

# Legislative Council

Thursday, 28 September 1989

THE PRESIDENT (Hon Clive Griffiths) took the Chair at 2.30 pm, and read prayers.

## PETITION - JOB LINK PROGRAM

### *Government Funding Reduction - Opposition*

The following petition bearing the signatures of 382 persons was presented by Hon Sam Piantadosi -

To the President and Members of the Legislative Council.

We, the undersigned:

The President, members of the Management Committee, Director and Migrant Job Link officers at the North Perth Migrant Resource Centre

AND former participants and employers involved in the Job Link Programme at the North Perth Migrant Resource Centre

AND other concerned citizens:-

RESPECTFULLY REQUEST that the decision of the Government to substantially reduce funding of the JOB LINK PROGRAMME be reconsidered and full funding maintained.

The withdrawal of funding to the Job Link Programme is likely to have the following detrimental effects:

1. The elimination of the WORK EXPERIENCE PLACEMENT SCHEME which provides all migrants with local job experience. This is a pre-requisite for most employment.
2. The reduction of liaison and referral to other training centres and discontinuance of our Programmes to equip migrants with the necessary job acquisition skills.
3. The removal of our expertise in the placement of migrants into industry who have been referred to us by other agencies not equipped to deal with their specific requirements.

Your Petitioners, therefore, respectfully request that your Honourable House will introduce such legislation as to your wisdom may seem proper to ensure this public service being continued and your Petitioners will ever pray.

[See paper No 415.]

## MINISTERIAL STATEMENT - SELECT COMMITTEES

### *Establishment - Committee Membership*

HON J.M. BERINSON (North Metropolitan - Leader of the House) [2.33 pm] - by leave: Yesterday we had repeated debates as to whether Select Committees should have four members with two members each from the Government and the non-Government side, or three members normally to be drawn one each from the Government, the Liberal Party and the National Party respectively. The latter option of course ensures an anti-Government majority whenever the Opposition parties wish to take up their position. That is clearly the purpose of the Leader of the Opposition in his new insistence on having odd numbers in committees and for departing from the system of balanced committee membership, which was well established and successful in the last Parliament. I would not want the clear differences on this issue to be clouded or muddled in Hon George Cash's usual style by the membership of the committees which I will shortly nominate.

I therefore set out the position as follows: Including the committee to be nominated by Hon Bob Pike, there are five committees to be established - firstly, a parole committee of three members, to be joined with a similar number from the Assembly, to form a Joint Select

Committee; secondly, the committee on de facto relationships; thirdly, the committee on Rothwells; fourthly, the committee on aquiculture; and fifthly, the committee to consider the proposed repeal of inoperative Acts. In respect of the second, third and fourth of these committees, the Liberal and National Parties will take up their respective entitlements and therefore constitute a non-Government majority. The National Party has not nominated for the fifth committee; the Liberal Party has taken its place, so there will be a non-Government majority on that committee as well. Members may be momentarily surprised, however, to hear me nominate two Labor members and one Liberal member for the parole committee. No-one should be under any illusion that this reflects a new found open mindedness by the Leader of the Opposition.

On the contrary, the position is as follows: Firstly, as is well understood, the limited number of National Party members in this House makes it impractical for them to participate in all committees. The National Party members have previously indicated they will not seek a nomination for the parole committee. Secondly, I asked Hon George Cash whether he would accept an additional Labor Party member in place of a National Party member, and he said he would not. I asked him whether that meant he would insist on two Liberal Party members to one Labor member if the question went to a vote, and he said he would insist on that. I then indicated I did not see the issue as one for a brawl and that I would not create a dispute on that score. Thirdly, in order to provide equal Government numbers on the Joint Select Committee, which is the least that anyone could argue, the Assembly was required to nominate two Government and one non-Government member. The National Party wished to nominate and was clearly entitled to do so. The effect of that was that no Liberal member of the Assembly could participate. I understand that Mr Hassell indicated a strong interest in joining the committee, and given his position as shadow Attorney General and his past comments on the issue, that was certainly appropriate. The Government for its part is quite prepared to accommodate Mr Hassell's wishes but obviously enough that required a change of intention by the Liberal Party in this House. Hon George Cash as a result agreed to forgo one of the positions on which he was insisting as recently as last night. No-one should be fooled by that into the belief that he has suddenly had a conversion to the notion of balance or fairness or even the requirements of a credible committee system. His own party simply left him no option.

The PRESIDENT: Order! I would just remind the Leader of the House that when he is given leave to make statements, it is under the condition that debatable matters are not raised. I do not know whether that matter is debatable, but I would just issue a reminder to the Leader of the House.

Hon J.M. BERINSON: I accept that. This is not a debatable matter; it is simply an account of the facts. However, in any event, I conclude on this note: Nothing in the motions today should lead anyone to believe that Hon George Cash or the Opposition is moving one iota from the determination that our committees should not be balanced, but should be politicised to the maximum extent possible. Of course, that reflects on the Opposition, but I repeat my earlier predictions that it will lead inevitably to serious detriment and lack of credibility in our committee system as such.

Debate adjourned, on motion by Hon George Cash (Leader of the Opposition).

### MOTION - SELECT COMMITTEE

#### *Appointment of Select Committee - Parole*

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

That the following members be appointed to serve on the Select Committee:  
Hon Barry House, Hon John Halden and Hon Tom Butler.

### MOTION - SELECT COMMITTEE

#### *Appointment of Select Committee - Acts, Western Australian*

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

That the following members be appointed to serve on the Select Committee:  
Hon David Wordsworth, Hon Derrick Tomlinson and Hon Mark Nevill.

**MOTION - SELECT COMMITTEE***Appointment of Select Committee - De Facto Relationships*

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

That the following members be appointed to serve on the Select Committee:  
Hon Beryl Jones, Hon Muriel Patterson and Hon John Caldwell.

**MOTION - SELECT COMMITTEE***Appointment of Select Committee - Aquiculture and Mariculture Industry*

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

That the following members be appointed to serve on the Select Committee: Hon Phil Lockyer, Hon M.S. Montgomery and Hon Sam Piantadosi.

**MOTION - SELECT COMMITTEE***Appointment of Select Committee - Committee on Rothwells, PICL and WAGH*

On motion by Hon R.G. Pike, resolved -

That the following members be appointed to serve on the Select Committee:  
Hon Eric Charlton, Hon Peter Foss, Hon Fred McKenzie, Hon J.M. Brown and the mover.

**LEAVE OF ABSENCE**

On motion by Hon Fred McKenzie, resolved -

That leave of absence for three consecutive sittings of the House be granted to Hon Tom Helm (Mining and Pastoral) on the ground of urgent public business; and that leave of absence for six consecutive sittings of the House be granted to Hon Tom Stephens (Mining and Pastoral) on the ground of urgent public business.

**ACTS AMENDMENT (SIMULTANEOUS DISSOLUTION) BILL***Introduction and First Reading*

Bill introduced, on motion by Hon J.N. Caldwell (for Hon E.J. Charlton), and read a first time.

**APPROPRIATION (CONSOLIDATED REVENUE FUND) BILL***Consideration of Tabled Paper*

Debate resumed from 26 September.

**HON MAX EVANS** (North Metropolitan) [2.57 pm]: Once again, the Government is bringing forward a balanced Budget for the 1989-90 financial year. We know that the Government is not carrying the same reserves as in the past. In the Budget Estimates the expenditure figure for WA Government Holdings is \$62 million. The revenue from the sale of assets under Crown grants is \$55 million, and I understand that the full details of these assets have not been made available in another place.

As I have said before, the sale of assets should go to repay debt rather than either the losses of WA Government Holdings or into general expenditure. The accumulated surpluses for this Government over six years is only \$12 million; that is, income over expenditure over six years of \$12 million. Swan Building Society cost the Government \$16 million, which has wiped out the total surplus in one year; Teachers Credit Society cost \$125 million, WA Government Holdings cost \$39 million, and Rothwells cost \$22.5 million. If those losses had not occurred, the surplus for last year would have been \$214 million; if so, the Government would have been in a strong position to pay the teachers' salaries requested now, and to do justice to the promises it hoped to keep after the election.

Looking at the cost of the problems into the future, the SGIC loan to WA Government

Holdings of \$175 million, which was on-lent to invest in PICL shares, will cost the Government \$24 million in interest; that is, \$24 million paid to SGIC is going down the drain each year until such time as the debt is written off. That must also come out of Government funds because there will be no return of funds from the petrochemical project.

The total capital expenditure Budget for the Education Department for 1989 is estimated at \$64 million. The amount of \$175 million SGIC loan loss equals nearly the total of three years of the education capital expenditure budget. The health budget in 1988-89 totalled \$28 million and in 1989-90 totalled \$42 million. Losses on the Teachers Credit Society are equivalent to the total of three years of the capital expenditure budget on health. The TAFE budget for 1988-89 totalled \$22 million and for 1989-90, \$18 million.

The budgets for the Police Force were \$12.4 million and \$14 million respectively. As a result of all that money being wasted capital expenditure will be deferred. The Government can get away with that by not drawing cheques. We were told that last year when the Government was paying out money for the Teachers Credit Society loss there would be underspending of capital expenditure; that meant that it would delay it into the next year. I believe that all these losses will be delayed into the future. They must affect borrowings in the near future because the money has to be borrowed to pay for the expenditures. I believe the Government recognises already that revenue will not be the same in the next two years as it was in the last two years.

In 1989-90 the Government received a dividend of \$28 million from the State Government Insurance Commission and a dividend of \$23.4 million from the R & I Bank. No dividends will be forthcoming this year. The R & I Bank has acknowledged that, because it made a profit of only \$9 million on \$9 billion-worth of assets. That is a disgraceful situation. The State Government Insurance Commission, at present, is showing a tentative or initial profit of \$48 million. I believe that, when the auditors are finished, there will be no profits at all or, if it did make a profit of \$48 million, no dividends will be paid because most of that profit is from revaluations of buildings and is not available in cash.

The lack of profitability of the R & I Bank will have a major effect on the SGIC. It has \$10 million in the R & I Bank and previously it was paid 18 per cent or a \$1.8 million dividend. This year the dividend will total 3.5 per cent or \$350 000. That does not sound very much, but the difference is the \$1.4 million. However, when one looks at the operations for the first six months of the SGIC before its big property deals the total profit for the first six months in 1987 was only \$2.4 million. The profit will be down by \$1.4 million in the next financial year because of its investment in the R & I Bank.

In my view, the SGIC is close to being technically insolvent. In fact, when one looks at the balance sheet for last year, one finds most of its profits came from changes to the provisions for claims and revaluation of buildings. The solvency ratio it provided to the Public Accounts and Expenditure Review Committee indicated a very fine margin and, on a proper revaluation of those assets, I doubt whether it would comply with the solvency ratio required by the Insurance Commission.

The capital of the SGIC and the Motor Vehicle Insurance Trust totalled \$28.56 million when they first came together in 1987. Of that amount, \$16 million came from revaluation of properties in 1984, 1985 and 1986 and a reversal of provisions for repairs and maintenance on buildings. Of the first \$28 million capital, \$16 million was paper profit. In fact, it made a profit of only \$2.36 million in 1987 giving a total capital of \$30.92 million.

Last year there was a profit of \$111.867 million less a dividend of \$28 million increasing reserves by \$83.867 million giving a total of \$114.787 million. On top of that, revaluations totalled \$69.323 million with the total capital of the SGIC in 1988 totalling \$184 million. If we take into consideration the revaluations of properties up to 1987 and 1988 and a reversal of provision for claims of \$133 million, the SGIC created cash profits of only \$51 million. It paid \$28 million of that to the State Government as a dividend so that a lot of generous gifts could be given before the last election. I believe that was very unwise business management by the SGIC.

As a result, we must look at what the Auditor General can do for us. He has wider powers in auditing under the Financial Administration and Audit Act than a private auditor. In his second report published on 4 September, under the heading "The Commission on Accountability and Subsequent Events" he says -

Disclosure and accountability to the Parliament is the keystone of the Westminster system. It brings in added discipline to the management processes of the Executive Government.

The report states further -

The role of the Auditor General is to ensure the audit process superimposed by statute on the accountability relationship between Parliament and Executive Government. The process of determining whether reports on responsibilities assumed are correct or fair is essential to the concept of accountability. Unlike the private sector auditor the Auditor General must also report to Parliament on matters of significance concerning the manner in which Executive Government has fulfilled its conferred responsibilities.

I am glad to see that the Auditor General has stated that fact clearly because that is what the Financial Administration and Audit Act expects of him. It means more than the auditing of accounts and balance sheets at the end of the financial year. He has to look at any "matters of significance concerning the manner in which Executive Government has fulfilled its conferred responsibilities". Further, the report states -

In Western Australia, the Financial Administration and Audit Act empowers the Auditor General to determine the effectiveness of accounting and financial management information systems in achieving or monitoring program results. The Auditor General is also empowered to conduct investigations into matters relating to finance and property and may carry out examinations of the efficiency and effectiveness of departments and statutory authorities.

I will be referring certain matters to the Auditor General in respect of the SGIC. It is his responsibility under that Act and through his statements in that report to look closely at why certain deals were done.

The first deal that he should look at is that of Bell Resources, which was controlled by Mr Holmes a Court, and which deposited \$50 million with Rothwells unsecured at the time of Rothwells collapse. Did that influence the decision of the SGIC to take up the city properties from Mr Holmes a Court for \$208 million and the BHP shares? A total of \$500 million was paid to Mr Holmes a Court for these assets two and a half weeks after the collapse of Rothwells. We know from the record that Bell Resources made an unsecured deposit with Rothwells which showed up later when the final funds of the rescue of Rothwells were published.

The Auditor General must consider also that Mr Holmes a Court sold the Bell Group shares to the SGIC in May for another \$160 million and in July the convertible notes for another \$140 million. The assets purchased from Mr Holmes a Court over a six month period to May or a seven month period to July amounted to approximately \$800 million and the balance sheet of the SGIC at 30 June 1987 showed that the total funds it had to invest were only \$790 million. Therefore, it had to borrow a lot of money; we know from the accounts of 1987-88 that it borrowed \$400 million to make the first purchase from Holmes a Court. That amount was borrowed on the open market, but it is assumed the other money came from the Treasury Corporation. The SGIC helped Holmes a Court considerably by buying \$800 million worth of assets from him, and that amount was equivalent to the total investment funds of the SGIC.

The next question I shall ask the Auditor General is: Did the fact that Tipperary Developments Pty Ltd - a company controlled by Mr Warren Anderson - deposited \$54 million unsecured in Rothwells between June and October, at the time of the second crash, influence the decision of the SGIC and the Government Employees Superannuation Fund in its sale of properties in St George's Terrace and Mounts Bay Road amounting to \$270 million to Mr Warren Anderson and Mr Kerry Packer? It was most unusual for astute businessmen such as Mr Holmes a Court or Warren Anderson, in association with Kerry Packer, to make large unsecured deposits in Rothwells at a time when it was known to have considerable financial problems. Did the fact that the SGIC and the Government Employees Superannuation Fund made a \$55 million interest free loan to Warren Anderson on 31 December 1988 result from the effect of the failure of Rothwells and the debt owing to Mr Anderson and his companies? It was subsequently announced that the \$55 million was

not a loan, although the mortgage document clearly states that it was an interest free loan for 12 months. We were told that the SGIC intended to buy back a 25 per cent interest in the property it had just sold. We were later told that part of the deal to buy back into the Westralia Square property involved the removal of the rental guarantee. A rental guarantee, equivalent to \$64 million, had been given and was proving a major financial headache to the SGIC and the Government Employees Superannuation Fund. If part of the deal was that the guarantee was to be removed upon the purchase of a quarter interest, this must have had a material effect on the profit of \$68 million shown on the sale of those properties on 30 June 1988.

