Legislative Council

Thursday, 17 July 1986

THE PRESIDENT (Hon. Clive Griffiths) took the Chair at 11.00 a.m., and read prayers.

ACTS AMENDMENT (ACTIONS FOR DAMAGES) BILL

Report

Report of Committee adopted.

INDUSTRIAL RELATIONS AMENDMENT BILL

Second Reading

Debate resumed from 16 July.

HON. V. J. FERRY (South-West) [11.05 a.m.]: I am a little curious as to why the Government is proceeding with this Bill with such haste. It has been mentioned by the Minister that the Bill is part of a package of industrial relations legislation which will be placed before this Parliament both in this session and in the spring session. If it is part of a package of legislation, one would have expected it to be introduced with the other parcels of legislation dealing with industrial relations. Notwithstanding that, the Government is proceeding to try this one on the Parliament at this time.

It was interesting to listen to the contributions of the Labor Party members in this House when the matter was debated yesterday. At present those people who wish to join a union may do so; there is nothing to stop them provided they abide by the rules and edicts of the union of their choice. This Bill will remove a provision in the Act which allows people to make the alternative choice, that is, not to join a union. That seems to be quite undemocratic because people should have the right to choose.

It has been said with a great deal of heat by the proponents of this Bill that unionism is necessary because it enhances negotiation. Yet on the other hand we had a good and thoughtful contribution by Hon. Tom Helm who I thought conducted himself admirably in his address last night. He gave me the impression of being a very responsible and considerate member with a degree of compassion for his fellow workers and a regard for the total industrial scene by way of negotiating procedures. That was in contrast to the contribution by Hon. Tom Butler who attempted to use a pile-driver to tack his flag to the mast.

Hon. T. G. Butler: You are as bad as the rest of them.

Hon. P. G. Pendal: The Premier does not approve of that sort of rudeness.

The PRESIDENT: Order!

Hon. V. J. FERRY: Of course, the reason for the Government's enthusiastic support of this Bill is that it will put a straitjacket on the work force to allow the Government to continue its programme of government through union strength. That has been amply demonstrated in recent times, not only in this State under the Burke Government, but also by the Federal Hawke Government which adopts the same tactics.

Hon. T. G. Butler interjected.

Hon. V. J. FERRY: The honourable member had his say last night and it is my turn today.

Several members interjected.

The PRESIDENT: Order! Our ranks are pretty thin this morning, and if honourable members do not stop interjecting they will be even thinner.

Hon. V. J. FERRY: The Federal Government is involved in all sorts of summits and deals, and it is a fact that Labor Governments obtain their power base of support from the trade union movement. That is acknowledged and no-one can criticise them for that.

As one who has been a member of a union and belonged to the industrial committee of that union, I have some feeling with regard to the work done by unions. I appreciate the work that has been done by the responsible unions and I have feeling for the unionists. However, I am concerned about the overriding direction by so many union executives whose directions to their members are not always in their best interests and are certainly not always in the best interests of the country and the State. That is the crux of the matter at the present.

This Government has great regard for, and one could almost suggest takes its orders from, the trade union movement in order to achieve peace in the work force or in the community. We all want civil peace but no matter what is at stake, we should not sell out to one particular group to achieve that peace.

Hon. T. G. Butler: I wonder if you would answer the question I asked yesterday.

Hon. V. J. FERRY: My assertion is that the Government, through the Attorney General, whitewashed the case of Mr J. J. O'Connor, a very powerful union man associated with the Transport Workers Union. That is on public

record and has been mentioned once or twice before in this Parliament, and it will continue to be mentioned because it is a fact. It is a very good example of the Government letting its supporters off the hook, rightly or wrongly. Because of the Government's action, Mr O'Connor will never have the opportunity of clearing his name of the allegations made against him. That is a sad thing.

Hon. T. G. Butler: What does it have to do with part VIA of the Industrial Relations Act?

Hon. V. J. FERRY: It has a lot to do with unionism and the right of people to belong or not to belong to unions.

Hon. T. G. Butler interjected.

Hon. V. J. FERRY: The honourable member who is interjecting and attempting to disrupt my speech is used to speaking in public places and to bawling out other people who do not agree with him. I assure him that in this House every member has the right to have his say, whether he is a unionist or not. Those bully boy tactics so commonly used by trade union executives will not hold sway in this place. They ill-behove a relatively new member of this House, who is obviously trying to flex his muscles on this Bill. He made his speech last night and can make another one at another stage of the proceedings if he so wishes.

Hon. T. G. Butler: Will you answer the question I put to you last night?

Hon. V. J. FERRY: I intend to make my speech. The honourable member is well versed in speaking in public places, but is not used to parliamentary practice. While he may get away with his practices there, he is not likely to succeed in this House.

The PRESIDENT: Order! Audible conversations are out of order, and the interjections are out of order. If anybody flexes his muscles in this House this morning, it will be me. I ask honourable members to listen. Each member is entitled to be heard in silence. Reasonable interjections are acceptable but the constant barrage of cross-fire is unacceptable, and I ask honourable members to bear that in mind.

Hon. V. J. FERRY: This Bill is designed to regiment all workers and make them conform. It attempts to stifle individualism in the workplace and in the community. Rather than have people use expressions such as "peas in a pod and all the same", I believe in the rugged individuality of people. They contribute to our way of life and I do not believe they should be made unmercifully to conform. This sort of conformity and the hardline actions of a number of union executives in Australia today are contributing to Australia's very precarious financial position. There is no doubt about that. Even our international credit rating is likely to be reviewed from AAA to something less. Everyone knows that the Australian dollar is at almost its lowest ebb—probably the lowest on record, although the other day it came up slightly. This cannot be denied, and it has happened at a time when the Labor Government holds sway in Australia. Its influence on the economy has a big bearing on our community.

During debate on this Bill yesterday mention was made of BHP, or "the Big Australian" as it is commonly known. When one of the honourable members popped up with great fervour and talked about BHP and its huge profit, I thought for a moment we had once again in this Chamber a very well-respected member, Hon. Don Cooley, who has since retired. Hon. Don Cooley was quick to react to anything associated with BHP, and espoused similar views; but it seems that some people in Australia, and certainly one or two members in this Chamber, still consider that profit is a dirty word.

I remind honourable members—unionists and non-unionists alike—that without profit there can be no progress. All salary and wage earners expect a profit in the form of money in their pay packets. They cannot get that profit and look after their families or do what they will with it if the firm which employs them cannot make a profit, be it BHP or the local plumbing firm. All this hysteria about BHP and massive profits must be related back to capital investment and the total operation of that company, just as for any other company.

I am disappointed that this Government sets itself up to be very conciliatory and understanding in these matters, and then some members continue to blast off at anyone who is apparently prepared to make a profit. That is quite in line with the economic management of this State and the Commonwealth at the present time, whereby our economic situation is getting worse by the day.

The Bill before the House, if it is carried, will not help the economic climate in Australia because it will suppress the individualism of people who are prepared to have a go on their own. It will not help private operators such as subcontractors, in whatever industry. I have very good friends who are subcontractors and who are prepared to work at all sorts of times, on all sorts of days—on Saturdays or Sundays,

very early in the morning or very late at night—in order to make a profit. There is nothing wrong with that.

This Bill is designed to inhibit people who are prepared to work not only for their own benefit but for the benefit of the community. It is a sad day for the State when this Government sets out to inhibit that sort of initiative.

In his address yesterday, Hon. Tom Helm made a very good point when he said that workers can be attracted to union membership by the performance of the union. In other words, a union and its officials can, by their own example, diligence, and endeavours to assist workers, attract those workers to become members of the union. That is a very fine aim indeed, and one to be commended. I heartily endorse Hon. Tom Helm's remarks in that regard, as they demonstrate to people that they can receive benefit from union involvement. There is no doubt about that. However, in some situations workers may not wish to join a union and I believe they should be allowed the privilege not to so do. In some industries unionism is necessary and it is agreed by the majority that they should have a totally unionised workplace. I do not disagree with that at all. Some members in the Chamber and others outside might say I am totally against all forms of unionism. I want to make it very clear I am not against that at all, but I am against certain aspects of it—those aspects which disadvantage individuals.

Having made those points, I indicate that I do not support the Bill before the House and hope it will be defeated.

HON. S. M. PIANTADOSI (North Central Metropolitan) [11.19 a.m.]: I support the Bill. Having heard the comments and contributions by speakers on the Opposition benches, I now realise why the Opposition is in Opposition, and why it will continue to be so for some time.

The Opposition is completely out of touch with reality. In this debate Opposition members have had very little to say about what is wanted and needed by people in the workplace, although we have heard much from them about the economy, closed shops, and coercion.

Yesterday Hon. Gordon Masters again alluded to an incident in which I was involved four years ago. Some time ago I challenged him to make his statements in relation to the matter outside this House and to prove what he was saying, because I can prove what happened. However, Hon. Gordon Masters mentioned the matter again without having all the facts.

The proposal in the Bill will help to streamline the system and will put industrial relations on a better footing. Yesterday we heard debate on the occupational health and safety legislation. If I remember correctly, the Opposition indicated that it was pleased gradual changes were being made to the system and that it was not being changed completely overnight. Last year when legislation on occupational health and safety was introduced to the House, the Opposition indicated concern that major changes were being made to the system. It said that it appreciated, after looking at the proposal, that gradual changes were being made to the system.

That is what is happening in respect of industrial relations in accordance with the proposals in the Bill. Gradual changes which are necessary and important are being made to ensure that the Act is finetuned and workable. It was amazing to see the way in which the Opposition took different views on different Bills. While the Opposition welcomed slow progress which enabled an Act to be finetuned in one instance, it did not necessarily apply that attitude to industrial relations.

Frequently in the past I have referred to the Opposition's union bashing. We have an example of it here in its attitude to this Bill. I challenge the Opposition to look at the value of the proposal and give it a go. If Hon. Gordon Masters and members of his party are not happy with the way in which the proposal works, at some future time they can move to amend the Act. However, why will they not give it a go?

The Opposition has referred to closed shops, coercion, and strongarm tactics. Last year I outlined in this House the way in which disputes can be manipulated. Hon. Gordon Masters and a fellow member of his party were involved last year in creating an industrial dispute at Noranda.

Hon. G. E. Masters: That is not true. Just because I walked through a picket line—

Hon. P. G. Pendal: You will get pimples on your tongue.

Hon. S. M. PIANTADOSI: Mr Sam Minniti a builder, was requested by two members of Parliament not to discuss the issue with anyone else. That issue was fabricated and manipulated. Therefore, it comes as no surprise to me to see Mr Masters and his fellow members of this House continue along the same path.

Hon. G. E. Masters: Mr Butler went out to the site, didn't he?

Hon. S. M. PIANTADOSI: Why will not the Opposition give the proposal a go? If industrial relations were finetuned and started to operate properly in the workplace, there would be no more arguments about the matter. Hon. Gordon Masters would have less ammunition and he would probably have to do more work in his other responsibilities to give him something to do.

Bearing in mind that Hon. Gordon Masters tells us frequently that he has been in business and has expertise in that field, I would have expected him to have a little more knowledge of what happens in the workplace. We keep hearing the so-called "experts" opposite telling us that they know it all. However, how many of them have had the opportunity to work in the industrial relations area so that they really know what they are talking about?

Whenever members on my side of the House put forward proposals in regard to business and related matters, we are told continuously by Mr Masters and members of his party that we do not know what we are talking about.

Hon. G. E. Masters: You must admit that you are a bit biased.

Hon. S. M. PIANTADOSI: Mr Masters and his colleagues should take up occupations in the industrial relations arena so that they may learn what happens in the workplace, because they are talking from a position of ignorance and they do not know what industrial relations consists of.

Mr Masters had a spell in the industrial relations arena as Minister, and he attempted to change the old Industrial Arbitration Act, but his changes only caused problems in the workplace. If he had bothered during his term as Minister to make occasional visits to the workplace, instead of inquiring about the matter through his officers, he would have realised the way in which the changes he had made to the Act were failing the system. The Act according to Gordon Masters has lead to numerous other problems. The proof is there that those problems can all be related back to the bad amendments proposed by Mr Masters.

All I am asking is that members in this place give the proposals a go; give them a testing period. I am sure that even Hon. Gordon Masters could not be totally opposed to doing that, especially if, as a result, the system started to work. According to the arguments I have heard from members opposite, it is the unions which are causing all the problems in the community and no-one else. I do not think that is correct. As I said earlier, members opposite make those sorts of statements from a position of ignorance. If they are not qualified and if they do not know anything about industrial relations, they should butt out.

Hon. G. E. Masters: What do you mean by "qualified"? Anyone who does not agree with you is not qualified; is that what you are saying?

Hon. S. M. PIANTADOSI: No, that is not what I am saying.

Hon. G. E. Masters: Just because they have a different view, you think they are not qualified.

Hon. S. M. PIANTADOSI: I do not have to voice my opinion on this matter. It was evident in the past that Hon. Gordon Masters was a failure as Minister for Industrial Relations. Indeed, he was even more of a dismal failure as Opposition spokesman on that matter, as a result of which his own party decided to have a break from him in the industrial relations arena. That is one of the few positive steps the Liberal Party has taken over the last 12 months.

Hon. G. E. Masters: You will upset Mr Dans in a minute. He got the sack.

Hon. S. M. PIANTADOSI: We have heard that what concerns the Liberals in this House the most are the closed shops, the strongarm tactics, and the coercive outside pressures which may impede the rights of individuals. For the benefit of the members of the Liberal Party I shall point out what has been happening in the last two or three weeks within their own organisation. If they are so against closed shops and strongarm tactics they should look at their own organisation. At least I can say that one member of their party has been prepared to speak about its problems.

Look at what has happened in the party's Swan division: Strongarm tactics have been used; it is a closed shop; and meetings have been held, not at the headquarters, but at a house in Duncraig so that certain members of the party could be locked out. Some people did not want those members to attend the meeting—members who have a democratic right to attend. With the exception of one individual who has been prepared to speak out about this matter, members opposite in this place have condoned those actions. Members opposite must live with that; they have condoned strongarm tactics. Hon. John Williams may

shake his head, but I did not hear him speak up about it.

The Liberal Party has forced people to do things against their will. What happened to its former president—I do not know if he is still president—in the last few days is a clear indication of the strongarm tactics being applied by the Liberal Party. Yet, according to the Liberal Party, unions are the only ones supposedly to adopt those sorts of tactics. We are always hearing from Mr Masters that there is really only one union in this State—the BLF. I have never heard him mention any other union.

Hon. G. E. Masters: The BWIU and the ETU.

Hon. S. M. PIANTADOSI: That is possibly why he was such a dismal failure as Minister for Industrial Relations—he thought there was only one union in the workplace in Western Australia, and not 250.

Hon. G. E. Masters: I knew you were around.

Hon. S. M. PIANTADOSI: No wonder he failed as Minister.

So the Liberal Party has adopted double standards. It is all right for the party and its members to use coercive and strongarm tactics to pressurise its members, and to have closed shops. It is good enough for that party to condone that situation and yet it is always attacking the trade union movement—the bogey of the Liberal Party.

I do not remember very much rhetoric from the Liberal Party attacking or condoning the actions of the AMA and a number of professional associations—which are unions—when problems arose over the last year. It seems when it comes down to the blue collar work force the Liberal Party is always ready to attack without taking full notice of the facts of the situation. We have heard Liberal Party members talk about human rights. One of the party's own workers, Mr Joe Kerekes, was dismissed—I think that is how he pronounces his name—

Hon. P. G. Pendal: You are wrong again.

Hon. S. M. PIANTADOSI: He must have been crackers to work for the Liberal Party.

Hon. P. G. Pendal: You should be careful with ethnic names because people get upset about their pronunciation.

Hon. S. M. PIANTADOSI: I am glad to see Mr Pendal is taking an interest.

There was no comeback for Mr Kerekes; the Liberal Party again demonstrated how bureaucracy works on its side—it has a truly fine record.

Hon. Gordon Masters raised my name in relation to an issue that happened some time ago. If he had bothered to check his information he would have found that whenever some of my members were in the wrong I made a public statement to that effect, and said they would not be defended. If Mr Masters had bothered to check the records of a number of unions he would have found their conduct has always been very good.

This Bill seeks to ensure that industrial relations as a whole will be finetuned and more workable, and that a happy environment will be created in the workplace which will lead to fewer problems and stoppages.

Hon. T. G. Butler interjected.

Hon. S. M. PIANTADOSI: The Liberal Party survives on problems in the workplace and it went to the extent that two Liberal Party members were promoting a dispute. There was evidence at the Noranda site involving Sam Minniti? He is quite prepared to back up my statement.

Hon. Fred McKenzie: They are very silent on that.

Hon. S. M. PIANTADOSI: Of course they are; they were caught short.

Hon. P. G. Pendal: We missed that gem—that incisive twist.

Hon. S. M. PIANTADOSI: I have a high regard for Mr Pendal, especially after his effort last week. I am sorry I was not here to hear it.

Hon. P. G. Pendal: That is the kiss of death for me—I have your endorsement.

Hon. S. M. PIANTADOSI: At least Mr Pendal is prepared to speak out about problems in his own party, but his own party members are guilty of the strongarm and bully-boy tactics of which they accuse everyone else. It is on the public record, and it is not just my saying so; Mr Pendal has confirmed that it is the case. I suggest that at the Liberal Party's next caucus meeting Mr Pendal should inform the rest of his colleagues about what is happening.

We are asking members opposite to give this Bill a go. It may be that because it would be political dynamite within their organisation to do otherwise, they have to adopt a position and cannot have a say. They may be in the position they accuse us of finding ourselves in in that they have received their instructions and have

no choice in making up their own minds because the choice has been taken away from them. I do not know whether that is the case. In view of the calls in the last month to unite the workplace so that we can get the country going again, I sincerely ask Opposition members, if they have received any instructions on how to vote, to put those instructions behind them and look at the merits of the Bill. They should look at the worth it will bring to the community in the future and the harmony it will bring to the workplace. I ask them to put Western Australia and Australia before themselves.

Point of Order

Hon. JOHN WILLIAMS: I did not interrupt the honourable member's speech, but he mentioned a person and he may not have been aware that that gentleman has a case pending before the Industrial Relations Commission. I seek your ruling; surely in those circumstances the name should not have been mentioned because the matter is sub judice.

