

Legislative Assembly

Thursday, 9 April 1987

THE ACTING SPEAKER (Dr Lawrence) took the Chair at 10.45 am. and read prayers.

ENVIRONMENT: OLD SWAN BREWERY

Redevelopment: Petition

MR GRAYDEN (South Perth) [10.46 am]: I have a petition which reads as follows—

To:

The Honourable the Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We the undersigned request that the Parliament reject the proposed development of the Old Swan Brewery site by Brewtech Limited. We believe the site should be landscaped for a public recreation area and linked to Kings Park.

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

The petition bears 13 signatures. I certify that it conforms to the Standing Orders of the Legislative Assembly.

The **ACTING SPEAKER** (Dr Lawrence): I direct that the petition be brought to the Table of the House.

(*See petition No. 21.*)

OCCUPATIONAL HEALTH, SAFETY AND WELFARE AMENDMENT BILL

Second Reading

MR PETER DOWDING (Maylands—Minister for Labour, Productivity and Employment) [10.50 am]: I move—

That the Bill be now read a second time.

In 1983 the Government released a public discussion document outlining the Government's policies in respect of forthcoming occupational health, safety and welfare legislation. The proposal enunciated was preventive, with the aim being to develop ways and means of reducing or eliminating hazards in the workplace, through the participation of employers and employees in both the formulation of policy and its implementation on the shop floor.

Essentially, this policy represented a combination of the principles espoused by Lord Robens in his report to the House of Commons in the early 1970s and more recently the ILO Convention 155 and recommendation 164.

This legislation represents the second stage of the two-tiered approach foreshadowed in 1984 on the passing of the Occupational Health, Safety and Welfare Act of 1984. That Act was an enabling Act in that it—

set objectives;

provided for the appointment of a tripartite commission;

established the Department of Occupational Health, Safety and Welfare;

provided for the transfer of laws; and

allowed the commission to establish advisory committees to address specific health and safety issues.

The department, which evolved from the merger of the Department of Industrial Affairs with the occupational health branch of the Health Department, commenced operations on 5 March 1985.

The tripartite Occupational Health, Safety and Welfare Commission established on 4 April 1985 has established advisory committees to address specific aspects of occupational health, safety and welfare, including the previously constituted Factory Welfare Board and the Construction Safety and Machinery Safety Advisory Boards. This move, apart from the merger, represented the first major initiative towards the rationalisation of existing administrative and legislative procedures.

Development of the comprehensive Act: This Bill has been developed in accordance with the commitment given in 1984. During the second reading debate of the Occupational Health, Safety and Welfare Act, the Government gave a commitment that it would not proceed with the legislation until 1986 or upon re-election, whereby it was further proved that it had a clear mandate to proceed with the policy initiatives at that time. Also, the Government gave a clear commitment that the comprehensive Act was to be developed within the tripartite forum of the Occupational Health, Safety and Welfare Commission.

This has occurred with that commission establishing a tripartite working party at its second meeting on 5 June 1985. Indeed, I can say with some satisfaction that the proposals now

before the House represent, with few exceptions, the consensus viewpoint of that working party and the commission.

Comprehensive Act: The introduction of this Bill is of great significance as it recognises the growing importance being attached to the development of preventive health, safety, and welfare policies.

Recognition of the need for new initiatives in matters of health and safety at the workplace has been slow. However, the realisation of the costs attached to each fatality and injury, and the misery inflicted upon workers and their families has increasingly focused attention on the need to develop preventive practices.

The Government's initiatives in the occupational health and safety area have been made necessary by the failure of the traditional prescriptive approach to safeguard the health and safety of workers.

The present system, which had its origins in the nineteenth century British legislative structures, focused almost exclusively on four areas of industry: Factories, construction, machinery, and mining.

In today's industrial environment this has the effect of excluding many workers from the most basic of occupational health and safety protection. In Western Australia between 50 and 60 per cent of workers are not covered by the present legislation.

The proposed legislation aims to rectify this basic flaw by extending coverage to all workers in all workplaces. Not only is the coverage of the present legislation limited, but also in many instances the Acts and regulations contain provisions which are outmoded or irrelevant to the work practices and equipment of the 1980s. Attempts to amend Acts and regulations in an ad hoc manner to keep up with change in industry have not been successful and have often resulted in complex and impractical requirements being placed upon industry. This Bill seeks to place more emphasis on the responsibilities of employers and employees in securing safe and healthy work environments.

In adopting this self-regulatory approach, the Government is recognising that regulations and statutory requirements cannot hope to cover the range of hazards likely to be experienced in the diverse workplaces of the State. Rather than attempting to prescribe minimum standards for all possible hazards, the Government—along with Governments in other nations and other States of Australia which have faced this issue—is shifting the responsi-

bility for making the workplace safe and healthy back to the employers and employees in each workplace.

This self-regulatory focus does not mean that responsibilities can be ignored. The new legislation places an unavoidable duty of care on both employers and employees to take all practicable steps to secure health and safety in their workplace. These duties of care are supported by provisions for consultative and participatory mechanisms in the form of safety representatives and safety committees to ensure that responsibilities are not avoided and that realistic and practical solutions to occupational health and safety are developed which are relevant to the needs of each workplace.

In seeking to cover all Western Australian workplaces, the Government recognises that the mining industry has extensive legislation to cover health and safety. Our approach for the mining industry will be to incorporate the self-regulatory principles and practices faithfully into the mining legislation. The amendments to the mining legislation should be before the House later this session.

General duties of care: The Bill establishes in detail duties on employers, self-employed persons, and occupiers. The provisions clearly establish that each employer has a duty to his employees to provide a working environment in which his employees are not exposed to risk of injury or harm to their health. It requires an employer to consult, to provide information, instruction and training, and to take reasonable care to avoid acts or omissions which it can be reasonably foreseen may cause injury.

There is a duty on those who design, manufacture, import, or supply plant—as defined—for use at the workplace to ensure the article is designed, manufactured, and marketed so that persons when using it as directed are not exposed to risks of injury or harm to their health. Equally, there is a duty on those who erect or install the plant, etc., to ensure it is erected and installed so that persons who properly use the plant are not subjected to any hazard.

The duty imposed also extends to those who manufacture or import chemical substances—or materials containing them. It requires that they ensure that any new chemical substance made available is safe when used under the conditions recommended and that adequate toxicological data is provided when the substance is supplied and thereafter when requested.

In all cases the duty of care is limited to what is practicable as defined in the legislation. In practice, this will mean that account must always be taken of the seriousness and knowledge of a hazard and the availability of methods for removing or minimising it.

In imposing the duty of care requirements for employers we have relied on the provisions espoused in ILO Convention 155 and recommendation 164, a document that the Federal Opposition and the Confederation of Western Australian Industry have expressed agreement to in the past.

The duty imposed on employees prescribes that they are required to take or exercise reasonable care to protect not only their own health and safety, but also that of other persons. They have a duty to consult, to use appropriate devices and protective equipment, and to not interfere with anything provided in the interests of health and safety. Again, the measures for employees provided in the Bill reflect very strongly the provisions in both the ILO Convention 155 and recommendation 164.

Health and safety representatives and committees: Part 4 of the Act deals exclusively with workplace consultative structures.

The legislation places a major responsibility for improvement in workplace conditions with those who have the greatest interest in reducing or minimising hazards—the employees who are the potential victims. It is no longer tenable for a “them and us” attitude on safety at work.

Therefore, this part allows for the establishment of mechanisms which will provide for consultation and participation by employers and employees on health and safety matters. This is central to the notion of self-regulation. The strategy being developed is twofold in that it provides a mechanism for both the election of a health and safety representative who is to represent employees in all matters relating to occupational health and safety at the workplace, and for the appointment of health and safety committees. In some workplaces there will be a combination of both.

Health and safety representatives: The requirement to elect health and safety representatives is not mandatory. I assure members this provision is activated only upon a request from an employee or employees of a workplace. The important question of the number of health and safety representatives to be elected is to be determined by either union or employee consultation with the employer.

To be appointed a health and safety representative an employee must first satisfy eligibility criteria specified in the Act. Essentially, a health and safety representative can be appointed only where he or she has had training, been employed by the employer for a continuous period of two years, or in the event that this is not possible, to have worked within the industry for two years or where approved by the commissioner.