The Auditor General must also investigate the fact that \$45.5 million was loaned by the R & I Bank to Mr Warren Anderson on 30 June 1988 to purchase a half interest in the David Jones site from Bond Corporation for \$45 million. It appears most unusual for a State bank to lend 100 per cent of the funds required to buy a half interest in such a property. Why was it not offered to the Government Employees Superannuation Fund on that date? I believe one of the reasons was that by transferring \$45 million, the Government Employees Superannuation Fund was able to revalue its interest from approximately \$20 million at that stage to \$45 million, which showed up as a material benefit on its balance sheet. It was revealed in early February that the property for which Warren Anderson paid \$45 million - the mortgage documents to the R & I Bank are clear on this figure - was sold to the Government Employees Superannuation Fund for approximately \$50 million, which covers the interest payable on the loan. Was it a warehousing deal? If so, why is the Government getting involved in deals such as this? A half interest in a major city property was transferred from Bond Corporation to Warren Anderson and then to the Government Employees Superannuation Fund. Surely the superannuation fund must have known what it wanted to do in the first place?

I understand the SGIC has bought back a 25 per cent interest in the Westralia Square property. I have been advised that the building in progress on that block is on SGIC property and that the title deeds for a quarter share have been transferred to SGIC. I have news for the SGIC; my research last week indicates that the title shows the SGIC as having a mortgage over the property but not a 25 per cent equity. The building area is 32 700 square metres and is the equivalent of the rental guarantee given for the 32 000 square metres. The SGIC and the superannuation fund have 70:30 equity in the building site and Warren Anderson's company, Tipperary Developments Pty Ltd, will be the project manager.

I shall also ask the Auditor General to investigate why the SGIC responded to outside pressure to buy 8.5 million shares in Paragon Industries during August and September last year. Those shares were purchased at 70¢ each at a time when the price of most other mining shares was falling. That purchase was made to hold up the price of those shares because if they had fallen below 70¢ each Laurie Connell would have been required to put up more security to Standard Chartered Australia Ltd bank with respect to his loan of \$40 million from the bank. I do not believe the SGIC should have been involved in such a deal to hold up the share price to protect Mr Laurie Connell's Paragon shares which were security for the loan.

I shall also ask the Auditor General to look at the solvency ratio of the State Government Insurance Corporation. Solvency ratios are required by the Insurance Commission, although I accept that the commission has no power over the corporation. However, section 32 of the State Government Insurance Commission Act states -

The Corporation shall perform its functions and exercise its powers in accordance with prudent commercial principles and shall use its best endeavours to ensure that its revenue is sufficient both to meet its expenditure and to derive a profit by earning a commercial rate of return on its capital.

Under the provisions of section 33 -

- (1) The board of directors shall cause the Corporation to -
  - (a) supply to the Minister such annual accounts and statements as it would be required to supply under section 44 of the *Insurance Act 1973* of the Commonwealth and Division 4, 5 and 6 of Part III of the *Life Insurance Act 1945* of the Commonwealth if it were an insurer (incorporated in Australia) carrying on business in the State; and

- (b) observe all solvency and minimum valuation basis requirements imposed on insurers carrying on business in the State by Acts of the Commonwealth relating to insurance.

A very important factor which the Auditor General will have to consider differs from his audit of the balance sheet and accounts. I refer to the minimum valuation basis requirements. A clear power of the Insurance Commission is that the commissioner may change or write down the valuations of any corporation. If he considers that the valuations are not reasonable in respect of the solvency test, he has the power to revalue them down. Obviously it is necessary for him to have that power when dealing with 100 to 150 insurance companies around Australia. It would be easy for them to get into financial trouble. They cannot be allowed to revalue properties to a level which is not acceptable and which could not be realised on the assets.

The Auditor General has to do more than just look at the income and expenditure in the financial returns and the balance sheet; he has to look at how the SGIC complies with the requirements of the Insurance Commissioner. I believe the Auditor General will probably go to the Insurance Commissioner for advice on how those valuations for the solvency ratios should be done. The SGIC has not been at arm's length from the Government and managed in an independent way, because I do not believe that any prudent businessman would have made the decisions and taken the risks inherent in those decisions without there having been some outside influence; and if the SGIC did make those decisions without being influenced, the persons involved should be charged with offences. In the future directors of statutory authorities may be charged for offences under the Companies Code if the legislation introduced into this House by Hon Peter Foss is successful.

The Motor Vehicle Insurance Trust and the State Government Insurance Commission were merged on 1 January 1987, with total assets of \$28 million. Those assets were worth \$60 million at 30 June 1987, after revaluation of assets of \$29 million; which was once again a paper profit. The SGIC had no substantial assets behind it; most of what it had to that date resulted from the revaluation of the Atrium building, where one simply increases the assets on the one hand and the reserves on the other. That does not put any dollars into the bank account.

The major problems started to come to light at the end of last year, when the stock market crashed. An amount of \$56 million had been invested in Rothwells to June 1988, and that amount had been increased to \$90.3 million by October 1988 through commercial bills and direct loans. An amount of \$30.5 million had been invested in Spedleys Securities Ltd, an Eastern States company. The SGIC was allowed under the guidelines to invest only within Western Australia, so I do not know why a commercial investment was made in Spedleys. I point out also that investment was not for equity; it was loan money.

I prepared earlier this year a schedule of what I considered to be the non-performing debts of the SGIC. They were: Rothwells Ltd, \$91 million; Spedleys, \$30 million; and Westralia Square, the balance owing on the sale of the land to Anderson and Packer, \$130 million, being an interest free loan of \$65 million to 31 December 1989 and \$65 million to 31 December 1990. So we find that although the land was sold in June 1988, the SGIC has still not received any more than a first deposit of \$65 million. The State Government Insurance Commission Act says that the SGIC shall derive a profit by earning a commercial rate of return on its capital; and the capital was at that stage only \$60 million, the balance consisted of borrowings, or provision for claims.

Another non-performing debt of the SGIC is the 64 million Bell Group shares, purchased at \$2.50; a total of \$160 million. The Chairman of the State Government Insurance Commission has been saying for a long time that the commission has a deal with Bond Corporation to be indemnified against loss for those shares at \$2.70, and that interest will be paid at 12 per cent. A deal was done in March 1989 that interest would be paid at 14 per cent. That interest has been accrued in the accounts; and I am sure the Auditor General would not accept accrual for interest to be shown in the accounts as profit, because it will be a long time before that is paid. We have heard that Bond Corporation will dispute the payment of that money.

The next debt is WA Government Holdings Ltd which received \$175 million from the SGIC at an interest rate of 13.9 per cent for three years. The interest accrued on that amount is

\$24 million per annum. That money is locked into WAGH, which is not earning a profit; it is now consuming the wealth of the State Government. The SGIC will receive interest payments direct from the Government which guaranteed those funds loaned to WAGH.

The SGIC had a large number of BHP shares at hand at 30 June 1988; we do not know how they stood at 30 June 1989. We do know that it made a profit of \$21.9 million to 30 June 1988, and with the increased price of those shares, the SGIC may just get out of it with a profit at the end because it had a put option to buy back those shares at \$8.25.

The SGIC had also an investment in Paragon Resources of \$5.8 million. I believe it will be lucky to realise \$1.4 million from that investment, and there could be a loss of about \$4.4 million. The SGIC has 700 000 Bell Resources shares, which cost \$3 million. They are now worth \$741 000. It has also 2.5 million Bond Media shares, which cost \$3.1 million. They are now worth about \$658 000.

These losses will have a big impact on the liquidity and profitability of the SGIC now and in the future. Another non-performing debt is the 75 million Bell Group Limited convertible notes at 11 per cent interest, and the 75 million convertible notes at 10 per cent; a total of \$150 million discounted by \$10 million, amounting to \$140 million. There has been a huge capital loss on those shares, which did not come into the balance sheet of the SGIC for the previous financial year because they were purchased on 8 July.

The total non and poor performing investments as at 30 June 1988 was \$726 million. We will be awaiting eagerly the annual accounts of the SGIC for 1989, but I doubt we will get those until well into the new year, as a result of the problems being faced by the SGIC.

Hon Bob Thomas: Why not put some advertisements in the paper? You might get some information that way.

Hon MAX EVANS: I am glad the member interjected. It has given me time to look at my other point.

I found that when I looked at the title deeds to check whether the SGIC had a 25 per cent equity in the land, the transaction has not yet been completed. I found out also that the wealthy purchasers, Parker and Anderson, who paid a deposit of one-third down, and two-thirds interest free, had caveats lodged on the title by the Perth City Council and the State Taxation Office for non-payment of land tax and council rates. Those caveats were lodged on 10 April 1989 by the Perth City Council and on 11 April 1989 by the State Taxation Office. I presume the Minister opposite knows about this, and that the purchasers must be disputing the value attributed to that land for land tax purposes. He is probably claiming he paid more than they were worth because he had to make a few adjustments to the sale price. Otherwise, why did they not just pay land tax on the unimproved value of \$270 million? I do not know the reason, but the caveat is quite clear. It reads -

Notice is hereby given that the payment of Land Taxes assessed in accordance with the above Act are in arrears in relation to the land set out in the undermentioned schedule.

In the schedule are the properties of Sharland Pty Ltd and Skeat Pty Ltd, the companies of Mr Packer and Mr Anderson. The Perth City Council has lodged a similar caveat for the same reason - unpaid council rates. It is amazing that companies which buy these big properties are still found to be short when it comes to paying their rates and taxes.

We have seen a lot in the Press in the last week or so regarding the Bell shares - \$64 million worth of them at \$2.70 a share. It started when the Treasurer advised in reply to a question asked by the Leader of the Opposition in another place -

(a) The \$3 million fee -

That is, the fee which had been received from the Bond Group, paid to the State Government Insurance Commission. The Treasurer's answer continued -

- applicable to the Deed of Variation has been paid upon execution of the agreement on 9 March 1989.

The Treasurer went on to say -

(b) No payment has yet been made on holding costs. The agreement is that any shortfall of price at \$2.70 per share, and interest, will be paid upon demand



and following a sale on and after 1 October 1989, and on or prior to 1 May 1990 either in whole or part of such shareholding sold during the indemnity period.

The Government accepted a \$3 million fee to consummate a deal on that date.

In the accounts of the SGIC we read, and I quote -

Shares in The Bell Group Ltd which are recorded in the accounts at a value of \$2.48 per share have an indemnity sale price of \$2.70 per share. Under the indemnity agreement the shares cannot be sold prior to 6 October 1988. The indemnity expires on 6 April 1989.

That was as at 30 June 1988. At about that time, the National Companies and Securities Commission investigated the whole deal, and I quote from its report -

**The Bell Group Limited (Bell)**

On 29 April 1988 interests associated with Mr Robert Holmes a Court sold approximately 40% of the share capital of Bell in two parcels of just less than 20% each to the State Government Insurance Commission of Western Australia and to Bond Corporation Holdings Ltd (Bond). The prices were substantially above market.

I will repeat that: The prices were substantially above market price. The NCSC, I think encouraged by Bryan Frith, the finance editor of *The Australian*, undertook an investigation. The NCSC report later goes on to say -

The hearing, by a Division of the Commission, sat for 7 days and heard evidence from all parties to the transactions as well as advisers, bankers and others (in total, 16 witnesses). The SGIC maintained that it had Crown immunity although its deputy chairman, Mr K. Edwards, co-operated in attending the hearing to answer questions.

By 3 June 1988 the Commission had tentatively concluded that it would make declarations of unacceptable acquisition pursuant to section 60 of the Code although it had not yet notified the persons affected to offer them a right to address that tentative conclusion. The basis for the conclusion was that there might have been some understanding between the SGIC and Bond in relation to the future management control of Bell, in particular, that Bond would assume that control with at least the acquiescence of the SGIC.

The Commission's concerns with respect to other shareholders were met when Bond agreed to make cash Part A offers for all shares in Bell not owned by it or by SGIC at the same price it had paid Mr Holmes a Court, namely \$2.70 per share. SGIC agreed that it would not oppose being excluded from a bid, although by separate agreement with Bond, its Bell shares were underwritten to the extent of \$2.70 per share.

These are shares that were substantially above market price.

Now there has come to light a very interesting statement that has not been challenged in a court, by writ, or by anyone saying it is absolutely wrong. The statement was made by Mr Peter Beckwith, Managing Director of Bond Corporation Holdings Ltd, in reply to comments made by the Premier in another place. I will quote from Mr Beckwith's statement because the Auditor General must look closely at the whole transaction carried out over the last year and determine what did go on and what motivated the SGIC to make these deals, if what Mr Beckwith says is true. In his statement of 31 August 1989 Mr Beckwith says -

The Government's involvement in PIL and its shareholding via the SGIC in the Bell Group, were from day one enmeshed in that the Government having acquired the stake in Bell Group proposed to this company that the cash strength of Bell Resources be used to pay what was then PICL for a sum sufficient to enable Mr Connell to fund Rothwells to retire the Government guarantee before the Government faced the electorate. From that point forward the Government continued to invite and induce our participation in this project and when the NCSC required a bid for the Bell minorities the Government induced us into lending \$100M to Rothwells secured against Mr Connell's interest in PIL, supported by a Letter of Assurance from Mr Grill as further means of ensuring our participation using as a lever SGIC's agreement to be excluded from our bid for Bell Group.

The NCSC should look again at this whole deal. It looked at the deal before as being collusion for control of the Bell Group to get control of the funds - which is what Alan Bond wanted; we know he wanted the funds in Bell Resources. It was reputed at that stage that it had \$2 billion available. The Government was going to use part of these funds to sort out the problems of Rothwells.

No Government statutory body, let alone an insurance company which has great responsibility to the insurers of this State, should be involved with these sorts of deals or these amounts of money. The investment was \$160 million, when the capital of SGIC in the previous year was only \$60 million. We know that the sum of \$100 million is correct because I have searched the records of Dalleagles Pty Ltd, Laurie Connell's company that owned half the shares in PICL and had an option over the shares of Mr Dallas Dempster. He had given a mortgage of \$100 million to Bond Corporation in respect of a loan of \$100 million and security being the shares in PICL. That confirms just exactly what Mr Beckwith is saying in his statement about the records of Dalleagles Pty Ltd on this particular deal.

Mr Beckwith goes on to say -

The PIL agreements that were finally entered into had the Government, (by way of Treasurer's Guarantee of the performance of Western Australia Government Holdings in agreement with SECWA) first reducing the gas prices to zero and if necessary providing cash, on a non-recourse basis to Bond and the project, in order to meet principal and interest commitments to the project loan.

My final quote from Mr Beckwith's statement is -

Prior to completion of the transaction as I have said the Government agreed to provide a Treasurer's Guarantee and produced the written opinion of the Solicitor General to convince us that such guarantee was legal, binding and effective.

That all has to do with investments by the SGIC at the same time as deals were done to try to get the Government out of its problems with the guarantee to Rothwells. I do not believe the SGIC should have been involved in any such deals.

*The Australian* reported on 5 May 1989 regarding these Bell convertible notes, which were taken up in July 1988; that is, since the end of the last financial year. Part of the article reads -

SGIC paid \$140 million or 93c in the dollar, for its Bell Group bonds in a secret side deal with Mr Holmes a Court when he abandoned Bell shareholders and sold his controlling interest in Bell Group to Bond and SGIC.

The bonds which Mr Holmes a Court sold are unlisted, but virtually identical Bell Group bonds were at the time selling at around 63¢ in the dollar on the Luxembourg exchange, valuing the Holmes a Court parcel at around \$95 million or \$45 million less than he received from SGIC.

SGIC actually agreed to underwrite the placement of the bonds a \$140 million and, before doing so, it obtained a valuation from the US investment bank Salomon Bros that that \$140 million was a fair price.

Salomon Bros came in at the request of the Government and Bond Corporation. Mr Trevor Rowe, a former Western Australian, was brought over to assist in the valuation. From all accounts, he had a close relationship with Bond Corporation and the SGIC on that deal; that is why the National Companies and Securities Commission investigated the matter. Further on the article continues -

The best that can be said about Salomon's advice is that it has turned out to be poor - very poor.

Similar Bell Group bonds to those bought by SGIC are now selling on the Luxembourg exchange at around 33.5¢ in the dollar - a further erosion of one-third in capital value since SGIC purchased the bonds. At that level, the bonds would have a value of about \$50 million - or \$90 million less than the SGIC paid Mr Holmes a Court.

