour.

I am sympathetic with the Premier. I know he has had some difficulty with his parliamentary colleagues, and I do not want to repeat the speeches I have made in this House about new federalism. I have spoken about it at length on a number of occasions. Just the other day when I was shifting office I came across quite an interesting paper which indicates that the position should have been known to the Premier long before we told him about it. He should have been able to pick up the sleight of hand, the juggling, that the Commonwealth Government was doing in regard to the financial deal it handed out to the States. I have here a copy of *The National Times* of 19-24 April 1976. An article is headed, "How the States were sold a pup". Certainly the States were sold a pup.

Perhaps I could interpolate here to say that we are all a little culpable because if we had read the Federal Liberal Party's financial policy for 1975, we would have been able to see what we were heading for. The article reads as follows—

In Part 7 the policy states that in stage I of the "transition to flexibility," "a calculation will be made of the percentage which in the previous year general revenue grants bore to total income tax collections in that year. That percentage will be used to ascertain the share of personal income tax to the States in Year I—"

This is the important point—

“—and will also take into account the transfer of such section 96 grants as should be absorbed into this figure.”

Of course, the section 96 grants are the ones we overlooked. We said, “We are to get a share of the taxation and that looks wonderful”, but we did not realise that the section 96 specific purpose grants were to be included as part of that share. No-one read the policy; no-one questioned the Treasurer or the Prime Minister. Yet, as I say, on 19 April 1976 *The National Times* was able to tell us how the States had been sold a pup.

Further over in this copy of *The National Times* we see the first of the great attacks on bureaucracy, as people like to refer to it. This article is headed, “The axeman cometh. . .”, and it dealt with the great civil servant, Sir Henry Bland, and the work he was doing. So since 1976 we have had “razor gangs” of one sort or another.

Mr Clarko: They don't use them only for Budgets.

Mr DAVIES: Indeed they do not. However, the “razor gang” slashed around and we still hear this huffing and puffing about cutting back on the Civil Service and bureaucracy six years after it all started. It makes one wonder how genuine Governments are when one comes across a paper like this which details what was proposed, particularly as we now know what has happened. The Government is still saying today what it was saying back in 1976. I suppose in due course the Government will get around to using the fear of socialism—the Liberal Party will try to frighten the electorate with that bogey. All the time we are attacking the bureaucracy the bureaucracy is expanding.

Of course the second stage of federalism has come to nothing because the Government is not game to bring in State taxation.

Just a week before that article appeared in *The National Times* the Premier and Treasurer of our State, full of joy and glee, had returned from the Premiers' Conference in the Eastern States. In a statement to this House, which occupied some three pages of *Hansard*, he said this—

I am pleased to report that the conference was a most successful one and was conducted in an excellent co-operative spirit.

Whatever happened to that co-operative spirit? The best we can hope for now is for our Premier and the Prime Minister to hurl abuse at one another. Further on the Premier said—

However, it is also pleasing to record that the Prime Minister gave every consideration

to the views expressed by the Premiers and deferred to the wishes of the States on almost every key point.

What humbug! Those people who could observe what was happening had already woken up, yet the Premier was telling us this on 13 April 1976. He said—

I am confident that the scheme will now operate successfully and to the advantage of the States.

There are many other classical quotes in this statement, but I will not read them all. Any member who is interested may look at them himself.

We are well and truly down the drain. The other night the Opposition pointed out that the State is about \$350 million behind, and members on the Government side kept asking us how we arrived at that figure. They know as well as we do how far we are behind. I will tell members how that figure is made up. Firstly, there is \$49.1 million revenue lost. This was brought about by the abolition of the financial assistance grants formula guarantee which was underpinning the tax-sharing arrangements. Members will recall that at the Premiers' Conference of 1979 we were told that for 1980-81 we would receive no less than we had received for the previous year, plus the CPI for the previous 12-month period March to March. However, because the Federal Government did away with the guarantee, this State lost revenue of \$49.1 million.

The next item is an amount of \$57.7 million. This was brought about by the reduction in the States' tax-sharing entitlements effected by the transition arrangements in 1981-82 cost. As members know we were to receive last year's amount plus an arbitrary increase of 9 per cent only, an increase that was below the inflation rate.

You will remember, Mr Acting Speaker (Mr Nanovich), the way the Premiers jumped up and down. Some of the Premiers jumped to greater effect because the Premiers of Queensland and Victoria received a little extra money. Perhaps our Premier did not dance the right steps or dance to the right tune. The result was that Western Australia was \$57.7 million behind.

The next item is a revenue loss of \$16.5 million which resulted from changes in health care payments. The last item is \$231 million lost because of cutbacks in specific purpose capital payments and general purpose capital funds, including Loan Council borrowings between 1975-76 and 1980-81. We are \$354.4 million behind because of those cutbacks.

I would like to revert to a question I asked tonight. I asked the Premier when he would complete the details of his Budget speech; that is, in regard to the cuts to be made. He told us he would let us know. I can appreciate that there are difficulties in raising the correct amount of revenue and in meeting commitments, but the important thing to look at in Budget papers is where the revenue comes from and where it goes.

In regard to taxation, the estimate for the coming year will represent one of the biggest increases in any financial year. It is an increase of something like \$73 million. Last year the increase over the previous year was \$52 million. This year in departmental revenue there is an increase of \$46 million, not quite as much as last year. The allocation for public utilities shows an increase of \$24 million. Last year the increase was only \$14 million. So members can see that the public have been hit very heavily by some of these increases.

The way this money is to be spent is interesting. The Government says it does well in education and other fields, but if we look at page 38 of the Budget speech and, in particular, at the analysis of how the money is to be spent, we find that for cultural and recreational facilities the *per capita* cost has dropped this year from 26.10c to 25.90c. If we look to welfare—and the Government always says what a great job it does in this field—we find that the *per capita* cost on welfare payments this year has dropped to 40.37c from 42.83c. So members can see the sections of State spending which are suffering.

The Treasurer has said to me on many occasions when I have argued with him over payroll tax that if we take away one tax we must find another to take its place. When we dispensed with the road maintenance tax we introduced the petrol tax. I asked the Treasurer repeatedly what tax he proposed to introduce to replace probate duty, which was bringing to the State coffers up to \$20 million a year. In 1978-79 the Government received \$13 million in probate duty; last year it received \$5.4 million; and this year, although probate duty has been abolished for some time, the Government estimates it will collect \$2 million.

I know we all feel that there is a big difference between members on this side of the House and members on the other side of the House, but the Treasurer has yet to tell me specifically what tax will replace probate duty. I have been concerned at this loss of revenue, and I am not the only one.

I refer members to a letter written by a Mr C. B. Hugall of St. George's Terrace, Perth and published in *The West Australian* on 2

November. If that is Charles Hugall the accountant I would say that he would probably not be terribly sympathetic to the policies we propound. If it is the Charles Hugall I have met on a number of occasions, and whom I consider to be a gentleman, I indicate now that I have an even higher opinion of him. He advocates the introduction of a capital gains tax or the reintroduction of probate duties with a more generous exemption base, and with a total exemption from spouse to spouse. He considers gift duty would need to be reintroduced simultaneously. He believes that an examination of one's affairs by the taxing authorities should take place at least once during a lifetime. I shall quote from his letter as follows—

Nearly two years since the decision to phase out probate and estate duty the ultimate effect is beginning to be realised. It must now be obvious that the effect will be that the rich get richer and the poor maintain their position, with an ever-increasing gap between the two.

Over the next generation we will see 5 per cent of the population owning 95 per cent of the wealth of the country. This, in turn, will create an aristocracy based on wealth.

History has demonstrated that the disadvantaged majority will not tolerate such a situation indefinitely.

He might not fear that in his lifetime or my lifetime, but he does fear that we will get back to the situation of our having the poor and the rich. He is expressing sentiments which must concern all of us, particularly as we find that we are now down the drain by something like \$13 million a year. I agree with him that there should be exemptions from spouse to spouse and that there should be a much larger limit applying before probate is applied.

These are things that could be introduced quite easily. They would not affect 95 per cent of the population. The 5 per cent who would be affected are those he describes as the "aristocracy based on wealth". However, if we had a sufficiently generous ceiling, 95 per cent of the population would not pay probate duty. I think we have made a mistake in this regard, and the Government should take a further look at probate duty and see what it should do in all fairness and equity to ensure we do not create in this country an aristocracy based on wealth.

I would like to say a few words about morality and this Government. Over the years I have been here I have seen our licensing laws extended more and more to the stage where drink is available

almost 24 hours a day. I do not argue with that, as this is probably an aid to decrease the amount of drunkenness in our community. We have seen the Government admit that prostitution occurs and that it is proud of the fact that the Police Force controls and, allegedly, contains it. What this containing will lead to eventually I will leave to members' imaginations.

A similar situation applies to gambling. I do not want to talk at length about the gambling clubs in Perth which have had their photographs appearing in the newspapers. If one considers the opportunities for gambling in this State, one will realise that the Government has nodded its head and given its blessing to Lotto, bingo, lotteries, the TAB, and lucky numbers. All these activities are legal, and have been introduced by a Government which says that it must watch the morality of the community.

I suppose there are families who have had their homes devastated because of a member's addiction to gambling. I do not know whether there are any bingo addicts, but certainly the Government has given its blessing to all these sorts of activities. Members might recall the attitude of members of the then opposition when the Hawke Government brought in licensed SP shops. They said there were to be no pictures on the walls, no music, no drinking, no spitting, and so on. These shops had to be places where a person went to place a bet and immediately left. That is the sort of establishment these people wanted. Thankfully, we have different kinds of establishments today. They are of a better class and certainly the Government gets a great deal of money out of them. One point the Government should consider is whether the race clubs should get all the money from the TAB shops. Certainly avenues for gambling have been extended considerably.

I understand it is very easy to buy tapes of blue movies in this State. I have seen some prosecutions made from time to time. I have said before that I am at a disadvantage in this matter because I cannot ever remember seeing an "R"-rated movie. I do not object to other people seeing them.

This brings me to the point of the Government's attitude to morality. The Government was wrong in censoring *Caligula*. I believe it is a film that should have been made available in a closed theatre so that people who wanted to see it could do so. I asked a question as to which version was seen by the State advisory committee on publications—not films. I want to know whether it was the one from the USA, Canada, the UK, or the one passed by the

Australian Film Censorship Board. I would not like to be hung because of the figures I shall cite, but I am told that the USA version lasted 160 minutes, the Canadian 159 minutes, the UK 140 minutes, and the version passed by the Australian Film Censorship Board lasted 120 minutes.

While I would not have wanted to see 140 minutes of such a film, no doubt other people would have been prepared to do so. I am sure it would not have made them into depraved people; they would have been mature adults to have seen it. The Government could have raised the minimum age limit to beyond 18 years.

The Minister in charge of these matters is wearing two hats. How many prosecutions have been made against teenagers under 18 years going into drive-in theatres to see "R"-rated movies? Not one. Whilst this Minister has been in charge how many theatre proprietors have been prosecuted for admitting people under the age of 18 years to an "R"-rated movie? Not one.

Nevertheless, I understand that any night of the week where an "R"-rated movie is showing the Minister could find people under the age of 18 in attendance. If he were so concerned about the morality of our youth he would take the trouble to check this aspect. I realise that it is difficult to tell whether a youth is 17, 18, or 19 years of age; but no-one under the age of 18 has been prosecuted while this Minister has been in charge of the relevant portfolio. I understand that when "R"-rated movies are shown at drive-ins people can take up a position outside the fence and watch the action. They do not need to hear what is being said; they are probably mature enough to know what is going on. I have not been snooping around to ascertain this is so, but I understand it does occur.

Last Friday night I was at home by myself and found that a "Carry On" film was to be shown. I knew these were thought to be amusing, and this one was called "Carry on Emmanuelle".

Sir Charles Court: You even have the right pronunciation.

Mr DAVIES: I found what I saw of it to be bawdy and boring. As it happened I went to sleep during the film which showed ambassadors jumping in and out of bed in a fairly graphic way with the wife of a certain ambassador.

Sir Charles Court: That is the diplomatic corp for you.

Mr Bryce: No wonder there is a waiting list for people to join!

Mr DAVIES: I lost count of the number of times she was in bed with different men. When I

woke up I found that her husband had either lost his impotency or regained his potency, whichever is appropriate, and they had got together again. It turned out that he had been feeding her fertility pills instead of birth control pills, and she ended up with a brood of children. The final scene was of the various ambassadors looking through the window deciding which one of the children was theirs. Overall I found it to be in poor taste, especially for television. As a decent citizen I should have written to the television station about the film, but perhaps the station will pick up my remarks made in this place. I have seen much more enlightening and enjoyable films.

Mr Rushton: Did you turn it off?

Mr DAVIES: I woke up at the end of it. Normally I do not watch much television. I am not a TV snob, but unfortunately like other members I do not have the time to watch it. I am told that in the television series "Starky and Hutch" there is a tremendous amount of violence. Other similar series have an equal amount of violence.

In relation to the film "Caligula" the Minister cannot tell me which version he saw. All he has said is that the public cannot see the film because he and a few others believe it is degrading. All they have said is, "We don't like it. We don't think you should see it". However, he has not brought down one prosecution under the existing law relating to children between the ages of two and 18 viewing "R"-rated movies.

Mr Young: The Minister doesn't prosecute people.

Mr DAVIES: He should make his standards known.

Mr Young: Do you say he should direct the police?

Mr DAVIES: The Minister should not bring us into that debate. I have evidence of the Minister for Police and Traffic directing the police. The evidence is on file.

Mr Young: Are you saying he should direct the police in this case?