Some members may consider these provisions restrictive. The Government is firm in its resolve that such provisions are required to ensure credibility of appointment.

Under this Bill all workers at a workplace will have the right to participate in the election of health and safety representatives. Where the work force is partly or wholly unionised the selection process has been designed so as not to undermine existing union structures. This is in recognition that unions have in the past played key roles in promoting safety in the workplace. Where no union is involved an election may be conducted by either an employee so appointed by employees at the workplace, or the Commissioner for Occupational Health, Safety and Welfare when a matter is so referred.

In respect of the election process, if there is a disagreement between the parties involved it is to be determined by reference to the commissioner in the first instance who may, if he is unable to resolve the matter, direct the matter to the Industrial Relations Commission for determination.

The Bill provides that a health and safety representative will be elected for two years. Provisions have also been included specifying when a person shall cease to operate as a health and safety representative. An employer, the commissioner, and any trade union whose members work at the workplace may apply to the Industrial Relations Commission to have a health and safety representative disqualified on specified grounds. The disqualification provisions afford redress to an employer as the Industrial Relations Commission may disqualify the health and safety representative for a specified period or permanently.

Health and safety committees: The second phase of the consultative mechanism is provided in the form of health and safety committees. Unlike the other States where a health and safety representative has a statutory right to demand that a health and safety committee be established, we have provided some flexibility to cater for those employers who have

already in place a satisfactory committee arrangement. It is also a recognition, owing to a predominance of small business places, that not all enterprises lend themselves to this mechanism.

Essentially an employer will be required to establish a health and safety committee within three months of—

the coming into operation of relevant regulation;

a request from the commissioner;

upon agreement to a request from a health and safety representative.

These committees are to have equal numbers of employee—non-managerial—and employer representatives with the employee representatives being elected by the employees they represent.

The major functions of health and safety committees have been included in the Bill. Specifically, the committees should aim to keep under review the measures being taken to ensure the health, safety and welfare of employees at work. This review process will involve contribution to the development and formulation of policy applicable to the workplace.

This activity should not be seen in isolation as an erosion of management prerogative. In the context of the Bill, which emphasises consultation and cooperation, it must be viewed as a joint attempt to resolve hazards or potential hazards as they relate to a particular workplace; that is, a sharing of responsibility for health and safety at work.

Where disputes arise as to the establishment or composition of a health and safety committee, these matters are to be resolved by reference to the Commissioner for Occupational Health, Safety and Welfare in the first instance and, where there is a continuing disagreement, by reference to the Industrial Relations Commission.

In adopting this mechanism the Government has ensured that any industrial relations issue is resolved within the established and accepted jurisdiction.

Resolution of health and safety issues: Obviously, when we talk of resolving any issue we acknowledge that there is a problem or possible conflict of some description.

It has been difficult to accommodate the respective employer and employee organisations' approaches in negotiations within the context of Government policy, a policy clearly enunciated and reinforced upon re-election.

In justifying our approach I refer members to Article 19(F) of the ILO Convention 155, a Convention which in 1982 the then Federal Minister for Employment and Industrial Relations, Mr McPhee, and the shadow spokesperson, Mr Hawke, both confirmed the need for Australia to ratify as both saw it as providing impetus in developing a national strategy on occupational health and safety.

Article 19 (F) states that—

A worker reports forthwith to his immediate supervisor any situation which he has reasonable justification to believe presents an imminent and serious danger to his life or health; until the employer has taken remedial action, if necessary, the employer cannot require workers to return to a work situation where there is continuing imminent and serious danger to life or health.

To give implementation to the above, the draft Bill provides that where any health, safety and welfare issue arises at a workplace the employer or his representative shall attempt to resolve the issue by consultation with the health and safety representative, the health and safety committee, or where there is no representative or committee, the employees themselves. This provision reinforces the underlying self-regulatory principle of this Bill that the employers and employees have an obligation to themselves to ensure that the workplace is both healthy and safe.

In acknowledgment that situations can arise where there is an immediate and serious threat to the health and safety of workers, the Bill recognises the worker's common law right to cease work. In addition, and only upon the adherence of strict procedures as detailed, the Bill will enable a health and safety representative to direct that work shall cease.

The Bill provides that where work is halted as a result of a direction from a health and safety representative or by the employee exercising his common law right the employer is able to assign the employees involved to reasonable alternative work with the same pay and benefits applying as if he or she had continued in their normal work. Any dispute in respect to such entitlements is to be referred to the Industrial Relations Commission.

Where a direction that work cease has been given an inspector of the Department of Occupational Health, Safety and Welfare will be required to attend the site forthwith to take such action as is considered appropriate in the

circumstances. The cease work directive has no further effect once the inspector has attended and determined on the matter.

I stress that if a cease work directive is given frivolously or mischievously by a safety representative, either the employer, commissioner or union could initiate disqualification proceedings.

The right of the safety representative to direct that work cease in the face of imminent danger has received some criticism from employer organisations in Western Australia.

Victorian employers responded similarly to this aspect of their legislation prior to its coming into operation in October 1985. By the end of 1986, in excess of 7 000 safety representatives had been elected by employees in Victoria, yet fewer than 30 cease-work directives had been given. Of these, only two had been considered unnecessary by the attending Government inspector. The fear that the Victorian employers had of this aspect of the legislation before it was introduced had not come to fruition in practice.

In the bulletin of the Australian Chamber of Manufactures last December it was reported—

So far, the worst fears which many employers had about the operation of the Occupational Health and Safety Act and in particular the role to be played by safety representatives, have not been realised.

Indeed, the Victorian Congress of Employer Associations stated in the 1986 annual report of the Victorian Occupational Health and Safety Commission that—

The responsible initiatives taken by employees through safety committees and safety representatives in addressing health and safety issues have been well received by employers and in most cases these issues have been resolved by mutual agreement.

During a recent trip to Sweden, I was impressed that the right of safety representatives to direct that work cease in the face of imminent danger was a vital component for an effective self-regulatory occupational health and safety system. There are 4.4 million workers in the Swedish labour force, yet during 1984 only 70 cease-work actions were initiated by safety representatives and reported to the labour inspectorate. It was rarely used, but the worker safety representatives submitted that it was a vital component of their functions under

the legislation. None of the Swedish employers or Government officers that we discussed this provision with had a problem with it.

That right, and its attached responsibility, provides an all important balance in the co-determination system. If an employer inadvertently generates a system at work which constitutes an imminent danger to the health of employees, then the hazard must be met by an appropriate response from the persons at risk.

I am pleased to see that the Industrial Foundation for Accident Prevention supported this principle in its 1983 submission in response to the discussion paper for the Western Australian legislation. IFAP also noted that overseas and Australian experience with power to cease work provisions indicated that it was unlikely that they would be abused in Western Australia.

Improvement and prohibition notices: Only an inspector is to have the power to issue improvement and prohibition notices. This aspect is not to be confused with the power to cease work as explained earlier.

These provisions are not new. Currently the Construction Safety Act and Machinery Safety Act provide the power for an inspector to issue such notices.

An improvement notice is essentially a device to advise an employer of his legal obligations and requiring conformity with these obligations within a specified period. To assist, an improvement notice may be accompanied by directions as to the measures to be taken to comply.

Prohibition notices go a stage further than improvement notices. They will be issued, as is the case now, where an inspector forms an opinion that an activity will involve an immediate risk to the health and safety of any person.

Adequate appeal provisions against the issue of these notices and their terms have been included in the Bill. Appeals on improvement notices will be to the Commissioner for Occupational Health, Safety and Welfare. Appeals on prohibition notices will be to the Industrial Relations Commission.

Additionally, the Industrial Relations Commission will have access to an expert or panel of experts if it so desires to assist it in its determination on prohibition notices. These experts are to be appointed by the Minister responsible for the portfolio. I believe this will ensure that the Industrial Relations Commission has the necessary expertise to determine matters before it.

Inspectors: The Bill provides inspectors with comprehensive powers to enable them to adequately enforce the measures contained within the proposals. The powers provided are commensurate with their current powers contained within the Factories and Shops Act, Construction Safety Act, and the Machinery Safety Act respectively. A consequential amendment Bill will soon be introduced for the repeal of the current provisions.