What has not been picked up, and what we have picked up from the Treasurer's answer in the other House was that not only was an amount of \$140 million paid but also the accrued interest involved represented \$8.9 million. For the first year the interest received was almost all "contra-ed" out because accrued interest had been paid up front. Why would the SGIC do a deal like this with Holmes a Court? Why would that deal have occurred when from the beginning it did not seem worthwhile? Salomon Bros gave a valuation - did they hide behind that? Or did Bell Resources find out that the \$50 million was not returned from Rothwells, and the matter had to be rectified in another way? I will be asking the Auditor General to look into this matter very closely.

Returning to the merger of the SGIC and the MVIT, I remind members that that was brought about as a result of the previous Premier Burke's feeling that the MVIT was not being properly run; the MVIT appeared to have a deficit of \$30 million. On examination the balance sheet showed interest accrued and not brought in amounted to \$14 million - that is unusual accounting - which brought the deficit down to \$16 million.

During the first full year the SGIC board was looking for a profit and decided to use creative accounting. It decided to look at the provisions for claims. It considered that the previous board had been too conservative, and that the previous provisions for claims had been too generous. The annual accounts as at 30 June 1988 shows a journal entry of \$48 million - that is, claims were reduced by that amount; the profits were increased by that amount. That was 12 months after the new board took over. The old board did not worry because one side of its balance sheet showed provision for claims at \$450 million and investments at \$450 million. All the claims were covered by liquid investments.

The SGIC will face a day of reckoning in relation to liquid funds because in future its liquid funds will decrease. In the past the MVIT was controlled by authorised trustee investments so liquid funds were not a problem. People thought that it was not a good thing to receive 16 per cent or 17 per cent on investments when equities can be obtained - huge profits or huge losses can be made.

During late 1983-84 an investigation was carried out into MVIT and SGIO by Mr Jack Walsh. He was the man who did a deal with the Government in respect of the Argyll diamond royalties; that is, royalties of \$50 million would be prepaid to the Government - for a town would not be built up north by the company. This represented the beginning of the WA Inc deals. The amount of \$50 million was paid to the State development fund and used to buy shares in Northern Mining for \$42 million. Price Waterhouse and Company was used to do a valuation; however, shares in the market place could have been bought for a lot less than that.

*Sitting suspended from 3.45 to 4.00 pm*

**[Questions without notice taken.]**

Hon MAX EVANS: After Mr Jack Walsh died, Price Waterhouse came in with Rothwells Ltd to complete a report to the Premier, Brian Burke, on 19 November 1984. It reads -

Our chief finding and recommendations are -

The SGIO Amendment Act does not provide an adequate basis for development of the SGIO. We recommend the Act should not be proclaimed.

The SGIO should be distinctly identified with competitive, profitable insurance. It should acquire the business of a profitable broadly based insurer.

The study supports the view that the State would benefit from establishment of a sole workers' compensation insurer.

The financial performance of the SGIO and the MVIT is not significantly better or worse than others in the same field.

Lower down this appears -

... we recommend the creation of an insurance commission.

The recommendation of a sole workers' compensation insurer worries me. We have seen the trouble other States have had getting locked into one insurer. I hope the Government does not do that. There is a recommendation to acquire another business, which has still not been

done. The SGIO should stick to its own business. Buying any other business would only create greater financial problems for the Government and the SGIC.

Further on the report says -

#### EXECUTIVE SUMMARY OF FINDINGS AND RECOMMENDATIONS

1.1 Commercial considerations under which our recommendations are made are:

- (a) that the Government's insurance activities be carried out commercially, efficiently and in the public interest
- (b) that the SGIO take advantage of widened franchise
- (c) that maximum available funds be obtained for investment within Western Australia
- (d) that an effective system of management and direction of the Government's insurance in this State be established.

The Government has a long way to go to bring those recommendations into effect. I do not believe the Government has carried out those recommendations in the manner it should have done. The report goes on -

The Insurance Commission should consist of five persons including a full time Chairman. The Chairman should be a person who has had wide and extensive experience in insurance matters.

The report goes on -

Three of the part time members should be persons drawn from professions directly related to investment, legal, accounting and general business. The fourth should be a representative of the Treasury.

We do not have a full time chairman; Mr Rees was a part time chairman. I understand he is becoming more and more a full time chairman, trying to sort out all the problems. In June 1987, six months after the MVIT was taken over, we have W. Rees, Chairman of the Board of Commissioners and formerly a senior executive with Cliff Robe River and Associates, a company regularly criticised by Government members. The Deputy Chairman was Kevin J. Edwards, Director of Policy, Department of Premier and Cabinet. Kevin Edwards has since fallen into disrepute, left the Government and now faces the possibility of having charges laid against him.

The next director is Mr Tony Lloyd. He has also fallen out of favour, and faces similar charges to Kevin Edwards. The next is Mr F.A. Saville, commissioner, retired chairman and chief executive officer of the Commercial Union Insurance Company of Canada. That fits into part of the definition in that the chairman should have insurance experience. The next member is Mr W.F. Rolston. His prior appointment was Auditor General to 31 March 1987. He is a very good man, but he does not fit into the guidelines. The next one is Mr Frank Michell, Managing Director, SGIC, and an expert on insurance business. He should be there as the managing director. The next one, from July 1987 to May 1988, is Mr Len Brush. He also fell into disrepute and had to leave because of troubles. That was the composition of the State Government Insurance Commission board in the first 12 months, a body supposedly set up to be at arm's length from Government. One wonders why some of those people were on the board, but one then does not wonder at some of the decisions made by the SGIC.

The profit to 30 June 1988 of \$112 million included a \$48 million journal entry for changing the provision for outstanding claims on third party insurance and employers' indemnity insurance. That gives a surplus of \$63.7 million. There was a one-off profit from the sale of central business district properties of \$50.4 million; there was a one-off profit of BHP shares of \$21.7 million, which totals \$72 million. Thus there was a net loss from normal insurance business and investments for 12 months of \$8.4 million. An insurance company should make all its profits out of the investment of funds; it receives the premiums up front and it is the investment of those premiums where the company should make its profit. As I pointed out, the State Government Insurance Commission had \$725 million-worth of funds which was not earning it very much at all. I see the SGIC as having losses on Spedleys of \$28 million; on Rothwells, it has already written off \$26 million, and another \$32 million will be written off this year; on Bell Group shares, which could be \$100 million - I cannot

see Bond Group picking up the indemnity; there will be legal disputes - Bell notes, a loss of \$110 million; and Paragon and others, losses of \$20 million. The total will be \$290 million in losses for the SGIC on a capital last year of \$184 million. The SGIC will offset a large part of that by the revaluation of the Atrium building and the Forrest Centre. The Auditor General, in the guise of the Insurance Commission, will look at how it arrived at those valuations. One can get any value for a property depending on what one asks of the valuer. I foresee a diminution in the profit because of the reversal of the guarantee on the buildings. The profit included in a previous year should be reversed against the cost of the properties.

The dividends of \$28 million paid out last year by the SGIC were considerable. They will not be there this year and this will affect the Estimates, for which the Government has not, I hope, budgeted. There will not be a dividend paid out. If there is any profit it will be from the revaluation of fixed term investments, although I doubt that could be done with the increase in interest rates. I believe the Government must look more closely at these investments. It has trouble on its hands with the R & I Bank, which had a \$9 million profit on \$9 billion in assets. In respect of the Superannuation Board, I notice that Mark Smith, the General Secretary of the Civil Servants Association, referred to losses of \$100 million. I could easily identify losses of \$60 million over the last couple of years, and I will be interested to discuss what those losses are with Mr Smith. I believe the Government has a lot to account for on these losses.

Debate adjourned to a later stage of the sitting, on motion by Hon T.G. Butler.

## EVIDENCE AMENDMENT BILL

### *Second Reading*

Debate resumed from 5 September.

**HON PETER FOSS** (East Metropolitan) [4.35 pm]: On behalf of the Opposition I support this Bill. I already have a minor amendment to this Bill on the Notice Paper, which I hope will be accepted by the Attorney General; I also have a number of comments to make and questions to ask.

The need for this type of measure is becoming quite clear and important in Western Australia due to the way in which the dealings of commerce, and the disputes that go to the courts more and more frequently have an interstate or even international flavour. The taking of evidence outside the jurisdiction has always been extremely difficult and has posed peculiar problems. The first effort in trying to keep this problem to a minimum is the choice of the jurisdiction in which the action is brought. However, that is a choice which is only open to the plaintiff in the matter. Frequently other parties to the proceedings find themselves with the majority of their evidence outside the State.

There have been two main procedures by which that evidence could be taken. The most common one used in this State is to take evidence on commission. The other method, which in my experience has not been used very much, is what is called the letter of request. My understanding is that this Bill is to assist in the taking of evidence in the manner which is known as by way of letter of request. The letter of request was not used very much in the past because of the difficulty of communicating that request. Prior to the passing of the Australia Act the appropriate channels for the passing of letters of request was through the United Kingdom Foreign Office. That was rather difficult to handle and generally speaking the problems posed by it meant that people did not use that method. It may very well be that with the passing of the Australia Act that procedure will be made more clear and more easily usable.

It is not clear from this Bill how it is intended that the request referred to in the Bill should come to the court. There is a provision for the making of rules of court under proposed section 118A, but members will see from that that it does not deal with the way in which a request is to be accepted or identified. Members will see that proposed section 115 refers to a request that includes any commission, order or any other process issued by or on behalf of a requesting court. How the court is to identify that request and how it is to deal with it is not clear. It may very well be intended that the request should come directly from the requesting court and not pass through any diplomatic channels whatsoever. Certainly, as far as the past was concerned, letters of request have come through diplomatic channels, and this reduced

the efficacy of this procedure. Obviously as far as the Territories and the Commonwealth are concerned there is no problem in needing diplomatic channels; it will just be a matter of a document coming directly from another court. However from overseas places there may still be this difficulty in handling evidence in that manner. It may very well be that these clauses will not make a difference to the most common way in which evidence is taken.

The other problem is, as I understand it, that Australia is not a party to any treaty relating to the taking of evidence between different countries. There are two ways in which it has been dealt with. There is a general treaty, which is the Hague Convention, on this form of taking of evidence; there have also been particular conventions between various countries. It may be there is one with New Zealand, but I am not aware that Australia has any large number of treaties in respect of the taking of evidence in this form.

The problem of the taking of evidence on commission is that it is only a procedure by which a court will accept evidence which has been taken in another country. If, for instance, the Supreme Court of Western Australia wishes to have evidence from a witness in the United Kingdom who cannot travel, or for reasons should not travel, to Western Australia to give evidence, or who does not want to travel or refuses to travel, a letter of commission will be issued and a person will be appointed to take that evidence. However with this procedure the problem is that, when one gets that letter of commission to England, it is in itself not sufficient to compel that witness to appear before the person holding that commission; nor is that person amenable to any form of discipline from the Western Australian court if the evidence he gives is not truthful. Obviously the procedures set out in this Bill and in the 1987 Act will overcome some of those problems because the effect of that will be that when one wishes to have evidence taken, a letter of request will come and then the compulsory powers of the Supreme Court of Western Australia can be used in order to compel a witness to appear before the courts. Obviously if that witness gives false evidence to the court, the criminal law of Western Australia will apply to that person for giving false evidence. That is a far more satisfactory way of dealing with this sort of problem than leaving it to a commission.

This Bill works with another provision enacted in 1987; that is, sections 100 to 114 of the principal Act which represent the converse situation mentioned by the Attorney General. I am happy to see the necessary protection of the citizens of this State in the provisions of this Bill to see that they are not overcome by these measures. There are a number of measures that ensure that citizens are not inconvenienced; for instance, on page 4 of the Bill it can be seen that there is no general discovery to compel a witness to give evidence. Paragraph 117(6)(a) states that this section shall not require a person to, and I quote -

... state what documents relevant to the proceedings to which the application for the order relates are or have been in the person's possession, custody or power;

That is the situation in which a person is asked to make a general discovery. The following proposed paragraph (b) states -

... produce any documents other than particular documents specified in the order and appearing to the court making the order to be, or to be likely to be, in the person's possession, custody or power.

The way in which this will operate is that if people wish to have documents produced, they must know what the documents are prior to making a request. Also, the person must know in advance which documents are required to be produced. It does not provide for the production of documents in the form of a general discovery, which is an appropriate protection for people who are not required to give any sort of general discovery. Proposed section 118 is also a good protection as it is a double protection. The first part of the protection is that a person is not compelled to give evidence which he could not be compelled to give in similar proceedings before a Western Australian court, thus a citizen of Western Australia will not be disadvantaged if he comes under request from a foreign court to give evidence as he will not have to face any more rigorous requirements than he must face before a court in Western Australia.

Secondly, that person may not be required to give evidence which he could not be compelled to give in a foreign court; this is to limit forum shopping. If it was the law of Western Australia to give a greater attention in searching out evidence from witnesses than in the

place from where the request comes, there may be a tendency for a person to conduct that action so as to look to a letter of request rather than have the evidence brought before the court directly. This is a sensible measure to have in the Bill. It may mean that certain actions are not brought as a result of the measure, but it is a necessary protection for the people of Western Australia.

I have already indicated on the Notice Paper that I have some alterations to make to proposed section 118(3). They relate to matters contained in proposed subsection 118(2). I will deal with that matter when it comes up in Committee. The other question that I have is not absolutely clear because I must confess that I have not examined the Acts referred to in clause 5 of the Bill. Members will see that three United Kingdom Acts are to be repealed. These are the Foreign Tribunals Evidence Act 1856; the Evidence by Commission Act 1859 and the Evidence by Commission Act 1885. I have a question about the effect on the ability of the Supreme Court to permit evidence to be taken on commission elsewhere. I suspect that it does not affect it, but I have not had the opportunity to have a look at those United Kingdom Acts to see if they have any effect at all.

I certainly support this Bill. It appears to be an excellent piece of legislation. Perhaps it is lawyers' law, but it is in the interests of this State in view of the increasing dealings interstate and internationally and the increasing number of cases before the courts and the problems of obtaining of evidence from outside the jurisdiction. A constant problem in practice has been how to deal with evidence out of jurisdiction. Therefore, I hope the measures proposed in this Bill will in some way solve them. It will never be completely satisfactory in relation to taking evidence from outside a jurisdiction, but that is a fact of life. It may always be that witnesses cannot be brought from one country to another, but if that is the case one has to make the best of the situation. I hope that this Bill will assist with that and I commend it to the House.

**HON J.N. CALDWELL (Agricultural) [4.46 pm]:** I seem to remember speaking about this Bill approximately last September, so I suppose it could be called a "spring pop up Bill". I do not know why it was not discussed last time, but let us hope that something is done about it this time. The Bill provides for the examination of witnesses, and enables such examinations to be in overseas and other Australian courts. I will make some comment about experiences I have been associated with when I was away with the State rifle shooting team. A lady - I will not call her a lady of ill repute - thought that everybody else's property was hers and she was caught in the room of one of the rifle shooters.

**Hon P.G. Pental:** Are you sure that you want to carry on?

**Hon J.N. CALDWELL:** I am because it has a lot to do with this Bill.

**Hon J.M. Berinson:** Carry on even if it does not have a lot to do with this Bill.

**Hon J.N. CALDWELL:** This lady was caught in the possession of property of the rifle shooter as she was leaving down the stairs, and after about two hours the police arrived and took her away. This lady had convictions throughout every State in Australia, totalling 380.

**Hon P.G. Pental:** You did say that she was not a lady of ill repute?

**Hon J.N. CALDWELL:** She was not a lady of ill repute, she was a little light fingered. Everything in everyone else's possession should have been hers, so she thought. I suppose that she was not given a fair chance in this world. This lady was 40 years of age and she had been convicted of 380 crimes throughout every State in Australia. Imagine the cost to the community this lady had caused. And they are not all ladies; I think there would probably be the odd gentleman there as well. These rifle shooters have come back to Western Australia and were to be flown back to South Australia at the cost of the taxpayer I guess, to attend the court case of this woman who took one person's wallet which had about \$200 in it. It would probably cost the States and the Commonwealth of Australia an enormous amount of money just to bring her to court because of \$200. Not only that, she had been convicted 385 times, with convictions in every State of Australia. That is the point I wish to emphasise.