Mr DAVIES: The Minister for Police and Traffic has said that he does not believe a certain film is good, and therefore his standards should be our standards. However, he is doing nothing to protect the morals of our teenagers, which is something he and the Government are supposed to do. People who write to him about the film "Caligula" should ask, "What are you doing about teenagers watching 'R'-rated movies?" The Minister should do something about children and youths between the ages of two and 18 watching

"R"-rated movies if he is at all concerned about any film. In regard to certain publications we have amended the legislation so that they are available if people ask for them. The publications must be under the counter. I have no objection to such books being available in that way, because the decision to buy them should be left to individuals, depending on their ages. Whether such publications can be considered as harmful depends on numerous things. I know many people would object to my view, but hopefully some would agree with it.

The Government has adopted a moral stand in regard to the availability of liquor, to prostitution, and to gambling, but its latest act in regard to the film "Caligula" is completely out of character. If it, the Minister for Police and Traffic, the Police Department, and the State Advisory Committee on Publications—not films—are so worried about particular films, they should worry also about the breaking of the law in regard to "R"-rated films. That law is broken every night of the week. The situation is as simple as that.

Protestors should say to Hassell, "How dare you not have the Act properly policed?" From what I have seen of the film "Caligula" and heard about it, I am not attracted to it. However, I refer to the film about Rome, about Caesar—

Mr Young: "I Claudius".

Mr DAVIES: That is correct. The film was very bloody. I was able to see it one Sunday evening. I thought it had good drama, but it was very bloody.

Mr Rushton: Was that a midnight show?

Mr DAVIES: I think it appeared earlier than that.

Mr Young: To be exact, it was at 7.40 p.m.

Mr DAVIES: I thought it was good television, good drama, but it was very bloody. If films like it are to be put on television, people have the option of turning off their television sets, although I expect that it is at times difficult for parents because they may not know what their children are watching on television.

I believe the Government has made a bad blue in regard to the film "Caligula". The Government has no right to restrict the film in the way it has, under the conditions it has imposed. I repeat that the Minister cannot tell me even the version that he saw. If the Government is concerned about such films it should actively pursue the law as it presently exists.

I intended to raise a few other matters, but as time has almost run out, I will refer to them when

the relevant sections of the Budget come up for debate.

**MR GRILL** (Yilgarn-Dundas) [9.05 p.m.]: Any Budget brought down at about this time or at any time in the foreseeable future by this Treasurer or any other will depend both directly and indirectly upon the profitability and viability of the resource industries within this State. This year it has been pointed out already that this State Budget has exceeded \$2 000 million. A year or so ago the total mineral production of this State exceeded \$2 000 million.

The resource base and the resource industries of this State must be viewed in terms of the words the Premier used just last year. He spoke about the base of our resource industries, and said—

That base is going to expand enormously in the years ahead, but not as one might expect. In the future the industry's success will not be measured in terms of raw material output as it has been in the past.

Tomorrow's yardstick will be the extent to which the industry functions in the integration of energy, mining and metallisation. I believe this vertical integration, this welding together of our great resources, will provide a powerful engine of growth. Energy, of course, is the ignition key.

They are very fine words. There is no doubt in the world that when it comes to fine words, enthusiasm, and the ability to put across a story, very few politicians in Western Australia, or for that matter in Australia, have an ability comparable with that of the Premier.

**Mr Rushton:** That is well said.

**Mr GRILL:** When it comes to actual performance—I see he is leaving now—

**Sir Charles Court:** Oh, no!

**Mr GRILL:** —the maleficent tactics such as the ability to spin a yarn and the ability to convince others that all is well, indicate that his performance falls far short of the mark. Any review of our resource industries would demonstrate that point very ably indeed.

I will embark for some little time on a study of those industries. Firstly, I refer to the iron ore industry in which at present we have grave problems indeed.

Perhaps we could say that the iron ore industry by and large has been the making of the Premier's much-touted reputation as a resource developer. What are the results over the last 25 years during which this Premier's career has drawn to a close?

**Mr MacKinnon:** Will you tell us during your speech what you think should be done about royalties in respect of iron ore?

**Mr GRILL:** I will set out clearly what we should do in respect of royalties if at a later stage the Honorary Minister reminds me to do so.

**Mr Sodeman:** That is only if you throw in gold as well.

**Mr GRILL:** I will throw gold into the discussion as well if the member so desires. The Government will get a very clear answer from me. I remind Government members to remind me later on to discuss royalties, and I will if I have time.

**Sir Charles Court:** I think you will do a Bill Hegney on us.

**Mr GRILL:** The iron ore industry of WA is in a state of decline. It is granted that at present there is a declining world demand for iron ore, and we are involved in an oversupply situation. However, that oversupply has been created by those very clever, able, and, I must say, devious people, the Japanese. Over the years they have assiduously created a situation of oversupply in the iron ore industry to the detriment of this State.

When considering the iron ore industry we must admit quite openly and freely that the industry in terms of industrial relations is in a state of seething turmoil. We on this side of the House do admit that quite openly. The industrial situation in the Pilbara is far from good. We on this side of the House say that those who presently sit on the Treasury benches opposite—members of this Government—are incapable of handling, and are too incompetent to handle, the situation in the Pilbara. For almost two decades the Government has proved itself to be incapable and incompetent. Its policies in regard to the Pilbara have been dismal failures. It has no ideas left as to how to deal with the problem. If it does have any ideas, I would like to hear them, but I believe the Government is bereft of ideas; it is at the end of its tether; and it is at the end of its industrial relations ability.

**Mr Sodeman:** You are in fairyland.

**Sir Charles Court:** How many times have we heard all this?

**Mr Sodeman:** Your own associate, Bob Hawke, went to the Pilbara some time ago and said he would come back after the 1977 election and solve everything, but he hasn't been there.

**Mr Pearce:** You won't be in after the 1983 election.

The ACTING SPEAKER (Mr Nanovich): Order!

Mr Sodeman: Bob Hawke said he would fix the problem, but he has not been back and has not fixed the problem. What do you suggest you should do, because you have done nothing about it all along?

Mr GRILL: The people on the other side are the people with the power to do something about the situation, but they have done nothing.

Mr Sodeman: Hey, wait a minute.

Mr GRILL: I will not wait for the member or anybody else. The Government's incompetence is manifest; it has run out of ideas. Recently we have had talks with the major companies operating the field in the Pilbara, and they simply and openly say that this Government is incapable of dealing with the industrial problems in the Pilbara. There will not be any solutions to the problems in the Pilbara until we have a Federal Labor Government.

I am not making these statements; the major iron ore companies make them. The Premier is getting out of the Chamber in good time. The major iron ore companies of this State use the words to which I have referred. If Government members do not believe me they should talk to the leaders of those companies.

Mr Sodeman: Why doesn't the Labor Party do something about it now with its connections with the unions?

Mr Rushton: It just stirs up strife.

Mr GRILL: The company leaders will say also unequivocally—I direct this to the Minister for Transport who I am glad to see is awake—

Mr Sodeman: At least he is in the House. Where are your colleagues? Didn't they know you were speaking? Didn't you advertise?

Mr GRILL: In clear and unequivocal terms the leaders of those companies will say that they are not getting a fair and just price for the products of their companies. That is what they are simply saying. They say that their attempts to deal with the Japanese on a commercial basis by and large have been unsuccessful, and that what is needed is a new approach.

They suggest and admit that it is not their official policy; they are prepared to say it is their unofficial policy when talking with those people. It is time the Government took a hand; unless it takes a hand they will not be able to obtain fair and just prices for their commodities.

Mr P. V. Jones: When you say that the Government should take a hand, what would you envisage our doing?

Mr GRILL: The Government needs to organise some sort of commercial group of companies within this country to negotiate with the Japanese. The Minister would know that because it was suggested some time ago. Some of the terminology involved is not nice but, maybe we should look at the word "cartel", or something of that nature; perhaps the words "commercial group" would be closer to the Minister's semantics.

Mr Sodeman: The companies were against that.

Mr GRILL: Let me inform the member for Pilbara, because it is obvious he has not heard, but the word is around that they now feel that that sort of approach is essential. The Minister would know that when we commenced exporting iron ore to Japan the freight differential was shared between the Japanese and the iron ore companies. It was a sum of something like \$6. According to the companies the freight differential is not shared at all and that freight differential is taken almost entirely by the Japanese. The Minister is well aware of that fact as are the companies. This procedure is not in the interests of Western Australia or Australia.

At the present time there is no downstream processing of iron ore and the Minister admitted that fact tonight in answer to a question I posed to him. The two pelletising plants in the north-west have closed and the Minister could not give a date as to when these pelletising plants would reopen.

Mr P. V. Jones: You understand all that, but you expect me to give you a date.

Mr GRILL: I did not; however, the fact remains that the Minister could not give one, anyway.

Mr P. V. Jones: That is a simplification because I went on to explain, because I expected you to understand, the reason that no-one will give you a date at the present time.

Mr GRILL: The Minister gave no date.

Mr P. V. Jones: I am saying that no-one would be able to give you even an estimate with any degree of accuracy at all. You know that, but perhaps everyone else may not, so why are you asking for a date?

Mr GRILL: I understand the Minister's problems.

Mr P. V. Jones: Hurrah!

Mr GRILL: The facts are that the Japanese still have an expanding steel industry and are still winning markets around the world.

Mr P. V. Jones: That is a complete misstatement.

Mr GRILL: May I finish? The simple facts are that the people to whom we supply steel still have an expanding steel industry.

Mr P. V. Jones: It is not. This year's estimate for crude steel production in Japan is for less steel than last year.

Mr GRILL: The Minister has missed the point. They still have an expanding steel industry and they still have expanding markets. Those facts are true. The fact is they are not meeting the estimates they made for last year and the year before. It is a separate question, but perhaps it is a little too sophisticated for the Minister's knowledge. I thought the Minister would have appreciated that fact, but obviously he does not.

Mr P. V. Jones: I do not appreciate the statement you are putting forward because it is incorrect—an expanding steel industry based on contraction?

Mr GRILL: It is an expanding steel industry which does not meet expectations.

Mr P. V. Jones: How can it be expanding when this calendar year it will produce less crude steel than last year?

Mr GRILL: It will produce more. Obviously the Minister is a slow learner. Japan has not met its estimates for last year or the year before.

Mr Rushton: What is your authority for that statement?

Mr GRILL: The estimates are made from year to year.

Mr P. V. Jones: What is the production in Japan for crude steel?

Mr GRILL: Approximately 117 million tonnes.

Mr P. V. Jones: It will be lucky if it makes 102 million to 103 million tonnes this calendar year.

Mr GRILL: That is the Minister's revised estimate?

Mr P. V. Jones: That is less than was produced last year. I do not wish to go on interjecting, but I want to correct that point.

Mr GRILL: That was their estimate, but the facts are—

Mr P. V. Jones: We are not talking about estimates.

Mr GRILL: Let us not become confused. The situation is that the Japanese have an expanding steel industry and they have the only steel industry in the world which is expanding at present, but they are still not meeting the estimates they thought they would meet some time ago.

We have no downstream processing at all. The industry is not only not expanding, but also going into a decline. The Japanese at present are taking, to use the Minister's figures, 63 per cent of their contracted obligation. Our pelletising plants have closed and there is little likelihood of their reopening. The much-touted integrated iron and steel industry which was to be set up by BHP was negated last year. The Government brought forward a Bill—it is now an Act of Parliament—to absolve BHP from that obligation.

Mr P. V. Jones: No, that is not right; it was to provide for alternative obligations.

Mr GRILL: It was to absolve them from that obligation. Let us not become involved in semantics. The Minister is trying to say that they had some further commitment to Worsley—

Mr P. V. Jones: Not a bad commitment.

Mr GRILL: —and to refurbish their blast furnace. However, they are the facts, and my words remain true.

The Premier has spoken—not so much to his own Ministers—*ad nauseum* about a vertically integrated iron and steel industry. What has happened to that vertically integrated iron and steel industry? It has been torpedoed by the Government's own policy on fuel pricing. Hamersley Iron has said there is absolutely no possibility of downstream processing of iron ore, let alone the vertically integrated iron and steel industry in the Pilbara, given the price of North-West Shelf gas.

Mr Sodeman: Let us assume you are correct. Would the Labor Party fix that?

Mr GRILL: Yes it would.

This Government has done nothing about deep water ports.

Mr P. V. Jones: This is good!

Mr GRILL: Let us hear something about deep water ports. At the present time, at high tide, perhaps bulk ore carriers of 150 000 tonnes can sneak into our iron ore ports up north.

Mr P. V. Jones: You have to be joking. You are making a meaningful effort, but you should get your facts straight.

Mr GRILL: They are the facts. The Premier is on record as saying that large bulk iron ore carriers are really not the thing for the iron ore trade and that something else is needed. I have checked the facts. I attended a cocktail party this evening, as did the Minister, and I spoke with some Japanese who were there. It was said that Brazil, by and large, exports from South America in bulk carriers of 200 000 tonnes or more. The



Premier would lead us to believe that a 200 000-tonne bulk carrier is not a viable proposition.

Mr P. V. Jones: I do not think the Premier has said that at all.

Mr GRILL: He said that.

Mr P. V. Jones: Where did he say that?

Mr GRILL: It is recorded in *Hansard* on 16 September this year and the Minister can check that. The Minister has denigrated the concept of a deep water port in this State and I can indicate where he said that in *Hansard*.

Mr P. V. Jones: Yes, in the short term, that is correct.

Mr GRILL: The Minister is the same as his leader; he has a myopic view of the iron ore industry. Because Lang Hancock has been pushing for the concept of a deep water port and the concept of bulk iron ore carriers of 200 000 tonnes or more, out of sheer bias this Government is prepared to knock those concepts. I can quote that chapter and verse as recorded in *Hansard*.