Legal proceedings: The Bill seeks to rationalise the penalty structure prevailing at present. The Bill contains penalties which are realistic in today's terms and which have been designed to provide an effective deterrent to the intransigent employer or employee. An employee is liable to a penalty of up to \$5 000 and, where there is a continuance of the offence, \$50 per day. In every other case the fines provided are up to \$50 000 and \$250 per day.

In moving away from the structured approach, the Government would expect the magistrate to take into account the frequency and severity of the offence when assessing the penalty.

It is still intended for breaches of the Act to be heard before a stipendiary magistrate and standard evidentiary provisions have been included to facilitate the proving of complaints.

Unlike other States it is not intended to provide that codes of practice can be used in evidentiary proceedings. The Government has taken the view that a code of practice is to be considered an optimum. To include a provision allowing for the code to be used in evidence has the effect of introducing prescriptive minimum standards. Evidence in the UK suggests that for this reason employers have shown some reluctance in participating in the establishment of industry codes of practice.

Substantial regulation-making powers have been included and as foreshadowed earlier a consequential amendment Bill will be introduced soon to repeal any inconsistent legislation which might impinge on the adoption of this approach.

Operation of the new system in Western Australia: I would like to speculate briefly on how we envisage the new self-regulatory system for occupational health and safety operating in Western Australia.

Health and safety agreements negotiated between unions and employers are expected to play a major role.

A number of large employers in Western Australia already have such agreements with their employees. Industry-wide agreements covering both large and medium-size workplaces may also be achieved. The Government is highly supportive of such agreements with which both social partners can live and would be keen to avail the resources of the Department of Occupational Health, Safety and Welfare in an advisory capacity in the formulation of such agreements. In medium-size workplaces we envisage the health and safety committee playing an important role. Codes of practice formulated within the advisory committees of the Commission for Occupational Health, Safety and Welfare, and having the imprimatur of the commission, would provide important guidelines for such committees to deal with issues at their workplace.

There then remains the problem of small workplaces. The problem should not be underestimated in Western Australia. By far the majority of employees are employed in small workplaces.

The Government anticipates that under the new self-regulatory system its inspectorate would have a lesser role in large and medium-size workplaces and could be applied more effectively on an audit basis to smaller workplaces.

Conclusion: All members will agree that a safe working environment is an essential prerequisite to productive output at work. The Government submits that this legislation will lead to improved productivity in WA both in the short and longer term.

In the short term, conflict on health and safety issues should be diminished through employers and employees sharing responsibility for health and safety at work and co-determining appropriate issues.

In the long term, time lost from work due to injury and disease should diminish. At present in Australia, time lost from work due to injury is two to three times greater than time lost through strikes. In 1984-85, over 31 500 Western Australians were involved in some form of compensable lost time accident at work. The average time lost for each accident was seven weeks, while the average cost of each claim was \$3 921. Total cost for all claims exceeded \$123 million.

I reiterate that this new approach focuses on the benefits to be obtained from the participation of both employers and employees in occupational health and safety. From policy

setting in the tripartite commission to shop floor decision-making on occupational health and safety problems, participation will be encouraged and fostered. In essence, the new legislation recognises that the best people to make decisions about occupational health and safety issues are the employers and employees who share the work environment.

Employees and employers through their respective peak organisations have been consulted fully in the drafting of the new legislation.

The Government expresses a great deal of gratitude and thanks to the representatives of the employer and union organisations and the Government officers who put hundreds of hours into the consultative and deliberative processes in order to achieve what is largely a matter of consensus now appearing in the legislation before us.

The Government believes that the overwhelming majority of Western Australians place a high priority on a healthy and safe work environment. This new legislation will give all Western Australian employers and employees the opportunity to participate in achieving this goal.

I commend the Bill to the House.

Debate adjourned, on motion by Mr Bradshaw.

ADDRESS-IN-REPLY: SIXTH DAY

Motion

Debate resumed from 8 April.

MR LEWIS (East Melville) [11.20 am]: I would like to canvass many issues, but unfortunately I do not have the time to speak about all of them. I will focus my remarks on what I believe is fundamental to Australia's prosperity; that is, the success of small business and the impact of high interest rates on it. It is unfortunate that the media and, indeed, many of the parliamentarians in this country do not understand the functions and importance of small business.

What has evolved in Australia over the last four years is "corporatism"—we have big Government, big unions and big business. This tripartite agreement is manipulating our country to its desires. It forgets that small business employs 95 per cent of the people employed in the private sector in this country.

Until recent times small business has not had an effective voice in the marketplace. It has not had an effective voice in the Parliaments of this

country and it is interesting to note that the times are changing. There is a quiet revolution going on in the country by people involved in small business—those people who support this country and make it work.

Small business is uniting and that can be seen by the movement known as the Australian Federation of Employers. It is an organisation which is barely 18 months old and already it has over 300 000 small businesses registered on its books.

The fact is that small business men and women in this country have had enough of being squeezed to death by Governments through their taxation policies, their regulations and all the other things that go with government.

It is unfortunate that what the Labor socialists do not understand is that people in small business are a fiercely independent lot. They do not want and do not expect handouts. All they want is to be left alone and to do what they do best; that is, to make profits, generate wealth and create jobs.

It is a very sorry state of affairs when socialist prejudice, which dictates hatred and dislike for anyone who wishes to stick his head above the ruck, tries to pull small business down. It is unfortunate that socialists have no empathy with or concern for the welfare of small business.

Mr Bertram: Rubbish!

Mr LEWIS: They do not have any empathy or concern because they have not been there.

Mr Blaikie: They like milking small business.

Mr LEWIS: Yes, they like milking small business. It is because all socialist ideologies require all people to be equal and reliant on the State, controlled by the State, and they must conform to the dead hand of socialism.

I was a small businessman for many years and I ask how many members in this House, apart from the member for Scarborough, know anything about small business. Labor preconceptions and dogma do not recognise the contribution that small business makes to this country.

Mr Thomas: Who set up the Small Business Advisory Council?

Mr Bryce interjected.

Mr LEWIS: The Small Business Advisory Council was a flow-on from the initiatives of the previous Liberal Government.

Mr Bryce: It was not. You know nothing about the history of this issue.

Mr LEWIS: It was not the Labor Government's initiative. It took no initiative in regard to small business. The Minister responsible is not even in the House.

Small business has, up until now, been unrepresented in the political marketplace because Labor Governments in Australia do not know anything about it.

Mr Thomas: What about Liberal Governments?

Mr Bryce interjected.

Mr LEWIS: They know a lot about it.

I will explain to the socialists on the other side of the House what small business is. Small business is considered to be any Australian-owned, non-listed business enterprise for profit. It could have 100 employees or it might have only one. Members opposite forget that probably the most efficient small business men and women in this country are the farmers, the people in the rural community. They are the real and true small business people of this country and they are some of the most efficient producers and business people that we have.

For small business to succeed it must have the right environment; that is an environment to reward initiative, to reward enterprise, to reward hard work, and to reward innovation.

Mr Bryce interjected.

Mr LEWIS: The Deputy Premier has no innovation. He is redirecting his department for the third time, but he is too late.

Perhaps there are some facts which members on the other side of the House should know. In this country there are over 700 000 small businesses and 10 per cent of them—70 000—are in Western Australia. Small business accounts for over 50 per cent of the gross national product of this country.

Mr Bryce: Have you been reading my speeches?

Mr LEWIS: Yes, I have.

Small business accounts for more than 50 per cent of the total revenue taxes of this country. It accounts also for 60 per cent of private sector employment and 95 per cent of the Australian enterprise.

I am glad that the Premier has told the Deputy Premier to keep quiet and listen to what I am saying.

Mr Brian Burke: I did not tell him that.

Mr LEWIS: It should be recognised that small business built this country. If members go back to Eureka and the flag of the Eureka

Stockade, which the rabble Builders Labourers Federation now embraces, they will remember that it was part of a rebellion against bureaucracy and Government charges by small business. The irony of it all is that the BLF has grabbed the flag and has the audacity to compare itself with small business at that time in history.

Small business has become a beast of burden; a milch cow. If one looks at the imposts on small business one will see all the new policies and new taxes which the Labor socialist Governments of this country have imposed. That is what they have done.