The PRESIDENT: There is no point of order.

Debate Resumed

HON. TOM McNEIL (Upper West) [11.38 a.m.]: At the outset it is only fair to point out that the National Party's attitude to this legislation is a very big, firm "No." I said that because my leader is not here today; he had another appointment this morning and could not be present to speak on this legislation.

I want to point out the attitude the National Party has adopted for a number of years. We have been trying without success for some years to get a Royal Commission into industrial relations. We have never received support in another place for getting that inquiry under way. We consider it imperative that something should be done along those lines. We recognise there are weaknesses in the current legislation. Part VIA is a perfect example of a piece of legislation which has a weakness in it. I cannot recall any union sitting back and copping a $4 000 or $5 000 fine and ever fronting up with it. It is not likely a union has ever done it; in the interest of industrial peace someone has always come to the fore and paid it so there would not be any strikes.

My party believes that if a Royal Commission were appointed to investigate the industrial relations problem there would be grounds for reaching a common agreement.

The majority of members on this side of the House and I would be hanged by the neck by our electors if we approved of the amendments to section 23 and part VIA of the Act. The people are frightened. I realise that there are anomalies and I acknowledge, as Hon. Sam Piantadosi mentioned in his speech, that there are instances where employers do not do the right thing and so cause union problems. However, there are a lot of times when the standover tactics and blackmail used by heavy militant unions will not be accepted by members on this side of the House, but the problem continues to be ignored.

I will give an example which I have already given to the Leader of the House. Take for instance a subcontractor who does not need to belong to a union and who is approached by the Builders Labourers Federation or Building Workers Industrial Union and is told, "We want you in the union." The subcontractor's answer is, "I do not have to belong to the union, thank you", and the union representatives leave the site, go immediately to the company employing the subcontractor and at a round table conference say, "We want Joe Bloggs and Charlie Smith in the union by 4 o'clock or we will stop a concrete pour on another site." That sort of thing is common. Most members on this side of the House know about these sorts of problems, and I also am aware of them.

As a result of the approach by the unions to the company the managing director approaches the subcontractor and says, "We will stand by you if you want us to, but it will cost plenty." Out of fairness to the company the subcontractor pays up his $200 or $300 and is then able to go about his business. The managing director breathes a sigh of relief because a concrete pour which would have cost millions of dollars has not been stopped in the State. I have asked concerned people if they want me to bring this sort of problem up in Parliament and the answer I have been given is, "No." Why? Because they are afraid—they fear the militancy of the unions.

I will concede that there are employers who have beaten the system and who are making it tough on some workers. The Government is asking members on this side of the House to vote for legislation which will have us hanged by our electorates.

Hon. T. G. Butler: I asked a question yesterday and I will ask it of you now. How do you see the retention of part VIA adding anything to harmonious industrial relations?

Hon. TOM McNEIL: I concede that it does not do anything.

Hon. Garry Kelly: Do you want to take it out?

Hon. TOM McNEIL: No, all I am saying is that we should have a Royal Commission to investigate this matter properly.

Hon. T. G. Butler: That is another issue.

Hon. TOM McNEIL: It may be another issue as far as Hon. Tom Butler is concerned. The point I am trying to make is that the community sees its retention as a detriment to the all-consuming power of the unions.

If one believes that this legislation means that the worker has the freedom to decide whether he will join a union, it is not true.

Hon. T. G. Butler: Under this Bill he has.

Hon. TOM McNEIL: While the freedom is supposedly there, the fact is that unionists have the inside run to any job. If a person does not belong to a union he will not get a job on a site; and that has been proved on a number of occasions, particularly with regard to the BLF. While the Government is saying that the individual has the freedom to choose whether he wants to join a union, it simply is not true. The person seeking a job knows very well, unless he has a very strong backbone and is willing to pull the unions on, he will not be given the right to work.

Hon. Garry Kelly: Under this Bill he will get exemption.

Hon. TOM McNEIL: That exemption is a joke. If a person decides he does not want to belong to a union and applies for an exemption, it is a long drawn out affair and he is hounded from the day he decides to do that. Hon. Garry Kelly knows that and he should not sit in this House and say that the exemption will give the employee the right to do certain things. It will not give him the right, and all it will do is to put steel in his backbone if he has the courage to stand up to the unions.

Hon. T. G. Butler interjected.

Hon. TOM McNEIL: I concede that. As members on this side of the House are aware, part VIA of the Act has never been honoured. If a fine is imposed on a person and it is not paid, and all of a sudden someone rolls up at the door with a few thousand dollars in hand and the union demands to know who did it, it will not receive an answer. We all know that sweetheart deals are being made behind the door so that a concrete pour, building on a site, or transport will not be stopped.

The National Party's attitude has been that a Royal Commission should be appointed to investigate the problems in the industrial scene. Until that happens we will not agree to the legislation. I cannot speak for the Liberal Party, but I do speak for the National Party.

Hon. T. G. Butler: I wish you would because you make a lot more sense.

Hon. TOM McNEIL: We do not agree that the unions have the right to make international decisions—they may have Bob Hawke there and Brian Burke here, and through their strength of power be able to formulate a policy; but they do not have the right to formulate international policy. Some of the sickening things which we have had to put up with for a number of years in relation to the power of the unions, for example, are sporting teams visiting South Africa not having their luggage moved for them, or because it is decided that South Africa is doing the wrong thing the unions will not deliver the mail. These are the excessive abuses of power.

Hon. Garry Kelly: What about the sale of pig iron to Japan?

Hon. TOM McNEIL: If members are going to start talking about the wharfies and the export of live sheep, they are getting into too many problems.

Several members interjected.

Hon. TOM McNEIL: Mr President, I will look at your shining face while I continue my speech.

Some months ago we had the case of a woman who wanted to take some antiques back to the old country. They were her heirlooms and she was entitled to do that.

Hon. T. G. Butler: She asked the Transport Workers Union to do that.

Hon. TOM McNEIL: Hon. Tom Butler may be privy to more knowledge of that subject than I am.

The PRESIDENT: I ask honourable members to stop their interjections. I suggest that Hon. Tom Butler spends a couple of minutes reading Standing Order No. 74 and allows Hon. Tom McNeil to continue his speech.

Hon. TOM McNEIL: Thank you, Mr President. As far as the public is concerned, it was an abuse of union power. Perhaps members on the other side of the House are privy to information we are not.

Hon. D. K. Dans: This Bill will not cure that and you know it.

Hon. TOM McNEIL: Members on this side of the House are aware of excessive union power. It is suggested that this may not cure it: perhaps it will not, but until members sit down and examine every part of the problem coldly, calculatingly, and with agreement, without one member jumping up from one side of the House and delivering a tirade of abuse, and another member defending himself and being attacked again, the problem will not be solved. The National Party has said all along that there will never be consensus here with those methods.

I refer to comments made by a former champion of the Government's cause, Charlie Fitzgibbon, which I think have already been mentioned during debate. Charlie Fitzgibbon was reported to have made certain comments to the Economic Planning and Advisory Council. The article states—

> Mr Fitzgibbon was for many years federal Secretary of the Waterside Workers' Federation, a union generally belonging to the militant left of Australian unionism.

I guess that fits in with Hon. Des Dans' thoughts. It continues—

> Mr Fitzgibbon stated, inter alia, that the industrial power balance had swung from the employers to the unions; that some unions had been guilty of "excesses"; that the union movement had been used by people unnamed to further the interests of political parties with international objectives. (This presumably meant the communists and the extreme left.)

Those are some of the points I wanted to mention. One of the most important points made by Mr Fitzgibbon was—

> Starting from the point that the union movement arose from the excesses of industrial capitalism, Fitzgibbon said that the balance of power had shifted, and now produced excesses on the part of unions.

I guess that is what we are all arguing about. Although I acknowledge that part VIA has never had any worthwhile purpose, and although the Government may insist that this legislation would improve industrial relations, until we can sit down and properly consider all aspects of industrial relations the Government will never get support for this sort of legislation from the additional one or two members it needs on this side of the House.

On that note I indicate that the National Party opposes the legislation.

HON. GARRY KELLY (South Metropolitan) [11.51 a.m.]: The Opposition must realise that the union movement has a legitimate role to play in this society.

Hon. G. E. Masters: That is right, it has a legitimate role to play.

Hon. GARRY KELLY: I am glad that we agree on that point. Perhaps we are making progress. It comes down to how we define "legitimate". The Liberal Party in particular must realise that the union movement is here to stay, and it will not lie down and be smashed by anti-union zealots. I congratulate Hon. Tom McNeil on his comments but although he concedes that part VIA is not doing the job, he is not prepared to take the logical step and remove it.

By and large the vast majority of unions and unionists are responsible, despite the comments made by the opponents of unions who try to paint unionists as unpatriotic ogres trying to drag Australia down, and defeat the aspirations of Australian people. However, they forget that most Australians are members of unions. Of course, we hear of opinion polls which state that strikes are unpopular with the Australian people, but individual Australians will support their union if it is involved in a dispute and a strike is held.

With regard to the present economic situation, the union movement has been very responsible. Not every country could have forged an accord which has in effect held wages down. Wage costs have decreased in the last four years and that result has been achieved by voluntary accord between the organised labour movement and the Hawke Government. The economy, which is in fairly bad shape, would have been a lot worse if the unions had not agreed to the discounting of wages and the general wage restraint which has been applied under the terms of the accord, in return for social wage benefits.

I am not saying that unions never make mistakes. The point made by Hon. Tom McNeil about the threat to halt concrete pours is an extreme example. However, it is well known, and it is thrown in the face of the union movement on many occasions. I agree that that type of action is unconscionable and should not happen. The fact that it ever happened is indefensible.

A further example is the recent strike by Westrail employees on Monday afternoon. I am not saying that the employees did not have a legitimate dispute with Westrail, but it was

wrong for them to take people to work in the morning and midway through the day to pull the pin on them and not run the trains that night. They could not have picked a worse day in terms of weather. These union members have the right to strike if they have a dispute but in my opinion they should have run the trains to allow people to get home on Monday night and then advised the public that no trains would run on Tuesday. I do not think the action they took casts a very good light on the Westrail union members. I have made my opinion known to Bob Wells, the ARU Acting Secretary, and, therefore, I am saying nothing that I have not said to him face to face.

With reference to the role of unions, employers prefer to deal with organised labour.

Hon. G. E. Masters: Big employers like to deal with organised labour.

Hon. GARRY KELLY: Mr Masters makes great moment of people being able to opt out and having the freedom to do their own thing. In a situation with umpteen individuals wanting to go different ways, it would be very hard to reach rational conclusions and workable agreements. Employers prefer to deal with organised labour and representatives who can speak for the workers in their enterprises.

Hon. G. E. Masters: Certainly not all employers.

Hon. GARRY KELLY: Most reasonable employers.

Hon. G. E. Masters: I would not say "most".

Hon. GARRY KELLY: Mr Masters said that unions have a legitimate role to play in society and, if nothing else, that legitimate role is to negotiate with employers on behalf of employees. They should be allowed to do at least that.

Hon. G. E. Masters: People should not be compelled to join a union.

Several members interjected.

The PRESIDENT: Order! I suggest the honourable Leader of the Opposition should also read Standing Order No. 74.

Hon. GARRY KELLY: Getting back to the Bill before us, Hon. Tom McNeil said that part VIA is not working, and I said by way of interjection that it has been honoured in the breach. It is quite obvious that if a dispute arises and it looks as though it will be exacerbated by the existence of part VIA, some money is paid to stop the dispute spreading—and I bet my bottom dollar that it is not the unions which pay. If people make back door arrangements to get around part VIA, why not remove it in the first place?

The Bill does not guarantee preference to unions, it allows the Industrial Relations Commission to hear arguments from both sides and to decide whether inserting a preference clause in the award would be to the advantage of the industry. I do not understand why there should be any objection to that. Under this Bill the unions will refer the matter to the commission which will decide whether there is a case for the insertion of a preference clause. Individuals who seek exemption from union membership will be able to apply to the Industrial Registrar for a certificate of exemption.

If an individual objects to joining a union and he gets a certificate from the registrar under this Bill, it will be honoured. At present, that provision is not available to persons who have a conscientious objection to joining a union.

In 1982, when Mr Masters had us sitting here until 6.00 a.m. to pass the legislation which this Bill seeks to amend, unions were precluded from taking that road. During that debate, the point was raised as to why we could not allow a person who had an objection to joining a union to pay the equivalent of the union dues to a charity of his choice. There was argument as to why he should pay any money at all.

I refer to my initial point that unions have legitimate roles in society and one of their roles is to improve and maintain the conditions of work and the wages of their members.

Hon. G. E. Masters: In many cases, exactly the opposite happens.

Hon. GARRY KELLY: That is a matter of opinion. In all cases, unions achieve—through direct action or through the Industrial Relations Commission benefits and improvements to conditions and wages for their members. Even those people who are not members of a union benefit from union action. I think it is a statement of the economic "dries" which says there are no free lunches. If one is to benefit from union action, whether one is a member or not, one should be required to make a contribution. If a worker does not want to be a member of a union, he or she does not have to be, but such workers should have to pay the equivalent of the union fees to a charity. Then they are not getting something for nothing.

Hon. Fred McKenzie: Nothing could be fairer than that.

Hon. GARRY KELLY: That is right, it could not be fairer. I refer to the question of the right to strike. I do not think members would like to live in a society where the right to strike is taken away from them. There are no strikes in Russia, South Africa or in countries in South America. I refer to South Africa where, about a month after the emergency situation was proclaimed, the first thing the Botha regime did was to round up the black union leaders and put them in detention. The single group pressuring the Government to have them released—some were released the other day—was the business community, the Chamber of Commerce, which sought to have them released. They could see, by taking the union leaders out of circulation, it would prevent meaningful negotiation taking place in the work force.

Hon. P. G. Pendal: What has that got to do with this Bill?

The DEPUTY PRESIDENT: That is a question for me to decide, not Hon. P. G. Pendal.

Hon. GARRY KELLY: Everyone criticises the right to strike. Members on the other side would deny members the right to strike under any circumstances whatsoever.

Hon. G. E. Masters: When have we said that?

Hon. GARRY KELLY: One would not like to live in a society where the right to strike is not allowed.

Hon. G. E. Masters: We have never said that.

Hon. GARRY KELLY: If the Leader of the Opposition has not said it, he has strongly implied it. The provisions contained in the Bill are eminently reasonable. It will remove part VIA which is not being observed. It will give people who do not want to join unions the right to opt out by paying the equivalent dues to a charity of their choice. It does not say unions will have preference. It says that the case can be argued in the Industrial Relations Commission. Industrial relations and harmony in the workplace will be improved and the number of disputes will be reduced. I strongly recommend that the House gives support to this legislation.

I support the Bill.

HON. D. J. WORDSWORTH (South) [12.06 p.m.]: This Bill is designed to further strengthen the union system. It is the wrong time to be debating this legislation. The general public in Australia are well and truly fed up with the abuse of union power in this country. It considers the Australian Council of Trade Unions is running the country and in the wrong direction. It is even said that Mr Hawke had more power when he was President of the ACTU than he now has as Prime Minister.

It is a fact that the majority of unionists feel that the trade union system is abusing its privilege. One only has to look at gallup polls to find that is so. Unionists always think it is the other union that should be striking; but when they strike it is a different matter. The majority of unions do think that union power—

Hon. Robert Hetherington: You show me the evidence. I think you are talking nonsense.

The DEPUTY PRESIDENT (Hon. John Williams): Order!

Hon. D. J. WORDSWORTH: Strange as it may seem, I am not against the workers joining unions.

Several members interjected.

The DEPUTY PRESIDENT: Order! I remind the House once again that I will not call order again.

Hon. D. J. WORDSWORTH: I can well understand how unionists feel about freeloaders. Rather than making provision for non-unionists to work side by side with unionists, I believe it would be better to have non-union shops in this country, as in the United States. A business can declare itself to be worked by people who are not unionists, and others could be closed union shops. I think that would be a more sensible way to go in this country rather than the way we are now heading.

We have heard Hon. Tom Helm tell us that the United States has oppressed working conditions compared to the United Kingdom and here. I find that strange. I have been to that country and I found little evidence of that. The greatest problem in that country appeared to be from illegal immigrants, wetbacks from Mexico, Puerto Rico and the like. Certainly, the United States system of having non-union shops did not appear to be causing too much difficulty and was certainly not lowering the standard of living of the worker. In fact, the United States is the richest country in the world and the workers have the highest living standard in the world. It is still rising, yet here in Australia, even Mr Hawke—and the Labor Party—admits there is a need to accept a lower standard of living. With the increase in our national debt, undoubtedly that will rapidly fall.

If unions had been willing to understand the predicament of the exporting industries we would have had a better chance of survival. In Australia we are plagued by strikes and stoppages, have ridiculously high overheads—a 17½ per cent holiday loading, four weeks' annual holidays, extensive sick leave and a 38½-hour week. They are all great benefits, but Australia has fallen from having the second highest standard of living in the world to about twenty-second.

I have spoken during debates on legislation of a similar nature and I am not about to repeat the same speech again. However, I particularly object to contractors and subcontractors being forced into the union movement. This is undoubtedly an open expansion of unionism in Australia. It is not the right time to introduce this legislation and I do not believe the principle is right, anyway.

In my Address-in-Reply speech I raised the subject of the bashing of Western Australian shearers working in outback Queensland and New South Wales.

These shearers had been using wide combs which were appoved by the arbitration court and which reduced the cost of shearing a sheep in that region by 30c, a very notable amount, which enabled those graziers to survive in a very difficult industry.

It would be safe to say that the shearers were still making more money than the pastoralists whose sheep they were shearing, yet the workers were beaten up, some got broken limbs, and others had all their teeth knocked out. I mentioned one of my electors who has suffered extensive brain damage. The police under the New South Wales State Labor Government are not willing to charge these people for assaulting workers. There is no doubt that unionists use force to get their way.

This is not the right time to introduce this legislation, and I do not believe that the contractors and others should be forced into the union movement. I will vote against the second reading of this Bill.