Mr P. V. Jones: You are not correct. I have said that there is no need for a deep water port in the Pilbara in this century because the existing three ports, with dredging and expansion, have the capacity to provide loading facilities.

Mr GRILL: The Minister can make his speech later on. The Minister has knocked this concept in the past.

Mr P. V. Jones: That is not true; I have not.

Mr GRILL: What has the Minister's Government to boast about in the Pilbara? It cannot boast about deep water ports; it cannot boast about pelletisation plants; it cannot boast about downstream processing works; and it cannot boast about a languishing industry which is teetering on the brink of bankruptcy. This Government has absolutely nothing to boast about. It has big holes in the ground to boast about which are a result of its quarries. Those people who said in the past that Western Australia would be turned into a large quarry for the Japanese have something on their side.

Australia is the world's biggest producer of aluminium.

Several members interjected.

Mr GRILL: Australia is the world's largest producer of bauxite.

Mr P. V. Jones: Flying kites, but not carrying on with the subject.

Mr GRILL: Australia produced only 2 per cent of the the world's aluminium.

Mr Crane: That is what you call a strategic withdrawal.

Mr GRILL: Western Australia is the largest producer of bauxite in Australia, but we have no smelter. Victoria has two smelters and it is constructing a further smelter.

Mr P. V. Jones: What a mess they are in.

Mr GRILL: New South Wales has two smelters, with two being built. Queensland and Tasmania have smelters. Once again Western Australia has no smelter.

The Premier has promised us two smelters before the end of the decade. The chances of those smelters materialising are about as good as the chance of the Honorary Minister becoming a full Minister—zero!

Mr Laurance: That must have been a hell of a good story, but I missed it; I am sorry. I will read it in *Hansard*.

Mr P. V. Jones: You did not miss much.

Mr GRILL: We produce no aluminium whatsoever.

Mr P. V. Jones: That is right.

Mr GRILL: Throughout the world there is a diminishing demand for alumina. The Japanese industry, which takes in alumina on the one hand and produces aluminium on the other, is on its knees. We are the natural supplier of that alumina.

Mr Rushton: You are a prophet of doom. Nothing would get off the ground with your sort of philosophy.

Mr GRILL: I am telling the Minister for Transport his history. Government members are not prophets of doom; they are authors of doom.

Mr Pearce: Well said.

Mr GRILL: The Minister and his colleagues have done it with their own hands.

Mr Rushton: The facts do not show that.

Mr GRILL: If the Minister want me to tell them about the resources development in this State, I will tell them about it before I am finished in this Parliament. Our policy would be much more visionary than the policy put forward by this Premier and this Minister for Resources Development. Government Ministers have nothing to point to. If a Minister wishes to point out some results, let us hear him now.

Mr Rushton: We want your propositions.

Mr GRILL: What are the results?

Mr Rushton: They are there to be seen.

Mr GRILL: There is silence when it comes to our asking for results. I am telling the Government what it has done in the past. The Government has had failures with a capital

"F"—just as the Ministers smile with a capital "S".

Mr Sodeman: That is why we are the fastest growing State in Australia.

Mr Pearce: That is rubbish!

Mr Sodeman: With the exception of Queensland.

Mr GRILL: Let us look at the objective facts, and perhaps the Minister can make a few notes so that he can quote them later on. He is good at that.

Mr P. V. Jones: I hope you have had a talk with the refinery people about an aluminium smelter.

Mr GRILL: Do not worry about that. There is a demand for aluminium and we produce none.

Mr P. V. Jones: You just said it is a declining market, and now we have to produce it because there is a demand.

Mr GRILL: The Minister cannot tell the difference between alumina and aluminium.

Mr Sodeman: That is like a contracting expanding industry.

Mr P. V. Jones: Contraction by expansion.

Mr GRILL: The critical component in the production of aluminium is the cost of power. Apparently in this regard Western Australia cannot compete with either New South Wales or Victoria. Once again, as with iron ore, there is nothing more than a quarry.

Mr Sodeman: What a ridiculous statement that is.

Mr Sibson: Come on—cut that out!

Mr GRILL: Perhaps the member for Bunbury can tell us where the reprocessing will be carried out.

Mr Sibson: That is not the point.

Mr GRILL: There is no demand for alumina, but there is a demand for aluminium and we are producing none. It is cheaper to export alumina from Bunbury, ship it around to Victoria, reprocess it there, and bring it back, than it is to produce it in Western Australia.

Mr Sibson: That is not true.

Mr GRILL: That is why there will be no smelters here.

Mr Sibson: Who said there would not be any?

Mr GRILL: The member knows why that happens.

Mr Sibson: Listen, you said there would not be any smelters. You are denigrating this State.

Mr GRILL: All the industrial leaders say that, and I will tell the member why if he wants to know. There is neither a believable nor an efficient energy policy in this State.

Mr Sibson: What a lot of nonsense; what happened in Victoria just recently?

Mr Bryce: The Melbourne Cup!

Mr Bateman: We are talking about Western Australia for one thing.

Mr Sibson: You lost that round. Try gold.

Mr Bateman: The greatest query in the world.

Mr Sibson: Choose something you do know something about; you certainly know nothing about alumina.

Mr P. V. Jones: You are right when you say we do not compete with Victoria and New South Wales. I tell you now we have no intention of trying to compete on the basis under which they operate where the power is subsidised. That is one thing you and your colleagues have told us we should not do, and we will not do it.

Mr GRILL: The Minister is right. That was a fairly intelligent reply.

Mr P. V. Jones: Thank you!

Mr GRILL: Simply, the facts are that we cannot compete and the Minister knows we cannot compete. The Minister has conceded the argument; there will not be a smelter.

Mr P. V. Jones: We are not going to compete on the energy basis.

Mr GRILL: Having said that the Minister has conceded the argument, I will go on to talk about our energy policy in a moment. However, that is the reason that we will not have an aluminium smelter here. The Minister for Resources Development put the lie to his own Premier because the Premier said we would have two smelters in this State before the end of the decade.

Mr P. V. Jones: I said we would not compete on energy pricing for smelters the way they do there. I do not say we would not compete in other ways.

Mr GRILL: Maybe the Minister can, but his performance thus far has not been too great.

Mr Mensaros: A magnificent speech!

Mr GRILL: To some extent goldmining is prospering now, but certainly it is not prospering because of the Government. Through 1976 the goldmining industry was on its knees, but the Government was prepared to stand by then and see it fold.

Mr Sibson: The Western Australian Government did not, and you know it did not.

Mr GRILL: Yes it did.

Mr Sibson: It did not.

Mr Bateman: Here is a fellow with hopes of being the next Premier. I wondered who would be the next Premier, and here he is.

Mr Sibson: The Government was right behind the gold industry—right behind it.

Mr Bryce: So far behind it that nobody could see it or knew where it was.

Mr Sibson: The member for Ascot knows what the Government did for the goldmining industry.

Mr GRILL: Absolutely nothing—that is what it did.

Mr Sibson: The member for Yilgarn-Dundas ought to know better than to talk like that.

Mr GRILL: Goldmining in Western Australia—

Mr Sibson: What you should be talking about is what—

The SPEAKER: Order! The member for Bunbury, as a Deputy Chairman of Committees in this place, should know that continual interjections are more highly disorderly than other forms of interjection, and I would ask him to desist.

Mr Bateman: Hear, hear, Mr Speaker!

Mr GRILL: Let us turn to the coalmining industry because I believe coal is the most important fuel source that the State has at the present time.

Mr Sodeman: Before you get off gold, at your request I now remind you to talk about royalties. You asked us to do that.

Mr GRILL: I will do that before I finish, but I will talk briefly about coal. From now on I think we must cut the interjections somewhat short.

By and large the coal industry has been spurred by the Court Government. The Court Government for quite a long period of time shortsightedly turned its back on the coal industry as a source of fuel for the SEC. One need look at only the SEC power stations to understand that. It is costing tens of millions of dollars to reconvert the SEC power stations from oil to coal.

We are talking about the Budget now, and in the Budget we see that it will cost \$21.5 million in 1981-82 to reconvert those power stations. If there is to be any reprocessing of iron ore in the Pilbara, that reprocessing will not use gas but coal as an energy source at its present price. The most likely source of that coal is not Collic, but the Eastern States.

Those are the simple facts of the situation. There are no coal unloading facilities at Bunbury, and there probably never will be under this present Government.

Mr P. V. Jones: Coal unloading facilities?

Mr GRILL: Coal loading facilities.

Mr P. V. Jones: For what purpose?

Mr GRILL: To load coal to take up to the Pilbara.

Mr P. V. Jones: All right—now we know what you are talking about.

Mr GRILL: Let me now turn to energy. In this forthcoming year, in the estimate for the SEC we see an amount of \$55.174 million simply to finance capital borrowings. In other words, the SEC is paying \$55 million in interest. Last year the SEC paid \$38 million in interest, so that is an increase of something in the nature of 42 or 43 per cent.

If we look back to the year 1977-78, we find that \$25 million was paid out for interest. So in that three or four-year period the State has paid out, in terms of interest, something like an extra \$30 million; in other words, an escalation of more than 110 per cent as a percentage of the capital income for financing of the capital debt. That does not take into account money that has to be spent on the North-West Shelf.

Mr P. V. Jones: That is not right.

Mr GRILL: The Minister has already said the money to be paid on the North-West Shelf is to be capitalised.

Mr P. V. Jones: In this year's figure there are some funds appearing in those servicing charges relative to borrowings on that pipeline.

Mr GRILL: On 17 September—

Mr P. V. Jones: Yes, I know what I told you then.

Mr GRILL: The Minister told this House that none of the borrowings for the pipeline would be serviced in the current year or in the years up to about 1984, and that all the debt was to be capitalised. I can quote chapter and verse to the Minister if he wants it.

Mr P. V. Jones: All I have said is that some of the funds in this year's Budget relate to the commencement of the pipeline. Some of the funds in the SEC funding operation will start to show up this year.

Mr GRILL: Either the Minister told the truth then, or he is telling the truth now.

Mr P. V. Jones: The operating charges will be capitalised down the line. I just wanted to correct the point you were making.

Mr GRILL: The point I was making was that interest payments have increased 42 per cent from 1980-81 to 1981-82. Here again I will give a few more facts.

The SEC has contracted to take 10.9 million cubic metres of gas a day from the North-West Shelf partners at a price which is as yet unknown. There has been a tentative arrangement with the Japanese for them to take something like 6.5 million tonnes of gas a year.

Alcoa of Australia Ltd., in the south-west, has contracted to take something like 44 cubic metres of gas a day when it comes on stream at a price which is as yet unknown.

The pipeline from the North-West Shelf to Perth was estimated originally to cost something like \$450 million, and it is now estimated to cost \$650 million—a fair escalation in price by anyone's standards!

Mr P. V. Jones: You have to be fair and say to which years those figures relate.

Mr GRILL: Let us just look at the facts—I do not have a great deal of time left.

Mr P. V. Jones: I think it is fair, if you are going to quote figures—

Mr GRILL: Please do not interrupt me at this stage.

Mr P. V. Jones: That is \$450 million in 1977-78 terms; you are quite right because I gave you the figures. In June 1981 terms we are talking of \$650 million.

Mr GRILL: Nonetheless, it is a fact.

Hamersley Iron has made no secret of the fact that it cannot see any prospect in its using North-West Shelf gas in the Pilbara in terms of downstream processing of iron ore. Alcoa of Australia Ltd. has publicly indicated that if it had its "druthers" it would rather use coal than gas, and Worsley has already indicated it will use coal; the only area in which it will use gas is in calcine processing. The Japanese still have not signed any binding contract in respect of the six million tonnes of gas.

Mr P. V. Jones: That is what the joint venture is about. Are you criticising Alcoa for taking gas?

Mr GRILL: I am giving the Minister facts; I will tell him what I draw from the facts. By and large, this Government which is pushing North-West Shelf gas so hot and strongly is taking none of it itself. That is the next fact.

Sir Charles Court: Who said?

Mr P. V. Jones: What do you mean by that?

Mr GRILL: It is certainly not taking any gas to produce electricity. Which power station will use gas from the North-West Shelf?

Sir Charles Court: Are you going to make a complete fool of yourself by suggesting we should give priority to producing electricity with natural gas?

Mr GRILL: Let the Treasurer tell me which power station will take North-West Shelf gas.

Sir Charles Court: None; I hope they do not.

Mr GRILL: That is right, not one power station is to buy gas. Which major Government undertaking is to take North-West Shelf gas? Not one. If the Government wants to give a lead to industry it should take some gas itself. The Government knows full well the price of North-West Shelf gas will be far too high for it to purchase. The Government knows that, yet it is prepared to mislead this House and the people of this State.

Mr P. V. Jones: High compared with what?

Mr GRILL: What is more, the industries of this State are not taking much gas, either.

Mr P. V. Jones: Come on!

Mr GRILL: Which industries are to take gas?

Mr Bateman: Why are the Japs knocking it back?

Mr GRILL: Ministers opposite are very big on criticising me, but very slow on coming out with the answers.

Sir Charles Court: Who is using the gas at the moment and cannot get enough?

Mr GRILL: Let the Treasurer tell me.

Sir Charles Court: It is about time you got your facts right.

Mr GRILL: The Treasurer has no answers.

Mr P. V. Jones: Do you suggest we should put gas into power stations?

Mr GRILL: I do not have time to deal with the diamond industry now. I know that with all the fumbling and mistakes the Government has made in the past, it will duff up the diamond industry, just as it duffed up the iron ore industry, the alumina industry, the coal industry and, by and large, the gold industry and the North-West Shelf. This Government will duff up that industry in the same way it duffed up all the rest. It will make the same mistakes and the same fumbings.

#### *Point of Order*

Mr SODEMAN: In compliance with the request of the member for Yilgarn-Dundas, I point out that his time is limited. He asked us to

remind him to touch on the matter of royalties, so I am reminding him.