When the Labor Governments came to power they bore down on small business thinking that it was fair game. I will refer to some of the imposts on small business over the last four years. First, we had the Financial Institutions Duty which was predominantly an impost on small business. We then had the bank accounts debit tax. These are all taxes levied by the socialist Governments. They introduced a prohibition on deductibility of business expenses and doubled the fuel franchise levy which increased to 92 per cent last year. We then had the prescribed payments tax and the capital gains tax.

Dr Gallop: Have you read today's *The Financial Review*?

Mr LEWIS: The member for Victoria Park would not know. He has been at school all his life and has never done a day's work and has never contributed one single dollar to this country. He has taken more dollars from this country than anyone else in this House. He was a professional student and still is.

Several members interjected.

Mr LEWIS: We then had a prohibition on negative gearing and we have seen the introduction of the fringe benefits tax as well as an increase in stamp duty.

This Government professes to try to help small business. What a joke! What hypocrisy! Most crippling are the high interest rates that prevail in this country at the moment. A policy of high interest rates has been pursued by the Federal Government, helped along by the State Labor Government which has done and said nothing about them. I hear no interjections from Government members about the high interest rates that are crippling our economy.

Small businesses have suffered from not only these imposts, but also artificial wage awards that have no relation to the size of the business, the ability of the business to pay, where the

business is located, or the costs to the business for power, electricity and rent. We have an across-the-board wages policy which takes no cognisance of costs. An apple picker in Tasmania gets the same as a metalworker in the Pilbara. Business has no control over the arbitration system that provides for wages across the board in Australia.

It should also be asked why Government agencies such as Telecom should consider small business any different from domestic home owners. Why do businesses have to pay more for their telephones? Why do they have to pay more for the connection of their electricity supply? Why do they pay more for their sewerage rates? Can any member of the Government tell me why businesses should pay more? If they consume the same amount, they should pay the same cost per unit.

Mr Bryce: Ask the member for Floreat.

Mr LEWIS: The Deputy Premier should tell me why businesses must pay more for these services.

Mr Bryce: You don't have to reveal your ignorance in the Chamber. Ask your own colleague, the member for Floreat. He will tell you.

Mr LEWIS: The Deputy Premier thinks that because people are in business they can afford to pay, but they jolly well cannot afford to pay. There is a revolution taking place in this country and small business will run over the top of all the socialists.

A typical example is the metropolitan region improvement tax. This tax was levied in 1962 to support the objectives of the Metropolitan Region Town Planning Scheme Act, an Act which has done a lot of good for this State. It has set aside land for regional open space, for road reservations and for the regional concerns of the metropolitan area. In line with this Act, the metropolitan region improvement tax was imposed. When it was first levied, it was levied on all property owners, as it should have been. Those living in the community should pay for improvements to the metropolitan region. However, the only people paying the tax today are businesses and people who own more than one residence. Governments seem to think that businesses can keep on paying, but they cannot. The time is nigh when businesses will not put up with any more.

The time has come when society and Governments should shed this syndrome of believing that businesses can afford to pay. They cannot. An article in the March 1987 edition of

West Australian Business World headed "Business failures reach crisis point" reported that 75 per cent of small businesses failed in the first five years. It stated—

Australia's small business failure rate has reached a crisis point.

With Australia, now having a failure rate exceeding the business failure rate of any country of the world, the situation according to expert, Professor Alan Williams is disastrous.

That is the situation under a socialist Government. Farmers are walking off their land and small business men in rural towns are closing their doors.

Mr Burkett: Because they had seven devastating droughts in 11 years. Now tell the truth.

The SPEAKER: Order!

Mr LEWIS: It is high interest rates, and we know it. The unfortunate thing is that this Government is sitting on its hands and putting all its faith in that great corporation called the Small Business Development Corporation. We heard the Minister for Small Business the other night say that the Small Business Development Corporation was doing a lot. It is doing nothing!

Mr Cash: Where is the Minister?

Mr LEWIS: Indeed, where is the Minister? The Government and the Minister have been conspicuous in their inability to put in place initiatives to create and encourage small business.

I turn to the underlying problem; namely, interest rates which are at an all-time high.

Mr Brian Burke: The underlying problem is the inflation rate.

Mr LEWIS: I point out to the Premier that interest rates are kept high by the policies of the Federal Government, supported by his Government. Of course, the Government will blame the international bankers and financiers for the problem. Is that what the Premier believes, or does he admit that the Federal Government is deliberately keeping up interest rates? Does he believe that it is within the power of the Federal Government to keep up interest rates?

Mr Thomas: How do they compare with 1982?

Mr LEWIS: In August 1982 the then member for Dianella moved a motion in the House for a Standing Committee on interest rates to be established, with special reference to home finance.

Mr Court: That's the current Minister for Housing?

Mr LEWIS: That is the current Minister. He said—

The Opposition recognises that the prime responsibility for interest rates rests with the Federal Government.

The Opposition referred to was, of course, the ALP Opposition. On page 1978 of *Hansard*, the then member for Dianella said—

What we have is a deliberate monetary policy of the Federal Government, based on high interest rates and complemented by a State Government which has not been prepared to take a firm stand against its Federal counterpart on this issue.

These are the realities of today. What is the Government doing about it? No comment. What about our academic friend sitting at the back? No comment. I quote again from page 1978 of *Hansard* 1982 when Mr Wilson said—

What is required is a more gutsy and firm stand by the Western Australian Government against the Federal Government on this question of interest rates.

How true that is today. It begs the question: Do Government members still believe what they said then?

It is incredible that interest rates are 10 per cent higher than they have ever been in real terms. I should like to compare interest rates today with the rates in 1982 and the figures I shall quote are from the Australian Bureau of Statistics. In 1982 overdraft rates were 13.5 per cent and the new housing loan rates were from 12.5 to 13.5 per cent. The current rates, after four years of Labor socialist Governments, are 20 per cent-plus for overdrafts and 15.5 to 16.5 per cent for new housing loans. What an indictment.

Let us look at world comparisons: In 1984 Australia was setting a prime rate of about 13.5 per cent; in 1987 it is 20 per cent. In Canada in 1984 it was 12.5 per cent, it is now 8.75 per cent; in France it was 12.5 per cent and is now 9.5 per cent; in West Germany it was eight per cent and is now 6.5 per cent. Today Australia has a 20 per cent prime rate and Japan has a 3.4 per cent prime rate.

Mr Thomas: Do you have figures on inflation?

Mr LEWIS: Let us not look at inflation or the member for Welshpool will be really embarrassed. He is red in the face now but he should wait until I lay that on him.

In the world economy interest rates have fallen but in Australia they have increased. The funny part is that Senator Ryan has said they will not go down until 1988; she was caught out; she blew the gaff.

Let us look at world percentages on interest rates for cars: In Australia the interest rate on car loans is 25 per cent; in America people are not charged an interest rate. That is why the car industry in Australia today is at an all-time low. It is the lowest it has been for 20 years. Housing loan rates in America are eight per cent. What has happened to the socialists opposite who said in 1982 that they would bring down interest rates? They are all silent.

Mr Bryce: Government members are here.

Mr LEWIS: The member for Ascot will not be here for much longer because his fellow members will soon deal with him.

I quote from page 1979 of *Hansard* 1982 when Premier Burke was Leader of the Opposition—

In a nutshell the Opposition puts the point of view that the Government should be doing more than it is doing.

Hear, hear. It jolly well should be, but it is doing nothing. He also said—

... given a chance the Opposition—

That is, the Government of today,

—will do something about home loan interest rates. The Government may be bereft of ideas, but the Opposition is not.

Big deal. What has the Government done? It has increased interest rates on housing by three per cent. The member for Kalgoorlie said at that time—

It is nonsense to suggest that interest rates have increased in Australia as a result of events overseas, because the Federal Government has failed to control the inflow of capital, it has failed to keep down inflation, it has deregulated bank rates—

That is a classic. He continued—

—and it has implemented monetarist policies that we shall have nothing to do with.

What a joke! The Opposition could be saying that now as the Government members were saying it in 1982. They have certainly changed. Of course, it is not funny; it is very serious.

Mr Brian Burke: It might not be funny but it is very loud.

Mr LEWIS: It is not as loud as the Premier is.