HON. MARK NEVILL (South-East) [12.12 p.m.]: I am not an expert on industrial relations but I support this Bill after having considered it. Part VIA basically returns to the commission the jurisdiction to grant preference to unionists in cases where a good industrial record warrants it, and that is a sensible thing to do.

When the commission previously had this power there were no major problems.

If a union has a preference clause in its award granted by the commission, and employees are not particularly happy about it, part VIA outlines the methods by which a person can be exempt from paying that fee to the union, and that is quite a reasonable proposition.

Many benefits are gained by unions and conferred on their members and I do not believe that those people who are freeloaders on the system should gain those benefits without contributing in some way. Many non-union members come to my office inquiring about industrial problems. They are not particularly interested in becoming a member of a union until a time when they get into trouble, are unfairly dismissed, underpaid, or whatever. It is unfortunate that there are a number of freeloaders around who are not prepared to contribute their share.

The commission, a judicial body, can then use this power against those recalcitrant unions, if the unions can not demonstrate that they have good records. It can be embodied in their awards. The commission can refuse to embody it in the awards of those unions which are preoccupied with giving people a hard time, so I see it as a weapon which the commission can either give or withdraw.

A previous speaker seemed to blame the union movement for all the problems which have occurred over the last 20 years, and that is unfair. This year nationally, strikes were at the lowest level for 20 years.

Hon. P. G. Pendal: You realise they have changed the basis of statistical analysis?

Hon. MARK NEVILL: When it is such a dramatic reduction any variation on the basis of statistical information will not make a great difference to these figures.

Hon. P. G. Pendal: There are lies, damn lies, and statistics!

Hon. MARK NEVILL: We can always argue about statistics.

Hon. P. G. Pendal: That is my point.

Hon. MARK NEVILL: They are statistics of the Australian Bureau of Statistics. It is indisputable that the level of industrial disputes has been reduced tremendously; and since the wages and incomes accord was introduced, unit labour costs have dropped in real terms. The union movement in general has been paying more than its fair share over the last three or four years to help the Australian economy get onto its feet. I do not think even the most

politically biased person would blame our terms of trade problems on the present Government. People only have to look at the prices we are receiving for our agricultural products and our minerals on overseas markets. It is a problem that any Government would have been faced with. Had we not had the problem of rapidly falling prices for our exports, the general cooperation of the union movement would probably be appreciated more in terms of reduced industrial unrest and the fact that there has not been a recurrence of the explosion of wages which we had in 1982. I made those remarks more or less in reply to the comments made by a previous speaker.

I personally would like to see employees belong to a union; if they have conscientious objections against the principle of joining a union, they can donate the money to the Consolidated Revenue Fund, or a charity. In the mining industry in which I was involved I worked underground for six years in a highly unionised industry. The Australian Workers Union was the principal union involved and it is a moderate union by any standards; some people would possibly even call it right wing.

In the mining industry over the last few years many new mines have cropped up around such places as Meekatharra and Wiluna which are being worked by contract labour. None of the employees is a union member, and that concerns me because mining is a very dangerous occupation. On a shift I worked at Silver Lake at Kalamunda, five separate fatalities occurred in 17 months. That is only fatalities. The figures do not include other accidents wherein people broke legs and what not. Only 200 people were employed in that mine. I really fear particularly the mining industry getting away from being a strongly unionised industry because it is a damned dangerous industry.

Hon. P. G. Pendal: Are you saying the safety regulations do not apply in those non-union mines?

Hon. MARK NEVILL: The Mines Regulation Act covers those non-union mines, but supervising that Act, Mr Pendal, is very difficult.

Hon. P. G. Pendal: I appreciate that, but that is surely a job for the Mines Department inspectors and nothing to do with the union movement.

Hon. MARK NEVILL: It is a job for the Mines Department inspectors, but I am suggesting if contract labour is employed in many of those mines many more corners will be cut than happens at the moment.

Hon. P. G. Pendal: It is the Government's concern, not the workers.

Hon. D. K. Dans: Workers have a great regard for their own safety, and that is why we have the Occupational Health, Safety and Welfare Act.

Hon. P. G. Pendal: That cuts across what Mr Nevill said.

Hon. D. K. Dans: No, it doesn't.

Hon. P. G. Pendal: I know exactly what he is saying.

Hon. D. K. Dans: So do I.

Hon. MARK NEVILL: Groups which are not members of unions often do a job and get out quickly and someone else has to clean up the mess after them, particularly in the mining industry. That practice can be particularly dangerous in underground mining.

I strongly support the proposition that people must be members of, in this case, the Australian Workers Union, before they can work underground.

Another benefit which unions confer on people, particularly in the mining industry, is workers' compensation assistance. I am sure many people now depend on the social security system instead of workers' compensation, which is basically payable by the employers. Many people who are now on workers' compensation because of industrial accidents would be under the social welfare system if it was not for unions applying pressure to get improved conditions, benefits, and workers' compensation coverage.

I believe that the people who work in the industries in which unions have gained benefits should be prepared to pay their dues, whether it be to the CRF, and should not be allowed to freeload on those unions.

As I said, the clause worked well previously. I think the Opposition should be prepared to entertain the idea, at least for a trial period. Industrial relations have settled down considerably over the last few years. There certainly are areas in which industrial activity is unacceptable and no-one on this side of the House has denied that. However, that is a problem which we need to look at separately. If this power is given back to the commission, perhaps it can use that power on those unions that do not do the right thing.

I support the Bill.

HON. GRAHAM EDWARDS (North Metropolitan) [12.21 p.m.]: This Bill represents another attempt by the Government to introduce greater improvement to the industrial environment and to improve industrial relations generally. Members are aware of the dramatic improvement that has taken place in those relations since the ALP came to power. That improvement has evolved naturally since the election of the Labor Government. We now have in power a Government that seeks to recognise the worth of workers, that seeks to recognise their right to organise, and that understands that they have a contribution to make to this State.

Hon. Gordon Masters interjected.

Hon. GRAHAM EDWARDS: If I were Hon. Gordon Masters, I would be out working on a code of conduct for the Liberal Party which is setting an example for this State that even the worst of the unions would be loath to follow.

Their lies in the workers of this State an untapped potential to greatly improve the worth of this country. That potential lies untapped because of the lack of trust which has been born from the years of deliberately provoked and promoted industrial disputation, aided and abetted by legislation deliberately concocted to achieve disharmony, unrest, and division. We all know that that situation was created by the Liberal Party and it has been created in a deliberate attempt to see it gain politically. Time and again we have seen how the Liberal Party has been prepared to put itself before the interests and welfare of the people of this State. It has done that to benefit itself politically. The community woke up to it in 1983 despite the best efforts of people like Hon. Gordon Masters.

The Liberal Party did not want industrial harmony while it was in Government, and it does not want an ALP Government to achieve that industrial harmony while that party is still in Opposition. It may use its ill-gotten numbers in this House to have this legislation thrown out. It has shown a certain lack of regard for workers and for a good industrial working relationship in the past. I would not be surprised if the Liberal Party demonstrates it is still back in the middle ages, as far as attitude is concerned, when the vote is taken later today.

I welcomed the input and contribution made to this debate by Hon. Tom Helm and Hon. Tom Butler. They have a tremendous amount of experience in this field. It was very pleasing to see them elected to this House to add to the knowledge and experience of Hon. Fred McKenzie and Hon. Sam Piantadosi. Hon. Tom Helm's speech revealed Hon. Gordon Masters' speech to be the empty, rhetorical nonsense and prattle that we have known it to be for some time. The Leader of the Opposition has never sought to contribute anything that would lead to a healing of some of the industrial problems in this State. All he has ever attempted to do is to inflame the situation. It is unfortunate that people like Hon. Philip Lockyer follow along unwittingly.

I hope that Hon. Tom Helm and Hon. Tom Butler will join with other responsible members to create a situation which will see raw industrial relations evicted from this chamber and put into the arena in which they rightly belong—the Industrial Relations Commission. Hon. Des Dans has said that for years. Until we get to that situation, we will have the same old problems being inflamed year in and year out whether they be inflamed by Hon. Gordon Masters or somebody else. The sooner we get raw industrial relations out of this Chamber the better.

I support the Bill.

HON. P. G. PENDAL (South Central Metropolitan) [12.27 p.m.]: It is really extraordinary that several speakers on the Government side supporting the legislation have cited as their reasons for their support the natural bond and link that exist between the trade union movement and the Australian Labor Party—in this case, the Labor Government.

Hon. Des Dans interjected.

Hon. P. G. PENDAL: It is precisely the point that I wanted to make. Hon. Peter Dowding, as Minister for Industrial Relations, has managed to achieve in two years what no other Government has achieved in a century in this State. No other Government, including even the most right-wing conservative Liberal Government, could achieve the level of dissension that has been achieved in this State under Mr Dowding. How much more evidence do people need to understand that the industrial relations scene has not improved but has distinctly deteriorated in the last couple of years? Many people in this House said that Hon. Des Dans was incompetent enough as the Minister for Industrial Relations, but even we had to concede that he had some natural rapport with the trade union movement, perhaps because he was a product of it. However, that situation has altered dramatically under Hon. Peter Dowding. I cannot recall that the Trades and

Labor Council, during the term of the much maligned Hon. Gordon Masters as Minister, asked for his resignation. In the space of two short years we have not only seen Hon. Peter Dowding meet the Trades and Labor Council head on, but also we have seen it ask for his resignation. That is not all. We saw further evidence of that deterioration outside the House a few weeks ago.

Hon. Mark Nevill: Whom do you support?

Hon. P. G. PENDAL: Public servants are not generally wont to be demonstrative. They generally want to remain on the job, yet they marched on Parliament House. They did so because of the policies of the Premier and his Minister for Industrial Relations. As well, we have seen the Trades and Labor Council mount a most expensive campaign.

Hon. Mark Nevill: You are having two bob each way.

Hon. P. G. PENDAL: No, I am not having two bob each way at all.

Hon. T. G. Butler: Why don't you stick to the Bill?

Hon. P. G. PENDAL: Had the member been listening to the debate five minutes ago—

Hon. T. G. Butler: I was listening to the debate.

Hon. P. G. PENDAL: —he would know that Hon. Graham Edwards, Hon. Mark Nevill, and other speakers on the Labor side raised the very point that I am now picking up about this natural alliance between the trade union movement, the TLC, and the Labor Government. That is an issue in this debate because of what Labor members said, yet every person in Western Australia has watched the spectacle of Government members having their noses rubbed in it by the people who are supposed to be their greatest supporters. Those same people no longer have any confidence in the very Minister appointed by the Labor Government. That must be apparent and it is a strong indication that the trade union movement is disillusioned with the Government's policies.

Several members interjected.

The DEPUTY PRESIDENT (Hon. John Williams): Order! I ask the Whips to look to their members because this matter may go to a vote and they will be short of members if these interjections continue.

Hon. P. G. PENDAL: It is an important element of this debate because the discussion about preference to unionists, the discussion about whether a worker should have the right to decide not to be a member, or whether that right should reside in the Industrial Commissioner, as is the case in the Labor Party's thinking, is all part of that overall thrust which the Labor Party makes by way of its claims that it is the natural ally of the trade union movement. How can that argument be sustained when the trade union movement marches on Parliament House, attacks the policies of the Premier and his Minister for Industrial Relations, mounts a television campaign the like of which has never before been seen in Western Australia, and, to cap it all, asks for the resignation of the Minister for Industrial Relations? It simply does not make sense. It strengthens the hand of the Opposition parties in this place to do what they are attempting to do; that is, to bring about the defeat of this Bill because this Government has obviously lost the confidence of the trade union movement in this State.

HON. ROBERT HETHERINGTON (South-East Metropolitan) [12.34 p.m.]: It will come as no surprise to members of the House that I support the Bill, because one of the first speeches I made in this House in 1977 was in favour of conciliation and consultation as opposed to confrontation. Since I have been here, I have opposed attempts by members opposite to put the kinds of clauses into the Bill that we find in part VIA. I opposed part VIA when the Opposition, then in Government, put up its Bill; I opposed its attempt to leave in part VIA when we brought in our legislation; and I now believe that part VIA should be removed from the principal Act, as is proposed in this Bill.

I find it very interesting that Hon. Tom McNeil argued that part VIA did no good whatever, but that we should leave it in the Act in order to get a Royal Commission. Even if we got a Royal Commission, it would take at least 12 months to consider the problems and heaven knows what would then happen. Are we supposed to leave part VIA in the legislation, even though it does no good at all? Such draconian legislation is not in the least helpful.

When the Leader of the Opposition was the responsible Minister, I told him many times that such provisions were not helpful. He felt that I should not be taken any notice of, and referred to me as the "honourable member for Academe".

Hon. P. G. Pendal: You are the one who keeps saying that. We have not said that for years.

Hon. Tom Stephens: He is proud of it and deserves to be.

Hon. P. G. Pendal: It is paranoia.

Hon. ROBERT HETHERINGTON: It was said the other day by the Leader of the Opposition. I heard it. Apparently the honourable member was not in the House. If he were here more often, he would hear what goes on in debate.

Hon. P. G. Pendal: You got out the wrong side of the bed today.

Hon. ROBERT HETHERINGTON: I am glad that the Leader of the Opposition will not follow me in this debate. He will not be able to take my words and twist them in order to rebut an argument that I did not put. He is pretty good at that. Part VIA is unenforceable and has always been unenforceable. I believe that the right to introduce preference for unionists is one that should lie with the Industrial Relations Commission. I believe also that the right of a conscientious objector to opt out, but to show that he is conscientious by signalling what he wants to do, should be left out.

I was interested to hear the quote of Mr Charlie Fitzgibbon referring to times past in the history of the Labor movement—times that I hope never come back—when the trade union movement was savagely split between the forces of the Communist Party which were trying to take over and later the forces of the National Civic Council that tried to replace the Communist Party as rulers of the unions, and the Labor Party through the unions. We can well do without this kind of politicising of unions. One of the strengths of unionism in Great Britain and Australia is that our unions have not been religious unions or political party unions.

Hon. G. E. Masters: What about the TLC now? Are you saying it was not political? It was one of the proud boasts of Peter Cook.

Hon. ROBERT HETHERINGTON: I am saying that the TLC is not a political party union. It is not affiliated with any particular political party.

Hon. G. E. Masters: Are you saying it is unbiased?

Hon. D. K. Dans: It is a very strong lobby force.

The PRESIDENT: Order! I suggest that every now and then Hon. Robert Hetherington be allowed to make some contribution.

Hon. ROBERT HETHERINGTON: Thank you, Mr President. I am saying that the Trades and Labor Council is a strong lobby group, as is the ACTU, but there are many unions in both organisations which are not affiliated with the Labor Party and the members of which generally would not vote for the Labor Party. The Trades and Labor Council and the ACTU are industrial bodies. They are peak councils. They are councils like employers' associations which are also important and to which we as a Government listen.

I wish to draw to the attention of the House the fact that the union movement in Britain and Australia, although it enters the field of politics by lobbying Governments and getting improved conditions for its members, is not, as it is with many unions on the continent of Europe, political; that is, the unions are not run by the Communist Party or by religious organisations such as the Catholic centre groups and the like.

They are unions with a broad range of beliefs, and they stick largely to industrial issues. But, of course, they work by lobbying parties and putting pressure on Governments of all political persuasions.

It is time that the Leader of the Opposition and members opposite looked at what we are trying to do. They must face the fact that we are the Government, we have policies, we have been elected, and we want to alter the Industrial Relations Act in a way which, in the opinion of this Government, will improve industrial relations in this State.

Whether any individual Minister is at present good, bad or indifferent is irrelevant to the argument about whether this is a good or a bad Bill. I argue that this Bill would be a good one, even if Hon. Gordon Masters were the present Minister for Industrial Relations, because if these amendments were made, the Minister for Industrial Relations would be able to do his job better than he would otherwise be able to. It would enable us to go along with sensible provisions. It would enable the union movement to retain its strength. It would enable the unions to negotiate properly and prevent the attempts which have been made to weaken their powers so that they can be destroyed.

This attack on the unions made by past Governments lines up with the new policy of the Liberal Party in Australia, which advocates a return to the nineteenth century and privatisation, and asks for freedom of workers

to work, and freedom of individual workers to negotiate, one worker against one manager.

Hon. D. K. Dans: Let us put the children back in the mines.

Hon. ROBERT HETHERINGTON: That is what members opposite want to do; to return to the excesses of the nineteenth century.

Hon. Garry Kelly: Mr Wordsworth would love that.

Several members interjected.

The PRESIDENT: Order!

Hon. ROBERT HETHERINGTON: I notice a couple of members interjected that I am being ridiculous and stupid, but I am being neither. I am trying to bring some sense into this place.

Hon. P. G. Pendal: You are being very grumpy today.

Hon. ROBERT HETHERINGTON: I do not think I am drawing a long bow. I have studied some history of industrial relations.

Several members interjected.

The PRESIDENT: Order!

Hon. ROBERT HETHERINGTON: I know what I am talking about. I do not know that honourable members opposite will agree with what I am saying, but I think there is a good deal of truth in it, and it is something members could well think about. Many members opposite are departing from the principles of the original Liberal Party as founded by Alfred Deakin.

Hon. P. G. Pendal: That is what they say about Brian Burke.

Hon. ROBERT HETHERINGTON: If we went back to those principles it might result in a better Australia. Certainly I believe that we would be better if we were to encourage a strong union movement. We start chanting the slogans about the right to work. I wish we did have the right to work in this country—the right to work for the seven per cent of the work force which is unemployed. I would like them to have the right to work. But the mindless slogan about the right to work keeps a group of strikebreakers busy undermining the power of unions, making it impossible for them to do their job; to negotiate and look after the conditions of the people they represent.

I remind Hon. Phillip Pendal that the people most interested in safety in the mines—and that is one of the reasons the coalmining industry was always so militant—are the people who are likely to be killed if the safety regulations are not carried out. We should therefore not make those foolish arguments. Why should the unions worry about it? That is the job of the Government.

Hon. P. G. Pendal: It is too.

Hon. ROBERT HETHERINGTON: Inspectors cannot be everywhere all the time.

Sitting suspended from 12.45 to 2.30 p.m.