The SPEAKER: Order! There is no point of order.

### *Debate Resumed*

Mr GRILL: That is a facetious point of order. I was concluding my remarks so that I could present a few facts on royalties; if members opposite want to hear them they had better keep quiet.

The Government has a policy on royalties; its policy is to do nothing about royalties.

The Opposition has a policy on royalties which is based on four criteria. We adopt no dogmatic views about royalties. We say there should be an inquiry into the matter and the best sort of inquiry is by means of a Royal Commission.

We believe royalties should be set on the basis of the following criteria: Firstly, they must be set according to the best and most optimum return for the people of this State, taking into account the fact that there should be a higher level of employment. That does not mean more people at more mines; it means more mines, with more people being employed. Our policy also provides that we should take into account the best and most efficient means of exploiting a particular resource. It means the cut-off grade should be such that it is not placed too high by the level of royalties. It means a pool of oil should not be half developed because a royalty would bring about that situation.

Mr Cowan: Wouldn't you be better to nationalise it?

Mr GRILL: The member should not talk drivel at this stage. The last criterion is that there must be a good return to the company itself so that reinvestment is encouraged. On that basis, we do not agree with an across-the-board flat rate royalty. We believe that, to some extent, royalties should be equated with income. That is our policy.

MR BRIDGE (Kimberley) [9.50 p.m.]: The best way to describe the Budget as it affects the Kimberley would be to say it is a mixed bag. The Budget contains many measures which will be of benefit to the area, and this is acknowledged both by me and by the people I represent. In fact, I am prepared to record in this place my formal acknowledgment of the way the Government has seen fit to provide funding to certain areas. Capital works, generally, have been acknowledged and catered for in the Budget. There has been a continuation of the State's commitment to the

Ord River scheme, a move most people in the Kimberley consider to be responsible and proper.

The Budget contains a proposal—although I am not quite clear as to its logistics—to provide outlying health clinics in the Kimberley, which are to be located in places like Noonkanbah, Billiluna, and Lake Gregory. Those areas are mentioned as just three possible outlying communities which may receive this kind of service. That represents an enormous improvement on the type of service which exists in those communities today and I am sure they will be welcomed.

The Government has seen fit to provide \$600 000 towards the provision of Government offices in Derby, a move which will be greatly appreciated by the Derby Shire Council which has been facing enormous problems in the last two or three years due to a lack of sufficient facilities to enable it to carry out its own works. I have pursued this matter with the Government for about a year by way of questions in the House and letters, and I acknowledge the decision of the Government in this area.

The Government also recently has announced that the motel site in Derby will be thrown open for tender to expedite the motel's construction. These are important matters to an area like Derby, and represent a major part of the town's total planning. Derby, like other towns in the Kimberley, sees itself as an important town in the region, with the need to be supported by Government funding to enable long-term regional planning to take place.

I turn now to areas in which I will be somewhat critical of the Government. However, I hope the Government accepts my comments in the spirit in which they are made, and undertakes to examine these matters closely.

I am sure most members would know that one area about which I have been greatly concerned over the last few weeks has been the regular transport service in the Kimberley, known as the "RPT". I have every reason to be concerned, because over the last 20 or so years I have seen a gradual decline in the availability of an air service to the Kimberley.

Mr Davies: Is that defence establishment going well up at Derby? I refer to the training ground which received a lot of publicity.

Mr BRIDGE: It has not gone as well as was originally anticipated.

I remember 20-odd years ago it was easy to get connections from the Kimberley towns of Halls Creek and Wyndham to Melbourne and Sydney, in the one day. The then company, Conair, used

to operate a service from the Kimberley to Alice Springs via a number of Kimberley pastoral stations. MMA ran the internal service in the Kimberley using DC3 aircraft which had a capacity of 25 passengers plus an enormous amount of freight—we used to talk in terms of two tons of freight in those days.

From memory, I would say there were about 13 or 15 pastoral properties in the Kimberley which were regularly serviced by air either weekly or fortnightly, depending on the volume of freight and mail.

However, some 20 years later, we find that places like Halls Creek and Fitzroy Crossing are provided with aircraft capable of carrying only five or six passengers, and only one or two pastoral properties remain on the Kimberley service. I understand that Margaret River Station is one and I am not sure whether Gibb River Station, which was part of the Kimberley RPT last year, is still serviced. So, over the years, I have seen a gradual deterioration of the air service provided to the Kimberley. Yet, there is no way one could say there has been a decline in passenger or freight requirements; indeed, it has been the other way round.

MMA—now Airlines of Western Australia—has gone into bigger and faster jets to meet the needs of the mainline service whilst people in outlying areas, such as the Kimberley pastoralists and the people living in the towns of Fitzroy Crossing and Halls Creek, have seen a departure from the bigger type of aircraft to the present smaller aircraft.

Mr Rushton: Do you think the better roads might have something to do with it? It is now possible for people to travel on the black top to Fitzroy Crossing, which should reduce the loading on those aircraft.

Mr BRIDGE: As far as mail is concerned, that would be correct. Surface mail is brought in by road transport and the service would have been improved. However, I do not believe the road would have had a great effect on the transport of passengers, because people still prefer to travel by air, bearing in mind the long distances which must be covered.

In my comments on the aviation industry I reflected on the situation which has obtained over approximately the last 20 years. Previously DC3s operated in the Kimberley and, after they were phased out, twin Otters were introduced. They had the capacity to carry 19 passengers and a great quantity of freight. MMA then withdrew from the Kimberley service and Trans-west took over. Initially it operated 402s which are a

Cessna-type of aircraft, with the capacity to carry between 12 and 14 passengers and a reasonable amount of cargo. However, Trans-west soon found that aircraft was not capable of handling the volume of freight which had to be transported and eventually it reintroduced the twin Otter service into the Kimberley. Until recent weeks that situation has obtained, and the RPT has been rather well serviced by that aircraft.

In order to operate successfully in aviation it is necessary to use suitable aircraft. That is the most important aspect of the aviation industry. It is essential that, whether one is using an aircraft for private purposes, whether one wishes to operate an aircraft for business purposes, or whether one seeks to provide a passenger service, suitable aircraft be used.

In the Kimberley today we are facing the reality of unsuitable aircraft trying to provide an adequate service. I hope the view expressed by the Minister will be vindicated and ultimately the present service which operates in the region will prove to be effective. However, I have grave reservations about that.

Mr Rushton: It is a judgment of the Commissioner of Transport at the present time that this service will work. Obviously it will have to be kept under review at all times.

Mr BRIDGE: I do not agree with the Minister, because I do not believe the right type of aircraft are being used for the service. I cannot see how the small aircraft which are being used can be expected to accommodate the Kimberley RPT. However, time will tell whether that is the case.

Even at this early stage I am concerned about what will happen at school holiday times when literally hundreds of children will have to be transported to remote towns and outlying communities. The present company will certainly experience great problems at that time.

In the last 10, 15, or 20 years there has been a great decline in the aviation industry. It can be said the Federal Government has opted out of its responsibility to provide adequate subsidies. Indeed, it was as a result of inadequate subsidies that Conair withdrew from the service in the Northern Territory and MMA suffered considerable losses on its Kimberley service and withdrew also. More recently, Trans-West has faced a similar situation.

When one examines the statistics in relation to subsidies which have been granted to Western Australia by the Commonwealth, one sees the position is less than satisfactory. The Queensland Government has been able to extract a great deal more from the Commonwealth in terms of

subsidies than has the Government of this State. No-one can argue Queensland has any more unique or special characteristics in terms of aviation than we have in Western Australia. I cannot understand why the Government has not been able to extract a greater level of funding from the Federal Government than it has obtained in the past.

Regardless of the reasons for the inability of this State Government to obtain adequate funds from the Federal Government for this purpose, regions such as the Kimberley have suffered. It is essential that the Government press its case much more positively and strongly in order that it may extract a greater share of subsidies from the Federal Government which may be used to provide essential aviation services to the people of the Kimberley.

It must be borne in mind that the people in the north suffer many hardships, not only in relation to the type of lifestyles they must lead, but also because of the great distances which must be covered and the isolation this entails. By providing a suitable transport system for the Kimberley, many of the problems I have just mentioned would be minimised.

As far as road transport is concerned, the service provided is very good. It is competitive and reliable, and the frequency of services meets the requirements fully. However, the Government should acknowledge the position which exists in regard to the aviation industry in the Kimberley and it should look beyond the views expressed by its advisers, such as the Commissioner of Transport, and face the realities of the situation which I have described.

If we go back further than the DC3 service, it is clear the Lockheeds which were used in the early days of aviation in the Kimberley had a greater carrying capacity than the aircraft which are being used today. The aircraft which it is hoped will service the area is not much bigger than a Tiger Moth. It has a very limited passenger capacity. We should examine the aviation service in the Kimberley and the Minister for Transport should take steps to rectify the problems which exist there.

Like the aviation industry, the pastoral industry has declined over the last 10 years. I have spoken previously in this House about the unrealistic policies of the Government in this regard and there is clear evidence in the Kimberley today of the decline in the pastoral industry.

On my way to a meeting at Ringers Soak last Saturday I passed through Gordon Downs and I was saddened when I saw the situation there. In

years gone by Gordon Downs was a magnificent pastoral property. At that time it was owned by the Vestey Company. It is debatable whether the property should have been allowed to remain in the hands of that company for so many years, but at least in those days it was always well stocked with cows, calves, and fat bullocks, and it always had its "forward stores". In those days the property was well run.

However, that is not the case today. Herd numbers have diminished and the number of large cattle has declined. I do not know whether economic factors have compelled new pastoral property owners to cut into stock numbers as heavily as they have; but the industry is suffering enormously as a result.

It would be fair to say many of the pastoral properties in the Kimberley today are run on the "turn-off" basis. As soon as a new owner moves onto a property he digs deeply into the stock numbers to the point that he does not have what is termed generally in the pastoral industry as being "forward stores", which are the beasts which will be the bullocks in the following year. One does not see that type of cattle today and, in my view, that indicates the way in which the pastoral industry has been allowed to deteriorate.

The Government should watch very closely the way in which these pastoral properties are being conducted. It needs to examine the policies adopted by the owners and the way in which the properties are operated, because it should not allow exploitation of the pastoral industry in the Kimberley to occur.

The pastoral industry is very important to the Kimberley region and genuine pastoralists are concerned about the current trend. They can see the situation deteriorating to the point where there is little incentive for them to remain in the area. If qualified pastoralists leave the industry, it will decline further.

The Government took a backward step when it passed the legislation through this Parliament last year which allowed for the increase in pastoral properties and the effects of those provisions will be felt in the next few years. Like the aviation industry, the pastoral industry is going through a very difficult time and the Government should acknowledge that.

The Government is paying inadequate attention to and is providing insufficient financial support for the pastoral industry in the Kimberley and the net result of that sort of neglect is the deterioration that has occurred.

I should like to turn now to another aspect of the Budget as it affects my electorate. The new

health measures which were introduced recently have created many problems for the people I represent mainly as a result of local factors in the area. I am aware the Government has approached the Commonwealth in an endeavour to obtain some sort of financial relief for the people who require immediate transport to Perth for health reasons, but I am unaware of the results of those representations.

Unless an effective scheme is provided in the near future, many people in the Kimberley will face tremendous hardships. They will have to find the necessary finance to enable them to travel to Perth for specialist treatment and also for hospitalisation.

The Government should re-examine its anticipated reduction in funding to local authorities. There is no doubt local government will be required to assume a greater role in the future and, at the present time, local authorities are benefiting from the funds which have been made available by the Commonwealth. Indeed, local government is financially secure at the moment, as a result of the major contributions made by the Federal Government.

Problems could occur here if there is a change in the present tax-sharing arrangements which show the enormous amount of funding which the Commonwealth is currently providing to local authorities in this State, and I think what the State needs to watch is this: Okay, at the moment it is fine, and because of that situation with the tax-sharing arrangements existing now and the contributions coming from the Federal Government, local authorities are reasonably well off financially; but the dangers here are that if the State Government tends to direct large areas of its responsibilities towards local government, it could find itself and local governments in a very serious position if the Federal Government changes its tax-sharing policy.

Sir Charles Court: The amount we are going to reduce from 1982 is comparatively small when measured against what they are getting. They received over \$32 million from the Commonwealth this year and it went up to 16 per cent. Last year it went up 37 per cent. Next year it will go up by 18 per cent from the Commonwealth and the total amount which will be phased in over three years is \$1.9 million, which overall is not a great deal of money, but is important from our point of view. The main component of that amount will be phased in over three years.

Mr BRIDGE: That is probably a fairly acceptable situation. The only note of caution I

want to sound is that a total phasing out or a measured phasing out of State responsibilities to local authorities could be dangerous if we will be relying too heavily upon the Federal Government, which does have tendencies to change its tax-sharing policies.

Sir Charles Court: It is interesting to note that when the Commonwealth arbitrarily cut the States, it didn't touch local government so far as percentages were concerned, nor did it touch the sharing of personal income tax. It let that remain, even though it changed the basis for the States, and we have an assurance that that will continue.

Mr BRIDGE: Welfare is another area that is always of concern to me in the Kimberley. It covers such a wide area of need for a region such as the Kimberley. I want to state my support of the vital role that the Department for Community Welfare plays in a place such as the Kimberley. Often officers of that department are subjected to enormous amounts of criticism which, in the main, are quite unfairly made against them and this is brought about by the very nature of the work in which they are involved. Community Welfare has a very important role to play. There are many people who rely heavily upon the agencies set up by the Government to take care of their needs.

Mr Hassell: If they did not play politics they would get all the support they needed.

Mr BRIDGE: In the main, they do not.