For the life of me, I do not know why this Bill was not brought in many years ago to save costs and inconvenience to everybody. I think it is a very good piece of legislation and hope that the other States have reciprocal legislation so that we do not have to travel around the place attending courts should we find ourselves in the predicament that I was in.

Debate adjourned, on motion by Hon Doug Wenn.

## ELECTION OF SENATORS AMENDMENT BILL

*Second Reading*

Debate resumed from 20 September.

**HON P.G. PENDAL** (South Metropolitan) [4.52 pm]: The Bill before the House is to bring Western Australia's electoral procedures into line with those under the Commonwealth Electoral Act. To that extent the Opposition supports the measure. It may surprise members to know that much of the procedure involved with the election of senators who are members of the Federal Parliament, is actually a State matter and is governed by the parent Act which we are now seeking to amend. Having said that those matters are to do with the State, one is tempted to follow that by asking the rhetorical question: "Is that the case after all?" As a matter of interest, the procedures for the election of senators and such basic things as dates and so on are governed by two sets of Statutes; in the first place by the Commonwealth Constitution, which leads me to raise that rhetorical question. In part two of the Commonwealth Constitution section 9 tells us -

The Parliament of the Commonwealth may make laws prescribing the method of choosing Senators, but so that the method shall be uniform for all the States. Subject to any such law, the Parliament of each State may make laws prescribing the method of choosing the Senators for the State.

It goes on to say -

The Parliament of a State may make laws for determining the times and places of elections of Senators for the State.

At first glance it could be said that we are dealing with tokenism. If that were the case I would have some harsher things to say about the legislation because I have often made the point in this House that, as a federalist, I am quite happy to leave the Commonwealth to legislate in areas that it is restricted to. I am also quite happy to see the States continue under what they are restricted to, but I do not really see the point in entering into some of the Commonwealth-State agreements that are really intended to mollify the States and to give lip service to federalism. Therefore by extension it becomes some form of tokenism. However, section 9 of the Commonwealth Constitution needs to be read a little more closely in order to see that we are entirely within the province of the State when determining the times and places of elections for the Senate, because the first part of the reference to the Commonwealth Constitution actually restricts the Commonwealth to making laws prescribing the method of choosing Senators. In that respect, for all intents and purposes, that is an exclusive matter for the Commonwealth because it says -

Subject to any such law, the Parliament of each State may make laws prescribing the method of choosing the Senators for the State.

In other words the Commonwealth Constitution does not give us any latitude at all and, I suppose, neither it should. It clearly envisages that the Commonwealth Parliament is restricted to making laws about the method of choosing senators. However, this is a Bill that is nothing to do with prescribing the method of choosing senators. This leads me to the second reference in that part of section 9 of the Commonwealth Constitution where we are told that the Parliament of a State may make laws for determining the times and places of elections of senators.

This brings us to what the Bill is about. Having established, at least for my own satisfaction, that we are not dealing with cosmetics or mere tokenism, and that clearly under the Commonwealth Constitution we are entitled in this Parliament exclusively to be making laws for determining the times and places of elections, I want to move onto what I think is important.

We are seeking to amend the 1903 State Act by deleting part of section 3 which allows for the return of the writs not more than 90 days after the date of issue. We are being asked to delete the 90 days and to insert 100 days. We are being asked to do one or two other minor things. However, it seems to me therefore, that the tail is wagging the dog. If the Commonwealth Constitution makes times and places of elections a State prerogative, which is what the 1903 State Act is about, one wonders why the Western Australian Act is being amended in line with the Commonwealth Act rather than we in the State Parliament saying to



the Commonwealth, "You must fall into line with the State." I suppose the answer is that if the Commonwealth decides that it will increase that time span from 90 to 100 days, it has the whip hand in as much as it hopes that the rest of the States will follow. However, I stress to members of the House that we are not obliged to follow because clearly the second part of section 9 of the Commonwealth Constitution allows us to decide the laws on timing and place of elections for Senators.

It raises the question, at least less in my mind, as to whether we should be telling the Commonwealth that it should fall into line with the Western Australian Electoral Act on that part of the Constitution which gives the State that exclusive power, rather than the State's dancing to the tune of the Commonwealth on a matter that is clearly outside its purview, if my reading of section 9 of the Constitution is correct. Although the Opposition supports the Bill, and I guess it would be silly not to support it, one is tempted occasionally to suggest that we defeat such a Bill, tell the Commonwealth that this State is not prepared to pass it and see what happens.

Hon J.M. Berinson: I would rather defeat the Commonwealth on matters more important than this one.

Hon P.G. PENDAL: I agree with the Leader of the House and that is why I have not recommended to my colleagues that we seriously consider defeating the Bill. The Leader of the House will acknowledge that members on this side of the House have used their numbers in matters on which we might differ on only important amendments. Nonetheless, I raised the point which I still believe is valid, if for nothing more than an intellectual argument, that we are being press-ganged into changing a State Act when that State Act is clearly permitted to take precedence over a Commonwealth activity in determining certain things about the election of senators.

I ask the Leader of the House what will be done with regard to the proposed amendment to section 8. That is the only other amendment with which we are dealing. If the Leader of the House responds to my query at the end of the second reading debate I shall appreciate it. Alternatively, I shall ask a question in the Committee stage. It has also been drawn to my attention that in this otherwise very simple and straightforward Act of 1903 section 9 may require some investigation. I do not suggest it should be done now but perhaps should be referred to the Chief Electoral Commissioner. Section 9 of the parent Act states that -

In all cases where it is impracticable to communicate any writ, proclamation, or notice by post without occasioning undue delay, any telegraphic advice communicated in the ordinary course shall suffice for all purposes of this Act as if the matter telegraphed had been communicated in manner provided by this Act.

It raises a question as to whether it still applies in the case of today's modern technology, for example, the use of facsimile machines. It can be argued that a facsimile machine is a telegraphic advice, although I am not sure that is the case. Telegraphic communications as they were at the end of the last century are a different technology from what we are dealing with in facsimile machines. It is worth referring this matter to the Electoral Commission for someone to ascertain whether or not section 9 could in some odd circumstances preclude the use of a fax. Of course, that has more relevance in a State such as Western Australia than a small State such as Tasmania for two reasons. Firstly, Western Australia has a huge land mass where writs have to be distributed, delivered and transmitted to and from over wide areas; secondly, by virtue of its geographical area this State is susceptible to floods and other natural disasters that can impede the conduct of an election. I draw that to the attention of the Leader of the House and ask him to ascertain whether some other amendment may be required in the future.

Finally, because it extends an argument used the other day by Hon Peter Foss, I point out that the second reading speech is a very brief and perfunctory statement. Notwithstanding that we are dealing with a fairly straightforward amendment, the justification for amending section 8 of the Act is not explained at all in the second reading speech. Reference is made to that section by stating that certain words are to be deleted. However, no information is provided as to what will be achieved by deleting the preamble to that section. If an explanation is not provided in the second reading debate, I will certainly raise this matter in the Committee stage. Apart from that, I signify that the Opposition supports the Bill.

**HON J.M. BERINSON** (North Metropolitan - Leader of the House) [5.07 pm]: I thank the honourable member for his indication of support, and I will try to address myself to the two basic questions he asked. By that, I mean the two questions of detail; the philosophy he espoused earlier in his speech about the States being prepared to stand on their digs and assert their rights where they exist, raises an entirely different matter and I indicated by interjection that I have some sympathy with that.

**Hon P.G. Pendal**: I thought it might appeal to you because you said you were a born-again States' righter.

**Hon J.M. BERINSON**: I told a lot of people, if I remember correctly, although not precisely in those terms. As a matter of interest, this discussion arises on the eve of a very important challenge to Commonwealth legislation which seeks to preserve the place of the States in the area of companies and securities legislation. That case, like a number of others in recent years, has an importance which goes beyond the immediate subject matter. It looks to the problem of the expansive view which the High Court has taken in recent years in respect of the extension of Commonwealth powers. There is no doubt this has led to an erosion of State powers beyond anything that would have been imagined, not only by the founders of the Commonwealth, but even by centralists as recently as 10 or 15 years ago.

At some point I think it has to be said that a decision will need to be made as to whether indeed the Federal nature of the Commonwealth will be preserved. If it is to be preserved that can be achieved in only one of two ways: Either by some modification of the extent to which the High Court has gone in its judgment in recent times or, alternatively, by some decision at the Commonwealth level to restrain itself from the exercise of certain powers, even if the High Court has indicated that those powers do exist concurrently with the States.

**Hon N.F. Moore**: And pigs might fly too!

**Hon J.M. BERINSON**: I am not putting forward either of those possibilities as being matters with a really high rate of likelihood of success; not least of the reasons is that no matter what is said by various parties at various times, the reality is that Commonwealth Governments of all complexions have succumbed to the same attraction of attempting to extend their powers to the maximum. I have said already that is not really the subject of this debate, so it hardly seems appropriate to take those comments further.

**Hon N.F. Moore**: It was an excellent speech. You should stay on those sorts of subjects.

**Hon J.M. BERINSON**: I have acknowledged that this goes beyond the limits of this Bill, but it was properly raised by Hon Phil Pendal, and it is such a fundamental issue that the whole of the nation will, sooner or later, have to address itself to where we want to go.

I turn now to the proposed extension of the maximum period between the issue and the return of the writs from 90 to 100 days. The position may be summarised as follows: First, the Commonwealth has legislated in this way, and it is desirable to have uniformity as between the States in their response to that. The reason the Commonwealth moved in that way was to avoid the need for the Commonwealth Parliament to meet in early February, if a Federal election were held in mid-November. That arises from the fact that under the Constitution, Parliament must meet within 30 days of the return of the writs. It could be also a useful precaution against the possibility of a long delay before all Senate vacancies are filled, given the manner in which the Senate scrutiny is now required to be conducted. It may be that this problem will resolve itself if we ever get to the stage of having electronic voting, but there is certainly no doubt that the nature of the Senate ballot system and the counting of votes can lead to very long delays; and as I understand the position, that was one of the facts which encouraged the extension of time from 90 to 100 days.

The proposed amendment to section 8 removes the 20 day limitation from the provision relating to the extension of time for holding the election and returning the writs. It was made on the basis that the limitation served no useful purpose; for example, it was possible in relation to the Senate writs that any problems that might delay the return of the writs would not have emerged within the 20 day period. That raises similar considerations to those which I referred to a moment ago. I commend the Bill to the House.

Question put and passed.

Bill read a second time.

*Committee*

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

**Clause 1: Short Title -**

Hon P.G. PENDAL: I thank the Leader of the House for responding in that way. It is interesting that he gave us more information out of his notes as a result of the questions I asked than actually appeared in his second reading speech.

Hon J.M. Berinson: I must have thought it was self-evident earlier.

Hon P.G. PENDAL: I do not think so, because otherwise why would the Leader of the House have read from his additional notes? We are entitled to remind the Leader of the House that when we are asked to deal with legislation, if something is not evident from the second reading speech, it ought to be made evident. I am not sure that, after having heard the additional material from the Leader of the House, I am any the wiser; it is questionable whether it makes any more sense of the Bill.

The Leader of the House said in his second reading speech that the next half Senate election must be held in the 12 months before 1 July 1990 - that is next year - but the provision may be required earlier in the event of a double dissolution of the Commonwealth Parliament. It would seem to me that if it is required earlier, it will not make a great deal of difference anyway.

Hon J.M. Berinson: The prospect of there being a double dissolution is now different, but that was a reason for bringing it forward in this session.

Hon P.G. PENDAL: How can it be required earlier if we are actually now in that period? If we were having this debate in March of this year, one could look at that provision and say that it makes sense because the next half Senate election must be held in the 12 months before 1 July 1990, but I would have thought that as we are now in that period, what we are about to do can have no effect.

**Clause put and passed.**

**Clauses 2 to 5 put and passed.**

**Title put and passed.**

*Report*

Bill reported, without amendment, and the report adopted.

*Third Reading*

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

**PAROLE ACT - SELECT COMMITTEE***Assembly's Message*

Message from the Assembly received and read notifying that it had agreed to the resolution contained in the Legislative Council's Message No 10 relating to the Select Committee to inquire into and report on parole, subject to the amendment contained in the schedule annexed in which amendment the Legislative Assembly desired the concurrence of the Legislative Council.

The Legislative Assembly also notified that it had appointed the following members to the committee -

- the member for Ashburton (Mrs Buchanan);
- the member for Cottesloe (Mr Hassell); and
- the member for Avon (Mr Trenorden).

*Committee*

The Deputy Chairman of Committees (Hon D.J. Wordsworth) in the Chair.

The amendment made by the Assembly was as follows -

Substitute for the word "previous" in paragraph 1(e) the word "prisons".

Hon J.M. BERINSON: I move -

That the amendment made by the Assembly be agreed to.

We have had this message before us only briefly and, as best as I can understand the position, it seeks to remedy what looks like a typographical error.

Hon GEORGE CASH: The Opposition supports the motion before the House on the clear understanding that it is a typographical error now being corrected by the Legislative Assembly.

Question put and passed; the Assembly's amendment agreed to.

Paragraph 1, as amended, put and passed.

*Report*

Resolution reported, the report adopted, and a message accordingly returned to the Assembly.

**PAY-ROLL TAX AMENDMENT BILL**

*Receipt and First Reading*

Bill received from the Assembly; and, on motion by Hon J.M. Berinson (Minister for Budget Management), read a first time.

The PRESIDENT: I suggest that a message go to the Legislative Assembly indicating that the name of the person who signs messages must be written so that I can read it. I suggest that if I took this signature to my local chemist he would make me up some medicine.

*Second Reading*

HON J.M. BERINSON (North Metropolitan - Minister for Budget Management) [5.25 pm]: I move -

That the Bill be now read a second time.

The purpose of this Bill is to implement measures announced in the Budget speech and is complementary to the proposed changes contained in the Pay-roll Tax Assessment Amendment Bill. The effect of both Bills is a small increase in payroll tax liabilities for most taxpayers as a consequence of a lift in each of the payroll tax rates and a reduction in the maximum payroll threshold. However, up to 100 employers who would otherwise have become liable for payroll tax in 1989-90 will be exempted as a result of an increase in the minimum payroll threshold. In addition, an estimated 100 to 150 employers will benefit from the Government's initiative to phase in the maximum payroll tax rate.

It is proposed to increase the 3.75 per cent, 4.75 per cent and 5.75 per cent payroll tax rates to 3.95 per cent, 4.95 per cent and six per cent respectively. At the same time, the maximum payroll threshold will be reduced from \$2.124 million to \$2 million. The revenue benefit of these measures is estimated to be \$13 million in 1989-90 and \$22.5 million in a full year. The exemption payroll threshold is proposed to be increased from \$295 000 to \$300 000 and the threshold at which the new 3.95 per cent rate becomes fully phased in will increase from \$1.18 million to \$1.2 million.

The new maximum rate of six per cent will be phased in over the payroll value range \$2 million to \$2.5 million. The cost of these concessions is estimated to be \$1 million in 1989-90 and \$1.9 million in a full year. All these measures are proposed to operate from 1 November 1989.

I commend the Bill to the House.

Debate adjourned, on motion by Hon Max Evans.

**PAY-ROLL TAX ASSESSMENT AMENDMENT BILL**

*Receipt and First Reading*

Bill received from the Assembly; and, on motion by Hon J.M. Berinson (Minister for Budget Management), read a first time.

*Second Reading*

HON J.M. BERINSON (North Metropolitan - Minister for Budget Management) [5.29 pm]: I move -

That the Bill be now read a second time.

Together with the complementary proposals in the Pay-roll Tax Amendment Bill, the purpose of this Bill is to implement measures announced in the Budget speech. Up to 100 employers who would otherwise have become liable for payroll tax in 1989-90 will be relieved from that liability as a result of an increase in the payroll exemption level from \$295 000 to \$300 000. The statutory weekly wage level at which point an employer is liable to register will increase from \$5 670 to \$5 770.

Hon P.G. Pandal: Shame!