Hon. ROBERT HETHERINGTON: I suggest that members opposite, by not opposing this Bill, should allow the Government to put into legislative form its policies for which it can then accept full responsibility.

I support the Bill.

Debate adjourned, on motion by Hon. A. A. Lewis.

EXPLOSIVES AND DANGEROUS GOODS AMENDMENT BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon. J. M. Berinson (Attorney General), read a first time.

Second Reading

HON. J. M. BERINSON (North Central Metropolitan—Attorney General) [2.31 p.m.]: I move—

That the Bill be now read a second time.

The principal Act which this Bill proposes to amend relates to the packing and marking of dangerous goods. The packing of dangerous goods in approved containers is prescribed by regulations for the transport of dangerous goods. Similarly the correct marking of these containers to identify the contents is also prescribed.

Although dangerous goods may be packed and marked in accordance with the regulations, the fact that dangerous goods are in a container cannot be presumed for evidentiary requirements under the current legislation unless a sample of the dangerous goods is taken, analysed, and thereby proved to be dangerous goods. The taking of samples from a dangerous goods container is not always practicable, especially in emergency circumstances, for the following reasons—

> The dangerous goods may be contained in a chlorine cylinder or LPG bulk pressure vessel;
>
> sampling could interfere with the activities of the emergency services;

the life of the person taking the sample and any surrounding personnel could be endangered;

analytical identification would increase the time and cost of administering the regulations.

The proposed amendment to section 61 subsection (2) provides an additional paragraph (b), which will resolve the difficulty of identifying dangerous goods when they are packed and marked as required by the regulations. The proposed amendment has the support of industry. It will enhance safety and reduce administration costs.

I commend the Bill to the House.

Debate adjourned, on motion by Hon. Margaret McAleer.

STATE GOVERNMENT INSURANCE COMMISSION BILL

Second Reading

Debate resumed from 8 July.

HON. G. E. MASTERS (West—Leader of the Opposition) [2.33 p.m.]: The Bill before the House is one that the Opposition views with considerable concern. Members will recall that in 1983 there was considerable debate on this Bill and in fact many amendments were passed by this House through the efforts of the Opposition, the Liberal Party; and it seems to us that in introducing this legislation the Government has conveniently, certainly not by mistake, omitted some of those amendments which were made after careful thought and a great deal of debate. Indeed, the Government, the Premier, and the Attorney General have been guilty of carrying out perhaps the greatest demonstration of contempt of Parliament since my time in the Parliament. I seriously put it to the Attorney General that he should consider deferring the progress of this legislation until the Government—particularly the Premier and the Attorney General—has fulfilled some of the pledges that were made loudly and clearly and which were well recorded, on what would be done by the Government after the SGIO Bill was proclaimed.

I am not suggesting that the Bill did not take some time to proclaim; indeed, it was proclaimed on 1 July this year. Nevertheless, firm commitments were made about what the Government would do, particularly with regard to the setting up of a committee. I intend to dwell on that issue at some length.

In the clearest possible terms the Premier in the Legislative Assembly and the Attorney General in this House made pledges to this Parliament which are recorded in *Hansard* and which have been well and truly broken. Never in the records of the Parliament, I suggest, has there been a time when promises have been so recklessly broken as we have seen on this occasion. The SGIO Act was proclaimed on 1 July and is now in operation. I ask members to bear that in mind. We need to look at the events of 1983 leading up to the proclamation of the Bill when these assurances were given to members of Parliament. Some present members were here then. I will quote those assurances because they demonstrate the lack of depth of the Premier and indeed put into question the Leader of the Opposition's integrity in the Legislative Council.

Hon. Graham Edwards interjected.

Hon. G. E. MASTERS: I ask members to listen to these words uttered by the Premier in 1983. There can be no argument about them at all. I understand Hon. Graham Edwards' becoming upset because he is desperately embarrassed about what has happened.

Hon. Graham Edwards: Not one bit.

Hon. G. E. MASTERS: If the member is not embarrassed he should be ashamed of himself. These words were spoken by the Premier on 18 October 1983—

> I am prepared to go as far as to say that if the legislation passes the Parliament, . . .

He was talking about the SGIO Bill. To continue—

> . . . we will appoint a committee consisting of the Leader of the Opposition, or his deputy or representative; the Leader of the National Country Party, or his deputy or representative; and the Premier or his deputy or representative. That committee will be charged with the responsibility of supervising the competitive nature of the SGIO's operations. We cannot be any fairer than that. If that is desired by the Opposition, we will willingly establish a parliamentary committee on which we will put a majority of Opposition members, as outlined a moment ago.
>
> We will charge that committee with the responsibility of superintending the activities of the SGIO, to ensure that it does not receive any competitive advantage.

He went on to say later—

> To what greater length can we go to assure the Opposition that the SGIO will compete on an even footing with everyone else?

He later said—

> That is a fair offer.

Indeed, as a result of that assurance the Bill was introduced into the Legislative Council and members on my side of the House certainly had every good reason to doubt the Premier's word, as we have on a number of other occasions when we were let down. Members will remember we were let down in regard to the Ashton joint venture debate, the WADC regulations, and one or two other matters including the Industrial Relations Bill.

Hon. Tom Stephens: You just messed up, that's all.

Hon. G. E. MASTERS: I ask the member to listen to the promises made by the Premier of this State in regard to the SGIO Bill's proclamation. The Act has now been proclaimed and the promises have not been kept.

Hon. Tom Stephens: Don't introduce furphies; don't mislead the Parliament.

Hon. G. E. MASTERS: I am not misleading the Parliament. The Premier and the Attorney General have misled Parliament by their own words which are recorded in *Hansard*. I ask the member to listen to me.

We received promises from the Premier and because those promises have been consistently broken we said we did not believe the Premier and we would put his promises in the Statute. What could be fairer than that? The Premier made certain commitments and we said that if he were prepared to make those promises in *Hansard* they should be placed in the Statute. We moved an amendment to the Bill along the lines of the promises made by the Premier. I admit that he did not promise to put them in the Statute; he just made the promise. We did not believe him and told him that we believed his promise belonged in the Statute.

There was a great deal of debate to set up a watchdog committee along the lines suggested by the Premier. I will quote some of the statements made by the Attorney General and Hon. Robert Hetherington at that time. On 9 November 1983 at page 4177 of *Hansard*, Hon. Joe Berinson said—

> I oppose this amendment and I strongly urge the Committee not to accept it.

He was referring to my amendment. He continued—

> It is true that a committee with a majority Opposition membership has previously been agreed to by the Premier. More than that, a committee with that most unusual constitution was proposed by the Premier and there is no question but that the Government will stand by that commitment.

I repeat that for the benefit of members who have interjected. He said—

> . . . and there is no question but that the Government will stand by that commitment.

The person who said this is the Attorney General who is now sitting here this afternoon handling this Bill. The Attorney General continued—

> I do not have the faintest doubt that a committee of this kind and with adequate powers will be established but if it is not, it is in the hands of the Parliament and, more specifically in the hands of this Chamber dominated as it is by the members on the Opposition side, to remedy any defect.

He continued—

> The commitment has been made. It is clear that the Government will proceed to establish a committee . . .

On page 4180 he continues—

> The amendment is not necessary. It is a reflection on the powers of the Parliament and on this Chamber among other things. It is a reflection on the willingness of the Premier and the Government to meet a commitment made in the clearest of terms.

Those words were used by the Attorney General. I remind members that the Bill has been proclaimed and is in operation and no committee has yet been set up. There can be no clearer contempt of Parliament than the breaking of that promise.

Hon. J. M. Berinson: Are you saying that we have not kept that promise for 15 days?

Hon. G. E. MASTERS: The Attorney General has had the gall to introduce this legislation.

Hon. J. M. Berinson: I am asking you whether that is so?

Hon. G. E. MASTERS: And I am telling the Attorney General. He has come in here with the gall to assume that the Bill will be passed on

the assumption that it does all that we have asked for. He knows jolly well it does not.

Hon. J. M. Berinson: I want to know what you are complaining about. Is your complaint that we have not set up a committee during the last 15 days?

Hon. G. E. MASTERS: I am saying that the Government knew full well that it would proclaim the legislation. The Attorney General cannot assume that legislation would be passed and therefore it is the duty of the Government to set up that committee, even if it is a day, a week, or a year late. The promise was made and the Government can see that we are not satisfied with the legislation and that we intend to amend it. More particularly, we will never take the Premier's word on this matter again. If we have our way we will insert in the Statute the provision for this committee to be set up so that the Attorney General and the Premier cannot renege on the promise again.

Hon. Robert Hetherington is well respected in this House. I am absolutely sure, if his words were correct, that he expected the promise to be kept, too. On page 4179 of *Hansard* of 9 November 1983 he was arguing that we were trying to insert a promise made by the Premier in the Statute. He said—

> Why do members opposite not take the word of the Premier on this matter?

He continued—

> This amendment should not be accepted. It would be a good idea if members of the Opposition accepted the Premier's word, because when has a word of a Premier been given to the Parliament in a way like this and the Premier has gone back on his word?

I say never before, but it has now. That is the depths to which the Premier has sunk. Unfortunately, I suggest that I bracket the Attorney General with him, although I do not know whether he supported the Premier through his own fault.

Let us look at some of the promises made by members of the Oppositon and particularly to the comments made by the late Hon. Gordon Atkinson at page 4178 of *Hansard* of 9 November. He said—

> I have supported the Government on this Bill, and one of the reasons for that is the clear undertaking given by the Premier.

Because of the promises of the Attorney General and Hon. Robert Hetherington, and the comments made by the late Hon. Gordon Atkinson, the House was persuaded that the promise should go into the Statute. The House had strong doubts about whether the Premier would keep his word.

And so the legislation went to the Legislative Assembly. Obviously the Premier and the Government opposed the amendment. They said it was not necessary. On 23 November 1983, on page 5106 of *Hansard*, the Premier said—

> As discussed with the Leader of the Opposition, it is not the Government's intention to resile from its undertaking, but no undertaking was given that a committee would be established and incorporated in the Bill.

We agree, but a firm commitment was given that a committee would be set up. He continued—

> The Government does not intend to resile from its undertaking, and it will be moving for the establishment of a committee comprising the Premier or his nominee, the Leader of the Opposition or his nominee, and the Leader of the National Country Party or his nominee. We will ensure that the appropriate motion will include the facilities and the assistance required by the committee to do the job.

On the same date and on the same page of *Hansard* the Premier said—

> Just so that members know what is involved, I would be proposing that we advance from this Chamber, as part of our reasons for not accepting the amendment, the following proposition—

He then set out the proposition virtually as we had put it in our amendment. He said that would be the motion put forward. The debate went on. Mr Brian Burke continued—

> It would be a matter of priority.

That is, the setting up of the committee. He continued—

> All I can say is that we are quite serious about this proposition; it is an undertaking and will be moved as soon as we can do so.

A message then came back from the Legislative Assembly giving an assurance that it would set up the committee, but refusing our amendment by saying that there was no reason or necessity for it. An assurance was given that an appropriate motion would be moved in the Legislative Assembly, a motion that would cover the situation. Having got that assurance from the Premier on one occasion and from the At-

torney General and other members, we believed that no Premier or Minister in the world would dream of going back on his assurances.

That was the sort of view that we took and we see what has happened. It is quite wrong for the Minister handling this legislation to assume that just because he introduced it into this House it will go through, that it will cover all the points that we have raised, or that it will not be amended. We are far from satisfied that the legislation does all that the Premier or the Attorney General says it does. Indeed, the Opposition has put forward some amendments to which I will make reference in a moment. The Attorney General in this House has moved some amendments and agreed to some of the Opposition's amendments. He may have changed the wording appropriately, but has agreed with some of them in essence. In its present form, the Bill is not acceptable.

Hon. J. M. Berinson: A number of the amendments which I have listed reflect undertakings which were given during debate in the Legislative Assembly.

Hon. G. E. MASTERS: I am not arguing about that. I am happy that undertakings which were given are being kept. However, a major undertaking given has not been kept, nor is it intended by this Minister to keep it. He will argue, as has the Premier, that it is not now necessary. The Opposition will assure the House that the setting up of a watchdog committee is absolutely necessary to make sure that no unfair practices or unfair advantages are given to the corporation or the commission. We shall move heaven and earth to make sure that the amendment goes into the legislation. If the Premier is not prepared to accept the amendment in the Legislative Assembly, he has one alternative, because I am sure that this House will not be fooled again. In fact, there is no doubt at all in my mind that the watchdog committee is absolutely essential. It can be set up quite easily.

I said earlier that the Minister handling the Bill in this House could quite easily defer the Bill to next week and tomorrow set up a watchdog committee, thus fulfilling the Government's commitments and obligations. What would it cost to set up such a committee and show good faith? What is the Government frightened of? It would not cost anything. The Government is just trying to go back on its word. The Government has taken it for granted that the legislation will go through and that there are no unfair advantages.

The industry has taken a great deal of interest in this legislation. It has looked at and analysed it. It is far from happy with what has happened. Certainly it is far from happy with the assurances given by the Premier in 1983 but, more particularly, in recent times. The industry wrote to the Premier to that effect. I will quote from that letter because it demonstrates the lack of faith, the irresponsibility and untruthfulness of the Premier of the day, Brian Burke. This is quite the most serious situation that has occurred in my 12 years in Parliament. It is not only my view that the Premier has done very badly in breaking his word and showing a lack of commitment and faith; it has also not been lost on the media. I refer to the editorial in *The West Australian* of Friday, 11 July 1986 which states—

> The Opposition approved the legislation in 1983 because of an unqualified commitment by Mr Burke to set up an all-party committee to ensure that the SGIO would not receive unfair advantage or preference over its competitors in the private sector.

It goes on to say—

> The promised committee would not be costly to set up. And it would help to ensure that the new insurance system operated to the benefit of the State and was not just another unwelcome intrusion into private enterprise.
>
> Mr Burke has expressed concern about the public image of MPs. He can enhance his own reputation by keeping his word on this issue.

I also make reference to the letter the Premier sent to all members of Parliament calling for a better performance on their part and asking for increased integrity in methods of debate. The letter from the Premier was dated 2 July 1986 and was sent to all members of the Legislative Assembly and the Legislative Council. It was sent by a man who had blatantly broken his word, who showed an utter contempt for the system and abused the Legislative Council. In the letter the Premier said that he was convinced that nothing would change unless members of Parliament generally stopped cheer-gathering at their own expense and that an important element of the process was to raise the dignity, decorum and quality of debates in Parliament.

Hon. P. G. Pendal: That is like the Premier—a lot of puff.

Hon. T. G. Butler: That is a good thing.

Hon. G. E. MASTERS: It could have been if everybody was asked to behave himself, but the Premier has asked everybody but himself and his Ministers to do so. It is just humbug and hypocrisy—a stunt—and that has been demonstrated by his action here. The date of the letter written by the Premier, 2 July, was about the time he should have appointed that committee, but he chose not to do so. The letter came from a man who has broken his word on a number of occasions. I think this is the worst possible demonstration of his hypocrisy and we have to bear that in mind.

Hon. Graham Edwards interjected.

Hon. G. E. MASTERS: I point out to the honourable member and to members of the Opposition that I have demonstrated loudly and clearly that the Premier and the Attorney General have broken their word. They have told untruths; they have misled this Parliament; they have showed contempt not only for us, but also for Government members. However, I am sure that does not worry Hon. Graham Edwards.

Hon. Fred McKenzie: Demonstrate it.

Hon. G. E. MASTERS: To demonstrate it I would have to read all those quotes again. I have quoted the words spoken by the Premier, the Attorney General and other Labor Party members.

Hon. T. G. Butler: He is your Premier as well.

Hon. G. E. MASTERS: Yes, unfortunately that is the case and I am not very proud of that. I should think that the honourable member would be ashamed of it too.

Hon. T. G. Butler: Why?

Hon. G. E. MASTERS: Does the member like the fact that the Premier tells untruths?

Hon. T. G. Butler: I have no trouble holding my head up anywhere, Mr Masters.

Hon. G. E. MASTERS: If the member can tolerate that, he can probably tolerate anything. He was probably on the Premier's staff when all this was going on. I would think that any member of any party whose leader behaved in that manner would be ashamed; I am sure that we are all ashamed of the Premier. It has not been lost on the public and many people in the industry will never trust that man again.

The Bill seeks to bring the SGIO and the MVIT together to pool their resources. In no uncertain terms I say that the Opposition has no objection to Government agencies which wish to become more efficient and effective. If there is a cost saving to the public it is all well and good. On the other hand, we have very strong reservations about any Government enterprise entering the field of private enterprise, especially when it is well catered for by the industry and there are Government guarantees and Government protection. We must make sure when going through this Bill that amendments are made which will make absolutely certain that the Government and this new corporation or commission have no unfair advantages. If we have anything to do with it, those changes will be made and those assurances will be given.

Clause 10 of the Bill provides that the Minister may give directions to the commission with respect to its functions, powers and duties. I understand very well that in State trading concerns there is a requirement for the Minister to be involved, especially when it comes to any guarantees of public money. That is my understanding of the law. The Minister needs to have some sort of ability to direct in certain instances; I would be the first to acknowledge that right. On the other hand, the Minister of the day must be restricted in the sorts of directions he gives. The Minister must be restricted so as to ensure that no unfair advantages are given to the new commission or corporation. The obvious move is for the new corporation or commission to move into a broader insurance area, the competitive insurance area, while still maintaining its operations in the non-competitive area both through the commission and, in the competitive area, through the corporation. However, I point out again that the guarantees are there. The Government's public money is behind the corportion and so, quite obviously, for that reason alone it gives to its corporation a considerable advantage.

I guess many areas of private enterprise, in fact almost every group, would be grateful if they had Government guarantees behind them. That is not easy to achieve; it is in fact very difficult. We must look at this legislation carefully. There should certainly not be a monopoly by the Minister for political advantage. On many occasions we have seen this Government, especially around election time, manipulate certain areas in order to direct funds to the best advantage of the Government.

Hon. J. M. Berinson: Could you give an example of the sort of thing which worries you here?