Mr Hassell: In the main, they do not. They should not at all.

Mr BRIDGE: It is a matter of how one interprets their conduct. People can always write anything into a man's actions and motives if they want to and it suits them. One can say they are doing such-and-such and can always cast aspersions.

Mr Jamieson: As long as they do not play Labor politics!

Mr Hassell: But conserve the Government of the day.

Mr Jamieson: You are very good at this.

Mr BRIDGE: It is important that the Minister acknowledges the dedication of the officers of the Kimberley and the work they do for the Government.

Mr Hassell: All right, and I do. They do not do their own task any good or make it easier when they get the whole community's back up by playing political games.

Mr BRIDGE: Many of them do not do it. This is the point I am making. They are very dedicated people. The people of that area are very interested



in welfare which is an area that causes a great amount of public comment, and if one is assisting people in need, that in itself brings one into an area of criticism. I know there are many officers of the department who have been very dedicated and honest to the department to which they are attached, and yet, often quite unfairly, they are criticised for their work.

Mr Hassell: No; some might have been.

Mr BRIDGE: The very nature of their work will always bring them into that area of criticism and this is where the Minister should acknowledge that and not be guided by the advice or information that could flow from certain elements in our society.

Mr Jamieson: Certainly in relation to Kimberley people.

Mr Hassell: I work only on the basis of facts.

Mr I. F. Taylor: What regulation prevents them from being members of political parties?

Mr Hassell: It is a very difficult job that they do, which is the very point you raise. They have to be meticulous in maintaining their neutral position in the community.

Mr Jamieson: Who judges their neutrality in the Kimberley? The Kimberley centre-backs are the ones to take notice of.

Mr I. F. Taylor: The Public Service Act does not prevent their being members of a political party.

Mr Hassell: I was not talking about their membership of a political party.

Mr I. F. Taylor: You are talking about their political leanings.

Mr BRIDGE: I am mainly concerned about this area of the Budget and its application to the Kimberley. I prefaced my criticism, by acknowledging that there are a number of contributions which have been made by this Budget which are very beneficial to the Kimberley and I want to be shown on record as recognising and appreciating them.

The areas I have covered such as allocations, education, the pastoral industry, health and welfare, and, to a lesser extent, the funding towards local government are those which must be looked at by the Government. Those are certainly issues in regard to which a place such as the Kimberley needs to rely heavily upon the Government to face up to its responsibilities and make the necessary contributions to enable local organisations and local authorities to develop and expand areas where development is essential in the long-term planning of the region.

So I suggest and hope that the Government takes heed of my comments which have been made in the interests of the Kimberley. I purposely refrained from using my 20 or 30 minutes in this debate tonight in unnecessarily attacking aspects of the Budget. I have not been interested in that and it is certainly an area I have never been terribly inclined to be interested in since I have been in Parliament. I hope that I have put forward a summary of the issues I regard as important and that members of the Government will see them in a similar way.

Opposition members: Hear, hear!

Debate adjourned, on motion by Mr Jamieson.

*House adjourned at 10.25 p.m.*

## QUESTIONS ON NOTICE

### SALES TAX

#### *Speak and Spell Machines*

2504. Mr BATEMAN, to the Premier:

- (1) Is it fact that machines called "Speak and Spell" which are used by many people in the community who have lost their voice through one reason or another, have a heavy sales tax burden placed on them?
- (2) If "Yes", has his Government made approaches to the Federal Government to have this tax removed from these machines, as it does place a financial burden on those requiring to use them?
- (3) If not, why not?

Sir CHARLES COURT replied:

- (1) to (3) Extensive inquiries have been made, but details of machines specifically called "Speak and Spell" cannot be determined. Some aids used by people who have lost their voice may be obtained free of sales tax through charitable organisations or prescribed through public hospitals by specialists in this field.

If the member gives me further details, I will extend my inquiries.

### HOSPITAL: ROYAL PERTH

#### *Beds*

2505. Mr BATEMAN, to the Minister for Health:

- (1) Is there an ever-increasing shortage of beds in Royal Perth Hospital?
- (2) If "Yes", is he aware that some serious patients such as heart patients, have had to wait long periods of time before being admitted to hospital?
- (3) If answers to (1) and (2) are "Yes", will he do all that he possibly can to ensure this matter is rectified?
- (4) If not, why not?

Mr YOUNG replied:

- (1) Over the past five years admissions to Royal Perth Hospital have risen from 30 504 in 1976-77 to 34 329 in 1980-81. Over the same period average length of stay of patients has reduced from 6.9 days to 6.1 days and average occupancy has increased from 82.33 per cent in June 1977, to 90.31 per cent in June 1981. At the same time the bed capacity on the site has remained virtually unchanged—693 in 1976-77 and 692 in 1980-81. Thus, there is some evidence of increasing activity within the available beds. Experience in the past year indicates that pressure has levelled off.
- (2) It is true that there is a waiting list, but this is so constructed by the specialists that those requiring urgent treatment are given it. The number of beds allocated to cardiac surgery has been increased.
- (3) There is a planned programme of development for cardiac surgery over the next four years and this will be undertaken subject to the availability of funds.
- (4) Not applicable.

### ANIMALS: CATS

#### *Local Government: Control*

2506. Mr PARKER, to the Minister for Local Government:

- (1) Is there any power available for local government authorities to control domestic cats?
- (2) If "Yes", what is it?
- (3) (a) In any event is the Government considering legislation to assist in controlling cats in suburban areas; and  
(b) if so, what is its nature?

Mrs CRAIG replied:

- (1) Not as far as I am aware.
- (2) Answered by (1).
- (3) (a) No;  
(b) answered by (3)(a).

2507. *This question was postponed.*

### STATE ENGINEERING WORKS

#### *Management: Staff*

2508. Mr PARKER, to the Minister for Works:

- (1) Have there been problems at the State Engineering Works concerning staffing

in the management area, and if so, what have they been?

- (2) Has the manager recently resigned, and if so, why?
- (3) Has there been a problem in tendering for work associated with the north-west gas pipeline, and if so, what?
- (4) Have the wage levels offered to workers been insufficient to compete with those available in private industry?

Mr MENSAROS replied:

- (1) No, not different from the state of affairs recurring occasionally and caused by the time-lag in replacing officers who successfully applied and were transferred to other arms of Government.
- (2) and (3) No.
- (4) The wage levels—after the recently granted \$20 per week increase to tradesmen by the arbitration commission—are considered equitable and comparable with those available in private industry.

#### LOCAL GOVERNMENT: MOTOR VEHICLES

##### *Employees: Use*

2509. Mr BATEMAN, to the Minister for Local Government:

- (1) As there has been increasing criticism by ratepayers relating to the private use of local government vehicles by employees, will she have a full investigation made to ascertain if there is any abuse being made of such a privilege?
- (2) How is this privilege authorised?
- (3) Exactly what guidelines are laid down expressly to protect the ratepayers rate contributions?
- (4) If "No" to (1), why not?

Mrs CRAIG replied:

- (1) The extent to which a council permits its vehicles to be used by employees is a domestic matter which is decided by each council and I do not propose to intervene.

- (2) Each council is responsible for the way in which its functions, including the deployment and use of vehicles, are carried out and for the terms and conditions under which staff are employed.
- (3) Different councils would no doubt have different guidelines.
- (4) I am not aware of any grounds that would warrant an investigation.

#### GOVERNMENT DEPARTMENTS AND INSTRUMENTALITIES: APPOINTEES

##### *Retiring Age*

2510. Mr BRIAN BURKE, to the Premier:

- (1) Does the Government have a policy on retiring ages for persons appointed to Government boards, committees, authorities and other Government agencies?
- (2) If so, will he outline the policy?

Sir CHARLES COURT replied:

- (1) and (2) The retiring age for persons appointed to boards and other Government agencies is often specified in the relevant Statute. Where this is not so, appointments and renewals of appointments are made having regard to the fitness, experience, and other qualifications of the appointee. In many instances the persons with the best attributes have retired from industry or Government service. Therefore, a flexible approach has been found to be the most desirable arrangement in these situations, although as a general rule 70 years of age is used as a guide.

#### EDUCATION: PRE-PRIMARY AND PRE-SCHOOL

##### *Gifted or Advanced Children*

2511. Mr PEARCE, to the Minister for Education:

- (1) Are gifted or advanced children accepted into primary schools before the year in which they turn six?
- (2) If so, what is the procedure for determining if a child is eligible for early entry?

- (3) Are gifted or advanced children accepted into pre-primary schools before the year in which they turn five?
- (4) If so, what is the procedure for determining if a child is eligible for early entry?
- (5) Will Government policy allow for early entry into pre-schools for gifted or advanced children?

Mr GRAYDEN replied:

- (1) Yes.
- (2) Reports from a guidance officer, an early childhood adviser, and a pre-primary teacher are submitted. These are considered along with recommendations from the school principal and regional director/superintendent before a final decision is reached.
- (3) A limited number will be admitted for the first time in 1982.
- (4) Regional directors will arrange for reports from a guidance officer and a special case early childhood adviser. To enable this to occur, provision will be made for the child to attend a pre-primary centre for one week for observation purposes. Reports from the pre-primary teacher and the school principal will also be considered.
- (5) For community-based pre-schools, policies for enrolling children in special categories are determined by the school committees. Such decisions would be made within the limits of staffing allocations.

#### EDUCATION: HIGH SCHOOL

*Kelmscott: Council*

2512. Mr PEARCE, to the Minister representing the Attorney General:

- (1) Is it a fact that the Kelmscott Senior High School Council applied to become an incorporated body on 27 November 1980?
- (2) Is it a fact that an objection to this incorporation has been lodged by the Director General of Education?
- (3) If so, what is the basis of that objection?
- (4) When is it likely that this matter will be resolved?

Mr O'CONNOR replied:

- (1) No. By letter dated 15 December 1980, the secretary of the Association applied to the Commissioner for Corporate Affairs for incorporation. By letter dated the same date, the association applied to me for a certificate that the Association was one to which the facilities of the Associations Incorporation Act ought to be extended.
- (2) Yes. Objections to the name of the Association were also made by the Commissioner for Corporate Affairs.
- (3) The Director General of Education and the Commissioner for Corporate Affairs objected to the Name "Kelmscott Senior High School Council" because the name is such that the body corporate could be capable of being taken by the public as an arm of the Education Department.

In addition, I considered that there were deficiencies in the constitution, details of which were forwarded to the association by the Under Secretary for Law on 12 May 1981. That letter also indicated that it would be necessary for the association to resolve the name of the Association with the Commissioner for Corporate Affairs.

- (4) The matter will be resolved as soon as the association adopts a suitable name and amends its constitution as already indicated.

#### EDUCATION: TERTIARY

*Karratha and Pilbara Colleges*

2513. Mr PEARCE, to the Minister for Education:

- (1) How much of the funds allocated for the Pilbara and Karratha community colleges for 1981-82 comes from Federal sources?
- (2) How much of the funds allocated for the Pilbara and Karratha community colleges for 1981-82 comes from State sources?

Mr GRAYDEN replied:

- (1) and (2) Recurrent funds for the post secondary education colleges which have been established at Hedland and Karratha are provided from State sources. In addition, the colleges may participate in the distribution of the Commonwealth special purpose and particular purposes grants for technical and further education in this State, but arrangements regarding the distribution of these funds have not yet been finalised. Recurrent funds allocated to the two colleges from the Consolidated Revenue Fund for 1981-82 are as follows—

Hedland college—\$887 000  
Karratha college—\$891 000.

The capital costs of Hedland college are being met from Commonwealth sources, while capital costs for Karratha college are being met from State sources. Expenditure on capital works for the two colleges in 1981-82 is estimated to be as follows—

Hedland college—\$5 575 000  
Karratha college—\$2 314 000.

#### EMPLOYMENT AND UNEMPLOYMENT: BANK OF NSW

##### *Teller Systems: Automated*

2514. Mr PEARCE, to the Minister for Labour and Industry:

- (1) Is it a fact that the Bank of New South Wales is beginning to install automated teller systems in its branches in Western Australia?
- (2) What action is he taking to preserve employment in the banking sector?

Mr O'CONNOR replied:

- (1) The Bank of New South Wales has indicated that six automatic "Handibank" systems will be installed in city and metropolitan branches.
- (2) I am advised that experience in the Eastern States has indicated that the "Handibank" system generates a demand for other bank services. As a result there is an increase in staff rather than a reduction.

2515. *This question was postponed.*

#### APPRENTICES: JAXON CONSTRUCTION PTY. LTD.

##### *Retrenchments*

2516. Mr I. F. TAYLOR, to the Minister for Labour and Industry:

- (1) How many apprentices are currently employed by Jaxon Construction Pty. Ltd.?
- (2) Has Jaxon Construction Pty. Ltd. laid off, retrenched or otherwise dispensed with the services of any apprentices over the past two years?
- (3) If "Yes" to (2)—
- how many apprentices;
  - what was the term of each of the apprentices involved;
  - what was the reason for dispensing with the services of each of the apprentices?

Mr O'CONNOR replied:

- (1) Currently Jaxon Construction Pty. Ltd. employs 59 apprentices.
- (2) Yes. Four have had their apprenticeships suspended or will be suspended and some apprentices have, in the normal process, been transferred to other employers—no details available of these.
- (3) (a) Four;
- 3 x 4 years;
  - 1 x 3 years;
- (c) Suspensions were caused because the company closed its plumbing division.

#### APPRENTICES

##### *Technical Colleges*

2517. Mr I. F. TAYLOR, to the Minister for Labour and Industry:

- (1) Are employers of apprentices obliged to release apprentices for technical school training in the first year of apprenticeship?
- (2) If not, why not?