Hon J.M. BERINSON: A corresponding increase in the current \$1.18 million payroll threshold to \$1.2 million will reduce the payroll tax liability below that which would apply under the existing thresholds for some 40 per cent of taxpayers. These measures are to apply from 1 November 1989.

I commend the Bill to the House.

Debate adjourned, on motion by Hon Max Evans.

**APPROPRIATION (CONSOLIDATED REVENUE FUND) BILL***Consideration of Tabled Paper*

Order of the Day read for the resumption of debate from an earlier stage of the sitting.

Debate adjourned, on motion by Hon T.G. Butler.

**COMPANIES, AND SECURITIES AND FUTURES INDUSTRIES, LEGISLATION  
(ACTS AMENDMENT) BILL***Second Reading*

Debate resumed from 21 September.

HON PETER FOSS (East Metropolitan) [5.32 pm]: The first question that arises with respect to this Bill is the procedure that is to be followed with respect to Bills relating to the Companies Code and other legislation which forms part of the uniform legislation relating to companies and securities. As a matter of practice, it is not open to this House to make any suggestions as to amendments because the essence of the legislation is that it be uniform throughout Australia. So by the time it comes to us, having been considered by the Attorneys General, it is probably a little late for us to make suggestions with regard to it. We have to support the Bill as it stands or to indicate that we do not support it - and at this stage that would cause considerable difficulty to the entire system.

Happily, in this case, the philosophy and intent of the Bill is one we can support. It raises the question as to what is the appropriate way for legislation such as this to come before the House. I suggest to the Attorney General that perhaps in future, with legislation such as this, to allow meaningful contribution by Parliament to the legislation, members of the Opposition and perhaps members of the Government themselves have some idea prior to this stage as to what it is to be. I do not know whether there is a consultative process in existence but I do know that I did not have any forewarning before the legislation appeared in this House. If we are to do anything more than merely rubber stamp it we would need to see it at an earlier stage so that we are able to comment before it is settled by the other parties to the National Companies and Securities legislation. Then we can make a meaningful contribution.

Contrary to the intent of the Federal Government, I believe that the cooperative efforts between the States with regard to this legislation have been an excellent example of cooperative federalism; it has worked extremely well. It has indicated how the States are able to look after this area of the law, to show the proper cooperation and take the proper measures. All the Governments involved, the members of the commission and the members of the Ministerial Council, over the period of operation, are to be congratulated for the way this legislation has been carried out and put into effect.

In particular, the National Companies and Securities Commission is a good idea because having so many Governments involved in the appointments, there is such wide scrutiny, it would be almost impossible to, say, nobble the commission. The NCSC has an extremely high regard in the community; it has the confidence of people in all parts of the political spectrum. It is, therefore, with some considerable concern that I view the Federal Government's move into this area with the Australian Securities Commission. I believe it is unwarranted and unnecessary; it is a high-handed attitude on that Government's part. The further difficulty that this House has, before it goes any further with this Bill, is as to where this Government sees the future of the NCSC from this day on. I understand it is opposed to the entry of the Commonwealth into the area but obviously, because of this Bill, it still sees some continuing role.

It will be helpful to the House, to the Parliament, and to the people of Western Australia as a whole, if we could have a ministerial statement as to what the Government sees as the future of the NCSC. I would be interested to know what action the Government intends to take in order to challenge the Federal legislation. Suggestions have been made that the Commonwealth Government's powers deal only with extant companies and not with the incorporation of companies. It is suggested a constitutional challenge could be mounted. I do not know whether the State Government intends to take that up or whether it believes there is merit in that.

It is important that this House knows what is the Government's attitude; what are the Government's views for the future, and how it believes we should react as a State to the threat by the Commonwealth, not only to an excellent system, but to the rights, duties and obligations of the State. I regard it with considerable concern that an excellent system is being attacked. It would be one thing for the Commonwealth to use its powers if it could point to the fact that the system has not worked. It has worked, and excellently. We have been extremely well served by the NCSC and all the legislation that goes with it. There is no abuse to be corrected. If there were maybe there would be some point to the interference by the Commonwealth, but there is no such justification. I believe the Commonwealth has put up a system which is far inferior to that which exists. This has been done purely as a means of grabbing power. The more power that is gathered together in Canberra, the less chance for the State Governments to operate. Already we have seen limits placed on the State's functions because of the way the financial power has been drawn to the centre of the Commonwealth. The ability of the State Governments to deal properly with the problems facing them have been shrugged off by successive Commonwealth Governments. I do not point particularly to the present Hawke Government; I brand all Commonwealth Governments that way.

Hon J.M. Berinson: I think Mr Foss may have missed the debate on an earlier Bill about the Senate amendment.

Hon P.G. Pandal: Mr Berinson admitted to being a born again States' rights-er.

Hon J.M. Berinson: I did not admit it; I claimed it.

Hon PETER FOSS: I am pleased to hear that.

Hon P.G. Pandal: You should still keep reminding him.

Hon PETER FOSS: I noticed he was smiling and am pleased to see it was because he was in agreement.

We have seen already successive Commonwealth Governments abuse the power of their control over finances which has restricted the power of State Governments to take proper measures for the good order and government of their citizens. They have had an inability to understand the individual problems of the States. A good thing about the National Companies and Securities Commission and the cooperative method of governing this area is that each of the States gets a proper opportunity to put its view forward. Unfortunately, I have found that, in the Commonwealth sphere, despite the checks and balances and the protections put into the Constitution to protect the interests of the States, the Commonwealth has tended to disregard the interests of the States on a regular basis. It is therefore particularly upsetting in this context to see the Commonwealth making this grab for power, which is what it is. It sees that, by having control over finances and over corporate bodies which are the bodies that make the money for this country, it will have complete control over

the country and, finally, the powers of the State Governments and the State Legislatures will wither.

While this legislation is before the House, I take this opportunity to point to a serious problem facing this State and every other State. It must be addressed by and have leadership from this Government. I know that all members of this House are prepared to back a concerted effort to head off this challenge by the Commonwealth Government and to continue the excellent system that we have had since 1962. I believe that, to debate this amendment before we can go ahead with it sensibly, we need to have a strong guiding ministerial statement as to where the Government intends us to go from now on. One of the problems of the system, if we have any problems at all, has derived from a lack of money. I said the system worked well. However, it could work better and one thing that would make it work better is a bit more money. This measure is intended obviously to give more money to this area. The measures appear sensible as far as I can see. They appear to impose the costs on the appropriate areas and the fees and the method of setting those fees seems to be sensible.

An area that should receive further support is the area of enforcement. One of the problems that has come out of the introduction of the ASC has been a degree of concern by local corporate affairs officers about where they go. The department has always had some difficulty in attracting people of the highest calibre into enforcement in Western Australia. The introduction of the ASC has caused a further blight on that because it is a little bit hard to see what the prospects of people would be once the ASC comes into being. One of the problems for the NCSC and the Corporate Affairs Department in this State is that they have been underfunded. I understand some of the reasons for that. I believe it is not necessarily a matter of taking more money out of Consolidated Revenue. It may be a matter of looking at some sort of measure whereby money can be fed into the Corporate Affairs Department from successful actions against people who breach the code and various security regulations.

Hon J.M. Berinson: I think, in percentage terms, you might find that the increase in the resources of the vote to the Corporate Affairs Department over the last two or three years has been greater than any other department.

Hon PETER FOSS: That may be so. Unfortunately, it has not had much of a result.

Hon J.M. Berinson: It has. Putting aside problems created by the uncertainty of the Federal moves, I believe the office has been working very much better. It has been much better equipped and certainly covers much more work.

Hon PETER FOSS: I do not want to disagree with the Attorney General on this because I might end up making some criticisms that I do not wish to make and I do not know whether that would help the debate. I wish to make a positive contribution to the debate rather than a critical one. However, it is important that the enforcement area works considerably better than it does at present. Without being critical of the department or the Government's giving of resources to that area -

Hon J.M. Berinson: I do not want to suggest that I am arguing against the proposition that things should be better. However, I believe they are now very much better than they were as recently as two or three years ago.

Hon George Cash: But they are still inadequate.

Hon PETER FOSS: There are constraints. I am prepared to accept the Attorney's assurance on that point. However, I believe that the people of Western Australia are yet to see the full results of that improvement if that is the case. There has not really been a notable success in enforcement proceedings in companies' matters in Western Australia to date. It may be that they are in the pipeline as a result of the investigations being carried out presently by the officers of that department. I would not want to suggest that that is not so. However, to date, I do not believe we have seen a notable success in enforcement of breaches of the code.

The schedule of fees which has been set up in the Bill is interesting and proper. It certainly charges fees in an area to which large amounts of time have been devoted by corporate affairs officers in order to enable people to conduct their business and in many cases make an awful lot of money. To date, the Corporate Affairs Department has provided a very good service virtually free of charge. Officers have put a huge effort into the areas covered by the fee structure. It is appropriate that the fee structure be more commensurate with the type of

work that is being done and the amount of money that is being earned by the persons who are putting that form of work onto the Corporate Affairs Department. The legislation is excellent in that it gets at the right people and draws the money out at the right time. It is an excellent example of how legislation can be set up to be self-enforcing and place the emphasis in the right place.

Another way we could do that is to find some way of getting some benefit from the recovery proceedings taken by the Corporate Affairs Department so that it is able to fund its researches out of the proceeds of the recoveries it makes. Obviously, I have not applied my mind to this in great detail. However, it seems to be very difficult for officers of the Corporate Affairs Department to maintain their enthusiasm when they have pitted against them people who are putting vast quantities of money and resources into fighting cases that they bring when there is little prospect that those officers will achieve anything else at the end of the day other than some form of penalty against the defendant. It will be difficult for the department to recruit the right people to work in that area in those circumstances.

I repeat that I am not saying that by way of criticism, but by way of suggesting to the Attorney General that there is some problem in this area with the way in which matters have been conducted. We need to address the point and to ascertain whether there is some way of encouraging a better enforcement to take place and to encourage the officers who have responsibilities in that area so that they can do their work with enthusiasm and some prospect of success at the end of it. It becomes for them a matter of job satisfaction. It is obviously necessary for the Corporate Affairs office to have a measure of success in the near future if it is to continue, as the Attorney General indicated, to improve the way in which it is carrying out its work and to improve its success rate. Success breeds success and if the officers feel they are properly supported and they achieve some success, I believe the morale will improve. As I mentioned earlier, and as the Attorney General has conceded, the imminent introduction of the ASC legislation must put some doubt in the minds of staff as to where they will go in future. I hope that the ASC legislation disappears, and I would like a constitutional challenge to be made.

Hon J.M. Berinson: It is starting next week.

Hon PETER FOSS: Excellent. Is Western Australia participating?

Hon J.M. Berinson: Of course.

Hon PETER FOSS: Excellent. It is a very worthy move on the part of the State Government. I certainly endorse and support it. I hope the Attorney General will keep us informed so that we are able to deal with this Bill with some perspective as to what is being put forward. The Government is encouraging and putting more finance into an organisation when we are lacking in knowledge about its future.

I support this Bill in the light of its being related to a continuing organisation with a real role as opposed to an organisation withering as a result of the Commonwealth legislation. I have serious doubts about it if the organisation is not to continue in future. It would be helpful if the Government gave some indication as to the future of this legislation because then this Parliament will be able to better deal with the Bill before the House.

HON J.M. BERINSON (North Metropolitan - Attorney General) [5.53 pm]: I would never dream of accusing Hon Peter Foss of plagiarism, but I have to say that as he spoke I kept hearing familiar phrases. The reason they were so familiar is that they are all my own. In many of the matters to which he referred, Hon Peter Foss put an argument which I have not only put in this House before by way of earlier ministerial statements, but also have put consistently to the Ministerial Council on Companies and Securities and indeed within the Government itself. That has led to our participating with three other States in the constitutional challenge which commences next week. I indicate to the honourable member that although it was initially thought that the action should cover a very wide range of individual provisions that appear challengeable, the combined consideration of the Solicitors General of the four States has led to a view that the action to be taken in the High Court next week should concentrate on a threshold question. That was the question to which Hon Peter Foss referred; namely, the powers of the Commonwealth over the incorporation of companies rather than in respect of control of companies already incorporated. That threshold question is being advanced without restricting in any way the ability of the States to later take further challenges which ever way this one goes. It is generally recognised, I



believe by the Commonwealth as well as by the States, that a successful appeal on this threshold question would clarify very many of the areas and would lead the Commonwealth to restrict very much the areas it would still attempt to take into its own jurisdiction.

Hon Peter Foss referred to the nature of the scheme and the almost automatic way in which we have to deal with it. That is one of the costs of a cooperative scheme. In earlier days it was almost invariably the practice that any amendments to the legislation would be released in what were called exposure drafts. It was then open to people affected by the legislation to make their comments both in the respective States, to the Commonwealth, and for that matter to the Ministerial Council on Companies and Securities direct. The input could be gained in that way. Of course, it was always open to members of the various Parliaments to consider those exposure drafts and to raise matters of concern to them. In my recollection that was never done in this Parliament. The system does allow for the earlier consideration, but it does not allow for and cannot really provide, if we are to maintain a uniform system, an ability to change the decision of the Ministerial Council in one or other of the States or the Commonwealth after that decision has been arrived at.

Hon Peter Foss: Rather than exposure drafts how about having a document come before the House so that it can be considered?

Hon J.M. BERINSON: I believe we could look at that suggestion. In fact, in response to complaints from the Senate that it was precluded from taking action, and the use of that by the Senate committee which recommended the Commonwealth takeover, the Ministerial Council on Companies and Securities pointed out that it was open to develop procedures which would allow that earlier consideration. That has not been pursued, and, for that matter, exposure drafts are not being pursued because it has to be recognised that the whole system is in a state of limbo. It has always depended on Commonwealth initiatives in terms of drafting and the Commonwealth is withholding its interest in that process pending some resolution of the basic question. The first thing is to resolve the basic question of the proposition for takeover and we can then improve the procedures of the cooperative scheme.

The same needs to be said about the future place of the NCSC. Hon Peter Foss suggests that we should have some account of that and that he wished a ministerial statement would be made on it. I wish I were in a position to make a ministerial statement. However, at the moment there is a great sense of confusion as to what the future holds. There is an admitted weakness in the transitional provisions of the Commonwealth legislation itself, so that no one is sure what will happen. I conclude on that point. These matters can be taken further in the Committee stage. I commend the Bill to the House.

Question put and passed.

Bill read a second time.

#### ADJOURNMENT OF THE HOUSE - SPECIAL

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

That the House at its rising adjourn until Tuesday, 17 October at 3.30 pm.

#### ADJOURNMENT OF THE HOUSE - ORDINARY

HON J.M. BERINSON (North Metropolitan - Leader of the House) [6.00 pm]: I move -

That the House do now adjourn.

*Adjournment Debate - Western Australian Development Corporation - Annual Reports*

HON MAX EVANS (North Metropolitan) [6.01 pm]: I heard this morning on the ABC News the result of the Western Australian Development Corporation's annual report, and about what a wonderful job it had done in respect of its profitability. The report was not tabled in this House until this afternoon, and I would not have thought that document should have been made public, via the media, until it was tabled in the House.

We are told in the report that the WADC made an operating profit of \$19.2 million. LandCorp made a profit of \$17 million. That profit was made as a result of transferring land across to it at cost from the Urban Lands Council and the R & I Bank.

Hon J.M. Berinson: Wasn't that a valuation by the Valuer General?

Hon MAX EVANS: The accounts of Landbank show no profit or loss; the land was transferred at cost. The sale of land amounted to \$45 million; the profit was \$17 million; so there was a 38 per cent net profit on land sales. LandCorp was either a very wise buyer, or that land was very cheaply priced. I put it to the House that LandCorp bought that land very cheaply from Landbank.

Hon J.M. Berinson: Do you know that, or are you guessing?

Hon MAX EVANS: It is clear from the accounts; they show a small profit of \$1.13 million for Landbank. David Hatt was in charge of Landbank and the 33 per cent net profit was brought across to the WADC in 1988. So excluding the profits of LandCorp, the WADC made a profit of only \$2.2 million -

Hon J.M. Berinson: Why should you exclude it?