Hon. G. E. MASTERS: I am working towards that. I respond to the Attorney General's comment about our special areas of concern. In regard to the previous SGIO Amendment Bill, as a result of the efforts of the Opposition, certain provisions which we consider to be of importance were included. For example, I draw the Attorney's attention to section 7 of the Act which deals with the services of the Government—of any Government officer or department. In previous debate we said that if that was the case, those services should be charged at appropriate commercial rates.

Hon. J. M. Berinson: That is in clause 38.

Hon. G. E. MASTERS: We do not think that this Bill—

Hon. J. M. Berinson: You do not think it is covered in clause 38?

Hon. G. E. MASTERS: The corporation is covered in clause 38, but what about the commission?

Hon. J. M. Berinson: Clause 38 makes the corporation supply to the commission—

Hon. G. E. MASTERS: It seems, on our examination, that it is not necessarily covered. If the Attorney General can satisfy me on that issue, fine; but we have some amendments which will be argued.

There was an exclusion in the previous Bill in proposed section 7 dealing with Government insurance. It was understood that Government departments in many cases would set up their own self-insurance schemes. That is accepted. It was always understood they may well reinsure. The amendment put forward by the Opposition in 1983 provided that if reinsurance occurred it should be open to competitive tender. That was included in the former legislation, but it is not included in this legislation.

We also said that if Government departments were not self-insured their insurance should go out into the field: it should not be directed necessarily to the SGIO but should be open to competitive tender. That is not included in the Bill, although we asked for this. We have suggested amendments to make sure that that would occur.

What can be wrong with a Government doing this? A Government-backed organisation should go out into the field and compete against private enterprise. Why should private enterprise not have a fair crack at Government insurance? If we have our way we will make sure that that takes place.

In the previous Act the SGIO was required to comply with all of the requirements and Acts, both Commonwealth and State. It was required to comply with those same demands. In another place the Premier has said that the new commission and corporation will do so, but we see that that is not the case.

In any event, the State Government Insurance Office was required to comply with all of those Acts of Parliament, and at the same time produce records to the Minister, as does private enterprise; and the records should be tabled in the Parliament within 14 days. The Minister will say, "We have changed that. We now agree that those papers should be tabled in the Parliament." In other words, if the commission puts in audited accounts and annual accounts, they do not just stop with the Minister; we want to seee what they are about. In 1983 we said that those records should be placed on the Table of the House. That provision was left out of the Bill. It cannot be just a mistake. The legislation was there. The Minister had all the experts he could possibly afford helping him to draft this legislation.

Hon. J. M. Berinson: I will clarify the position. That is included in the amendment which I have circulated.

Hon. G. E. MASTERS: I appreciate that, and we will be supporting it. But why was it left out of the Bill to start with? Why was it left to the Opposition to bring it into this House? It was not brought into the other place because it would probably have been defeated. Why is it that the Government felt that with a majority in this place with the Liberal Party, the National Party, and the Independent, it should be brought in now? Could it possibly have been overlooked? That is another area which concerns us greatly. It seems difficult to believe that a mistake was made. Deliberate moves were made to cut out some sections of the Act which we fought so hard to put in.

There was great debate on the solvency requirements of the SGIO in 1983. The Minister handling the Bill can recall Hon. Peter Wells going on at some length—as he usually did—to push this through against fierce resistance from the Government of the day. Eventually it was accepted.

In clause 33, we maintain there was an opt-out situation as far as the Government was concerned. The Minister of the day could have made certain directions which would have given an unfair advantage to the corporation or to the commission. The clause starts off by pro-

viding that except as otherwise determined by the Minister, certain things will follow. We understand from discussions and advice that there needs to be a method whereby the new organisation is not required to pay Commonwealth income tax. That is obvious. So there must be something in it.

At the same time, the provision, "except as otherwise determined by the Minister" applies also to the reference to solvency. It goes on to say that except as otherwise determined by the Minister, the board of directors shall cause the corporation to observe all solvency and minimum staff requirements imposed on insurers carrying on business in the State by Acts of the Commonwealth relating to insurance.

Hon. J. M. Berinson: It may help other speakers not to go over the same ground if I indicate that my list of amendments excludes that proviso.

Hon. G. E. MASTERS: I know that the Minister is anxious to make progress with this legislation, but it is very important.

Hon. Garry Kelly: Do not get confused by the facts.

Hon. G. E. MASTERS: I do not think the Attorney General will be very happy with that sort of stupid interjection. The facts are in the Bill. If the member reads the title that might be something. Those amendments are in the legislation. What is behind this? There should have been no need for them. In 1983 there was debate when everyone in this House—except Hon. Tom Butler who was not here—understood the position.

Nevertheless, the Opposition is well justified in questioning the Government and asking what it is up to. Why has it left out some of those important changes which were included after lengthy debate in this House? There must be a reason for those important omissions.

It is the same as the Premier reneging on his previous promises. It is like saying, "She'll be right. What we promised in 1983 does not apply today." There is a very good reason for people to be concerned about that sort of thing.

The Bill itself, as introduced into the Parliament through the Legislative Assembly, in no way at all protects the private sector from unfair advantage by others under the corporation.

Indeed, the way the Bill is written at the moment, the corporation will have very extensive advantages. It seems to me that the new corporation does not necessarily need to comply with the Insurance Acts of 1973. I wish to quote the relevant sections so that the Minister can make reference to them. I note he has made an amendment which unfortunately I have not had the time to fully study although it may cover the points relating to the insurance contract Act and Life Companies Assurance Act.

Hon. J. M. Berinson: They are now proposed to be covered.

Hon. G. E. MASTERS: I refer to the unfair advantage with respect to the requirements placed on the private sector—on the laws it has to comply with and the demands that these laws impose, such as costs, administration and the like. Why is it that the Government has not imposed these requirements on this new organisation? Why is it that it said simply that it would not go all the way down the line? It was obviously intending to give it an advantage. There can be no other reason at all. It has not been lost on the industry.

I wish to quote from a letter from the National Insurance Brokers written to Brian Burke on 11 July. It demonstrates the concern and depth of feeling. It says—

> The Western Australian Executive and Members of the National Insurance Brokers Association (NIBA) would like to make the following urgent representation to you as the Minister responsible concerning the subsequent withdrawal of undertakings made at your luncheon to which we were invited on May 27th 1986, which was given by yourself and your colleagues/Government officials in connection with the State Government Insurance Commission Bill 1986.

It further states—

> Specifically, we were given in unequivocal terms assurances to the effect that what was contained in the State Government Insurance Amendment Bill of 1983 would remain in the new legislation being proposed now by the Government.

A firm assurance was given by the Premier at a lunch for the insurance industry in which he said all those references would be included in the new Bill. The letter further states—

> . . . a number of significant promises made by your Government have been broken . . .

It continues—

> . . . Government business would generally be open to competitive bids without being preferentially directed to the S.G.I.O. thereby ensuring fair and equitable compensation within the insurance market.

It continues—

> We fully appreciate that certain Government undertakings are part of a self insurance scheme that can be open to unrestricted tender.
>
> The legislation now in Parliament does not give effect to this and we would request that you fulfill the undertakings previously given by you, as Premier, to us all.
>
> . . . we are as one in such understanding and therefore our perception of what you said then which was presented to Parliament last week and that which appeared in the press is a complete contradiction of our understanding of all statements made at the aforementioned luncheon by you and your colleagues.

It seems to the Opposition that there is a deliberate move by the Government to put this legislation through, which will break all the promises made in 1983 to the industry, and certainly promises made in May this year at that luncheon. It was a method by which the Government sought to give the new organisation an unfair advantage, but for what reason? We can only hazard a guess. More particularly, it shows an absolute contempt for a person's word being given and not kept. I cannot understand how the Attorney General, who is well respected in this House, can introduce this sort of legislation knowing the background, and having first made substantial changes to the legislation before it came to this House.

The Opposition will support most, if not all, of the amendments. I have not seen the latest amendment but I imagine it would be along the lines we are looking at. If there is any loophole we will close it. The legislation should have been changed before it came to this House rather than our having to make the changes and threatening the survival of the Bill.

The Opposition will allow the Bill to go through its second reading but will fight tooth and nail in the Committee stage to make sure the provisions that have been promised by the Premier of the State are included.

HON. P. G. PENDAL (South Central Metropolitan) [3.15 p.m.]: I found, in the similar Bill that was introduced in 1983 to extend the franchise of the State Government Insurance Office, a lack of joy sufficient to lead me to vote against it. Three years down the track, we are dealing with substantially different issues and I find myself in a similar position. Like my leader, I give notice that if we are not satisfied with the forthcoming amendments by the Government or amendments to be supported from the Opposition side, I will do the same with my vote as I did in 1983.

The second thing I want to say is a matter of some disappointment to the Attorney General who indicated by way of interjection that he seemed to think that if he answered a number of queries by way of interjection it would dissuade members of the Opposition from combing over the same sorts of doubts. I regret to say that I cannot accommodate him in this matter. I, for one, make no apology for being somewhat repetitive of the remarks that have been outlined in a very able way by the Leader of the Opposition because there are some very fundamental issues at stake here, not only to do with the conduct of public insurance in Western Australia, but also, as Hon. G. E. Masters has pointed out today, to do with the credibility of the Government and indeed, very senior members of it.

I want to use as my starting point the Government's own official bulletin of the *WA Government Notes, No. 54*, which is dated, significantly, 1 July 1986. I quote from page 2 of that document under item 3. We are told the following—

> PREMIER Brian Burke said he hoped the Legislative Council would agree to tough legislative measures requiring the proposed State Government Insurance Commission to compete with private insurers on a strictly equal footing.

That is a twist of phrase of propagandistic proportions that would even make someone like Herr Goebbels quite proud. It attempts to imply that the Premier wants the Legislative Council to fall into line with him and to insist that the State Government Insurance Commission in its new form competes fairly. The truth is precisely the opposite. Indeed, he sought to give an advantage to the public sector over the private sector by way of the Bill as it was drafted when it was introduced into the Legislative Assembly. If that is not the case, and if what I am saying is inaccurate, one is entitled to ask why the Bill has caused such a furore in the Press, with members of Parliament and the industry itself. I suggested a moment ago that the date of 1 July had some significance. That comment from the Premier substantially reflected the undertakings of 27 May to which my leader, Hon. G. E. Masters, has already made reference and to which I intend to make further reference.

Given that certain remarks were made by the Premier on 27 May, and then repeated publicly by the Premier in his own official communique on 1 July, one wonders what happened in the following 10 days that made the Premier's fervour for the private sector insurers disappear so rapidly. I, too, want to refer to that letter that was addressed to the Premier and made available to all members, authored by the National Insurance Brokers Association of Australia, because one cannot repeat enough the duplicity of the Government, not just in terms of its dealings with the Opposition vis-a-vis the 1983 Bill, but in dealing with the insurance industry itself. Part of the letter said—

> Specifically, we were given in unequivocal terms assurances to the effect that what was contained in the State Government Insurance Amendment Bill of 1983 would remain in the new legislation being proposed now by the Government.

The letter goes on as follows—

> We left the luncheon with you completely reassured . . .

Of course something happened—something intervened—so that those assurances that were given were not kept. The letter continues by saying in part—

> For example, rather than labouring all issues, the State Government Insurance Office Amendment Bill 1983, which is now in full force until it is repealed, we believe permitted a situation whereby Government business would generally be open to competitive bids without being preferentially directed to the S.G.I.O. . .

One is entitled to ask why that occurred; one is entitled to ask what is different about accepting the Government's word this time around when that word has already been broken, not only to the parliamentarians who fought tooth and nail on the issue in 1983, but to the industry which received those assurances in 1986, a mere few days before the Government made public the contents of its legislation.

Hon. Gordon Masters has also referred to the *Hansard* debates, and perhaps nothing is more damning to the Government's position than the words that were uttered in this House and the other place in 1983. It was of considerable significance for the Leader of the Opposition in this place to concentrate in his description on the fact that it was not a case merely of a Minister or of a Premier giving us certain assurances in 1983; it was in fact, and in reality, a House of Parliament which gave the assurance. I refer to *Hansard* of 29 November 1983, page 5364 and following pages, wherein the Assembly returned the Bill to this Chamber giving reasons for its disagreement with amendments proposed by the Liberal Opposition. It stated—I make no apology for repeating what has already been repeated ad nauseum by both Opposition parliamentarians and the industry itself—

> The Legislative Assembly advises that a motion will be moved by the Hon Premier for a standing committee of Parliament, comprising one member nominated by the Premier, one member nominated by the Leader of the Opposition, and one member nominated by the Leader of the National Country Party to monitor the competitive nature of the State Government Insurance Office's continuing operations and activities.

It is significant, too, that on that same page Hon. Gordon Masters who was then handling the Bill for the Opposition—although he was not then the Leader of the Liberal Party in this place—was able to persuade members such as myself who had announced they would oppose that Bill based on the promise that came not just from the Government and the Premier, but the House of Parliament itself. Hon. Gordon Masters said then—

> I urge members to consider the amendment and support the proposition put forward by the Attorney General.

Of course we all know Hon. Gordon Masters accepted that assurance in good faith like the rest of the House; the two Houses of Parliament accepted it in good faith. If there is any reason for the deep-rooted doubts on the part of people in the community about what the Government has in mind, they can be summed up by reference to this page in *Hansard* in 1983. More than anything else those words damn the Government in the eyes, not only of the parliamentarians, but also the business sector.

What is not an issue in this debate is in general the powers that the SGIC, as it will become, will have to operate on a wider franchise than existed before 1983. We are all aware that those powers were conferred reluctantly and with those assurances given. The real issue facing the Parliament today is to ensure that whatever Bill comes out of the legislative sausage machine does not put the SGIC into a position where it has an unfair advantage over

people with whom it is competing in the private sector.

Up to a day or so ago, and prior to the amendments being circulated by the Attorney General—and indeed as outlined by Opposition spokesmen—one of our intended amendments was to ensure that no unfair advantage is given to the SGIC. I repeat that unless that sort of assurance can be not only given, but transformed into the written word, to the satisfaction of the Opposition and equally importantly the Western Australian industry, the Bill will be defeated.

One wonders why there is reluctance, to repeat a point made by the Leader of the Opposition, on the part of the Government to accede to the wishes of the Opposition and the insurance industry. It really was a case of that old cartoon character having to drag the urchin from the tart shop by his ankles because that is the unseemly way in which the Government has treated the industry in this case. Indeed, it has brought a like response from the industry and the Opposition to ensure that what has been promised all along will be achieved.

I cannot understand the reluctance, because one has only to look at similar legislation introduced in Victoria in 1984, where it is clear that even in that State under the Cain Labor Government, that sort of assurance was not only given, but was also translated into legislative terms in section 20 of that State's Act. I would be interested to know from the Government's side—and to watch and listen to the verbal gymnastics in explaining—why it has taken all the prompting and goading on the part of the industry and the Opposition to achieve what the Government suggested we would achieve in the first place.

As I understand it other assurances will be sought in relation to the obligations of the new commission vis-a-vis its private enterprise counterparts.

During various debates in this House the annual reports of the Commonwealth Insurance Commission have been waved around and we know the sorts of disclosures private insurers have to make. There are continuing obligations, in the Opposition's view, on the State Government Insurance Commission to make similar disclosures to the Minister who is, of course, directly answerable to this Parliament.

I suggest that there are other considerations and I will refer to them for three or four minutes before completing my comments with some similar remarks. Members may recall that in 1983 the Attorney General wound through the mysteries of the insurance industry for my benefit because I was arguing about the profitability or otherwise of the SGIO. He emphasised that it was not just a question of the profitability of extending the franchise of the SGIO. Indeed, at that time the Attorney General went to some pains to tell the House that equally important, and perhaps more important, was the way in which the SGIO, under its widened franchise, would have available to it a greater capacity to attract investment funds which, in turn, would be put to what he thought would be better use for infrastructure within the State of Western Australia.

On that occasion the Attorney General used as an example the fact that private insurers returned very little to Western Australia by way of investment in those capital projects. Insofar as that argument goes I have no great desire to take issue with it on this occasion.

I put to the Attorney General a general question: It seems to me on examination of the figures that have been tabled within the Auditor General's report that in one year the amount available to the SGIO for investment in Government and semi-Government instrumentalities and their activities in 1984-85 had increased from $27 million to $47 million. In the overall scheme of things it is not a huge amount of money, but taken as a proportion of the original figure it is a substantial amount of money indeed.

Since this formed such an integral part of the Attorney General's comments at that time I would be interested to know how that investment has occurred and, in particular, whether it is good public policy to put all the eggs in one economic basket. I do not claim, by any stretch of the imagination, to have a wide knowledge of the investment of funds, but a number of people to whom I have referred this subject have made the point that there are inherent dangers in doing what the Attorney General has set out to do, albeit for very noble reasons, to ensure that there are sufficient loan funds and capital available to Western Australia.

I would be interested to hear during this debate from the Attorney General. Perhaps with the knowledge that he has as Minister for Budget Management, he will be able to advise the House whether there is good economic, financial, and investment sense in putting all those eggs in one basket, particularly if one bears in mind that the basket has grown very dramatically since this Government took office

and decided on the path of expanding the amount of funds available to the SGIO and, indirectly, to the State.

In 1983 according to the figures tabled the SGIO budgeted for a surplus of $6 million which, in fact, turned out to be a surplus of more moderate proportions of $1.1 million, and I congratulate the SGIO for that.

Since the Attorney General was good enough to explain the mysteries of the insurance world to me in 1983, I would be interested to know, for example, whether the SGIO has paid any taxation on that surplus. At that time we went through a tortuous debate, but we are talking about a substantial surplus and we are getting to the basis of the argument that surrounds the whole question; that is, the competitive neutrality of the SGIO.

Hon. J. M. Berinson: Are you asking generally about the payments by the SGIO in lieu of taxation since 1983?

Hon. P. G. PENDAL: That is precisely what I am asking. The Attorney General may remember that I pursued the same point in 1983 and I will ask him a further question in a moment which might make my comments to date easier to follow.

On the face of it at least company tax should have been paid to the State Government in lieu of payments made to the Commonwealth Treasury. Neither can I find any reference to sales tax being paid on the vehicle fleet which I presume the SGIO maintains in common with other State Government instrumentalities. One answer might be that the SGIO has not added to its fleet, but I suspect that that cannot have been the case in the last three years.