Mr O'CONNOR replied:

- (1) Employers are required to release apprentices in their first year of training to attend prescribed technical training courses. However, depending upon the date that an apprentice commences his apprenticeship, his technical training may be deferred until the next technical school year.
- (2) Answered by (1).

## WATER RESOURCES: DAMS

### *Mundaring*

2518. Mr JAMIESON, to the Minister for Water Resources:

- (1) What planning progress has been made to supplement and increase the available water supply to areas now supplied by Mundaring Weir?
- (2) Is there a time schedule programme for these improvements?
- (3) What is the latest development in the Agaton water supply project?

Mr MENSAROS replied:

- (1) It has been possible to increase the yield from Mundaring by integrating this reservoir with the Metropolitan Water Board's system of interconnected storages.
- (2) The work necessary for this integration has been completed.
- (3) I refer the member to the reply given by the Premier in answer to question 638 without notice in the Legislative Assembly on Tuesday, 20 October 1981 and also to my reply to question 2375 in the Legislative Assembly given on Tuesday, 27 October.

A seminar will be held in Dalwallinu on 16 November on the Agaton project cost benefit study. This seminar will be opened by the Premier at 9.00 a.m. and is being organised by the Rural and Allied Industries Council.

## PUBLIC WORKS DEPARTMENT

### *Day Labour Force*

2519. Mr JAMIESON, to the Minister for Works:

- (1) What is the present number and category breakdown of the Public Works Department day labour force?

- (2) What was the day labour force total numbers on—
  - (a) 31 October 1978;
  - (b) 31 October 1979; and
  - (c) 31 October 1980?
- (3) Of the day labour force how many are apprentices, and what are the respective number of the various trades?
- (4) What were the apprentice total numbers on—
  - (a) 31 October 1978;
  - (b) 31 October 1979; and
  - (c) 31 October 1980?

Mr MENSAROS replied:

- (1) According to the most recently available information the day labour force amounted to 2 839 employees. There is no breakdown by category available for the engineering division. The breakdown for the architectural division is as follows—

Category	Total of Tradesmen and Apprentices
Stonemasons	2
Bricklayers	38
Cabinetmakers	11
Carpenters	180
Painters	100
Plasterers	24
Plumbers	87
Polishers	2
Timber machinists	6
Mechanical fitters	30
Refrigeration mechanics	33
Sheetmetal workers	33
Electrical fitters	45
Electrical installers	51
TV repairers	23
Telephone technicians	8
Electrical-fault attendants	2
Mechanical trades' assistants	15
Builders' labourers	96
Truck drivers	10
Foremen and subforemen	42
Plant officers	10
Works' clerks	20
Storeman	1
Miscellaneous	13
<b>TOTAL</b>	<b>882</b>

- (2) (a) 3 435;  
 (b) 3 227;  
 (c) 3 156.
- (3) Apprentices included in the total in answer (1) above were—

*In the engineering division—*

Automotive electrical fitting	1
Blacksmithing	2
Boilermaking	2
Boilermaking & 1st-class welding	14
Carpentry and joinery	1
Electrical fitting	10
Electrical installing	4
Mechanical fitting	8
Fitting and turning	9
Motor mechanics	18
Moulding	6
Painting—vehicle	3
Panel beating	5
Pattern making	1
Plant mechanics	6
Radio and TV servicing	2
Scientific instrument making	1
Sheetmetal working	6
Trimming	1
Turning & 1st-class machining	14
Wood machining	1
1st-class welding—engineering	3
1st-class welding—boilermaking	1
Bodymaking	4
<b>TOTAL</b>	<b>123</b>

*In the architectural division—*

Bricklayers	14
Cabinetmakers	3
Carpenters	38
Painters	17
Plasterers	8
Plumbers	22
Timber machinists	2
Mechanical fitters	4
Refrigeration mechanics	15
Sheetmetal workers	13
Electrical fitters	11
Electrical installers	8
TV repairers	3
<b>TOTAL</b>	<b>158</b>

- (4) (a) 343;  
 (b) 335;  
 (c) 300.

## ELECTORAL

### *British and Non-British Subjects*

2520. Mr BRIAN BURKE, to the Minister for Immigration:

- (1) Did he agree at a meeting of Commonwealth and State Immigration Ministers that British subjects will lose the automatic right to vote in Australian and State elections after six months' residence because they will have to take out citizenship papers such as non-British migrants have to do?
- (2) If so, when does he intend to introduce legislation to this effect?

Mr O'CONNOR replied:

- (1) All Commonwealth and State Ministers for Immigration have agreed on the principle that migrants, irrespective of their country of origin, should be treated equally in relation to requirements to enrol and the right to vote at elections for Parliament. However, the Western Australian Government has not reached a conclusion on any detailed proposals.
- (2) The State Electoral Act is under the portfolio of the Chief Secretary. When consideration of all issues has been undertaken and completed, he will present recommendations to the Government.
- It should be noted also that the "in principle" agreement of Commonwealth and State Ministers was on the basis that a person with the franchise at the time of any change would not be disenfranchised.

2521 to 2524. *These questions were postponed.*

## LAND: RESUMPTION

### *Kalbarri*

2525. Mr CARR, to the Minister representing the Minister for Lands:

- (1) Is it a fact that the Lands Department has initiated, or is about to initiate action to resume Reserve No. 26433, lots 166-167 Kalbarri on the grounds that it has not been developed for church purposes, as vested?

- (2) If "Yes", how does the Government justify this action?
- (3) If "No" to (1), what is the present situation?
- (4) Has the Lands Department received representations from any other body to have the reserve cancelled?
- (5) Is the Lands Department still satisfied that this is a suitable site for church purposes or does it consider the site now to be unsuitable, because of, for example, parking requirements?

Mrs CRAIG replied:

- (1) No.
- (2) Answered by (1).
- (3) Lands Department file on this reserve reveals that the last action in connection with the reserve was in 1968.  
I am not aware of any current proposals that may affect the site.
- (4) Answered by (3).
- (5) The matter has not been examined.

#### FUEL AND ENERGY: NUCLEAR

##### *Power Station: Site*

2526. Mr DAVIES, to the Premier:

- (1) Is there a site north of Perth still reserved for a nuclear power station?
- (2) Is it still likely to be required?
- (3) Is he aware that the location is hindering subdivision in the area and causing concern to the local authority?
- (4) Is he able to make any announcement which could help allay this concern?

Sir CHARLES COURT replied:

- (1) and (2) The State Energy Commission has resumed a property at Breton Bay for power station purposes. It is suitable for a conventional or nuclear power station.  
The energy policy which is being pursued provides for all energy generation options to be considered, including a nuclear power station should it be required at some future time.
- (3) I know personally of no such restrictions or concern, but I have instituted some inquiries to obtain information about the latest position. I will advise the member in due course.
- (4) See answer to (3).

#### EDUCATION: SOCIAL WORKER

##### *Replacement*

2527. Mr WILSON, to the Minister for Education:

- (1) Can he confirm that the Education Department does not intend to replace a school social worker who has been on long service leave and who has been servicing Girrawheen Senior High School, Montrose Primary School, Hainsworth Primary School, Girrawheen Primary School and Koondoola Primary School and that as a result these schools will be without a social worker for the remainder of the year?
- (2) Can he also confirm that casework for children affected by individual and family crises which has been provided on an on-going basis for several years at the schools will now not be handled at all?
- (3) In view of the fact that among the children attending these schools there appears to be a disproportionate number of social problems, will he give consideration to the appointment of a social worker on a short-term contract basis till the end of the school year?
- (4) Does the department intend to appoint a social worker to these schools in 1982?

Mr GRAYDEN replied:

- (1) Yes.
- (2) No. A crisis referral service will operate.
- (3) As only six weeks of this school year remain, a temporary appointment is not warranted.
- (4) Yes.

#### HOUSING: RENTAL

##### *Emergent: Wait-turn Listing*

2528. Mr WILSON, to the Honorary Minister Assisting the Minister for Housing:

Can he explain why in the case of a single parent family including two children, the younger of whom is only seven months, who are currently living in an old market garden house infested with rats in North Beach Road, Gwelup, the State Housing Commission is only prepared to grant wait-turn listing for housing assistance?



Mr LAURANCE replied:

The applicant has been identified and I am calling for a review of the circumstances.

As soon as the review is completed the member will be informed of the decision by letter.

## HOUSING: RENTAL

### *Bond Money*

2529. Mr WILSON, to the Minister for Consumer Affairs:

- (1) Has the Consumer Affairs Bureau or the Small Claims Tribunal received complaints from tenants renting private accommodation about the practice that is apparently being adopted upon change of ownership of such properties whereby the new owners are demanding large increases in bond money paid at the time of initial occupancy to the previous owner?
- (2) Does the Government approve of this type of practice?
- (3) If not, what action does he intend to take to discourage this practice?
- (4) What is the Government's policy on the need for the establishment of a fair rents board in Western Australia?

Mr O'CONNOR replied:

- (1) to (4) No record can be found of such complaints in either the Bureau of Consumer Affairs or the Small Claims Tribunal.

## HOUSING: RENTAL

### *Rents: Policy*

2530. Mr WILSON, to the Honorary Minister Assisting the Minister for Housing:

- (1) Is it the Government's policy to relate State Housing Commission rents to rates of rental on the open market?
- (2) If "Yes", how is the Government proceeding to implement this policy and what means of assessment is used to determine the relationship between State Housing Commission rents and market rents?
- (3) If "No" to (1), what is the basis for determining the level of State Housing Commission rents?

Mr LAURANCE replied:

- (1) The State Housing Commission has been determining rent levels by relating them to market levels under the provisions of the relevant Housing Agreement (Commonwealth and State) Acts 1978 and 1981.
- (2) The State Housing Commission with the assistance of a consultant valuer reviews rents annually.
- (3) Answered by (1).

## HOUSING: RENTAL

### *Rents: Rebates*

2531. Mr WILSON, to the Honorary Minister Assisting the Minister for Housing:

- (1) How many State Housing Commission tenants were on rebated rent in—
  - (a) 1970-71;
  - (b) 1975-76;
  - (c) 1978-79;
  - (d) 1979-80;
  - (e) 1980-81?
- (2) What proportion of the total number of tenants did this represent in each of these five years?

Mr LAURANCE replied:

- (1) and (2) There are many tenants of the State Housing Commission who receive rebated rents for varying periods and no figures are kept of the numbers who receive benefits over a period. The numbers of tenants and the percentage to the total number of tenants receiving rebated rents at 30 June of the nominated years are—

Year	Tenants	Per-centage
1970-71	3 182	17.21
1975-76	7 633	33.5
1978-79	12 173	51.4
1979-80	13 171	53.9
1980-81	14 080	55.8

## HOUSING: RENTAL

### *Rents: Arrears*

2532. Mr WILSON, to the Honorary Minister Assisting the Minister for Housing:

- (1) What were the numbers of State Housing Commission tenants in arrears in—

- (a) 1970-71;
  - (b) 1975-76;
  - (c) 1978-79;
  - (d) 1979-80;
  - (e) 1980-81?
- (2) What proportion of the total number of tenants did this represent in each of these five years?
- (3) What was the total amount of rent arrears owed by commission tenants in—
- (a) 1978-79;
  - (b) 1979-80;
  - (c) 1980-81?
- (4) What was the estimate of revenue from commission rents for 1980-81?
- (5) What was the actual revenue received from commission rents in 1980-81?

Mr LAURANCE replied:

- (1) and (2)

	Year	No. Tenants	Per- cent- age
(a)	1970-71	4 322*	23*
(b)	1975-76	4 868	20.27
(c)	1978-79	4 388	17.54
(d)	1979-80	4 564	17.64
(e)	1980-81	4 686	17.46

\*(approx)

- (3) (a) 1978-79 \$225 882  
 (b) 1979-80 \$249 541  
 (c) 1980-81 \$289 188
- (4) The estimate prepared at the commencement of the financial year 1980-81 of revenue from rents payable by commission tenants was \$31.507 million.
- (5) Actual rental received from commission tenants in 1980-81 was \$32 027 855.

#### LOCAL GOVERNMENT

##### *Home Help*

2533. Mr WILSON, to the Minister for Health:

- (1) Is he aware of the lack of long-term home help services to assist with housekeeping, shopping and home maintenance in cases where elderly people who are not sick could with such assistance remain longer in their own homes?
- (2) Is he aware that such services are provided under the auspices of the States Grants (Home Care) Act through local government operated home help services in other States?

- (3) What home help services are currently available in Western Australia under the auspices of the States Grants (Home Care) Act?
- (4) What further initiatives is the Government taking to augment existing programmes in 1981-82?

Mr YOUNG replied:

- (1) Yes.
- (2) Yes.
- (3) Silver Chain Nursing Association  
 Perth Emergency Housekeeper Services Inc.  
 Geraldton Home Help Services  
 League of Home Help for Sick and Aged  
 Volunteer Task Force.
- (4) It is planned to expand home help to provide a more intensive service, and to assist people in need who do not receive any help at the moment. Home care based on small hospitals in country areas is to be progressively developed in centres where no assistance is currently available.  
 Day care services will continue to be fostered directly and indirectly.  
 In addition a range of complementary services in the form of keep fit classes and domiciliary chiropody will be developed together with extensions to the aged persons support scheme.

#### LOCAL GOVERNMENT

##### *Home Help*

2534. Mr WILSON, to the Minister for Health:

- (1) What grants were received by Western Australia from the Commonwealth under the provisions of the States Grants (Home Care) Act in the years—
- (a) 1976-77;
  - (b) 1977-78;
  - (c) 1978-79;
  - (d) 1979-80; and
  - (e) 1980-81?
- (2) What is the estimated grant for 1981-82?
- (3) Were these amounts matched on a dollar-for-dollar basis by the State Government?
- (4) On what specific programmes were these total Commonwealth-State funds expended in 1980-81 and what amount was allocated to each programme?