Hon MAX EVANS: The point I want to get to is that we have been told what a great job the WADC has done, yet that profit is nothing new; it was made previously by the Government, and has not generated any additional income.

The nine directors of WADC were paid a total of \$1.5 million; that is more than the total salaries of the members of Cabinet, if we assume an average salary of \$80 000, excluding allowances. They were paid superannuation benefits of \$79 000.

Hon J.M. Berinson: I have not had the opportunity to see that report.

Hon MAX EVANS: It was tabled today in the House.

Hon J.M. Berinson: Were there any special components of that payment?

Hon MAX EVANS: I am glad the Attorney General asked that question. The special component was that one member of the board was paid between \$980 000 and \$999 000 - which is a lot more than we were told about - as a settlement fee on retirement.

Hon J.M. Berinson: Your earlier comment made it sound as though that was an annual cost. You are not suggesting that?

Hon MAX EVANS: It was over \$2 million for two years; it averages back to \$1 million for one year for seven directors. Another director was paid just under \$180 000; another just under \$150 000; and another just under \$80 000. These salaries were paid in an organisation which had a net worth of only \$46 million last year, and \$47 million this year. I believe the Government lacks judgment.

Hon J.M. Berinson: It is not correct, even on what you are saying, to list those amounts as salaries. I thought you said previously that there was a significant component of severance costs.

Hon MAX EVANS: I said it was a director's remuneration. I did not say anything about severance costs. The report refers to director's remuneration: "Payments received or due and receivable from the corporation and related corporations by the directors of the corporation."

Hon George Cash: Does that mean that John Horgan got \$1 million this year?

Hon MAX EVANS: Yes; just under. The gross assets of the WADC were \$111 million this year; last year they were \$872 million, which included \$812 million on the corporate side, so the net assets were about \$60 million.

Firstly, I do not believe the accounts should have been provided to the media prior to being tabled in the House. Secondly, it is an absolute rot that these people should have been paid such high salaries to run a corporate body at no risk to themselves. I am glad the WADC has been wound up.

*Adjournment Debate - South West Development Authority - Bunbury  
Tower Purchase - Austmark, Opposition's Rumour  
Reports*

HON DOUG WENN (South West) [6.06 pm]: It is amazing how the Opposition can get up and carry on like this when it makes disparaging remarks about us on just about everything that happens around the place. An instance of that occurred the other day in respect of the South West Development Authority; and this is something about which I had a word with

Hon Barry House the other day. Members opposite are continually downgrading what is going on. They started another rumour in the south west the other day; they said that the Government was negotiating to purchase the Bunbury Tower from Austmark. They made no attempt to disclaim this rumour. I asked the Minister representing the Minister for South-West if this was true. He responded as follows -

The Minister for South-West has informed me that no negotiations have been undertaken by the Government or any of its agencies to buy the tower from Austmark (the subsidiary of Bond Corporation which owns the property).

This is another example of the Opposition spreading rumours that have no basis in reality. In this case, the rumour mongering is being done by the member for Wellington, and by one of the Members for the South West Region, Barry House.

Probably the best proof that there is no substance to their claim is the comment of Bond Corporation's State property manager, Terry Pilbeam. He told *The South Western Times*, "I don't know anything about it. . . and as property manager I would know if any negotiations had taken place."

I do not know if members opposite are able to comprehend that sort of statement, but I am sure that they will pick up this rumour and keep running with their innuendoes, as they are wont to do, as I proved in the House the other day in respect of the South West Development Authority. I hope they will acknowledge that the rumours have no substance, other than a desire by the Opposition to make mischief - and they do it well; and that they will apologise to the people of the south west, and the media, for wasting their time.

*Adjournment Debate - Hawke, Mr Bob - Pensioner - Insult,  
Apology Statement*

HON PETER FOSS (East Metropolitan) [6.08 pm]: While we are on the subject of apologies, it was mentioned last night when Hon Muriel Patterson was raising the rather disgraceful behaviour of the Prime Minister -

Hon Graham Edwards: Was that the one who lost his pants?

Hon PETER FOSS: I am referring to Mr Hawke, whose behaviour the other day was disgraceful.

Hon Graham Edwards interjected.

The PRESIDENT: Order! I am fed up with the Minister for Racing and Gaming, who has shown a total and absolute disregard for the laws of common decency, and who refuses constantly to obey the requests of the Chair. I can assure the Minister that I am getting sick and tired of his behaving like that, with some idea that, because he happens to be in the front row, a different set of rules applies to him. I am telling him that there is not. He seems to have the view that for some reason or other, he has a set of standards that is different from everybody else's. I ask the Minister to refrain from doing that, or I will be very positive in future in the action that I will take. I am fed up with having the rulings of this Chair totally disregarded in that very rude manner.

Hon PETER FOSS: The other day, while Hon Muriel Patterson was referring to the rather disgraceful behaviour of the Prime Minister of Australia in speaking to a pensioner, it was mentioned by way of interjection across the Chamber that Mr Hawke had apologised. I am referring purely to a report on the radio, which in fact quoted Mr Hawke, but I hope he has done more than what was said on the radio.

Hon Doug Wenn: On television also, and in the letter that he put out.

Hon PETER FOSS: What he has said was that he made a statement apologising to the gentleman whom he had insulted. I do not know what some people think constitutes an apology, but it seems to me that if one insults a person by twice calling him, to his face, "a silly old bugger", it is not sufficient to issue a public statement in apology; one should, first, make one's statement of apology directly to the person who has been insulted.

It seems that for some reason, the way things are done in this country is that if one issues a Press statement, it is like talking to God. The proper way to behave is that Mr Hawke should at least have tried to speak to that person, and if that was not practical, he should have

directed his apologies to that person, and then made a statement to the effect that he was apologising; but to make the apology by way of a public statement is no apology whatsoever. I sincerely hope that either he has done more than that, or if not, he will do so in the future.

Question put and passed.

*House adjourned at 6.13 pm*

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## QUESTIONS ON NOTICE

## TRAFFIC - SPEED LIMITS

*Kwinana and Mitchell Freeways - Restrictions*

468. Hon GEORGE CASH to the Minister for Racing and Gaming representing the Minister for Police and Emergency Services:

- (1) What is the maximum speed limit for vehicles on the Kwinana and Mitchell Freeways?
- (2) Is there a minimum speed at which vehicles are required to travel, and if so will he advise of that minimum speed?
- (3) What restrictions, if any, are imposed on drivers and vehicles using the Kwinana and Mitchell Freeways and associated bridges and interchanges?

Hon GRAHAM EDWARDS replied:

The Minister for Police and Emergency Services has provided the following reply -

- (1) The maximum speed limit on the Kwinana and Mitchell Freeways is 90 kilometres per hour except in that section known as the Narrows Interchange (that is, between James Street, Northbridge and Judd Street, South Perth) where the speed limit is 80 kilometres per hour.
- (2) Answered by 3(g).
- (3) On any portion of the Kwinana and Mitchell Freeways a person shall not -
  - (a) drive a vehicle whilst being the holder of a learner's permit;
  - (b) drive a tractor other than a prime mover type unless it is used by a Government department or municipality for maintenance and construction work on the road;
  - (c) drive or ride a moped or an animal;
  - (d) ride a bicycle, except on a dual use path on the Narrows Bridge or any approach to it;
  - (e) walk within the enclosures;
  - (f) stand a vehicle on, or on any approach road to, or on the median strip, or any consolidated shoulder of a freeway or any part of a freeway enclosure.
  - (g) Further, a person shall not drive a vehicle at -
    - (i) less than 60 kilometres per hour in the 80 kilometre per hour speed zone; or
    - (ii) at less than 70 kilometres per hour in the 90 kilometre per hour speed zone,

unless traffic congestion prevents the person from driving the vehicle at the minimum speed limit or for any other reason it is unsafe or imprudent for the person to drive that vehicle.

However, a person shall not drive at 80 kilometres per hour or less in the right lane of a 90 kilometre per hour section of the Kwinana or Mitchell Freeways unless traffic congestion prevents the driver from maintaining at least this speed or for any other reason that is unsafe or imprudent for the driver to drive the vehicle in the right lane at the minimum right lane speed.

**FIREARMS ACT - DIXON REPORT**

*Cartridge Collection Recommendations - Act Amendment Consideration*

470. Hon GEORGE CASH to the Minister for Racing and Gaming representing the Minister for Police and Emergency Services:

- (1) Given the recommendations of the Dixon report in respect to allowing collectors to maintain a collection of cartridges irrespective of whether or not they also hold a permit for a firearm, will he consider amending the Firearms Act to enable the collection of cartridges by interested persons?
- (2) If not, why not?
- (3) Will the Minister meet a deputation of cartridge collectors to allow them to make a submission on this matter?

Hon GRAHAM EDWARDS replied:

The Minister for Police and Emergency Services has provided the following reply -

(1) No.

(2) The actual recommendation in the Dixon report was -

Although not widely known, there is a growing interest in the collection of ammunition and it would appear no harm would be done if ammunition of historical interest and not kept in commercial quantities was also exempt from the Act.

However there are problems in determining what is "ammunition of historical interest" and what is a "commercial quantity".

Primarily, it should be observed that by virtue of the definition "ammunition" in the Act, ammunition rendered inoperative for the purpose of a collector's item may lawfully be possessed.

Otherwise, the Firearms Act restricts the possession of live ammunition by a person, unless that person holds a licence to possess and use a particular firearm or holds a dealer's, repairer's or manufacturer's licence.

Dealers are also restricted in the sale of live ammunition to such licensed persons or others exempted under the Act.

The intent of this form of restriction is in accord with the general concept of the Firearms Act, being the control and regulation of firearms and ammunition.

Persons authorised to possess firearms as collectors' items by the authority of a curio licence do not, by that licence, have the authority to possess live ammunition for those firearms and since no good or special reasons have been offered as to why collection of live ammunition should be authorised, the status quo should remain.

It is considered that the only persons who should be permitted to possess live ammunition are persons licensed to use firearms of the type which requires that ammunition.

- (3) Should an approach be made to me by a deputation of ammunition collectors in the appropriate manner, consideration will be given to any request by them.

**PETROCHEMICAL INDUSTRIES CO LTD - GOVERNMENT SHARE**

*Minister for Budget Management - Acquisition Awareness, Project Involvement*

473. Hon GEORGE CASH to the Minister for Budget Management:

- (1) Further to the reply to question 183 on Wednesday, 6 September 1989, will he indicate when he first became aware of the intention of the Government to acquire a share in the Petrochemical Industry Co Ltd project?

- (2) What has his involvement been in the petrochemical project?

Hon J.M. BERINSON replied:

- (1) When the proposal was discussed by Cabinet.
- (2) As indicated in the answer to question 183, I did not participate in negotiations which led to the Government acquiring a share in the project. In recent months I was involved in considerations which led to the application for the winding up of the company.

#### POLICE - COTTESLOE POLICE STATION

##### *Manpower - Vehicles*

476. Hon GEORGE CASH to the Minister for Racing and Gaming representing the Minister for Police and Emergency Services:

- (1) What is the total number of police vehicles and permanent officers stationed at the Cottesloe Police Station available for patrol within the Cottesloe area between the hours of 11.00 pm and 6.00 am on
- (a) Sundays to Wednesdays; and
- (b) Thursdays to Saturdays?
- (2) Is there any plan to increase the available manpower in the Cottesloe area within the next three months?

Hon GRAHAM EDWARDS replied:

The Minister for Police and Emergency Services has provided the following reply -

- (1) (a)-(b)  
There are Traffic, Criminal Investigation, Division 79 and Liquor and Gaming Branch vehicles on constant patrol in the metropolitan area during the night time. In addition, a vehicle is specifically used in the Claremont-Cottesloe area to patrol between the hours of 10.00 pm and 6.00 am, seven days per week.
- (2) The Cottesloe Division received three additional officers for placement respectively at Wembley, Mt Hawthorn and Subiaco Stations. However, the divisional officer has the discretionary power to move staff within his division on a needs basis.

#### ELECTIONS - "SAUSAGE SIZZLE" OFFENCE

##### *Crown Law Department - Police Report*

480. Hon GEORGE CASH to the Attorney General:

- (1) On what date did the Crown Law Department receive the police report on the investigations the police had made into the Whitford/Wanneroo sausage sizzle?
- (2) Was the Attorney General made aware of the findings in the police report and if so when?
- (3) When did the Crown Law Department first advise him that there was a case to be answered in respect of the Wanneroo/Whitford sausage sizzle?
- (4) What was the period of time from the Crown Law Department receiving the police report on the Whitford/Wanneroo sausage sizzle and its subsequent referral to the Chief Electoral Officer?

Hon J.M. BERINSON replied:

- (1) 10 May 1989.
- (2) No.
- (3) The Crown Law Department has not advised me on the matter.
- (4) The Crown Law Department has not referred the police report to the Chief Electoral Officer.

**EMERGENCY SERVICES, LOCAL - CHEMICAL SPILLS**  
*Inadequate Equipment - Country Regional Councils' Concern*

495. Hon GEORGE CASH to the Minister for Racing and Gaming representing the Minister for Police and Emergency Services:

- (1) Is the Minister aware of concerns expressed at the annual general meeting of the country regional councils concerning perceived inadequacies in the equipment possessed by local emergency services, in particular, inadequate equipment to deal with dangerous chemical spills?
- (2) Has the Minister received any approaches from local State Emergency Service groups for financial assistance for the provision of adequate protective suits and other gear to cope with such chemical spills, and if so will he advise on his response to such approaches?
- (3) Has the Minister received advice that the current number of protective suits available to local State Emergency Service groups is inadequate, and if so what action has he taken to alleviate this matter?

Hon GRAHAM EDWARDS replied:

The Minister for Police and Emergency Services has provided the following reply -

- (1) The combat authority for hazardous materials spillages is the Western Australian Fire Brigade. The State Emergency Service may be required to provide noncombatant support and therefore does not require specialist equipment or protective clothing to carry out its support role.

The State Emergency Service does not hold any stocks of these specialist items of equipment and clothing.

- (2) No, see (1).
- (3) No.

**CRIME - SOUTH PERTH**  
*Statistics - Community Concern*

504. Hon P.G. PENDAL to the Minister for Racing and Gaming representing the Minister for Police and Emergency Services:

- (1) Can the Minister give details of crime statistics, including burglaries and offences relating to entering and/or stealing of vehicles for South Perth in the past month?
- (2) Is the Minister aware of widespread community concern at the apparent rise in these matters?
- (3) What action, if any, is being contemplated to ensure that police are given every encouragement to maintain morale in the face of widespread belief that people arrested and convicted of these offences are treated too lightly by the courts?

Hon GRAHAM EDWARDS replied:

The Minister for Police and Emergency Services has provided the following reply -

(1)	1989	Break and Enter	Unauthorised Use of Motor Vehicle
	May	38	15
	June	29	18
	July	51	24
	August	29	18



(2)-(3)

Police officers are well schooled in matters of apprehension of offenders and the process of the resultant charges through the courts. The question of morale is not an issue.

#### ROADS - TRAFFIC FLYOVER

*Railway Line, Rutland Avenue Lathlain; Miller Street, East Victoria Park - Construction Proposal*

539. Hon P.G. PENDAL to the Minister for Racing and Gaming representing the Minister for Transport:

- (1) Has it ever been proposed that a traffic carrying flyover be constructed over the railway line in the vicinity of Rutland Avenue, Lathlain, and Miller Street, East Victoria Park?
- (2) If so, is such a flyover still under consideration?
- (3) If (2) is yes -
  - (a) when is such a plan likely to be implemented; and
  - (b) what are the details of the plan with regard to the location of the flyover and its on and off-ramps?

Hon GRAHAM EDWARDS replied:

The Minister for Transport has provided the following reply -

- (1) Yes.
- (2) Provision is made in the metropolitan region scheme to reserve land for this bridge and its road approaches.
- (3) (a) No date has been set for construction; and
  - (b) plans for the land reservation are available from the Department of Planning and Urban Development. The Main Roads Department has a plan for the possible layout of the bridge and the approach roads which was prepared in 1973 to enable the land requirements to be denied. I have arranged for a copy of the Main Roads Department plan to be forwarded to the honourable member.