Nowhere in the financial statements which have been published by way of the Auditor General's report is there reference to this. As an aside I point out that it is not even possible to do now what it was possible to do in 1983—to go to the index and look under "S" for the SGIO because papers are no longer tabled in this place under that heading. Indeed, it was only with the considerable powers of Conan Doyle that people became aware that these details were published in the Auditor General's report as distinct from a separately tabled SGIO account. It is only a minor matter, but nonetheless I bring to the Attorney General's attention the question that on the surface there is a lack of explicit accounting in relation to sales tax on motor vehicles and payments in lieu of company tax. I pause on the word "explicit". Would it not have made a great deal of sense for the Government to have made some arrangement—here I have a criticism of the SGIO—with the SGIO to have made in the financial statements, since the 1983 debate, a deliberate attempt to be more explicit about those matters?

After all, it was this Government which came into this House and pleaded with members to widen the franchise of the SGIO. As a result of research which I undertook in 1983, I was able to indicate to the Attorney General that sales tax provisions had not been met by the SGIO in one particular financial year to which I referred. Vehicles had been purchased and were exempted from sales tax; and we were given assurances by the Attorney General that that would never happen again. It may well have been a relatively minor amount of money; and I agree that it would have been, in the overall scheme of things.

Nonetheless, they are some of the small points which make people within the private industry and the Opposition parties quite unsettled and unsatisfied about the true intentions of the Government. I repeat that all it would have taken was an explicit entry in the financial records—not bound up in some mysterious language that would fool all but an experienced reader of those accounts.

If, for example, no company taxation was liable on the $1.1 million for 1983-84, and, further, if no sales tax was attracted or payments in lieu made to the State Treasury, perhaps it should have been explicitly stated. Surely when one reads it from a layman's point of view, and also from an industry viewpoint, it indicates that both the office and the Government should give some reassurance to the Opposition and the insurance industry that all possible steps are being taken to ensure that that element of competitive neutrality is a reality.

In addition the Leader of the Opposition has raised that hardy annual; that is, the degree to which after the proclamation of this Bill the SGIO and the new commission will have to pay normal market rates for those services that are provided by the Government to the two bodies. Again, nothing in the accounts of the SGIO, as currently constituted, gives an explicit assurance that these sorts of things are already happening. Surely a financial report does not merely consist of a range of figures; it can also comprise words and those words may well go part of the way to allaying those fears before they arise. In my reading I can find no assurance and no suggestion that those things—for

example, the access that an office of that kind might have to the Crown Law Department for legal advice, or a range of other Government services—which are also an integral part of competitive neutrality, were being complied with.

I said I would divert to one or two matters because I found them relevant if for no other reason than that I was lectured on them by the Attorney General in 1983. I would be pleased if he could give me some assurance on those matters.

I want to make reference, as some members have and others no doubt will, to a number of points raised by various sections of the industry. One argument appealed to me for a reason I will outline. I refer to a submission sent to members of Parliament from Marsh & McLennan Pty Ltd, a company of insurance brokers, which urged Opposition members and I guess even Government members, if they are open to persuasion, to delay the Bill or to ensure that it was not passed unless certain conditions were met. In the main those conditions reflect the announced intentions of the Opposition, but there were several which, in view of some of the activities in recent weeks, I think warrant particular mention in this place. In part the letter stated—

> We urge you that the bill should not be passed unless:
>
> > ... 2. Government instrumentalities, departments, authorities and entities be allowed to obtain insurance quotations from private sector insurers through insurance brokers.

I was pleased that the letter from Marsh & McLennan refreshed my memory on that point. It is symptomatic of what is happening under the Burke Labor Government with its professed interest in exploring greater opportunities for the private sector. The reality shows something substantially different. The point raised in this insurance environment reminded me of another area in my capacity as the shadow Minister for Tourism.

Sitting suspended from 3.45 to 4.00 p.m.

[Questions taken.]

Hon. P. G. PENDAL: Before the afternoon tea suspension I was making the point, in conclusion, that there have been a number of occurrences within my own role as shadow Minister for Tourism that reflect the sort of suspicion about the Bill currently before the House. I assure you, Sir, that I do not intend to talk about tourism, the America's Cup, or anything else; but I draw the parallel, because I do not think it is an accident that the Government is taking action which, to use the old phrase, is socialism by stealth. I know that term has attracted considerable derision in recent years, but I fear it applies here.

The reference I made to the Marsh and McLennan letter was that Government instrumentalities, departments, authorities, and entities be allowed to obtain insurance quotations from private sector insurers through insurance brokers. That appealed to me, because members would be aware that in recent weeks a high ranking and respected Government officer in the area of technology was dismissed on the ground that he was involved in directing departmental travel to a company in which he or his wife had some interest. In other words, Government agencies should in both cases be compelled to get quotes from the private sector.

I do not wish to explore that and I am sure you, Sir, would not permit me to do so anyway; but a parallel can be drawn and it underlines to some extent the fear of the private insurance industry that it is not some sort of accident, but rather we are seeing a deliberate decision on the part of the Government to exclude or at least minimise certain activities of the private sector, be they in the field of buying travel and its retail, or buying insurance and its retail.

The fourth point in that Marsh and McLennan letter expresses a similar fear. It refers to the SGIO and the SGIC, and members should bear in mind that they are being asked not to pass the Bill unless the SGIO and the SGIC are permitted to pay insurance brokers normal remuneration in the form of brokerage or fees.

Again in my own experience as Opposition spokesman on tourism, only a few weeks ago I had occasion to be approached by a number of travel agents who write business for Westrail passenger travel. In one case an individual told me that his small suburban company had written business for Westrail to the tune of approximately $19 000 spread over two years. Here is the rub: He received no commission for that. Indeed, the efforts I made both by way of representations to the Minister for Transport and Minister for Tourism, and then subsequently by way of questions in the House, made it clear that under no circumstances was Westrail going to pay commission on travel written by those people on the ground that they were not accredited agents. There is another parallel. Members should bear that in mind

when the insurance industry says, "Please do not pass this Bill unless the SGIO and SGIC are permitted to pay insurance brokers normal remuneration in the form of brokerage or fees."

It is a growing trend. I have shown that three clear examples have surfaced in the last few months in which the Government is attempting to exclude these people, albeit silently and on a rather small scale.

In conclusion I make this appeal: The private sector in this State will need to be far more alert to what the Government is doing and what the Government is seeking to achieve by its legislative and administrative actions. I suggest that, in many respects, the business community has been seduced by the present Governments, both Federal and State, in the last 3½ years and there is the evidence for it. We have seen a little bit of socialism by stealth. Finally, when people see the words in black and white, or when they see the evidence before their eyes that, as in the case of the travel agents, they are not going to get the commission or, as in the case of Dr Hull, they are not permitted to refer business to the private sector, it will slowly and surely be demonstrated that the Government is not committed to the path of private enterprise to which it has appealed so much in the last three years, but rather to a greater degree of Government intervention in the private sector.

I am still puzzled as to why we have seen a change of heart on the part of the Government and, in particular, on the part of the Attorney General. The dates to which reference has been made are of the greatest significance. The insurance industry met with the Premier, the lily was gilded, and some honey was put around the outside of the Bill. The representatives of the industry went away in good faith in the belief that their fears had been allayed. On 1 July the Government made its announcement in its own publication that that competitive neutrality would be maintained, and yet something happened between then and 4 July.

Notwithstanding the protestations of the Opposition in another place, as recently as 13 days ago in *The West Australian* of 4 July the following statement appeared—

> The State Government yesterday rejected Opposition demands for a parliamentary watchdog committee to monitor operations of the new State Government Insurance Commission.

I invite members, particularly Government members, to listen to this, because in a direct quotation we are told the Premier said—

> We have moved heaven and earth to ensure the competitive neutrality of the new commission.

Is it not strange? A miracle has occurred. Not only has the Premier moved heaven and earth up until 4 July, but also a miraculous occurrence has taken place since then and he has done more than that, because by way of interjection, we have been told by the Attorney General today that some, if not all—I suspect not all—of the Opposition's demands will be met.

On the basis of that extraordinary capacity of the Government to be so flexible, this should serve as a warning, because last week it was the travel industry, today it is the insurance industry, and who knows what it might be in another month or two, if we bear in mind that we have yet another two years and nine months of this socialist Government in office.

I conclude by saying that I intend to vote against the Bill unless all of the matters which have been outlined in detail in Hon. Gordon Masters' address to the House are included.

In particular, no amount of denigration on the Government's part about a parliamentary watchdog committee would convince me to back away from that point. The Leader of the Opposition made it quite clear that people in this House, including the late Hon. Gordon Atkinson who sat behind here, voted in favour of the extended franchise three years ago on the basis of that promise alone.

If the Government will not agree to the inclusion of that and other provisions, I give notice that I will vote to defeat the Bill.

Debate adjourned to a later stage of the sitting, on motion by Hon. D. K. Dans (Leader of the House).

AMERICA'S CUP YACHT RACE (SPECIAL ARRANGEMENTS) BILL

Second Reading

HON. D. K. DANS (South Metropolitan—Minister with special responsibility for the America's Cup) [4.21 p.m.]: I move—

> That the Bill be now read a second time.

At the time when people throughout Australia were still celebrating the success of Australia II winning the America's Cup, the Government of Western Australia initiated a strategy plan that

would ensure the State's ability to host the cup defence. What a unique opportunity was given to Western Australia when the Bond syndicate won what can only be described as one of the most coveted sporting trophies in the world.

Arrangements have now advanced to the stage that sees the introduction of this Bill, the first of special legislation necessary to conduct such an event.

Members will appreciate that existing legislation in Western Australia was never intended to superimpose an event such as the America's Cup yacht race and its associated activities. This Bill reflects the recommendations of a legislative working party which comprised representatives from the Police Department, Department of Marine and Harbours, Fremantle Port Authority, and the America's Cup Office.

Predominantly this Bill is introduced to provide special legislation for the control and supervision of spectator craft during the America's Cup challenge and associated events in the seas off Fremantle. It is necessary that the Police Force and officers of both the Department of Marine and Harbours and Fremantle Port Authority have the appropriate coordinated powers to regulate and control all vessels in the vicinity of the race course, whether such vessels are within or outside the territorial sea. Some of the race courses for the elimination selection trials for the America's Cup challenge extend beyond the outer limits of the three-mile territorial sea. Races, trials, and associated activities are likely to attract all manner of spectator craft from Western Australia, interstate, and overseas. At present, we can expect 200 to 300 craft from interstate and overseas. This number is expected to increase. Currently there are approximately 57 000 craft registered with the Department of Marine and Harbours, approximately 44 000 of which are located in the metropolitan area. This number does not include pure sailing craft.

There will be up to eight passenger liners travelling out to the course areas to view the yacht racing, including a modified semi-submersible oil rig capable of carrying 500 passengers. A total of 6 000 persons will be travelling on these passenger ships while present capacity on 75 known charter vessels identifies a further 6 000 passengers daily travelling on a ferry basis. These figures do not include longer-term charter vessels and all those persons travelling on private vessels. Up to 1 000 craft and possibly 20 000 spectators could be expected on the water at any one time.

Major provisions dealing specifically with crowd control and safety matters in the Western Australian offshore area near Fremantle can be found in the Western Australian Marine Act 1982, the Fremantle Port Authority Act 1902, and associated regulations. However, neither Act adequately addresses the types of contingencies that are likely to arise in the event of such a major international yacht race, with the associated congregation of local, interstate, and overseas spectator craft in and around the waters of the Port of Fremantle. Both pieces of existing legislation have notable shortcomings and are not sufficiently comprehensive in their application for the purposes of the forthcoming major yacht races and associated activities.

For example, the Western Australian Marine Act contains a range of powers and offences dealing with crowd control, safety, and associated matters relevant to yacht races such as the America's Cup. These do not extend to that part of the outer harbour of the Port of Fremantle which is beyond the coastal waters of the State. Attempts to amend the definition of waters to include water within the limits of any port of the State conflict with provisions of exclusive control of the port contained in the Fremantle Port Authority Act.

Major vessels excluded from the operation of the Marine Act include, amongst others, trading ships, including passenger ships, proceeding on overseas or interstate voyages. These types of vessels coming from overseas or interstate and cruising in the vicinity of the race courses would not be subject to the general powers of the Marine Act. Other types of trading ships and fishing vessels may be attracted by the racing and, as with passenger ships, these vessels on overseas or interstate voyages are outside the general powers of the Marine Act. In addition, hire and drive vessels licensed in another State or country and commercial vessels licensed outside Western Australia are not covered by the Marine Act.

While the Navigable Waters Regulations expressly deal with the matter of yacht races, their application does not extend to that part of the outer harbour of the Port of Fremantle which extends beyond the outer limit of the State's territorial sea, and while the Collisions at Sea Regulations deal with the important general matters of safety and navigation, they do not specifically address the sorts of contingencies likely to arise in the forthcoming yacht races.

The existing Fremantle Port Authority Act and regulations do not contain any specific provisions dealing with the control of aquatic events, while the penalites under the Fremantle Port Authority Act are inadequate and have been increased in this Bill.

It is anticipated that the Police Force, in conjunction with the Department of Marine and Harbours, will be responsible for the control of spectator craft in relation to the America's Cup challenge and associated activities; and as the Fremantle Port Authority Act does not enable members of the Police Force to be appointed as authorised officers or special constables under that Act, this Bill addresses such special authorisation and enforcement provisions.

The simplest course to deal with spectator craft control and crowd control problems in relation to the America's Cup challenge and associated activities has been to introduce this legislation to—

(a) apply to all vessels within the limits of the Port of Fremantle and the coastal waters of the State—refer to the Lands and Surveys miscellaneous plan No. 1558;

(b) provide that all current legislation available can be utilised within the boundaries as defined in the plan;

(c) provide the adequate penalties;

(d) provide the appropriate authorisation, enforcement, and policing arrangements with cooperation between the Fremantle Port Authority, Department of Marine and Harbours, and the Police Department; and

(e) be sufficiently flexible to respond to any activity that has not been specifically identified.

This Bill also has application in the State waters around Rottnest Island. Associated activities may focus in this area during the yacht racing, and it is considered a necessary requirement to police this area.

This Bill also provides the interim excision of reserve No. 24410 which is designated for harbour trust purposes and vested in the Fremante Port Authority. Reserve No. 24410, which is classified as a "C"-class area of 9.7 hectares, contains the America's Cup media centre. The media centre is an integral part of the infrastructure required in staging the defence of the America's Cup. Basically, the Bill proposes that the Government assume full control of this facility by vesting it with the responsible Minister until after the cup defence when at such time the reserve will be reinstated and revested with the Fremantle Port Authority.

In conclusion, the Government will endeavour to legislate for all anticipated circumstances and situations during the cup defence. However, with such a significant and unique event, the Government must also have the capacity in its legislation to account for the unforeseen as well as the expected.

I commend the Bill to the House.

Debate adjourned, on motion by Hon. P. G. Pendal.

STRATA TITLES AMENDMENT BILL

Receipt and First Reading

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

Second Reading

HON. KAY HALLAHAN (South-East Metropolitan—Minister for Community Services) [4.30 p.m.]: I move—

That the Bill be now read a second time.

This Bill provides for modification to the Strata Titles Act in three areas: Firstly, in the protection of purchasers when strata units are "pre-sold"; that is, sold before the strata plan is registered; secondly, in the remittal of proceedings before the referee to the District Court; and, thirdly, in the transitional provisions relating to the registration of plans prepared under the former Act but not yet registered.

Under the present Act provision is made for a purchaser to avoid a sale if the strata plan is not registered within six months of that sale. This time limit has attracted substantial criticism, on the basis that it is too short. The Government made a commitment to review the existing Act if this provision was considered to hinder the construction of strata developments. The Law Society of Western Australia has stated—

> The effect of the existing section 70(4) is likely to substantially inhibit the development and construction of new strata developments. The position is that in the past many developers arranged finance for new strata developments, based on presales of units. It was usual for a developer to enter into a contract with a purchaser under which the developer would agree to construct a strata development and the purchaser would agree to purchase a strata lot

when completed. It was also not uncommon for a developer to arrange finance on the basis of a minimum number of presales and for the developer to assign the contracts of sale to a financier as part of the financiers security.

The effect of section 70(4) is that unless a developer is capable of constructing a strata development, and thereafter registering the strata plan within 6 months of the date of sale, that the developer will no longer be capable of entering into presale contracts. This is likely to inhibit the obtaining of finance, thus inhibiting the construction of new strata developments.

In general it is understood that it is possible to construct a duplex or triplex within 6 months, but that a longer period would be required for almost every other more substantial development.

Because of the role played by the Law Reform Commission in the production of the new Strata Titles Act, the suggested amendment was referred to the commission, seeking its views. The commission supports the proposed amendment. In view of the Law Society's comments, and industry concern, the Government has honoured its commitment by presenting this Bill to the House.

In the area of the remittal of matters to the District Court from the referee, concern has been expressed about the nature of the role of the District Court, relative to the provisions of sections 108 and 109 of the Act. In particular, concern has been expressed about the operation of section 109 which provides for the court to be involved in a fact-finding exercise. There is apprehension that this will sit most uneasily and undesirably with the functions of the court in its judicial capacity. The role assigned to the court is, on reflection, inappropriate and it is therefore proposed that the remittal provisions in the Act be repealed, together with the provisions which provide for representation before the court by persons other than legal practitioners.

The transitional provisions with which the Bill is concerned are those directed toward plans prepared under the former Act but not yet registered. Those provisions impose conditions in relation to the date of the local authority certificate included in the plan and the period in which the plan can be registered. These conditions have proved too restrictive and the Bill seeks to remove the condition relating to the date of the local authority certificate and extend the period in which registration may be effected. Some corrections of a typographical nature are also included in the Bill.

I commend the Bill to the House.

Debate adjourned, on motion by Hon. John Williams.

WESTERN AUSTRALIAN ARTS COUNCIL REPEAL BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon. J. M. Berinson (Attorney General), read a first time.

Second Reading

HON. J. M. BERINSON (North Central Metropolitan—Attorney General) [4.34 p.m.]: I move—

That the Bill be now read a second time.