The high interest rates are having a terrible impact on housing. In 1983 housing rates sat between 11.5 and 13.5 per cent. Today they are between 15.5 and 16.5 per cent. This has had an impact on the deposit gap; in 1983 the deposit gap to get into a home was \$2 500, today it is \$18 000. That is a direct result of the increased interest rates.

The Premier said the other day that interest rate rises in the past year have increased the cost of housing by about one-third on a typical loan. He was the Leader of the Opposition in 1982 when he said he would do something about it. Silence.

Mr Brian Burke: Shortly there will be, thank goodness.

Mr LEWIS: Yes, I know there will be because the Premier is embarrassed about it.

Dr Gallop: I believe there is a rabies epidemic.

Mr LEWIS: And the member for Victoria Park will be the first person to be put down, goggles.

Mr Brian Burke: His incisive debating tactic is to call the member for Victoria Park "goggles".

Mr LEWIS: If the member for Victoria Park would stop being rude and interjecting, I would not have to speak to him.

On 27 February home loan interest rates tipped many people into poverty, according to the Anglican Church Social Welfare Agency. The Labor Government which said it would do so much has done nothing; it has failed dismally.

According to REIWA figures, in 1982 housing repayments represented 15.5 per cent of the average income; today they represent 21 per cent of that income.

I hope the Press is listening to my comments and observing how the Premier is laughing and thinks it is such a joke. He duped the people of Western Australia by giving them a housing loan subsidy but as soon as the election was over the subsidy was stopped. It was a fraud but he thinks it is a joke and laughs at it.

Mrs Buchanan: You are the joke.

Mr LEWIS: So is the member for Pilbara. It is appropriate that this House take note of the crisis in our society with regard to interest rates, aided and abetted by the Federal Government and supported by the Labor Government opposite.

Amendment to Motion

I move an amendment—

That the following words be added to the motion—

But we regret to advise Your Excellency that your Government has failed in its duties to the people of Western Australia by not recognising and taking cognizance of the great detrimental effect interest rates are having on rural producers and business enterprises, commerce, industry, home buyers and those renting residential tenancies—by failing to—

- (a) take any action as a Sovereign State to petition and take a case to the Federal Government on the need to reduce interest rates in Australia;
- (b) explain to the home buyers of Western Australia before the 1986 State election that the State Government's scheme to subsidise home mortgage repayments would be discontinued as soon as practicable immediately after the election;
- (c) take initiatives to help the rural community to stay on their farms and in their businesses, and
- (d) effectively curb the Western Australian Government's borrowing to reduce upward pressure on interest rates.

MR COURT (Nedlands) [11.49 am]: I formally second the amendment.

The whole question of interest rates is a major blot on Labor Governments and it is of great concern that in the past four years we have had continually high levels of interest rates. Members opposite may wish to treat this in a lighthearted manner but I would like to think that they will take advantage of this opportunity to very seriously and properly debate the whole question of continually high levels of interest rates.

Rather than the member for Victoria Park continually interjecting and making silly comments about it, I hope he and other members of the Government front bench will get up and make a contribution to this debate.

We have had a number of what I call sad jokes from the Premier, the Treasurer, the Prime Minister and Housing Ministers creating false hopes and saying at different times over the past four years that interest rates are about to come down; do not worry; it is just a short-term problem and they are on their way down. The record shows that has not been the case. We have retained the highest real level of interest rates since the depression of the 1930s.

There was a reaction initially from the rural community, which was particularly hard-hit for a number of reasons, and interest rates were the final straw on top of its other problems. The small business community has now started getting its act together, as the member for East Melbourne so rightly said, and is organising itself into very effective lobby groups around this country. It has started complaining about the high levels of interest rates.

A third group which has started to feel the pain which goes with these high levels of interest rates is those people buying their own homes. There are hundreds of thousands of home buyers around this country. The scheme which the Premier introduced just prior to the last election was quite cruel because it gave short-term assistance which was then taken away after the election. When that scheme was introduced, the new home buyers who were going to a building society to take out a loan had to pay the higher interest rates. Now all people with home loans from building societies have to pay these higher rates.

It is very significant that in last night's *Daily News* in an article about the factors contributing to divorce in this country the main reason given was problems related to financial worries. The main concern was the problems people were having in paying for their house, credit cards and personal loans. These high interest rates are having a severe effect on the lives of Australians every day.

The Prime Minister last year predicted that interest rates were going to fall. Mr Keating said he was not quite so optimistic. As the member for East Melbourne said, Senator Susan

Ryan made a major gaffe. She actually told the truth about the advice she was given on interest rates. *The Australian* on 4 March said—

Senator Susan Ryan last week tabled a briefing paper in Parliament from the Department of Housing and Construction that said: "It appears that any reductions in market rates that may occur over the course of 1987 will not be sufficiently sustained or pronounced to result in reductions in housing interest rates in 1987."

That is what we have to look forward to in this coming year. *The Australian* on 4 March quoted a confidential report from the Economic Planning Advisory Council—

The EPAC report also warns that there is a "serious risk" that the adverse effects of high interest rates on business investment will make it difficult to achieve a "reasonable rate of economic growth over the medium term."

Given that EPAC reports are written for possible publication, subject to council approval, the view expressed in the report probably understates the true position.

That is one of the Government's own top level economic committees which has given that prediction as to what is going to take place in the coming year. What does the Premier do about it? The Premier is often pretty confident in the stance he takes on issues, but it would appear that he really does not know how to handle the matter of interest rates. He acts as if he has no control over the situation and it is one of those serious problems that the Premier likes to skirt around.

The Premier said at the end of 1985 that high interest rates were a direct result of the Commonwealth Government's efforts to underpin the value of the dollar. One might ask why it needed underpinning. I think one knows the answer to that. The Federal Government was spending more money than it had. It was borrowing extensively. At the same time there was a very poor trade performance. The Premier said in a media statement on 14 November 1985—

The rises in domestic interest rates in recent weeks are causing pain for people wishing to purchase homes, farmers and small businesses without significantly bolstering the value of the dollar on foreign exchange markets.

The Premier was critical of what the Federal Government was doing, yet a couple of months later on 4 February 1986 *The West Australian* said—

The Premier, Mr Burke, threw his full support behind the Federal Government's monetary policies, which have been responsible for record-high interest rates.

The Premier just does not understand or know where he stands on this issue of interest rates. He cannot have it both ways.

Members have seen plenty of bandaid solutions in different areas. There was the short-term housing scheme. There were also some small schemes prepared for the rural industry. However, none of them can solve the overall problem. Since this Government has taken office, home loan interest rates have gone up by four per cent. Bankcard has gone up by 4.5 per cent. The prime interest rate has gone up by five per cent. The small overdraft rate has gone up by six per cent, which is the biggest increase. That is not the sort of record of which members opposite can be proud.

In the small business field, the increase of six per cent over that period has made it very difficult for people in both large and small businesses to make investment decisions which are important to the well-being of this country. One gets the distinct impression from the Government's attitude that it is saying, "We can live with this interest rate problem. People are used to paying their 20 and 25 per cent interest rates. We do not have to worry too much about it."

If members opposite have not made decisions in which interest rates have been an important factor, that is no big deal, but I ask members opposite how many of them have been in a business where they have been making decisions about whether to put in a new item of equipment or whether to take the plunge and buy perhaps another business, and have had to consider the effect of interest rates on that decision. These days with modern cash-flow programmes and profit and loss programmes, one can get a very good picture of what will be the effect of interest rates on those investment decisions.

Mr Brian Burke: You must be pretty pleased with the rate of investment in Western Australia, then.

Mr COURT: I put it to members opposite that the current high levels of interest rates have stopped many new investment decisions

in this State. Members opposite have only to look at today's *The Australian* on page 5 where it says—

Small business faces "high rates disaster." The small business sector will face disaster within a year if interest rates remain high, leading banks have told the National Farmers Federation.

It went on to report Mr McLachlan's comments when talking to the annual conference of the Grain Council of Australia as follows—

During talks between the banks and the farm lobby on the farm debt crisis the banks had indicated the small business sector was in even more serious difficulties than agriculture.

Mr McLachlan said the NFF was concerned that the banks had not told the whole of Australia of the seriousness of the situation.

Members can ignore those sorts of comments, but the leading bankers in this country are saying they believe the problem affecting small business people is even greater than that specifically affecting the rural sector.