#### EDUCATION - SCHOOLS, INDEPENDENT

*Government Allocation*

540. Hon MURIEL PATTERSON to the Minister for Local Government representing the Minister for Education:

The Government has allocated the expenditure of \$36 210 000 as advances to independent schools -

- (a) what are the names of the schools and the organisations that will receive part of the allocation; and
- (b) what amount is to be allocated to each school?

Hon KAY HALLAHAN replied:

The Minister for Education has provided the following reply -

The expenditure in the question refers to low interest loans. The amount of \$36.21 million consists of \$8.71 million carried forward from those projects approved in 1988, and \$27.5 million in the current Budget that may be spent on projects approved in 1989.

Last year some 45 projects in non-Government schools were approved and applications for funding this year are still being processed.

Details of schools which received funding last year can be provided and the names of the great majority of schools to be approved in the current round of applications will be available by December.

**MUSEUM - FIREARMS, ANTIQUE**  
*Collection - Inventory*

542. Hon P.G. PENDAL to the Leader of the House representing the Minister for The Arts:

- (1) Does the museum hold a collection of antique firearms?
- (2) If so, has an inventory of the collection ever been undertaken?
- (3) If yes, will the Minister table such an inventory?
- (4) Has a recent valuation been carried out on the collection as a whole, or individual items?
- (5) Have any firearms been sold or otherwise disposed of in recent years?
- (6) If yes to (5), will he outline details of such sale/s?

Hon J.M. BERINSON replied:

The Minister for The Arts has provided the following reply -

- (1) Yes.
- (2) The museum's firearms collection is registered but the task of classifying it in accordance with recently adopted procedures has yet to be undertaken.
- (3) I would be pleased to arrange for the museum to make the registers available to Mr Pendal for his inspection.
- (4) No.
- (5) No items have been sold. The responsible curator is travelling interstate and an immediate and categorical answer cannot be given on whether any have otherwise been disposed of, but the director has no recollection of, and there is no record on file, of any registered item having been disposed of. Two non-registered air rifles were disposed of to the Police Department in 1981, and four firearms formerly belonging to Sir Frederick Samson were transferred to the WA Rifle Association in 1976. If Mr Pendal has information suggesting otherwise, the director of the museum would be grateful for details to allow investigation of the matter.
- (6) Not applicable.

**STATE GOVERNMENT INSURANCE COMMISSION - INVESTMENTS**  
*Financial Statements - Information Disclosure*

543. Hon PETER FOSS to the Leader of the House representing the Treasurer:

I refer to the Leader's answer to question on notice 307 of 29 August 1989 -

- (1) Do the financial statements of the SGIC referred to disclose the information requested in paragraphs (1)-(3) of the question?
- (2) Has the Auditor General indicated to the SGIC that he has any concern with the matters to which paragraphs (1)-(3) of the questions were directed?
- (3) Were all or any of the investments referred to in paragraphs (1)-(3) "normal commercial transactions and investments" as referred to in the answer to paragraphs (4)-(5) of the question?
- (4) Were all or any of those investments actually the subject of a decision of the management group or investment committees as referred to in the answer to paragraphs (4)-(5) of the question?
- (5) Who, over the relevant period constituted -
  - (a) the management group;
  - (b) the investment committees (query subcommittees);

- (c) the investment committee; and
- (d) the Board of Commissioners?
- (6) Were any persons, other than those mentioned in answer to paragraph (5) above, involved in decisions as to investment?
- (7) Will the Minister table the minutes referred to in the answer to paragraphs (4)-(5) of the question?

Hon J.M. BERINSON replied:

The Treasurer has provided the following reply -

The SGIC has advised as follows -

- (1) No. The financial statements of the State Government Insurance Commission show the financial position of the State Government Insurance Commission at balance date 30 June of that year. These statements reflect the assets and liabilities at that balance date in accordance with Australian accounting standards and consistent with the requirements of the State Government Insurance Commission Act and the Financial Administration and Audit Act.
- (2) Other than that which the Auditor General reported in his 1988 annual report to Parliament tabled in January 1989, no.
- (3) Yes, and including the purchase of one parcel of Paragon Resources shares which were exercised as security over Rothwells' debt.
- (4) Transactions were confirmed by the relevant committees.
- (5)
  - (a) Managing Director  
Director Corporate Services  
Director Insurance  
Director Marketing  
Director MVPI  
Director Finance.
  - (b) It is unclear which committees are referred to.
  - (c) Chairman  
Deputy Chairman  
Commissioner  
Managing Director  
Director Finance.
  - (d)
 

W Rees	Chairman
K Edwards	Deputy Chairman to October 1988
	Commissioner to December 1988
A Salville	Commissioner to October 1988
	Deputy Chairman to current
R Bowe	Commissioner
R Boylen	Commissioner
A Lloyd	Commissioner to December 1987
W Rolston	Commissioner to December 1987
W Martin	Commissioner from June 1988.
- (6) No.
- (7) No. Should the member wish to view the minutes he should approach me and it can be arranged.

**STATE FINANCE - ESTIMATES OF EXPENDITURE**  
*Miscellaneous Services - Asset Management Task Force Payment*

554. Hon MAX EVANS to the Attorney General:

With respect to the Estimates of Expenditure for the year ended 30 June 1990 at page 58 under Division 25, Miscellaneous Services, item 57 -

- (1) Why is the Asset Management Task Force to be paid \$900 000?

- (2) What are the terms of reference of the task force?
- (3) Will the Minister provide the names and list the occupations of those sitting on the task force?
- (4) To which Minister will the task force report?

Hon J.M. BERINSON replied:

- (1) For the general administration costs of the task force.
- (2) The Asset Management Task Force program was established to identify and evaluate surplus and underutilised Government assets and prepare recommendations for Cabinet on opportunities for increased revenue raising and cost saving measures. The program is principally a long term comprehensive strategy for the efficient and orderly management of the State's extensive portfolio of assets.

(3)-(4)

The Asset Management Task Force is a three tiered structure comprising -  
a ministerial council chaired by the Premier and comprising the Treasurer and Ministers for Budget Management, Lands and Planning;  
an officers' committee consisting of senior representatives from key ministerial officers and Government departments;  
a working team directly responsible on a day to day basis to the Treasurer.

**LAND - BUSHMEAD RIFLE RANGE**

*Residential Development, Preliminary Studies - Modestra-Rave  
Partnership, Consultants, Government Engagement*

560. Hon DERRICK TOMLINSON to the Leader of the House representing the Minister for Planning:

- (1) Has the Government/Homeswest engaged Modestra-Rave Partnership as consultants to carry out preliminary studies and prepare a subdivision design plan for the Bushmead rifle range?
- (2) What is the residential lot size and expected lot yield in the proposed scheme?
- (3) Does the proposed scheme make provision for schools, shopping areas and active and passive recreation areas?
- (4) Will the Government advertise the proposed scheme for public comment and, if so, when?
- (5) Will the Government follow standard procedures for obtaining approval to subdivide through a submission to the State Planning Commission and reference to affected authorities, in particular the Shire of Swan, the Shire of Mundaring, the Shire of Kalamunda, the Western Australian Water Authority, the Environmental Protection Authority and the Department of Conservation and Land Management?

Hon J.M. BERINSON replied:

The Minister for Planning has provided the following answer -

See answer to question 561.

**LAND - BUSHMEAD RIFLE RANGE**

*Residential Development, Preliminary Studies - Modestra-Rave  
Partnership, Consultants, Government Engagement*

561. Hon DERRICK TOMLINSON to the Leader of the House representing the Minister for Housing:

- (1) Has the Government/Homeswest engaged Modestra-Rave Partnership as consultants to carry out preliminary studies and prepare a subdivision design plan for the Bushmead rifle range?

- (2) What is the residential lot size and expected lot yield in the proposed scheme?
- (3) Does the proposed scheme make provision for schools, shopping areas and active and passive recreation areas?
- (4) Will the Government advertise the proposed scheme for public comment, and if so when?
- (5) Will the Government follow standard procedures for obtaining approval to subdivide through a submission to the State Planning Commission and reference to affected authorities, in particular the Shire of Swan, the Shire of Mundaring, the Shire of Kalamunda, the Western Australian Water Authority, the Environmental Protection Authority and the Department of Conservation and Land Management?

Hon J.M. BERINSON replied:

The Minister for Housing has provided the following reply -

- (1) Homeswest has engaged the Modestra-Rowe Partnership.
- (2) Preliminary design proposes lot sizes ranging from approximately 450m<sup>2</sup> to approximately 2000m<sup>2</sup>, with an anticipated yield of 1800 lots.
- (3) Community infrastructure planning is being undertaken as part of the consultant's brief.
- (4) If and when amendments are promulgated under the metropolitan region scheme and the Shire of Swan town planning scheme the statutory requirements for advertising and public submissions will apply.
- (5) The usual statutory procedures will apply.

#### LAND - BUSHMEAD RIFLE RANGE

*Residential Development, Preliminary Studies - Dames and Moore Pty Ltd, Consultants,  
Government Engagement*

562. Hon DERRICK TOMLINSON to the Leader of the House representing the Minister for Planning:

- (1) Did the Government engage Dames and Moore Pty Ltd as consultants to carry out preliminary studies for the residential development of the Bushmead Rifle range?
- (2) If yes, how long did they take to complete that study?
- (3) Did they prepare an impact statement or an environmental impact statement?
- (4) Did they report that the land had been grazed heavily and contained little or no natural woodland?
- (5) Did they report a heavy concentration of chemicals in the soil?
- (6) If yes -
  - (a) what chemicals were identified;
  - (b) what was the estimated concentration of those chemicals; and
  - (c) are they considered hazardous?

Hon J.M. BERINSON replied:

The Minister for Planning has provided the following reply -

See answer to question 563.

**LAND - BUSHMEAD RIFLE RANGE**

*Residential Development, Preliminary Studies - Dames and Moore Pty Ltd, Consultants,  
Government Engagement*

563. Hon DERRICK TOMLINSON to the Leader of the House representing the Minister for Housing:

- (1) Did the Government engage Dames and Moore Pty Ltd as consultants to carry out preliminary studies for the residential development of the Bushmead Rifle range?
- (2) If yes, how long did they take to complete that study?
- (3) Did they prepare an impact statement or an environmental impact statement?
- (4) Did they report that the land had been grazed heavily and contained little or no natural woodland?
- (5) Did they report a heavy concentration of chemicals in the soil?
- (6) If yes -
  - (a) what chemicals were identified;
  - (b) what was the estimated concentration of those chemicals; and
  - (c) are they considered hazardous?

Hon J.M. BERINSON replied:

The Minister for Housing has provided the following reply -

- (1) Dames and Moore has been retained by the Commonwealth through the Australian Property Group, Department of Administrative Services.
- (2)-(6) Not applicable.

**FOOTBRIDGE - MITCHELL FREEWAY**

*Glendalough and Mt Hawthorn Residents - Pre-election Construction Promise*

566. Hon GEORGE CASH to the Minister for Racing and Gaming representing the Minister for Transport:

- (1) Prior to the February 1989 State Election, the Government promised the residents of Glendalough and Mt Hawthorn a footbridge would be built across the Mitchell Freeway and that construction of the bridge would commence prior to Christmas 1988 and a model of the proposed footbridge was advertised as being able to be inspected in the office of the then member for Subiaco, Dr Carmen Lawrence, MLA. Why has construction on the footbridge not commenced and when is the footbridge likely to be constructed?
- (2) Has the Main Roads Department completed the design of the bridge and can plans of the bridge be inspected by members of the Lake Monger access group?
- (3) If not, why not?

Hon GRAHAM EDWARDS replied:

The Minister for Transport has provided the following reply -

- (1) The construction of the footbridge cannot commence until details of the alteration of Mitchell Freeway where it passes Lake Monger are finalised. The footbridge is likely to be constructed during 1991.
- (2)-(3)

Not at this stage, as the overall location of the roadway has not been finalised. The Main Roads Department would however be interested in receiving comments and suggestions regarding the design of the footbridge from the Lake Monger access group.

**MOTOR VEHICLE LICENCES - REVENUE**  
*Main Roads Department - Licence Fee Allocation*

569. Hon GEORGE CASH to the Minister for Racing and Gaming representing the Minister for Transport:

The Minister will be aware that CRF receipts during 1988-89 for motor vehicle licences amounted to \$82 013 471 and the estimated revenue for motor vehicle licences for the 1989-90 financial year is \$92 500 000. How much aid did the Main Roads Department receive from motor vehicle licence fees during 1988-89 and how much is it intended to receive from motor vehicle licence fees during 1989-90?

Hon GRAHAM EDWARDS replied:

The Minister for Transport has provided the following reply -

- (1) The amounts quoted by the honourable member relate to the stamp duty levied on purchase of motor vehicles. The proceeds are credited to the Consolidated Revenue Fund and do not form part of the funds of the Main Roads Department. See page 14 of the Estimates of Revenue and Expenditure.
- (2) Motor vehicle licence fees are paid to the Main Roads Department, and amounted to \$79 769 723 for 1988-89. The estimate for 1989-90 is \$78 700 000. See table 13 of the Supplementary Budget Information.

**TRANSPORT - GYPSUM**  
*Road Freight Review - Completion*

570. Hon GEORGE CASH to the Minister for Racing and Gaming representing the Minister for Transport:

- (1) Has the Department of Transport completed its review into the carriage of gypsum and other minerals and ores by road freight?
- (2) If not, when is it expected to be completed?
- (3) Is the Minister aware that the Department of Transport continues to harass cartage contractors who carry gypsum from the country to Perth even though Westrail is unable to offer a competitive freight rate for the carriage of this product?
- (4) Will the Minister take steps to ensure that the report which the Department of Transport indicated would be completed some time ago is completed without further delay?

Hon GRAHAM EDWARDS replied:

The Minister for Transport has provided the following reply -

- (1) No.
- (2) The review of the policy relating to the transport of minor bulk traffics is expected to be completed by the end of the year.
- (3) Existing transport policy requires that gypsum be transported by rail. Breaches of the Transport Co-ordination Act in this regard will be dealt with appropriately. The Department of Transport is aware of only one contractor in breach of the Act.
- (4) The Department of Transport has been instructed to complete the review of the transport of minor bulk traffics as soon as possible.

**FLOOD DAMAGE - FARMERS**  
*Concessional Loan Applications*

575. Hon MARGARET McALEER to the Leader of the House representing the Treasurer:

- (1) How many applications for concessional loans to repair flood damage have been received from farmers in the shires of -

- (a) Merredin;
- (b) Dalwallinu;
- (c) Mt Marshall;
- (d) Koorda;
- (e) Nungarin;
- (f) Trayning;
- (g) Ravensthorpe; and
- (h) Esperance?

(2) How many applications were approved and for what amounts?

Hon J.M. BERINSON replied:

The Treasurer has provided the following reply -

- (1) As at 27 September 1989 no applications have been received for concessional loans to repair flood damage.
- (2) Not applicable.

**TANNERY - WOOL SCOURING BUSINESS**

*Boyanup, Capel Shire - Establishment Proposals, Environmental Impact Studies*

576. Hon BARRY HOUSE to the Minister for Local Government representing the Minister for Environment:

- (1) Have any environmental impact studies been conducted on proposals to establish -
  - (a) a tannery; and
  - (b) a wool scouring businessat Boyanup, in the Shire of Capel?
- (2) Is there any documentation available on the environmental impact of these two industries?
- (3) If not, is it proposed to investigate the environmental impact of these two industries on this site?

Hon KAY HALLAHAN replied:

The Minister for Environment has provided the following reply -

- (1) (a) Yes; and
  - (b) I am advised that the Environmental Protection Authority has not received a proposal for a wool scouring business in this locality at this time.
- (2) Yes for the tannery, no for a wool scouring proposal.
- (3) See (1)-(2).

**STATE GOVERNMENT INSURANCE COMMISSION - BELL SHARES**

*Bond Corporation, Indemnity - Sales Shortfall, Rights Invocation*

578. Hon R.G. PIKE to the Leader of the House representing the Treasurer:

- (1) Will the State Government Insurance Commission, on 1 October 1989, invoke its rights under the indemnity provided by Bond Corporation Holdings Limited to the SGIC in respect of the SGIC investment in Bell Group, under which, on and from 1 October 1989, SGIC can call upon Bond Corporation Holdings Limited to make good in terms of the indemnity any shortfall on sale by the SGIC of its investments in Bell Group?
- (2) If not, will SGIC invoke its rights at all?
- (3) If so, when?