This Bill proposes to repeal the Western Australian Arts Council Act 1973 and to make consequential provisions with respect to the assets and liabilities of the Western Australian Arts Council and for related purposes.

The new Department for The Arts will be established on 1 July 1986 and this department will absorb the functions and staff of the Western Australian Arts Council. The repeal of the Western Australian Arts Council Act of 1973 will enable this department to manage publicly and formally State arts funds and programmes previously undertaken by the Western Australian Arts Council.

Until there is a repeal of the Western Australian Arts Council Act 1973, the Western Australian Arts Council legally exists and therefore all contracts, financial offers and agreements involving State arts funds must be made in the name of the Western Australian Arts Council. This provision would also apply to the promotions of State arts programmes.

The passing of this Bill will curb confusion and enable a smooth transition for the public and current staff from the Western Australian Arts Council to the Department for The Arts since all past and ongoing administration, tours and activities will share the same official title of the Department for The Arts.

I commend the Bill to the House.

Debate adjourned, on motion by Hon. P. G. Pendal.

PORT HEDLAND PORT AUTHORITY AMENDMENT BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon. D. K. Dans (Minister for Works and Services), read a first time.

Second Reading

HON. D. K. DANS (South Metropolitan—Minister for Works and Services) [4.35 p.m.]: I move—

That the Bill be now read a second time.

The Port Hedland channel is currently being deepened and extended; this work is expected to be completed by the end of July 1986. Due to interest expressed by the Japanese steel mills and shipping companies, the Port Hedland Port Authority proposes to extend the compulsory pilotage area from the existing port limits to the new end of the outer approach channel without extending the port area. If the compulsory pilotage area is not extended, the port area would need enlargement in order to control channel movements. However, the authority does not wish to enlarge the port area since this may result in additional costs being incurred by the authority to provide and maintain navigational aids which are currently a Commonwealth responsibility.

Extension of the pilotage service is necessary because—

even after dredging, vessels are still to be navigated within a narrow channel after leaving port limits;

the channel is subject to strong tidal currents;

shipmasters are not as experienced with the local conditions as are pilots;

loaded vessels will transit the channel on a falling tide—if through uncertainty the ship's master allows the ship to proceed too slowly it will ground;

an extended pilotage service will enhance the safety of navigation and provide greater protection to the navigation aids and the vessels themselves;

usage of the port by larger and more deeply drafted vessels necessitates the authority undertaking depth surveys and maintenance dredging of the channel outside the port limits.

This amendment Bill is to take effect from the date proclaimed by the Governor.

I commend the Bill to the House.

Debate adjourned, on motion by Hon. P. H. Lockyer.

BILLS (5): RETURNED

1. Acts Amendment (Trustee Companies) Bill.
2. Bills of Sale Amendment Bill.
3. Administration Amendment Bill.
4. Supreme Court Amendment Bill.
5. Public Trustee Amendment Bill.

Bills returned from the Council without amendment.

JETTIES AMENDMENT BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon. D. K. Dans (Minister for Works and Services), read a first time.

Second Reading

HON. D. K. DANS (South Metropolitan—Minister for Works and Services) [4.40 p.m.]: I move—

That the Bill be now read a second time.

The purposes of this Bill are as follows:

Firstly, to streamline the procedures required for the issue of a licence pursuant to the provisions of the Act by delegating the power to approve the issue of a licence and execute that licence, from the Minister responsible for the administration of the Act to the permanent head of the Deparment of Marine and Harbours. Provisions are also made to enable any person who is dissatisfied with a decision of the permanent head, with respect to either the terms of the licence or a refusal to issue a licence, to appeal to the Minister.

Secondly, to enable the Minister to have the power to remove any private jetty which is unlicensed. There are a number of reasons why jetties may not be licensed, and these include jetties which are abandoned, dilapidated, or where for some other reason the owner does not comply with the requirement to obtain a licence.

Thirdly, to amend the definition of "jetty". The concept of a jetty has over the years changed and in addition to the generally accepted form of a jetty there are now fuelling dolphins, diving platforms, restaurants, and other commercial structures in or over the water, all of which should be subject to the provisions of the Act. Legal opinion supports the view that the structures previously referred to are jetties within the existing definition. However, that definition should be amended to more clearly define the types of structure which are subject to the provisions of the Act.

Lastly, the Bill provides for penalties for breaches of the Act to be updated and brought to a level at which they provide an effective deterrent.

Overall, the provisions of this Bill will improve the effective and efficient administration of the Act while at the same time significantly streamlining the procedures necessary to ensure compliance with the Act.

I commend the Bill to the House.

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

STATE ENERGY COMMISSION AMENDMENT BILL

Assembly's Message

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

STATE GOVERNMENT INSURANCE COMMISSION BILL

Second Reading

Debate resumed from an earlier stage of the sitting.

HON. E. J. CHARLTON (Central) [4.42 p.m.]: From the comments made by speakers today one would think there is very little left to say. However, the Bill will have such a large impact on so many people and the type of business which the insurance industry covers that it is obviously one of the most important consequential Bills with far-reaching effects to be introduced in this session.

The comments I wish to make will mainly concern the fact that this Bill needs to have inserted in it the protection of a Standing Committee. While the Leader of the Opposition, and also Hon. Phil Pendal, have both gone into some detail, this point cannot be stressed too strongly, nor can the reason why this part of the Bill must be covered to the extreme.

It is fair to say that since 1983 there has never been any belief that the provision would not be made available in this legislation. At the same time the Government has ensured the commission's commercial activities will be neutral. Over and over again it will be said that the new State Government Insurance Corporation will be fully competitive; there will be no move for it to have an advantage over anyone else. The question being asked is, why is it that we cannot proceed to have an elected committee? It is a Government-backed operation. We should have a representative of the three parties involved to ensure that takes place.

No-one will deny that the insurance business of Western Australia is a very competitive private operation. The number of companies involved is something over 175. Over the last few years this has been reduced because of the debts incurred and the inability to service those commitments. We must have strict guarantees and guidelines in any legislation to allow a Government-backed operation to go into the insurance field. When powers are wider than they have been in the last few years, it is more important that this sort of thing should happen.

In his second reading speech the Attorney General had this to say—

> The Government believes that competitive neutrality of the commission and corporation will be achieved by establishing the corporation at arm's length from the Government as a subsidiary of the Insurance Commission and by funding the corporation through the issuing of share capital to the commission. The issuing of share capital will also provide a benchmark by which to assess the commercial success of the corporation.

If an organisation is to act at arms' length, why do we not allow the guarantee of a Standing Committee?

I would have commented on a number of aspects in the second reading speech, but previous speakers have touched on them. I may add that when the legislation—and I am quoting from the second reading speech—to extend the franchise of the State Government Insurance Office came before the House in 1983, the Government gave an undertaking that a Standing Committee would be established to oversee the neutrality of its insurance activities. As has already been stated today, everybody understood that is what would happen.

I was interested to read a comment of the member who previously held the seat for which I am now responsible, the late Gordon Atkinson. The input he had to this piece of legislation was quoted in *Hansard*. Max Trenorden, in another place, referring to this Bill, expressed concern. A number of clauses cause concern, amongst them clauses 6, 10, 33, and 36.

I venture to say that no-one has a greater knowledge of private insurance operations in this State than Max Trenorden. The National Party is very fortunate to have amongst its ranks a member of Parliament who has spent the greater part of his life in the insurance industry, particularly in the country areas, where there is wide insurance coverage.

I have only been at the customer end of the operation. I suppose my biggest input into the business is paying premiums and receiving claims from the insurance companies. That aside, having Max Trenorden in the National Party has been a tremendous advantage to that party. It has been tremendously advantageous to be able to study the content of this legislation and see some of the problem areas with which companies could be confronted.

The companies have not come out in a warlike fashion saying they do not want the Government to have increased coverage in the insurance area. While they may not have wanted something like this organisation funded by the State Government, the fact is that they have not been opposed to it to the stage where they have knocked on the door of every member of Parliament and said, "It is not on."

As long as they are prepared to compete on a fair and equitable basis, and the ground rules will be determined so that no one body has an advantage over another from the point of view of premiums or responsibility, the companies are prepared to accept it.

That is a pretty fair and acceptable proposition. If everyone in the business world were prepared to accept a new, Government-backed competitor with those sorts of rules and guarantees, we would not have too many problems. Those members who have spoken so far wonder why we cannot guarantee to have these safeguards included.

Today the Minister in charge of the Bill has made a number of amendments available to us—for a very good reason. I hope that when we reach the Committee stage they will be beneficial and answer the questions many people have. However, at this stage we have not yet had—we hope it takes place later—a commitment to form a committee made up of members of Parliament to ensure that these safeguards are provided so that the financial guarantees of the whole operation will be such that no-one will be left high and dry or, on the other hand, be confronted with an unfair advantage as a result of the operations of the State Government Insurance Corporation.

Amongst other things Mr Trenorden said in another place, when referring to an inquiry into the Australian financial system in 1981, was that there were strong grounds for the sale and winding up of the SGIO.

That puts many questions into people's minds, especially when a State Government operation goes to the extent of this one in Western Australia.

These were comments made by Mr Trenorden on Wednesday, 2 July. The other point was that the Public Service in other parts of Australia was under pressure to deal with State Government Insurance Offices. That again puts a question mark in people's minds when they see the possibilities which might occur.

Then there are the two attitudes of general insurance companies taking risks, funded and unfunded. That is the biggest question mark. "Funded risk" means that insurance companies put funds aside to cater for what may take place in the years ahead.

We all know what happens with some of the insurance pay-outs. They are committed several years ahead. Some companies are many years ahead. Some money is put aside for a rainy day, so to speak, which will obviously come up, and those funds will be available. If an insurance operation does not make those reserves available, obviously at some stage in the future there will be deficits.

In respect of a company, the shareholders will make up the difference. They may not be in a position to pay. Obviously taxpayers as a whole will have to foot the Bill.

From the information we have received, it appears that in Victoria there is an unfunded position at the moment. More than $1.3 billion is involved. I would be interested to know if that is correct. Perhaps the Attorney General could comment later. One can have an operation of a State Government Insurance Office looking all right from the returns submitted and the reports made available; but nobody in the public understands or realises what is going on. The end result is that it goes on and on adding to this amount of money.

That is a terrible situation for a company to have reached which is competing against other companies in a highly competitive business such as insurance. That is $1.3 billion against another company which is going out into the marketplace making insurance available at competitive premiums, when one company is accruing a loss and the other is trying to pay its way. It is not on. That is another valid reason. That reason alone is enough to warrant a committee being set up to look at the operations of the State Government Insurance Office business.

The State Government operation in this State has always taken for granted the fact that the SGIO gets its share of the business. No-one has had too many worries about it. We will have a situation of the SGIO having wide

powers and a widespread operation which it will have after the success of this Bill. Those people competing in the marketplace derive their livelihood from their operations in insurance. There is no question that those people have good grounds to be concerned about the situation.

I refer to the area of workers' compensation. I do not think anyone needs to be reminded of the diabolical situation we have in regard to workers' compensation. I refer to the people on both sides of the fence—the people who are paying premiums and the workers who are insured. The insurance companies are also involved. Workers' compensation is a massive operation. With the finances involved in the premiums alone and the payouts that inevitably take place, what will happen is that this particular company will not be answerable financially to an immediate group of individuals. It will be answerable to the taxpayer in the long term. What will be the situation with workers' compensation if the SGIO is perceived to be in a situation where it can offer insurance cover for workers' compensation at a definite financial advantage to the insurer? Obviously, no-one will knock that back. If we do not have the protection to make sure that the company is operating in a fair and equitable way with everyone else, obviously it could be in a position to offer insurance cover at a rate lower than the going rate.

This is a commercial operation. We all know how the commercial scene is operated. One goes along to a person and says, "I can offer this insurance for X number of dollars." There is nothing unusual about that. We have all been involved and it takes place every day.

That sort of thing could happen in relation to a company. Insurance cover for workers' compensation is one example; I changed my insurance company for a couple of reasons. My family had been with a certain company for three generations and the change was mainly due to its premiums. This is a very real matter. People have to cut the cloth to fit the suit.

Hon. P. G. Pendal: Where did you get your suit?

Hon. E. J. CHARLTON: It was a throw away one, like the Leader of the Opposition's speech.

Hon. J. M. Brown: Well said.

Hon. E. J. CHARLTON: Thank you, Mr Brown. This commercial operation will be able to afford a premium and to obtain other insurance also, which will have a pretty detrimental effect on other people in the business. I do not think anyone queries the fact that the SGIO's new operation should not have the opportunity to go into the marketplace and be competitive. Provided we can be guaranteed it will do this, nobody is really asking any questions.

When the Leader of the Opposition began speaking today his remarks were very volatile and strong because he obviously felt very strongly about this matter. After hearing his comments and those of Hon. Phillip Pendal, I find most things that need to be said have been said. I am merely picking up the points that have been made because the National Party feels exactly the same way as the Liberal Party from the point of view of giving a guarantee to the SGIO.

In regard to setting up a committee, I want to comment about the Premier's assurances. I have heard all the assurances he has given and obviously he keeps most of them. In this case, it is written in so many places that "The Premier may"; he may do so in the Parliament, in the Press, to members of Parliament in various ways; however, as was quoted earlier in the editorial of *The West Australian* of 11 July, the Premier is walking away from that commitment. I do not think it is right that the Government can turn around and say, "Look, if you force this situation on us, if you insist that we have a standing committee comprised of three people, one from each political party, we will not go ahead with this legislation." Really the Attorney General will have to answer fairly directly if he intends to satisfy members on this side of the House. That is the most important aspect of the matter.

Why is it that after all these promises were made—and everybody accepts them—the Government says they will not be kept? Obviously it has reasons, some of which have been stated, such as that other departments and other people will ensure that the commission will operate on a proper basis.

Hon. S. M. Piantadosi: You are saying it is rock solid?

Hon. E. J. CHARLTON: That is right, a rock solid guarantee.

Hon. P. G. Pendal: I've got my car insured with them!

Hon. E. J. CHARLTON: If all these promises will be adhered to, why not have the committee anyway? We could say that it has all been guaranteed, that it has gone through one department after another, that certain people

have looked at it, and these three members of Parliament—

Hon. J. M. Berinson: A sort of eminent persons' group?

Hon. E. J. CHARLTON: Yes.

Hon. P. G. Pendal: We will give it to you as a job for the boys.

Hon. E. J. CHARLTON: I hope we don't have to go to South Africa to see whether it is eminent or not! Certainly I can guarantee that the National Party representative will be an eminent individual. On the serious side, if it is to be guaranteed that we have a satisfactory situation which is acceptable to all and that there will not be any unfair trading by the State Government Insurance Corporation, why can we not simply get on with the business and set up a committee and let it keep going, have up to three people on it, and if something goes wrong or they have a query they can have the problem checked out rather than have the commission bungle along for four, five or 10 years and possibly reach a situation such as that experienced by the Victorian operation? I am sure the Attorney General and the Premier, who are certain they will be in Government for a long time, will do this.

Hon. P. G. Pendal: It is like whistling in the cemetery at night. It keeps the courage up!

Hon. E. J. CHARLTON: The Liberal Party believes it will win the next election.

Hon. P. G. Pendal: Hear, hear!

Hon. J. M. Berinson: They thought they would win the last one, too.

Hon. E. J. CHARLTON: I knew it would not, but it did not know that. The Liberal Party believes it will win the next election and if it does obviously it will inherit this situation and it must be guaranteed that it will not pick up the deficit.

The PRESIDENT: Order! Honourable members, when I call order it means for you to stop talking. I mean not only the member who is legally speaking but also the other eight or 10 of you. Let us listen to what the honourable member has to say.

Hon. E. J. CHARLTON: Thank you, Mr President. Perhaps I lost their concentration a little when I spoke about the next election and they all forgot about the next 2½ years.

Hon. S. M. Piantadosi: You are starting to sound like Arthur Chance!

Hon. E. J. CHARLTON: I am really referring to the next 2½ years because that is the situation with which we will be confronted if we allow the legislation to pass and problems arise which will affect future generations. The taxpayers will be lumbered with these problems. How often when everything sounds okay do we hear the words "Trust me"? When a member of Parliament says that obviously everybody gets a bit of a fright and thinks there must be something fishy going on. That is a good enough reason.

Hon. S. M. Piantadosi: I think they mean Liberal policy.

Hon. E. J. CHARLTON: I will allow the member to handle that matter. I noticed today that he is quite capable of looking after himself. I will not get onto that matter.

Summing up, there are a whole host of reasons that a committee should be put in place to ensure or guarantee that the State Government's extended insurance operations are fair, clean and competent and that they will not have an unfair advantage on all those good, honest, other insurance people out in the work force and the marketplaces of Australia, particularly in Western Australia. If we believe that that is right, I guarantee nobody inside or outside this House would suggest or agree that the SGIO should have an unfair advantage other than that it can generate from its own efficiency of operation to allow a particular facet of the company to become more competitive or to offer a better deal than another company for a strictly commercial reason. If we are to set something up which does not provide a guarantee we must make sure we have an operation which is based on guarantees, and without a committee comprising these three people giving that assurance, it will be a poor old operation.

With those few remarks I indicate that the National Party will deal with the amendments during the Committee stage.

HON. MAX EVANS (Metropolitan) [5.10 p.m.]: Everyone will be relieved to know that I will not speak about the 1983 Act; I will refer to other matters. The 1983 Act has been well dealt with tonight.

The Minister's speech said the principal objectives of the Bill are minimising premiums on compulsory forms of insurance. I can find nothing in the workings or reports to indicate exactly how that will come about; it is simply general rhetoric. The Minister also said the Bill would maximise financial returns to the

Government from its commercial insurance activities. I can see the Government will need to expand the base of the insurance commission to achieve that. I would have thought that in the reports put to the Government there would be far more financial information which could have been passed on to us, showing exactly what will be the effect of the amalgamation of the MVIT and the SGIO, the change in insurance pools, and how that will bring about a better return to the public or the Government.

We know the results of the last few years have not been too good, and the fact that the Government is going to take another insurance company on board is no guarantee that it will achieve its objectives. In fact, as Hon. Eric Charlton said, there are a lot fewer insurance companies today than there were some years ago, mainly because some of them had financial troubles in the insurance business they were carrying out.