Mr Brian Burke: The latest statistics show that the Western Australian economy is going very well.

Mr COURT: I hope the Premier makes some comments on the question of interest rates, because I believe it is one of the most serious situations we have faced.

The other matter is that of farm budgets. The member for Scarborough made the comment that farms were running into problems because they have had seven successive years of drought. Well, that is just not the case. I do not know what experience the member for Scarborough has had in preparing farm budgets, but I have had a little experience in it—some very current experience, unfortunately.

Mr Burkett: I did not say seven consecutive years; I said seven droughts in 11 years.

Mr COURT: The member for Scarborough said seven drought years; he did not mention the figure 11.

Mr Burkett: I did—have a look at the *Hansard*.

Mr COURT: Well, from my first-hand experience in preparing farm budgets for the last five years, I can tell the member that in the last two years we have had very good seasons, with good crops fetching reasonable prices. But it is

the interest component that has made it a hard luck story. The drought has not affected them as much.

Mr Burkett: The drought brought about the farmers' hard-core debts.

Mr COURT: There are many other reasons that the figures for some properties do not look too good. If a farmer does have substantial borrowings on a farm, the interest rate component in recent years has been the last straw.

Mr Burkett: Plus the fact the banks are taking him off his term loans and putting him onto commercial bills.

Mr COURT: Another reason is that in the last couple of years the value of many wheat belt properties has been halved, and in some cases has gone even lower than that.

Mr Burkett: The equity in the farm has gone.

Mr COURT: Yes, and when farmers take out further loans they tend to be borrowing at even higher interest rates because of their lack of security. But interest rates are a major problem in the rural sector and we cannot ignore or run away from that. The member for Victoria Park asked, "Why are interest rates so high, and what are we going to do about it?"

Mr Bertram: Liberal Governments have significantly weakened the Money Lenders Act, that is why.

Mr COURT: I hope we get a more sensible reply than that from someone else on the other side of the House. It is important that we do understand why interest rates are high and that we have a proper debate on the actions we in this country can take to lower interest rates. This Government has been borrowing a lot of money to finance its large deficits. It has been selling a lot of Government bonds in the marketplace at very attractive rates of interest, so the money from interest funds has been soaked up into the Reserve Bank coffers, which has put tremendous pressure on interest rates.

At the same time we have had the factor mentioned by the Premier: that is, inflationary expectations, where people are foreseeing inflationary problems and want compensation for them. As I drove to Parliament House this morning I heard the Prime Minister saying on the radio that he expected the inflation rate to be around the five per cent level this year; yet an economist was saying that it would be closer to 10 per cent. That is the type of inflationary expectation we have to build into this interest rate component, because that is the track

record of this country. We have an inflation problem, particularly relative to the inflation rates of our major trading partners.

What must the Government do to resolve these problems? It must substantially reduce its deficits. At this stage we will not argue about how it does that, but that must be done. We must also improve our declining trade performance so that we can improve our terms of trade.

Mr Thomas: This Government, or the Commonwealth Government?

Mr COURT: Both Governments must participate in this process. The member for Victoria Park asked what we can do about the interest rate problem, and that is what should be debated in this House today.

The third thing the Government must do is introduce a more flexible labour market so that wage rates are more closely related to the productivity occurring in the workplace.

Those are the three very broad areas which must be improved. As to the first—Government expenditure—it is a wonder that the Premier has not jumped up and said, "Where are you going to make the expenditure cuts?" It is interesting to note that in this country today some very good debate is taking place, not only between political parties but also between many of the various lobby organisations which are beginning to take a very responsible attitude as to how we can cut our level of debt and how the Government can permanently lower its expenditure programme.

I suggest to members opposite that they read the article by Mr McLachlan appearing in *The Australian* today, because he talks about where and how his organisation, the National Farmers Federation, would like to see expenditure being cut; and that organisation is prepared to accept cuts in some activities which directly affect it.

Let us not get involved in a petty argument about how we can cut back on Government expenditure. In this day and age we are seeing some very responsible debate as to how we can do that. That is the sort of thing we must debate in this House, in order to help. The problems are there. I am sure no-one opposite wants to see continuing high interest rates, with the pain they are causing business people and individual Australians, particularly those trying to buy and furnish a home.

Mr Bertram: Many of your electors live on interest. They are not hurt by interest rates; they do not have to work!

Mr COURT: That is a silly thing to say.

Mr Bertram: It is a fact.

Mr COURT: We are debating the price of money. Interest is a price. Members opposite talk about the price of eggs or margarine: why are they not talking about the cost of money? That is a very significant factor in our daily costs. I hope today's debate is discussed sensibly and members try to resolve the problems we have with the continuing high level of interest rates. The blame for the lack of action to control high interest rates can be sheeted straight back to the Labor members opposite. The Premier and his Cabinet have been seen to be helpless on this issue. They do not seem to be providing any guidance to the Federal Government. They want to take both sides of the fence when it suits them politically; but we have not seen them make any major decisions to help resolve this problem, which has been hanging around Australia's neck for four years.

DR GALLOP (Victoria Park) [12.09 pm]: I commence my contribution to the debate on the amendment moved by the Opposition with an apology. I apologise for the fact that I was associated with the education industry for a number of years—an industry, I might add, that plays a very important role in economic life in Australia. I apologise to the member for East Melville for having played that role in the education industry. It would appear that he does not believe that people involved in education generally have any role to play in the nation's economic and social life.

With that apology to the Opposition I move on to look at the question of interest rates and taxes and charges generally, at how they impact upon the family budget, and at what we ought to do in these areas.

Before I do that, perhaps we should look at the background factors to this debate. There is no doubt that in the economic debate in Australia over the last couple of years, the chief influence, the chief contextual factor, has been the fall in Australia's terms of trade. The trend was there over the last decade, but in the last couple of years it accelerated dramatically. We saw a massive fall in our terms of trade for our major exports, the areas of agriculture and mining.

This collapse in our terms of trade fed through our economy via a devaluation of the Australian dollar. It also fed through in terms of a direct cut in the living standards of Australian families and Australian businesses. This devaluation led quite directly and quite

immediately to inflation in Australia. A major part of our costs comes from the imports we require for our firms and industries. So, the devaluation fed through the economy in terms of inflation.

Mr Court: You admit our living standards have gone backwards?

Dr GALLOP: There is no doubt that we have suffered from a fall in our terms of trade. No Government, State or Federal, denies that.

It is interesting to analyse the inflationary impact that has fed through the Australian economy from the devaluation in the currency. We can contrast the extent of the devaluation with the extent of the inflationary push.

It is to the credit of the Australian Government that it has contained, to the extent it has, the inflationary pressures that came from the devaluation. We had a general problem with Australia's economy over a number of years, with our over-reliance on particular areas of economic development, exacerbated by a very severe decline in our terms of trade over the last couple of years, feeding through our economy in terms of a loss of national income in the order of \$6 billion, and in terms of inflation.

The effect of all that has been to focus the attention of decision makers on the weaknesses of our national economy and on the need to strengthen our manufacturing industries and our export industries, something we need to do so desperately in order to reverse the effects of that decline in our terms of trade and to get rid of that deficit on our current account.

It is to the credit of both the Federal Government and the State Government that they have adopted policies to overcome the problem, and this is a matter directly related to what we are debating this morning. It is the industrial policies of the Federal Government and the State Government which are going to do so much to build industry and to build exports in Australia over the medium to long term. We can contrast that with the policy of the Opposition, which is to have no industrial policy at all beyond a very simplistic free-market ideology.

I will move on now to the question of interest rates, and in the area of industrial policy there is a very clear difference between the John Buttons and the Mal Bryces of this World and their Federal Opposition counterparts. I do not know the name of the Opposition's Federal counterpart on industrial matters—he has obviously had a very big impact in the area!

We have to look at the problems that high interest rates are posing for families and businesses. There is no doubt that interest rates have an impact on families and on the economy. What we must look at very seriously and carefully is the problem of the relationship between interest rates and exchange rates, and the relationship between our domestic economy and the international economy.