Hon J.M. BERINSON replied:

The Treasurer has provided the following reply -

(1) This has not yet been determined by the board of commissioners.

(2)-(3)

Not applicable.

**MINES DEPARTMENT - MINES INSPECTORATE**  
*Mining Engineering Division - Separation Consequences*

580. Hon MARK NEVILL to the Leader of the House representing the Minister for Mines:

What are the consequences of separating the Mines Inspectorate from the Mining Engineering Division of the Mines Department in terms of extra staff required, costs and the arrangements which would have to be made for the continued operation of the Mining Engineering Division?

Hon J.M. BERINSON replied:

The Minister for Mines has provided the following reply -

The costs associated with the transfer of that section of the Mines Inspectorate responsible for administering safety in mines to the Department of Occupational Health, Safety and Welfare (DOHSA) would need to be met by DOHSA.

The Mines Inspectorate in addition to being responsible for the control of safety in mines performs other tasks associated with the objectives of the Department of Mines. These include assessing mining development proposals, environmental and rehabilitation control, tenement inspections and general advice on mining and mining techniques to the mining industry and Government.

Accordingly an inspectorate will need to be maintained at Kalgoorlie, Karratha, Collie and Perth with associated office space in order to perform its other functions.

Costs and any requirement for additional staff would be the responsibility of DOHSA.

## QUESTIONS WITHOUT NOTICE

**PETROCHEMICAL INDUSTRIES LTD - UNPAID CREDITORS**  
*Liquidator - Government Notification*

277. Hon GEORGE CASH to the Minister for Budget Management:

- (1) Has the liquidator of Petrochemical Industries Ltd yet notified the Government as to the extent of unpaid creditors of PIL?
- (2) If so, would the Minister provide details of the amounts involved?
- (3) Has the Government prepared contingency plans to assist with the payment of these creditors?
- (4) If so, will the Minister provide details and, if not, will he explain why?

Hon J.M. BERINSON replied:

I have not been involved in these questions and I ask the member to put them on notice to the responsible Minister.

**COURT OF PETTY SESSIONS - DRUG CHARGES**  
*Discharge - Government Laboratories Backlog*

278. Hon PETER FOSS to the Attorney General:

Is the Attorney General aware that charges for drug matters in the Court of Petty Sessions have been discharged because of the lack of forensic evidence due to the backlog of work in the Government Laboratories?

Hon J.M. BERINSON replied:

That matter has not previously been brought to my attention. If the honourable member can provide some detail of the background to his question, I am happy to pursue it.

# TEACHERS CREDIT SOCIETY - DIRECTORS

## *Funds Recovery*

279. Hon GEORGE CASH to the Attorney General:

- (1) To the Attorney General's knowledge, has the State initiated proceedings to recover funds from any former directors of the Teachers Credit Society?
- (2) Has the Attorney General or any Crown Law officer held discussions with Mr Jeff Bateman, a former director of the Teachers Credit Society, or other former directors of TCS in an attempt to negotiate a settlement in relation to the charges laid to date against those persons?

Hon J.M. BERINSON replied:

- (1) Yes.
- (2) I have certainly not had any discussions of any nature with Mr Bateman -

Hon George Cash: And, or other directors.

Hon J.M. BERINSON: - or other directors. I am not aware of any discussions that may be conducted of what I think Mr Cash is suggesting might be in pursuit of a settlement of that kind. That would be left to the legal officers, without reference to me.

# FUNERALS - CREMATORIUM CHAPEL, KARRAKATTA

## *Time Restriction*

280. Hon T.G. BUTLER to the Minister for Local Government:

- (1) Is the Minister aware that funerals at the Crematorium Chapel at Karrakatta are restricted to 30 minutes?
- (2) If so, can she advise the House what is proposed to overcome this unsatisfactory situation?

Hon KAY HALLAHAN replied:

(1)-(2)

I thank the honourable member for giving me notice of the question. I acknowledge that the current situation does, in some circumstances, cause difficulties and I am told that on occasions it results in added stress for grieving family members and friends. As members would appreciate, the use of the Crematorium Chapel has, over the years, grown and as a result a timetable has been introduced. There are occasions when funerals are reduced to less than 30 minutes.

As a result of the problem the Cemetery Board embarked on a project to improve those facilities and I am pleased to advise members that very soon pleasant meeting rooms, chapels and condolence areas will be available for family members and friends at Karrakatta Cemetery. An official opening of the first stage of the project will be held on 15 October. I do not know whether members are aware of the development, but it is quite a significant one.

The board has found it necessary to increase its cremation charges by 42 per cent to cover the debt servicing cost associated with the development of the new chapel complex. In addition the board decided to make a depreciation charge for crematorium and equipment use. The board does have the power to structure its own fees. In real terms that has meant an increase in an adult cremation from \$225 to \$320. In other Australian capital cities the same fee ranges between \$335 and \$399. So, with the newly structured increased fee Western Australia is still below the fees charged in other capital cities.

Hon N.F. Moore: People cannot afford to live: They certainly cannot afford to die!

Hon KAY HALLAHAN: The board is doing an excellent job. It has increased other fees by about seven per cent, which is below the inflation rate. I commend the board members and staff who have worked hard to bring about this new development. I will be interested to hear members' comments after they visit the new facilities.

**ABORIGINAL DEATHS - MUIRHEAD ROYAL COMMISSION INQUIRY**  
*Recommendations Implementation - Additional Recommendations*

281. Hon P.G. PENDAL to the Minister for Corrective Services:

- (1) Have any other recommendations come from what was called the Muirhead Royal Commission into Aboriginal Deaths since the undertaking of February last to implement them?
- (2) If so, will the Minister outline the additional recommendations?
- (3) Have any major recommendations received not been acted upon by the Western Australian Government and, if so, why?

Hon J.M. BERINSON replied:

(1)-(3)

There was a large number of major recommendations in the interim report of the Muirhead inquiry and from memory at least two-thirds had been implemented before the recommendations were made. I do not want to be held to actual figures and percentages. All I am trying to indicate is that a significant majority of the recommendations had been implemented by the time they were made. That was partly as a result of the Vincent inquiry which we had fast tracked in anticipation of the Muirhead inquiry and partly through recommendations coming from the department itself.

I am struggling to recall anything further along the lines of the first report of the Muirhead inquiry to which Mr Pendal has referred. I do not believe there has been any substantial report - and I mean that in the sense of a comprehensive report with a number of major recommendations - since that time. On the other hand, again groping through memory, I have the impression that in particular cases the inquiry has made findings which have involved what might be called lesser recommendations which only apply to the particular case. That is about the point we are at.

If the honourable member would like an updated account of the extent to which the original Muirhead recommendations have been implemented, I will be happy to pursue that for him.

Hon P.G. Pendal: Including the period since February when the major ones were accepted?

Hon J.M. BERINSON: Yes. I ask that Hon Phillip Pendal put that on notice.

**TEACHERS CREDIT SOCIETY - COLLAPSE**  
*Crown Law Department - Inquiry Status*

282. Hon GEORGE CASH to the Attorney General:

- (1) What is the current status of the Crown Law Department or Corporate Affairs Department investigation into offences which may have been committed with regard to the collapse of the Teachers Credit Society?
- (2) Can he advise when further charges will be laid?

Hon J.M. BERINSON replied:

(1)-(2)

I cannot respond to that question for the reasons I have often given in this House - that is, I do not involve myself, as a matter of practice, in detailed investigations and prosecution decisions. I am not sure, however, whether I

grasp the full extent of Hon George Cash's inquiry. If he would like to put it on notice, I will give further attention as to whether it is a matter on which it would be proper, given my usual approach to such questions, to provide a detailed response.

**TEACHERS CREDIT SOCIETY - COLLAPSE**

*Crown Law Department - Inquiry Completion*

283. Hon GEORGE CASH to the Attorney General:

This is really a supplementary question to the one I just asked. In view of the Premier's earlier comments on his desire to ascertain any breaches of the law in respect of the collapse of Teachers Credit Society, when will investigations by the Crown Law Department or the Corporate Affairs Department officers, or such other persons under his ministerial responsibility, be completed?

Hon J.M. BERINSON replied:

That is a question going to a timetable. I think it follows from everything else I have said that I would not know what that timetable is, but it is a reasonable matter on which a departmental report might be sought and I will do that at the earliest opportunity.

**SPORT AND RECREATION - SUBIACO FOOTBALL OVAL**

*Subiaco City Council - Takeover Legislation*

284. Hon P.H. LOCKYER to the Minister for Sport and Recreation:

Can he inform the House when he expects legislation to have the Subiaco City Council relinquish its hold over the Subiaco oval to be brought before the Parliament?

Hon GRAHAM EDWARDS replied:

I will be working towards trying to have my part of the job done so that it can be introduced during the current session. I hope that when it is introduced members of the Opposition will have studied the situation and adopted a position on it. I understand that they have had a briefing from Dr Peter Tannock, Chairman of the Football Commission. The only indication I have had from the Opposition is one which does not encourage me. I hope when this matter reaches the House it will receive Opposition support.

Hon P.H. Lockyer: I hope the Minister is not referring to me, is he?

Hon GRAHAM EDWARDS: No. I remind the honourable member that it was earlier this year that he was encouraging the Government to take action in this regard when he asked a question of my colleague, Hon Kay Hallahan, saying that local government was taking something like \$590 000 a year from football. I think he said that that was contributing to football's going down the gurgler.

Hon P.H. Lockyer: I repeat that I do not have a position on the matter.

Hon GRAHAM EDWARDS: I hope members will support me as I feel strongly about this matter. So far as I am concerned, football is something peculiarly and uniquely Australian and is part of our culture and heritage. It is unfortunate that after 104 years of the game it does not own its own asset, either at league level in terms of a headquarters, or at club level. I guess that says something about the management of football over all of those years, particularly when one compares that with cricket, which is much better placed.

I intend to do what I can to rectify the situation. As I have said previously, I hope members opposite will support me when this issue comes before the Parliament. I am sorry that I am at odds with the Subiaco Council on this matter, but I do not see us doing anything to take something away from Subiaco but as, in a more formal sense, confirming what has been happening at Subiaco as long as I can remember.

## PRISONERS - GOVERNMENT SELF-EMPLOYMENT PROGRAM

*Business Mentors - Released Prisoners*

285. Hon P.G. PENDAL to the Minister for Corrective Services:

I refer to the Government scheme for volunteer business mentors for released prisoners and its undertaking to launch a pilot scheme for a prisoners' self-employment program and ask whether the program still exists and, if so, has it produced any business mentors for released prisoners?

Hon J.M. BERINSON replied:

I know that this is the sort of thing that I should never confess, but the honourable member draws my attention to a program I now know about for the first time.

Hon P.G. Pendal: The Attorney General announced it for the first time six months ago.

Hon J.M. BERINSON: Then I must say that it is simply not one of the aspects of the department's work that I recall.

Hon P.G. Pendal: Does the Attorney General actually read anything he is given?

Hon J.M. BERINSON: The Hon Phillip Pendal cannot imagine how much. This is one aspect of the department's work which has not come to my attention and which I will simply have to pursue.

Hon P.G. Pendal: I hope the prisoners are more secure.

Hon J.M. BERINSON: As you would appreciate, Mr Deputy President, I could have easily answered this question - and now regret that I did not - by saying that I was happy to produce an interim report. However, the truth is that I can remember voluntary programs and establishment programs but I cannot remember this one.

Hon P.G. Pendal: Rehabilitation programs are something members opposite do not want to think about.

Hon J.M. BERINSON: Since Hon Phillip Pendal assures me that a scheme under this name was announced by me, I will undertake to obtain a report, which I have not as yet had, and will bring the details to his attention.

## LOCAL GOVERNMENT ACT - VICTORIAN ACT

*Reform Recommendations, Western Australia - Similarity*

286. Hon PETER FOSS to the Minister for Local Government:

- (1) To what extent has the Minister's department relied upon the Local Government Act 1989 of the State of Victoria in drafting its recommendations for the reform of local government law in Western Australia?
- (2) In view of the similarity between that Act and the recommendations, would she be prepared to supply copies of that Act to persons to whom she has distributed the discussion paper in order to assist them in understanding the proposals more clearly?

Hon KAY HALLAHAN replied:

(1)-(2)

Certainly the department has looked at local government legislation in other States. I know that it has looked at the Victorian Act and the difficulty that the Victorian Bill had in becoming an Act. That is an exercise in itself, if one looks at the history of local government legislation. I certainly would not be of the view that I should distribute a Victorian Act to all the people to whom I have sent the discussion paper as that would be a quite enormous task and one in which I see no value at all.

**LOCAL GOVERNMENT ACT - VICTORIAN ACT**  
*Reform Recommendations, Western Australia - Copies Request*

287. Hon PETER FOSS to the Minister for Local Government:

Would the Minister be prepared to make copies of the Act available to those who require it and are interested in seeing a comparable Act?

Hon KAY HALLAHAN replied:

It is my experience that people who want to read Acts are generally a very small and informed group and they know where to get the information they need. They could write to the Government Printer in Victoria, or to the Minister. If the honourable member is asking me to hold his hand and get him a copy of a Victorian Act, I shall be happy to do so.

Hon Graham Edwards: Hold his hand?

Several members interjected.

Hon KAY HALLAHAN: I do not think there is much future in pursuing this.

**AGED - WOMEN**  
*Phone-in Details*

488. Hon CHERYL DAVENPORT to the Minister for The Aged:

Would the Minister please advise the House about the phone-in which will occur this weekend for older women in the community?

Hon KAY HALLAHAN replied:

As Hon Max Evans will know, I featured this matter quite significantly in my speech to the Australian Pensioners League Congress yesterday. I am sure members will be sympathetic to the needs of older women. Their needs have largely been overlooked. Statistically, women outlive men.

Hon Graham Edwards: I am not surprised.

Hon KAY HALLAHAN: We have not systematically dealt with the policy issues associated with that. There is a study chaired by Deborah Kirwen, who is with Age Concern Radio 6NR, and she is doing an excellent job. This weekend is very important in terms of this study. Advertisements have appeared in the paper, and while I do not expect members will have overlooked them, it is still possible they have. Phone numbers are given for metropolitan callers on Friday and country callers on Saturday. If members have interested groups in their communities it might be worth while letting them know. We will take this opportunity of seeing what concerns and worries older women have and what difficulties they encounter. Most of them face widowhood, which is something most men will not have to face. Men usually die before their partners, and their partners are left to face the difficulties of old age alone. Members might keep that in mind. I have the phone numbers here if any member wants them.

**SQUATTER SHACKS - COASTAL**  
*Administration - Government Policy*

489. Hon MARGARET McALEER to the Minister for Local Government:

Would the Minister advise the House what the Government's policy is for the administration of coastal squatter shacks?

Hon KAY HALLAHAN replied:

This problem affects areas of the honourable member's electorate. The west coast working group has just been reconvened in order to look at that matter and to resolve the difficulties associated with that historic problem. I met with the Shire of Dandaragan at Jurien, and had a look at some of the areas there from a distance. I ran out of time, but I did see them from the air. With

the re-formation of that group there will be close consultation with the councils around the Jurien area looking at how the matter can be progressed, and at the erosion problems which have resulted and other damage to the environment. There will be a management plan to deal with that and bring it under some control.

**SQUATTER SHACKS - COASTAL**  
*Administration - Government Policy*

490. Hon MARGARET McALEER to the Minister for Local Government:

Do I understand from that answer that there is no policy yet; the policy is only being formed?

Hon KAY HALLAHAN replied:

I am sorry if I was unclear. There is definitely a policy in place. Perhaps I could get that information for the member if she has not had access to it. I shall get the member information on it. The west coast working group brought that policy together and it now needs to go into the implementation phase with local councils to see what can be done in each area, and that work is about to commence with respect to the Shire of Dandaragan.

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