- (5) Are local government authorities eligible for payments indirectly through the State Government in respect of home care services?
- (6) How many local government authorities in Western Australia applied for payments through the State Government in respect of home care services in 1980-81?

Mr YOUNG replied:

- (1) (a) \$520 000;  
(b) \$460 000;  
(c) \$209 000;  
(d) \$296 000;  
(e) \$510 000.
- (2) \$1 264 000.
- (3) Since 1 July 1978. Subsidy for home care services is on a \$1 for \$1 basis. Prior to that date subsidy was on \$2 for \$1 basis. Different arrangements apply to capital subsidy for senior citizen centres.
- (4) Home care services—\$57 000  
Welfare officers—recurrent—\$97 000  
Senior citizens centres—capital—\$356 000.
- (5) Yes, providing service is an approved service under the State Grants (Home Care) Act.
- (6) None.

#### EDUCATION: MUSIC

##### *Concerts and Festivals*

2535. Mr WILSON, to the Minister for Education:

- (1) Can he confirm that schools holding music festivals or concerts or even assemblies involving musical items are receiving accounts for amounts up to \$22 from the Australasian Performing Right Association?
- (2) If "Yes", what advice is the department giving to schools about the payment of such accounts?
- (3) What action, if any, is the department taking in regard to this approach to schools by the Australasian Performing Right Association?

Mr GRAYDEN replied:

- (1) The director-general is aware of the fact that a number of schools have received from the Australasian Performing Rights Association a licence agreement offering certain rights for a cost of \$22.50.
- (2) The department is advising schools not to take out the licence until its officers have had an opportunity to meet with the local representative of the Australasian Performing Rights Association and to discuss the matter.
- (3) The department has arranged for two of its senior officers to meet with the Western Australian Australasian Performing Rights Association representative to discuss the matter.

2536. *This question was postponed.*

#### FUEL AND ENERGY: GAS

##### *North-West Shelf: Contracts*

2537. Mr GRILL, to the Minister for Fuel and Energy:

- (1) What major firm commitments does the State Energy Commission have from Western Australian users for North-West Shelf gas?
- (2) In each case what amount of gas has been contracted for?
- (3) In each case what is the price to be paid for the gas?
- (4) What is the total amount of gas for which the State Energy Commission has firm commitments?
- (5) (a) How much gas has the State Energy Commission contracted to take from Woodside; and  
(b) at what price?

Mr P. V. JONES replied:

- (1) to (5) The State Energy Commission has contracted to purchase 312 MMCFD from the North-West Shelf joint venture partners for use in Perth and the south-west, and 73 MMCFD for use in the Pilbara. Of this, 156 MMCFD will be sold to Alcoa of Australia under the terms of the memorandum of understanding agreed and signed in 1978.

Detailed discussions with other potential customers are in progress, and the full commercial details of these discussions and sales are confidential to the Energy Commission and the companies concerned.

2538. *This question was postponed.*

# EDUCATION: HIGH SCHOOL AND PRIMARY SCHOOL

## *Tuart Hill: Students*

2539. Mr BERTRAM, to the Minister for Education:

How many parents of students at—

- (a) Tuart Hill Senior High School;
- (b) Tuart Hill Primary School,

having been told that their children may attend Balcatta High School have now been told that their children must attend—

- (i) Mirrabooka High School;
- (ii) other high schools?

Mr GRAYDEN replied:

- (a) and (b) Three applications from parents of children attending Tuart Hill Senior High School were received asking for their child to attend Balcatta Senior High School. All three of these applications were not approved because the department is not encouraging 1982 year nine students to leave Tuart Hill Senior High School following the express wish of the parents that the year nine group should remain at Tuart Hill in 1982.

Four applications from parents of children attending Tuart Hill Primary School were received asking for their child to attend Balcatta Senior High School. Two of these applications were approved because—

- (i) The child is going to be staying with grandparents living adjacent to the Balcatta Senior High School;
- (ii) the child lives west of Main Street.

The other two applications were not given approval because the children live on the east side of Main Street adjacent to the bus route being provided to the children attending Mirrabooka.

# LEGAL PRACTITIONERS

## *Employment*

2540. Mr BERTRAM, to the Minister representing the Attorney General:

- (1) How many persons currently eligible for articles of clerkship under the Legal Practitioners Act have been unable to obtain articles?
- (2) How many solicitors seeking to be employed in a legal practice are currently unable to obtain employment?
- (3) How many law students will qualify for articles of clerkship in the near future and how many of these students are likely to obtain articles?

Mr O'CONNOR replied:

The following information was obtained from the Dean of the Faculty of Law, University of WA, and the Executive Officer, Law Society—

- (1) The executive officer's latest advice is that there is only one person currently eligible for and seeking articles of clerkship who has not yet found articles.
- (2) The executive officer is aware of one person who arrived back from the United Kingdom this week.
- (3) 78 will qualify and of these 14 have not yet obtained articles.

My advice from both the dean and the executive officer is that the employment situation for legal practitioners in this State is very good. There is a slight excess of demand over supply with any unemployment likely to be only as a result of people changing employment.

It is anticipated that the supply and demand for articulated clerks is likely to be balanced this year, certainly balanced for those taking articles in 1982 and 1983 with a possible shortage of persons wishing to undertake articles in 1984.

I am advised that the Research Unit of the University of Western Australia report "Prospects for Law Students and the Experience of Articles", published in September 1981, may be of interest to the member.

## ROAD

*Anzac Road, Mt. Hawthorn*

2541. Mr BERTRAM, to the Minister for Transport:

What steps, if any, are in contemplation or progress to widen Anzac Road between Scarborough Beach Road and Brady Street, Mt. Hawthorn?

Mr RUSHTON replied:

This road is under the control of the Perth City Council. It is understood from inquiries I have had made that there are no proposals for widening at this time.

## FUEL AND ENERGY: GAS

*North-West Shelf: Metropolitan Area and Price*

2542. Mr GRILL, to the Minister for Fuel and Energy:

- (1) When is it expected that North-West Shelf gas will be supplied to the metropolitan area?
- (2) What amount of gas is it expected will be supplied to domestic users annually from the North-West Shelf?
- (3) What price is envisaged that domestic users will pay for such gas?

Mr P. V. JONES replied:

- (1) to (3) North-West Shelf gas is planned to be available in the second half of 1984. The contract between the North-West Shelf joint venture partners and the State Energy Commission provides for a six-month commissioning period from June 1984. Consequently, a firm gas supply to the metropolitan area is expected from January 1985.

The market estimate of gas for domestic and light industrial purposes is expected to increase from 24 MMCFD in 1985-86 to 34 MMCFD in 1990/91.

The projected gas price for domestic users in 1985 is expected to be similar to present day prices as escalated by future commission tariff adjustments.

## HEALTH: TOBACCO

*Taxis*

2543. Mr BERTRAM, to the Minister for Transport:

- (1) Is it a fact that passengers may smoke cigarettes in taxis even though it is unlawful for taxi drivers to do so?

- (2) If "Yes", will he take action to correct this anomaly which gives taxi drivers no choice other than to ingest smoke exhaled by their passengers?

- (3) If "No", why?

Mr RUSHTON replied:

- (1) Whilst passengers may smoke cigarettes in taxis, the current taxi-car regulations state—

The operator of a taxi-car shall not—if requested by the hirer or a passenger not to do so, smoke in the taxi-car while it is engaged under a hiring.

- (2) Following the report of Mr P. J. Carly's study of the taxi industry, the whole question of taxi-car operations and their attendant regulations is being reviewed. The regulation regarding smoking is included in the review.
- (3) Answered by (2).

## QUESTIONS WITHOUT NOTICE

## FUEL AND ENERGY: OIL

*Refinery: BP*

733. Mr BRIAN BURKE, to the Premier:

- (1) Is he aware that this afternoon the manager of the BP Aust Limited refinery at Kwinana confirmed that the throughput of crude oil at the refinery is "well down"?
- (2) Will the Premier now say whether he has become aware of any reduction in the operating level of capacity at the Kwinana refinery, and whether this matter is of any concern to the Government?

Sir CHARLES COURT replied:

- (1) and (2) I have no reason to alter the answer I gave yesterday. I am amazed the Leader of the Opposition is so anxious to denigrate this State of ours and to try to put forward an atmosphere of gloom and despair. He spends half his time doing these sorts of things. I can tell him that if from time to time he checks the output of the refinery he will find that sometimes it is up and sometimes it is down.

I hope the Leader of the Opposition has taken some steps to determine the factors causing the variation in output. I remind him that certain maritime unions to a very dangerous degree have used their industrial muscle to manipulate the input of crude oil for refineries. This has occurred not only in respect of the Kwinana refinery, but also in respect of many other refineries in Australia. The unions have adopted this course for their own purposes which I regard as absolutely un-Australian.

## EDUCATION

### *Disabled Children*

734. Mr GREWAR, to the Minister for Education:

- (1) Is the department working towards the social integration of intellectually handicapped children with normal school children?
- (2) If not, why not?
- (3) If yes, what steps have been made to date?
- (4) What are the department's future plans?
- (5) Is it the department's plan to allow for the establishment of facilities for intellectually handicapped children on school campuses?

Mr GRAYDEN replied:

- (1) Yes.
- (2) Not applicable.
- (3) (a) Provision of visiting teacher services;
- (b) creation of special classes;
- (c) partial integration in both special classes and special schools;
- (d) integrated camps;
- (e) formation of joint use rural activity centres;
- (f) location of special schools on regular school campuses;
- (4) (a) extension of above activities; and
- (b) provision of in-service for regular school teachers of handicapped children.
- (5) As far as possible, new schools are being established in this way; for example, Safety Bay, Port Hedland and Karratha.

## MINISTER OF THE CROWN: MINISTER FOR FUEL AND ENERGY

### *Attendance at Meeting*

735. Mr BRIAN BURKE, to the Minister for Fuel and Energy:

- (1) Is he aware that the President of the Lake Grace Shire Council (Mr Walsh) today said publicly that the Minister had informed him that the Minister would be unable to attend a meeting tomorrow of eight shire councils because he had lost his pair?
- (2) Further is he aware that I personally assured the Premier that if the Minister wanted a pair to attend the meeting he would be granted one by the Opposition?
- (3) Also, is he aware that he has not sought a pair from the Opposition?
- (4) Can he explain how he lost the pair he had not sought?
- (5) Further will he explain why it was necessary this afternoon for his office again to ring Mr Walsh to tell him that the Minister's non-attendance is not now a question of his having lost a pair, but a question of the Premier's instruction that the Minister remain in this place?

Mr P. V. JONES replied:

- (1) to (5) What the Leader of the Opposition has tried to portray is on his part a fairly poor sort of stunt.

Mr Pearce: That is the excuse you use all the time.

Mr P. V. JONES: The situation is not as he implied, although in part it was as he suggested. I am aware the telephone conversations took place and I did not apply to the Opposition for a pair. The Government decides where its Ministers will go, not the Leader of the Opposition.

## EDUCATION: TECHNICAL

### *College: Claremont*

736. Mr PEARCE, to the Minister for Education:

Further to questions I have asked previously in regard to the fate of the Claremont Technical College, I now ask—

- (1) Is it a fact that the Minister received a deputation of staff members of the college which came to see him this morning to determine whether he would agree to the continuance of the college as an annexe of the Wembly Technical College provided that savings of \$600 000 could be identified by the staff of the college? I believe he agreed that the deputation adequately identified the required savings. The continuing operation of the college is conditional upon the technical education division of the department finding an additional \$200 000 for the college.
- (2) Is he aware that the Director of Technical and Further Education (Mr Forrest) informed the same deputation that the division can find the required additional \$200 000?
- (3) Therefore will the Minister now make a decision immediately or urgently to have the model implemented? He knows that the staff wish for the college to continue, as the model of the college cannot continue in its present form.

Mr GRAYDEN replied:

- (1) to (3) It is not for me to make the decision; therefore the answer is "No". I am investigating proposals with a view to putting them to Cabinet, and Cabinet will make the decision. The main requirement is that we offset the \$800 000 which must be saved. We are seeking ways in which that can be done without the closure of the college.

If at this stage the Director of Technical and Further Education has made a statement to the effect outlined, I would be most interested to see the information on which he bases that statement.

The main requirement is that we see whether we can effect savings in ways other than closing the college in order to ensure the continuation of the college. We are treating the matter with priority, and I can assure the member that if we can obtain the appropriate information the decision will be made on Monday next to ensure that the uncertainty is ended as soon as possible.

## MINISTER OF THE CROWN: MINISTER FOR FUEL AND ENERGY

### *Attendance at Meeting*

737. Mr BRIAN BURKE, to the Minister for Fuel and Energy:

- (1) Is it true that the President of the Lake Grace Shire Council (Mr Walsh) was informed that the Minister would be unable to attend the meeting to which I have referred because he had lost his pair?
- (2) If that is true, can he explain how he could lose something that he never had?

Mr P. V. JONES replied:

- (1) and (2) I have no intention to continue to assist the Leader of the Opposition in trying to perpetrate this stunt.

Mr Brian Burke: You tried to blame the Opposition and you have been found out.

Mr Pearce: They always do it.

## EDUCATION: HIGH SCHOOLS

### *Driver Training Programme*

738. Mr McPHARLIN, to the Minister for Police and Traffic:

As driver training instruction is now being discontinued in the curriculum for high schools will he advise—

- (1) Are alternative driver instruction courses being planned?
- (2) Will these be carried out by the Road Traffic Authority or Police Department in all country areas where previous driving instruction was included in high school programmes?
- (3) Will there be any costs to parents of children involved?

Mr HASSELL replied:

- (1) The interdepartmental committee on road safety measures has now reconvened, essentially to consider this subject.
- (2) and (3) At this stage, the committee is examining alternative measures but no recommendation has been submitted for consideration.