The Opposition seems to think that all we have to do to get interest rates down is to slash Government spending. The alternative approach of both the Federal Government and the State Government—and they admit this problem must be challenged—is to take a wide-ranging approach to the question of economic policy and not just focus on the public expenditure front. Their approach is to focus on the problem of the exchange rate as well, because as I indicated in the very early part of my speech, if the exchange rate falls too much—and this is something the National Party does not understand—it feeds through the economy via inflation, making it almost impossible to get interest rates down.

Before I move on to look at the specific question of interest rates and their impact on costs and family budgets, and to contrast the policies of the State and Federal Governments with those of the Opposition, a general historical point needs to be made, and that is that Australia historically has been a capital-importing country. Why? It is because of the peculiar developmental needs of our nation. Interest rates have always been higher in Australia than in other countries because of this developmental impulse. We need capital inflow into this country to develop our resources. That is just a general historical fact.

What we have to do in this debate is to contrast the specific policies on interest rate charges, public expenditure, and general industrial matters of the Federal Labor and State Governments with the policies of the Opposition. The contrast is very clear.

What the Federal Government and the State Government say is that we need to take a grip on public expenditure. There is no question about that; it is a clear statement of policy intention on the part of the Federal Government. If members look at the proportion of the Federal deficit of the GDP, we find it has dropped over the life of the present Federal Labor Government. That is perfectly clear. For the information of the Leader of the Opposition, my reference is the *Journal of the Institute of Public Affairs*, the well-known right-wing think

tank journal. There is a copy of an article by the former Deputy Secretary to the Treasury in the Library that members opposite could look at, showing that the United States Government's deficit as a proportion of GDP has risen under President Reagan compared with a corresponding fall in Australia.

Mr Lewis: What is the interest rate in America?

Dr GALLOP: I could not say, but the US has a massive problem with its Federal deficit. It has a massive problem with its national economy because of the weakness of its export industries.

The policies we are pursuing include controlling public expenditure, indeed reducing public expenditure. At the same time we are trying to strengthen the export sector in a realistic way so that our current account can turn and the deficit can be reduced. Further, we need to have an overall approach to public expenditure that is reasonable in terms of the needs of our economy in particular areas.

Mr Court: Do you support the Federal Government's current push towards privatising some Government assets?

Dr GALLOP: I support a rational assessment of every public activity in terms of its costs and benefits. That is precisely what Senator Walsh believes in, and I support him. The results of my investigation would certainly not be the same as the results of an Opposition investigation. We need a mixed economy with a mix of public and private institutions. I do not think members opposite have ever seriously studied individual industries in this country to see precisely what needs to be done. As Senator Walsh indicated the other night, if one looks at some areas which the Opposition is talking about privatising, the real losers, unless massive subsidies were transferred to the rural sector, would be the supporters of the National Party because cross-subsidisation is built into many public sector activities, and necessarily so. Therefore, there are no real cost savings in many areas.

The results of our policies are, in total, beneficial to family living standards and economic growth. Let us look at the results of the State Government's approach to public expenditure, because either the member for East Melbourne or the member for Nedlands asked what we were doing about that issue.

As I said in my speech on the opening day of Parliament, the revenue raised per person in real terms in the 1986-87 State Labor Govern-

ment's Budget was less than that under the last Liberal Government Budget in 1982-83. Government expenditure per person in the 1986-87 State Budget was in fact less in real terms than the last three State Liberal Government Budgets. We are tackling the issue of public expenditure and public sector efficiency in this State in the interests of economic development and reducing interest rates. The overall results of this policy can be seen at State level, despite the use of words such as "crisis" by the member for East Melville—

Mr Court: There is a crisis in the wheatbelt areas.

Dr GALLOP: It is not simply due to interest rates. The problems there are due to a number of factors, including international market factors, and if members opposite do not think so they are misinterpreting the situation and deceiving their supporters in the rural sector with false economics.

Let us look at some of the figures for Western Australia. The dollars per capita figure for total new residential development in Western Australia in the September quarter 1986 was 147.2 and the national figure was 109.6. In other words the mix of our policies at State level—obviously affected to a degree by Federal Government policies because macro-economic policy at the Federal level has a key effect on what happens at State level—is not leading to the massive decline in the housing sector about which the Opposition is talking. That is not to say there is not a problem which needs tackling.

In contrast to these policies we have to look at the effect some of the National Party's proposals, particularly at Federal level, would have on the exchange rate and, as a result of that, on inflation. The Leader of the National Party in this State and I have had a discussion on this, and he agrees there is a tension between these two areas; and if the exchange rate is lowered too much it feeds through to inflation in the system which leads to increased costs for small business and the rural sector. We must get the balance right between exchange rates and interest rates.

That is the guts of macro-economic policy in Australia: Our interest rate policies are related to our exchange rate policies. It makes it difficult to get interest rates down in a simplistic manner. One gets them down by industrial and public expenditure policy. That is the approach being adopted by the Federal Government.

Let us look at family living standards for the majority of people in this country and contrast them with what they might be if a Federal Liberal Government came to power. It is difficult to know whether John Howard is going to stick to some of his promises because it is hard to pin him down. He is unwilling to face the Australian people and tell them what he and his policy advisers think on these questions. He is also in conflict with the National Party on some aspects of policy. However, under the promises he has made publicly there would be an increase in the deficit—a shortfall in revenue—of \$15.2 billion. This includes his promises in relation to income and company tax cuts, fringe benefits tax, capital gains tax, negative gearing, the assets test, and income splitting. All these have been promised. How is he going to pay for the reduction of \$15.2 billion in revenue? He will shift the burden onto the ordinary wage and salary earners of this country. The figures indicate that every income earner receiving less than \$30 000 a year—members know that 95 per cent of workers earn less than \$30 000—will earn less under a Howard Liberal Government than under a Federal Labor Government. The Liberal Party wants to bring about a massive redistribution of wealth from ordinary wage and salary earners to the rich.

Mr Court: The ordinary wage and salary earner has been brought to his knees.

Dr GALLOP: The ordinary wage and salary earner has contributed more to the national development through his or her trade union, and those unions have done more to improve national economic development in this country in the last four years than the Opposition's pals in the chambers of commerce have done for decades. That is what they have contributed, and I say "three cheers" for the trade union movement in this country and what it has done to face up to the challenge of national economic development.

The basic issue is this: The mix of policies relating to public expenditure, interest rates, and exchange rates—which in turn affect the living standards of the Australian people—being pursued by the Federal and State Labor Governments will lead to results in terms of overall economic development and social justice in this society which are clearly better than those which will flow from the policies proposed by the Federal Liberal Opposition. The standards of many people have gone backwards because of the problems in our terms of trade. We have faced up to that; we are honest

about it, as are our working class supporters. However, supporters of the Opposition are not honest about all the things that need to be done to deal with the problems facing this country. We need to tackle the problem of interest rates. The Federal Government will tackle the question of public expenditure in its May economic statement just as the State Labor Government has tackled that question. What we want from the Opposition is balanced argument which takes into account the nation's problems.

MR LAURANCE (Gascoyne—Deputy Leader of the Opposition) [12.30 pm]: This is a very timely amendment for the House to be discussing. The member for East Melville has introduced a very pertinent matter that needs to be discussed. The point of the amendment is to highlight the difficulties that ordinary working people, referred to by the member for Victoria Park, face. Those people are in real trouble and are the reason for the amendment being moved today.

I want to take a few minutes to put the human face on the problems being caused for the ordinary people to whom I just referred as a result of high interest rates. In the last two months, the Leader of the Opposition and I went on what we called a listen-stop tour. We visited about 50 country towns and about 25 metropolitan shopping centres in a trip which lasted from the beginning of January to the end of March. It was the most comprehensive tour of the State by any political leader outside an election period and involved visiting areas between Carnarvon and Esperance. I also think it is the first time that a Leader of the Opposition and his deputy have travelled together over such an extensive area of this State. We met thousands of people and we listened to their concerns. Most people out there are hurting and the reason for their hurt has been highlighted by this amendment before the Parliament today.

I believe Western Australians are becoming angry. The key issue for that anger, as far as we were concerned after that exhaustive trip, was the high cost of living. When we asked them what they thought was causing the high cost of living we were told that the main cause seemed to be the Labor Party's policy on high interest rates. Those people do not make any distinction between Federal and State Governments; they just said "Labor's interest rates".