I want to thank Mr Frank Michell of the SGIO who helped me with a lot of queries earlier this week which removed a number of questions I would have asked in the Committee stage. One point about which I was wondering relates to the second arm of the organisation which is to take on competitive forms of insurance and is to be known as the State Government Insurance Corporation. It is intended to compete with private sector insurers in all classes of life and general insurance. Yet in one paragraph in the Rothwells report it talks about establishing a sole workers' compensation authority, to include industrial diseases, as a separate authority under the insurance commission. Does that mean sole in the sense that there will be no others in the community, as we read in the Press some time ago, or just sole in the sense of within the corporation?

It is proposed that all existing assets of the MVIT and the SGIO will be vested in the commission, which has the initial responsibility to reallocate them as appropriate to one of the funds established under the Bill. As an accountant I would have liked to see the projected balance sheets of the commission and the corporation. The SGIO now has several balance sheets and sources and application of funds; it has no balance sheet for the unfunded workers' compensation fund for State Government employees. That should be brought together in a balance sheet. I believe we should have been given a projected balance sheet for the two bodies, particularly on the unfunded liabilities.

The Rothwells report mentions "establishing the MVIT as a separate body under the insurance commission to progressively reduce the deficiency in the MVIT by increasing premium levels and improving investment performance". Premium levels can be increased by the MVIT now with the consent of the Government; it does not need to become a new body to get a better return to reduce the deficit. Improving investment performance is also possible. I understand it can apply for the consent of the Treasurer in respect of the funds to avoid the strict requirements of the Trustees Act. The MVIT is controlled by the Trustees Act.

The report also says the Government hopes to create an insurance commission responsible for managing the Government's insurance activities. It may be possible at times to get better insurance cover for the Government with other insurance companies. There are specialists in different types of insurance and it would be possible to use them rather than work with one captive organisation.

In the Minister's speech he said there would be no retrenchments, salary reductions, or loss of superannuation entitlements. My discussions with the secretary of the Australian Insurance Employees Union, which looks after the MVIT, indicate that there will be two awards for two lots of employees. I would have hoped we would be told something about what effect it will have on the two organisations. I would be most surprised if the CSA award and that of the Australian Insurance Employees Union were exactly the same. We all know the employees will not come down to the lowest pay level; those on the lower level will go up to the higher levels, so it will have the effect of increasing the overall cost. We were told there would be no retrenchments, so there will be the same number of staff, and some staff will be paid more because they will not work in the same office for less.

We have been told that we can achieve the economies of scale and management of resources necessary to improve the performance of Government insurance activities, and bring a more market-orientated approach to the Government's insurance business. I do not believe bringing together two big bodies always brings about economies of scale; even in the business world it so often goes backwards, not forwards.

The corporation is to have a share capital which I will talk about later on. There is to be no extension of the SGIO franchise beyond that approved in 1983. I believe it should have

got on with the job on 1 July irrespective of the MVIT, and picked up the baton in respect of the 1983 Act and run with it on all types of insurance. Now we have the question of the MVIT being taken on board.

I was interested in the comment that provision is to be made for other public sector organisations also to hold shares. I hope the Minister will explain that further. Will the organisation be the WADC, or who will take up the shares? I realise that further share capital will be needed as time goes on to improve the solvency ratio.

The legislation requires the corporation to comply with the Financial Administration and Audit Act. I would press the Minister on a further addition there—that it complies with the request of the Public Sector Accounting Standards Board that public sector business undertakings should comply with the standards laid down by the Institute of Chartered Accountants and the Australian Society of Accountants with which all auditors of private sector companies must comply.

If the SGIO had been required before 1985 to comply with the accounting standards laid down by those two accounting bodies and now recommended by the Public Sector Accounting Standards Board, it would not have been on a cash basis accounting system of receipts and payments for workers' compensation insurance for Government employees' insurance. It would have earlier brought in the accrual of $1.5 million for the Fire Brigades Board which was brought in last year for the first time. It should have been brought in in earlier years.

There is provision for premiums earned but not received from workers' compensation, which I understand was put in as extra revenue at $3.6 million for the first time last year. I do not know what it was the previous year. I believe the accounts of the Auditor General should explain the variation between the beginning of the year and the end of the year for a company or a body that made a $1.8 million loss after bringing in an extra $3.6 million in income for the first year, less $1.5 million accrual for expenditure that was left out. If the SGIO had been complying with accounting standards years ago, its accounting would have been far more accurate and we would have been able to consider that today.

The Minister's speech went on to say the new body will observe all solvency and other requirements imposed on insurers under the Commonwealth Insurance Acts. I will have a little more to say about that later.

We are told the MVIT is the monopoly insurer in compulsory third party insurance in Western Australia. This is not in question, but being a monopoly how can it do any better than it is now? It has great benefits; it has no cost of receiving premiums—they are paid up front with the car licences—and it has no bad debts. It has a responsibility to motorists to ensure its funds are adequate to meet the claims, but there is no requirement to meet any solvency test. That is the position the MVIT is in at the present time. In order to do this it must conduct itself along normal, prudent insurance lines appropriate to this type of business. This could change; we are going to put it into the commission which has an open-ended Government guarantee. At the present time there must be some responsibility by the board of the MVIT and the Government to keep premiums up to try to restore the solvency position of the trust.

If it has an open-ended guarantee by the Government in respect of its debts it should be influenced not to increase those premiums. The position of the MVIT is not quite as serious as it might appear. Its profitability has increased. In 1984 it made a surplus of $5.7 million, and in 1985 the figure was $7.9 million. However, the Rothwells report stated that the situation improved in 1984, but it was expected to deteriorate in the absence of a premium increase. That did not occur. It improved as it had a better profitability in 1985.

The Rothwells report has helped the Government make its decision on merging the MVIT and the SGIO. On the one hand the MVIT has huge financial reserves and on the other hand it has provision for claims for $300 million. These are worked out each year in respect of claims received and claims incurred, but not yet claimed against the company, and are influenced by the CPI with regard to motor vehicle repair costs and injury to persons.

I do not see the MVIT as a weak organisation which should be merged with the SGIO. It is very strong. It had a $39 million deficiency in 1984 and $32 million in 1985—the amount was reduced by profit. The deficits are brought about by the provision for claims, subject to possible reduction to common law claims. The provision may be less in future years.

The MVIT's premiums have not been increased since 1982. Governments must take responsibility for the deficit incurred in the

past years, and it can be proved that it does not need to be amalgamated with the SGIO under the guise of a commission to achieve that result.

A comment was made in the Rothwells report that while there are difficulties in making comparisons between compulsory third party insurers, given different standards and expense allocation procedures, the MVIT appears to have the lowest rate of operating expenses-premiums and operating expenses-claims paid among Australian States.

We have a report saying how strong the trust is, how well run it is, and the deficit is not bad because it can be rectified. The return investment increased from $41 million in 1984 to $45 million in 1985 and it is still increasing. It does not need to be transferred to the commission to improve its return.

The Rothwells report states that the MVIT cannot invest in equities. There are two thoughts about whether a trustee company should invest in equities and what those equities shall be.

The report states also that trust assets include a much larger proportion of fixed interest securities, particularly Government, semi-Government, and Government guaranteed loans, and a smaller proportion of equity investments. The company was very well served last year on the return of those investments. It may have speculated well and gone into one or two public company stocks which might have given it a very good return. It is a trust and we must take these matters into consideration.

The Rothwells report states that within the trust there are a number of practices which could be improved in the area of general administration, investment management, and the use of solicitors. It says the same and even worse about the SGIO. I recognise that Mr Frank Michell only joined the SGIO early this year and I have a high regard for him. However, the report criticises the management of the SGIO in the past and its inefficiency and ineffectiveness.

One cannot isolate the MVIT and say it is not well run when the SGIO is far more inefficient—that is the general feeling in the business world. The MVIT is an easier company to run because it does not have to sell business and does not have bad debts. We must take into consideration what is happening and why it is happening.

In the third annual report of the MVIT the Chairman, Mr K. G. Milne, stated: "Premium rates for compulsory motor vehicle insurance in Western Australia have not altered since 1 July 1982 . . ." He stated that ". . . third party premium increases have been necessary in other States of Australia and in some cases the rises have been substantial." The report recommends to the Minister that third party insurance premiums be increased from July 1985. This recommendation was declined and is one of the causes for the deficit. However, it did make a profit of $7.9 million.

Apart from the effects of inflation and judicial precedents which increased claim settlements, the trust is also vulnerable to legislative changes. These factors apply to all unsettled claims including those which occurred prior to the proclamation of the amending legislation.

The report refers to the MVIT's pre-trial conferences and stated that as a consequence of the experience of pre-trial conferences in Victoria the management of the MVIT initiated action to implement a similar system in Western Australia. It states that from the MVIT's point of view this system has been a highly successful operation and many of the Motor Vehicle Insurance Trust claims were settled at pre-trial conferences. Statistics which were supplied by the District Court of Western Australia indicated that only 42 per cent of the matters relating to the trust were settled at pre-trial conferences.

The MVIT is becoming more effective and efficient in its operations. The problems I see concern the board of the trust. Its last report stated that it became frustrated with delays and it wanted to become more efficient.

The MVIT's report goes on to say that the future of the MVIT, which commenced operations in Western Australia on 1 July 1949, remains clouded due to the Government's well publicised intention to form an insurance commission which will result in an amalgamation of the SGIO with the MVIT. The report goes on to say that the pending amalgamation is to suspend well advanced plans to fully computerise its operations with an in-house system.

The MVIT's report, to which I am referring, was written 12 months ago and it has been held up to hold back the future development plans of a big operation. The report goes on to say that any advancement must now await the outcome of the amalgamation consideration and it is unfortunate that this could delay the im-

plementation of electronic data processing needs by in excess of two years.

The MVIT is a Government body and is precluded to give its views on whether it wants to merge with the SGIO.

It has been mentioned that the commission will expand into other insurance companies. I ask the Minister if he will advise the House of the Government's plans and if other insurance companies will be involved and from where the money will come.

The Rothwells report states that if one buys an insurance company, it writes premiums, one has a good cash flow and that pays for the shares one has bought. In the short-term it does—claims come later, and then one has to fund the capital.

Personally, I would like to view the financial statements of the MVIT and the SGIO as at 30 June 1986 in order to have a better idea about what should happen. If a company prospectus is released it must show the recent nine months financial figures. The Government intends to merge these two organisations, and the figures it has released are 12 months' old.

As mentioned before, I would like to see a better audit of the SGIO. I would like to see the Auditor General complying with the accounting standards so that we could have a better idea how the SGIO has traded.

Pursuant to Sessional Orders, debate adjourned.

House adjourned at 5.30 p.m.

QUESTIONS ON NOTICE

INDUSTRIAL RELATIONS

Traineeships: National Conference

292. Hon. NEIL OLIVER, to the Leader of the House representing the Minister for Employment and Training:

With reference to the report of the committee of inquiry into the labour market programmes, commonly called the Kirby report, and in particular recommendation No. 22 contained on page 120—

(1) Did the Minister attend a national conference tentatively scheduled for 19 May 1986 in relation to a new traineeship scheme?

(2) If answer to (1) is "No", has he had any indication as to when a conference would be held?

(3) When could it be anticipated that a white paper may be published and what pilot schemes have been initiated?

Hon. D. K. DANS replied:

(1) No.

(2) No. The development and implementation of traineeships has been handled through existing consultative processes.

(3) It is my understanding that no white paper as described in the Kirby report on page 120 has been produced. Instead the Commonwealth Government entered into negotiations with the States and national peak employer and employee organisations on the introduction of traineeships generally. Likewise, each State entered into negotiations with State peak employer and employee organisations on the introduction of traineeships within their respective States. Western Australia was the first State to introduce traineeships and the programmes in place are—

Public Service Board—Office-clerical

Conservation and Land Management—Office-clerical, Land Management.

Department of Computing and Information Technology—Information technology clerks, Data processing assistants.

Credit unions—finance clerks.

Building societies—Finance clerks.

Tourism agencies—Travel consultants.

Australian Public Service—Office-clerical.

University of Western Australia—Cytotechnicians.

APIARY: BEEKEEPERS

Shannon Basin National Park: Banning

296. Hon. P. G. PENDAL, to the Minister for Community Services representing the Minister for Conservation and Land Management:

(1) Is it correct that beekeepers are to be banned from the Shannon Basin National Park?

(2) If so, why are they to be banned when bushwalkers will be allowed to use the park?

(3) Will the Minister please review the proposed ban on beekeepers or ensure that their present sites are relocated in another karri forest?

(4) Will the Minister also ensure that sites are kept at least three kilometres apart so that ideal honey-producing conditions can be maintained?

Hon. KAY HALLAHAN replied:

(1) No.

(2) and (3) Not applicable.

(4) This is the current regulation which is being enforced.

QUESTIONS WITHOUT NOTICE

YOUTH

Rockingham: Needs

90. Hon. B. L. JONES, to the Minister for Community Services:

Is there any truth in the article which appeared in yesterday's edition of the *Daily News* on page 8 and which contended that the Government was not fulfilling the needs of the young people of Rockingham?

Hon. KAY HALLAHAN replied:

No. Information contained in the article is quite inaccurate.

Community involvement and interest in youth issues in the Rockingham area have resulted in a number of community programmes attracting State and Federal Government funding. These programmes include—

bridging the gap—a Joblink project supported by Rotary to help young people in the Rockingham-Kwinana area find employment; it has helped find jobs for over 600 people, many of whom are young people, in its first year of operation;

a drop-in-centre operates three nights a week with five volunteers helping one worker whose salary is provided by the Department for Community Services; this centre provides emergency relief, cheap food, a gymnasium, and craft workshops; a car pool run by volunteers provides transport to and from the centre; an average of 30 to 35 people have been attending each night;

adolescent health service which operates one afternoon a week providing free medical service for young people in the area; this service is unique in the State;

Chesterfield House—a centre providing crisis and medium-term accommodation for young people; it is funded under the joint State-Commonwealth youth support accommodation assistance programme and managed by the Rockingham Child Youth Care Trust; the house was donated to the trust through the Rockingham Shire;

a Police and Citizens' Youth Club provides a wide range of recreational activities;

a community youth development worker has been funded since February under Priority One to coordinate the development of youth services in Rockingham; the State Government has also contributed $5 000 to this project;

there is a community youth support scheme project in Rockingham to assist unemployed youth;

the community employment service in Rockingham has been established as one of 29 pilot youth access centres in Australia to make CES better able to serve young people.

There is a great deal of positive activity in Rockingham which involves mainstream State and Commonwealth departments, a great deal of contact between workers on the ground, increasing training and support opportunities for those workers, and better awareness and understanding of the needs and aspirations of young people. All this has been achieved with a great deal of voluntary effort and community support.

The MLA for Rockingham, Mike Barnett, is meeting workers in the youth field tomorrow morning following their expressions of concern about the inaccurate article in the *Daily News* yesterday.

An Opposition member: The honourable Dorothy Dix!

AMERICA'S CUP

Shipping: Berths

91. Hon. P. H. LOCKYER, to the Minister with special responsibility for the America's Cup:

(1) Can he inform the House whether he has read the article which appeared in the July edition of *Modern Boating* wherein severe criticism was made of the unions concerning the berthing of charter boats and ships during the America's Cup?

(2) If he has read that article, does he agree with the statements in the article?

(3) What steps are being taken to allay the fears of the people in the charter boat business?

Hon. D. K. DANS replied:

(1) to (3) I read the article and, to say the least, I was staggered by it. In some articles the journalist may have made a couple of errors, but this is a most

damaging article and is 99 per cent wrong.

With respect to the perceived union problems, I was a little late arriving in the Chamber because I was talking to one of the ship owners' representatives in Sydney. While I am no longer the Minister for Industrial Relations I have taken a personal interest in this area because of old acquaintances.

I do not believe any of the problems mentioned by Mr Bell will become evident. With an event such as this, with ships coming over the horizon and small charter vessels involved, no-one can give a 100 per cent guarantee that there will not be some conflict; but every conceivable avenue has been explored by me to minimise any friction that might arise, and I believe we have the situation under control now.

Hon. P. G. Pendal: We thought your Seamens Union days might come in handy.

Hon. D. K. DANS: I will react to that brief but timely interjection. The Seamens Union is being a tower of strength in the negotiations and in bringing the other unions together. In fact, most of the ship owners who have problems here commend their behaviour and their assistance in resolving some of the matters which have arisen.

We can do without articles like that. I do not want to reflect on the credibility of Mr Bell as a journalist, but I will certainly reflect on his credibility as a representative of charter boat operators. They have wisely dispensed with his services.

AMERICA'S CUP

Shipping: Article

92. Hon. P. H. LOCKYER, to the Minister with special responsibility for the America's Cup:

Would the Minister give an undertaking that he will direct a letter to the editor of *Modern Boating*, asking that it be included in the August edition of that magazine, rejecting the statements made by Mr Bell in the July issue?

I point out to the Minister that a charter boat operator from Sydney brought the matter to my attention; and he informs me that it has done massive damage to our standing with respect to the America's Cup.

Hon. D. K. DANS replied:

I have already taken that in hand. Unfortunately the journalist who works on the America's Cup is engaged on other matters at present. I get the *Modern Boating* magazine. I saw the heading in the magazine, and read the article. I was astounded.

I might say that every effort is being made in every area to minimise any friction and ensure that the social fabric of Fremantle and Western Australia is disturbed as little as possible by the America's Cup. I am sometimes very disappointed, not only by the print media—which is probably the best behaved in all of this—but especially by the electronic media trying to dwell on the negative side. We know where the problems are and are doing our best to solve them. Mr Bell does himself no good service and does the State a great disservice by writing articles such as this.

I understand that at one time Mr Bell was the media officer for Hon. David Wordsworth.

Hon. P. G. Pendal: I think it was a fairly temporary appointment.

The DEPUTY PRESIDENT (Hon. D. J. Wordsworth): I hope you are not reflecting on the Chair!

Hon. D. K. DANS: I am not reflecting on the Chair, but I think people know what I am talking about.