**MINISTER OF THE CROWN:  
MINISTER FOR FUEL AND ENERGY**

*Attendance at Meeting*

739. Mr BRIAN BURKE, to the Minister for Fuel and Energy:

(1) Is he aware—

Mr Blaikie: You surely are persistent.

Mr BRIAN BURKE: —that as a result of the misinformation conveyed to Mr Walsh to whom I referred in my previous question, it has been necessary to cancel the meeting of eight shire councils, a meeting to discuss a matter considered by those councils to be of considerable importance?

(2) Is he aware also that the cancellation of the meeting was caused by the Minister's inability to attend the meeting as arranged?

(3) Will he now accept the assurance from the Opposition that we have no objection to his obtaining a pair should he seek one to attend the meeting?

(4) Can he rearrange his affairs to attend the meeting as he originally promised?

Mr P. V. JONES replied:

(1) to (4) I have no intention whatsoever of discussing with the Leader of the Opposition my movements or arrangements for a meeting which I arranged originally.

Mr Davies: What about the shires?

**RECREATION: OFFICERS**

*Local Government: Funding*

740. Mr EVANS, to the Minister for Recreation:

(1) Does the Government intend to pay the equivalent of 50 per cent of the salaries of community recreation officers?

(2) If so, from when is it expected such payments will be commenced and for how long will they be continued?

(3) (a) Is it intended that community recreation officers who are made redundant under this Government's policy will be employed elsewhere? In the report issued by the Premier it was indicated that 35 local authorities participated in the scheme.

(b) If yes, in what capacity will they be employed and at what level of classification? This matter is important because it affects the personal interests of the people concerned.

Mr GRAYDEN replied:

(1) Yes.

(2) Subsidies will commence 1 July 1982, and be ongoing.

(3) (a) Yes.

(b) Details have not yet been finalised.

**HOSPITAL**

*Geraldton Regional*

741. Mr CARR, to the Minister for Health:

Last Thursday a constituent of mine received 16 accounts for pathology services, and each account was in a separate envelope. The accounts were all processed on the same day and related to tests taken during the one stay in hospital. Last Friday a further four accounts were received in four separate envelopes.

Mr Young: Which hospital?

Mr CARR: It was the Geraldton Regional Hospital. The total is 20 accounts in 20 separate envelopes received in two days. My question is as follows—

(1) Is it standard practice that accounts relating to one patient are sent separately rather than as part of a single account?

(2) How does the Government reconcile this practice with its frequent protestations about the necessity for financial stringency?



Mr YOUNG replied:

- (1) and (2) The member did not give me notice of this question. To give him a studied answer I must ask him to place the question on the notice paper. However, I draw his attention and the attention of all members of this House to the fact that sometimes the process to which the member alluded is not as expensive as it seems to be if the alternative is taken into consideration. On the surface the situation seems to be absurd, although I repeat that I have not had time to consider the matter properly and I will be able to provide a proper answer if the question is placed on the notice paper.

Sometimes the billing process through a computerised system makes it cheaper to follow the method of sending out separate accounts in separate envelopes rather than collating the accounts by some manual method. However, I will have the matter checked.

#### FUEL AND ENERGY: GAS

##### *Hot Water Systems*

742. Mr I. F. TAYLOR, to the Minister for Fuel and Energy:

- (1) Has application been made to the SEC by Roberts and Omodei Engineering for approval of heat exchangers for gas hot water systems?
- (2) Is it a fact that an executive of Pyrox Limited requested executives of Roberts and Omodei to call in to the premises of Pyrox, there requested Roberts and Omodei to stop making the heat exchangers and that, within an hour of that request, the SEC telephoned Roberts and Omodei to inform them that approval of the exchangers had been denied?
- (3) What were the grounds for the denial of approval of the Roberts and Omodei heat exchangers by the SEC?
- (4) What communications, written or verbal, passed between the SEC and Pyrox with respect to the Roberts and Omodei heat exchangers?

Mr P. V. JONES replied:

This the same as the question asked of me by the member for Morley. The reply is as follows—

- (1) to (4) I am advised that a verbal approach has been made to the SEC by Roberts and Omodei Engineering.

The SEC telephoned Roberts and Omodei Engineering, advising that Australian Gas Association approval was considered necessary, and I understand there has been no denial of approval.

I have no information on any discussions between Roberts and Omodei Engineering, and Pyrox.

Pyrox telephoned the SEC, and were advised to confer with their head office and, if considered appropriate, to make a complaint in writing.

#### CO-OPERATIVE BULK HANDLING LTD.

##### *Take-over: Mr Tuckey*

743. Mr PEARCE, to the Premier:

Further to my question about the pamphlet sent out under the Premier's signature by the O'Connor division of the Liberal Party:

- (1) Is the Premier aware that the letter attached to this pamphlet by Mr Tom Richards, Divisional President of the O'Connor Division, contained the following paragraphs? It stated—

While we have mentioned the C.B.H.—W.W.F. issue, manpower is obviously needed in other disputes relating to the rural sector e.g. milk dispute and live sheep.

Would you fill in the attached slip and return with your Rural Support Project pledge, and support the suggestions made by Wilson Tuckey to break this frightening industrial problem.

Attached to that letter is a rip-off form which has, amongst the information sought, a questionnaire which states—

I/We are prepared to help in the event of militant industrial action.

Yes ☐

No ☐

- (2) Will the Premier indicate to the House that his signature was attached to the document which went out with that letter and indicated the attitude of the O'Connor Division?
- (3) Is this the policy of the Liberal Party and the policy of the Premier and his Government?

Sir CHARLES COURT replied:

- (1) to (3) At the outset I want to make sure that there is no misunderstanding from the implication of the remarks made by the member for Gosnells. I do not want any misunderstanding in this House. There is a suggestion that my signature is on the document which he has read out—

Mr Pearce: I did not say that!

Sir CHARLES COURT: That was the inference.

Mr Pearce: Your signature is on the folder in which the document was enclosed.

Sir CHARLES COURT: The inference was very strong and it was that I had, by implication, been involved in that publication. I want to make it very clear that what I said last night is still correct. I took some action to find out about the *Hansard* document to which the member for Gosnells referred which contained a speech made by Mr Tuckey. I found that there is no suggestion in or on that document at all that it reflects in any way my own views or the Government's policy.

I have no reason to suspect that the letter of Mr Richards—a letter which I have not seen—which in fact was not mentioned yesterday—

Mr Pearce: It was mentioned yesterday.

Sir CHARLES COURT: I have no reason to believe that he would have, by implication or by direct reference, associated me with that letter and request contained in it. I signed the brochure that went out and it was a straightforward one seeking support for the Liberal Party: I make no bones about that.

I have not been consulted about Mr Tuckey's speech recorded in *Hansard* or Mr Richard's letter. I cannot be responsible for people who send out

information under their own name. If indeed they had said they had my support, then that would be another matter. As far as I am concerned, I have found no evidence to suggest that I have been associated with the quote of Mr Tuckey and the letter of Mr Richards.

## MINING: IRON ORE

### *Reprocessing: Pilbara*

744. Mr GRILL, to the Minister for Mines:

- (1) Are there any plans for reprocessing of iron ore in the Pilbara?
- (2) If so, what are they and when will they come into effect?
- (3) What plans have Hamersley Iron Pty. Ltd. put forward for processing of iron ore, and what fuel source do they propose to use?

Mr P. V. JONES replied:

- (1) to (3) The member seeks a long answer and I will be happy to provide some detailed information on specific industries if he so desires.

The processing of iron ore in the Pilbara has been under consideration for some time, particularly since it became certain that natural gas could be available as from 1985 as an energy feed stock.

Those discussions are still proceeding and the discussions I am referring to are not only those between the Government and various companies—and in particular, Hamersley—but also discussions are being held overseas with various other companies and organisations which may have an interest and which are perhaps customers for our iron ore at present. They may be interested in being associated on an equity basis or a customer basis with processed iron ore.

As the member would be aware, at present the world steel situation is very depressed and we have to compete with a low price for scrap which makes the processing of iron ore to produce sponge iron a financially difficult operation.

Discussions have proceeded on the basis that feed stock would be natural gas. As far as Hamersley Iron is concerned, direct discussions are being held and have been continuing for some 12 months with the company about their obligations and how they can be met.

## EDUCATION

### *Remembrance Day: Observance*

745. Mr WILSON, to the Minister for Education:

- (1) Is the Minister aware that some parents, on inquiring of principals of high schools as to whether they intend to observe the two minutes' silence on Remembrance Day, have been told that they do not because the Director of Education had not issued a directive to this effect.
- (2) Is the Minister aware whether the Director of Education intends to issue such a directive, and if he has not will he make inquiries to ascertain the facts of the matter?

Mr GRAYDEN replied:

- (1) and (2) I am not aware of the details, but I will be pleased to make inquiries.

## HOSPITAL: SIR CHARLES GAIRDNER

### *Accounts: Duplication*

746. Mr HODGE, to the Minister for Health:

Whilst the Minister is investigating the complaint brought to his attention by the member for Geraldton about the multiple letters being sent out from the Geraldton Hospital, he may be kind enough to investigate a similar matter which has been drawn to my attention about the Sir Charles Gairdner Hospital.

A person contacted me today and said that he had received five out-patient registration forms in five separate envelopes from five different sections of the Sir Charles Gairdner Hospital. The gentleman concerned said that he and his wife had been required to fill in 13 such out-patient application forms in the past month. This seems to be a terrible duplication which smacks of inefficiency in some area.

Mr Herzfeld: What is the question?

Mr HODGE: I ask the Minister if he will investigate this matter also.

Mr YOUNG replied:

If the member for Melville were serious about making that request, he would have requested me to look at the situation and given me information about it.

Mr Hodge: I have.

Mr YOUNG: It was hardly information upon which a proper investigation could be made. He gave no details as to names, times or dates. It was simply an attempt to denigrate, once again, one of our public teaching hospitals.

If it were a serious request the member for Melville would have sent that information to me, and if he wishes to do that then I will look at the matter when I investigate the question raised by the member for Geraldton.

Can the member for Geraldton indicate to me the source of the accounts?

Mr Carr: I do not have them with me at the moment, but I imagine they were from the health laboratories.

## MINING: DIAMONDS

### *Agreement: Model*

747. Mr BRYCE, to the Minister for Resources Development:

- (1) Is the Minister able to inform me yet what material his department can provide to be tabled for the interest and information of members concerning the background material I asked for last week?
- (2) Are negotiations between the Government and the Ashton Joint Venture sufficiently advanced to suggest that an agreement will be signed within the next few weeks?
- (3) Does he believe that the agreement will be ready to be introduced into this session of Parliament?

Mr P. V. JONES replied:

- (1) I understood from the member's earlier question that I was to supply him with the information.

Mr Bryce: That will be fine.

Mr P. V. JONES: The answer is "Yes" although the material is not complete. The department is still looking at Statutes from other countries. There may even be some of these in my bag. However, some material may be made available publicly, and I am quite happy to provide such material.

- (2) I have no idea at the present time. I hope the matter can be resolved without too much delay, but negotiations and discussions are proceeding.
- (3) As to when finality will be reached, that will depend how quickly and amicably the parties can agree.

#### EDUCATION: PLAYGROUPS

##### *Establishment Fund*

748. Mr EVANS, to the Minister for Education:

How much is the establishment fund which the Premier indicated is available to parent groups who wish to set up play-groups?

Mr GRAYDEN replied:

I am sorry I do not have that information. I will obtain it and pass it on to the member.

#### STATE FINANCE: COMMITTEE OF REVIEW

##### *Inquiry: Completion*

749. Mr DAVIES, to the Premier:

I refer the Premier to his Budget speech when he said that time did not permit him to give details of items which had been the subject of "razor gang" activities, but that he proposed to provide a statement to the Parliament in due course following the presentation of the Budget. That appears on page 10 of the Premier's speech. I ask the following question—

Is the Premier able to tell me when that statement will be forthcoming?

Sir CHARLES COURT replied:

I do not think at any stage I used the phrase "razor gang" because we have not had such a body in Western Australia.

Mr Davies: That was my term.

Mr Pearce: That is our interpretation of the situation.

Sir CHARLES COURT: We do not like the phrase. This was not a once-only exercise; it was a continuing thing. Even when the present expenditure review group is finished its work, there will be a continuing operation headed by the Deputy Premier working Minister by Minister and department by department rather than on the basis of a committee of four Ministerial members as was set up during the Budget review period.

I cannot be precise as to when the papers will be ready for public release and tabling. However, I will check this with the Deputy Premier who has been working on the details of it and with the Treasury to find out the latest developments.

#### MINING: DIAMONDS

##### *Agreement: Difference of Opinion*

750. Mr BRYCE, to the Minister for Resources Development:

I would like to ask another question concerning the Ashton Joint Venture agreement with the State Government. It is as follows—

- (1) Am I to understand from the way in which the Minister answered the previous question that negotiations between the State Government and the joint venture have encountered some differences of opinion between the separate joint venturers on specific questions relating to the agreement?

- (2) Can he identify for the information of the Parliament some of the areas causing the delay?

Sir Charles Court: I am not sure whether this is a fishing expedition or kite flying.

Mr P. V. JONES replied:

- (1) and (2) I did not indicate there was a difference of opinion between the joint venturers. In any case, if there was such a difference, they would not tell me.

Mr Bryce: There is though, isn't there?

Mr P. V. JONES: I can say honestly that I am not aware of any difference of opinion, and I would not be told if there were. The point of my answer was simply that I am not likely to be able to estimate exactly when agreement will be reached on all the matters that have been discussed. When accord is reached and an agreement is finally signed, it will be brought to the Parliament.

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