However, there were other complaints. They complained particularly about high fuel prices upon which the Government imposed a

tremendous increase in the last Budget. Nowhere else can the effect of these interest rate policies be seen more starkly than in the wheat belt towns. We are seeing a human tragedy unfolding before our eyes in those areas. I was told by people in farming areas that about 60 farmers have committed suicide in Australia in the last 12 months. I believe the Government should check the statistics on the number of heart attacks, serious trauma, and other health problems that have occurred among farmers and country business people in this State. I was told that the number was very high.

People in country wheat belt towns have told me that they have friends who have been heart attack victims and that the attacks were contributed to by the tremendous debt burden and financial pressures placed upon them by the high interest rate policies of this Government. We did not visit one town in the wheat belt area where we did not experience despair and heartbreak.

The Parliament has been told about this before, particularly by members who represent those areas. However, the problem goes further than that. Business people in the country are walking away from their businesses or being forced out of them. Businesses, including hotels, farm machinery dealerships, and motor vehicle franchises, are closing down and this is tearing the whole fabric of these country towns. It is all due to the high interest rates policy imposed by the State and Federal Labor Governments.

The most graphic example of these problems was brought home to me by an experience I had in the country town of Koorda. The Leader of the Opposition and I had breakfast with about 40 people at which it was arranged that I should sit at the same table with a couple who had been forced off their family farm after 18 years. We were told in Esperance that 10 farmers had left their properties in the past three months and that another dozen would leave in the next six months, but we had not actually met a family that was just moving off its farm at that time. This couple was due to leave their farm that week, and the breakfast was held a fortnight ago.

My meeting with them had a great impact on me. They told me of their desperate plight. The husband had had health problems as a result of stress. They are also facing bankruptcy, so the whole matter is not over yet. Their walking off their farm will not be the end of the story as they will have to go through more trauma in

the months ahead. It was a very moving experience for me. I believe that members opposite should know the extent of the difficulties their policies are causing for the people of Western Australia. The human face of the high interest rates is the tragedy that the Government has brought on the rural people of Western Australia.

I asked the couple whether they wanted to talk about their problems. I told them that I did not want to make things worse for them if they did not want to talk to me. They said that they wanted to tell me their story because they had been going through their difficulties for months. They said that it took a lot of courage for them to attend the breakfast, but they had reached the stage where it was no good sitting home and crying. They said they felt they had to face the world. I told them I admired their strength and courage.

Although they were close to breaking down, they told me their story. They had lived on the farm for 18 years and had been through many difficult times. However, although droughts had weakened their financial position, it was high interest rates that forced them off their farm. They said also that they were having great difficulty finding the money to pay the rent for accommodation in Koorda. They had to take another huge step for people who had been independent and strong. They felt it was a demeaning step but they had to seek assistance through social security. They were directed to the Midland office of the Department of Social Security, but said they were treated very badly by the staff at that office. They said that even though it had taken a lot of courage for them to go there, it was one of the worst experiences of their lives. Apparently the attitude of the staff was less than sympathetic. In fact, they were asked why they were there because they were farmers. From what I have been told, the same attitude has been faced by many other farmers.

These people are the new poor. They have never before needed to seek assistance from the Department of Social Security. Just to walk into an office of that department must be extremely traumatic for them. One would think that they could be treated with a little understanding and sympathy. That office has been singled out by other people in our trip around country areas.

If we are going to face up to this human tragedy, we have to find people who can give them assistance. I think the group that can give the most assistance to them is the Country Women's Association. This organisation wrote

to me in the middle of March—I presume it wrote to all members—and sent me a copy of a letter it had written to the Federal Treasurer seeking some sort of relief for rural people from interest rates and the other intolerable burdens facing them at the moment. Amongst other things, the covering letter to me stated—

...we have provided financial assistance for welfare and education, we have set up a crisis group which provides information on Social Security assistance to those who require this, we provide an outlet for craft which can be of benefit to those seeking to supplement the family income and we have lobbied vigorously for assistance for the primary producers in this country.

Our association must interpret the situation in terms of the effect on women and children.

The human face of this tragedy. The letter continues—

These are the victims of the depressed rural market. The Government must urgently address the problem of costs to primary producers (including bank interest rates).

The Country Women's Association of Western Australia is aware of the situation, and it is one group which is trying to do something about it. It deserves our support.

I recalled that letter when I met the couple from Koorda. I decided to contact the author of the letter, Mrs Barbara Kelly, who is the State extension officer for the CWA. I told her the moving story about the couple at Koorda and said that they had been treated badly, they had suffered a trauma, and needed assistance; and I asked whether she could help them. I wrote also to the couple at Koorda and told them that I wanted to keep in touch with them because their story had touched me very deeply and that I had contacted the CWA about their plight.

Within a couple of days Mrs Kelly wrote to me and said that she had contacted the couple at Koorda and took action in several ways. The letter was as follows—

Firstly we contacted them to assure them that our support was behind them when needed. Financially, we forwarded \$200 towards their back rent...

That is not a fortune. It is only a little thing, but if one is able to give a little assistance in the right area at the right moment it is like giving a fortune. The letter continued—

... and we have used the case as a further example of the difficulties experienced by rural people when applying for Social Security benefits.

I replied to Mrs Kelly and thanked her for taking such prompt action. I told her that I intended to raise in the State Parliament the difficulties being experienced by farmers when they approach the Department of Social Security. I told her that I would support the association's move to be given more opportunities to assist people experiencing problems.

I know that the Government, even though it supported the high interest rate policies of its Federal counterpart, has tried to give money through RAFCOR and other agencies to do something about this problem; but, from what I hear, their remedies have been ineffective. I call on the Government, particularly the Minister for Agriculture, to make funds available to the CWA to let it administer the problem in a much more humane way than do the Government agencies. Figures have been bandied about, but I understand that \$40 million has been made available to assist rural industries. However, very little of that amount has been expended.

Mr House: \$3.6 million.

Mr LAURANCE: That is a disgrace; and the Minister responsible should meet with the State Executive of the CWA and advise it that the Government will help it to administer a service and give assistance in this regard. The CWA will provide a better service than do the State and Federal agencies, it will cost less on a dollar for dollar basis, and the Government will receive a far greater benefit for any assistance it gives the association.

It is a human tragedy and we must look at effective ways of dealing with the problem. I do not think the Government could go past the CWA in trying to provide some of that assistance.

I have given members the human side of the problem, which was brought home to me very graphically in the case I have outlined. The people cannot go back on the land and that, in itself, is unfortunate. It is too late to keep them in the country because obviously they will not stay on the farm or in the town close to the farm. That is not only a personal tragedy for them but it is also a tragedy for the area. These

are good people, and they are the salt of the earth. They should have been supported to enable them to stay on the property. It is a difficult time, but when the wheat industry returns to prosperity they will be able to pay back tenfold any assistance given to them now. Prosperity will return when the Liberal Government returns to office, but the people will not return to their farms. Those people have given a tremendous amount of their lives to their farms and they have now lost their superannuation and security. They have been wiped out by high interest rates which have been implemented through Government policies. The Government should hand out humane treatment to help these people in their desperate plight.

The people I have spoken about struggled to buy a block of land at Busselton and have been forced to sell that land as well as their farm. The proceeds from the land were not enough to meet their debts. They have not been allowed to walk away from their property with dignity, and are faced with bankruptcy proceedings. They will have a debt hanging over their heads for the rest of their lives, and they have no hope of repaying it. It is a terrible tragedy, and no-one in this Parliament can be proud of the stories I have outlined, particularly the people who have the responsibility of running this country.

The Government should look at what it has done to the people. This story can be repeated many times, but I have outlined the problems facing the farming community.

Two customers have now been removed from the businesses of Koorda; and if that figure is multiplied a few times the result will be that businesses in the town will close. It is tearing at the fabric of that community, and it is repeated in every town one visits.

Mr House: For every five farmers you lose, you lose one business.

Mr LAURANCE: That is a tragedy.

When I visited Bencubbin I found that the hotel had been sold over the proprietor; and at Narrogin, where a by-election will be held in a few weeks' time, the GMH dealer had been forced out of business within a few days of my visit. It shows the effect of the policies that this Government has implemented. If there is any decency left in any members on the other side of the House and they are moved by this touching story, they will support the amendment before the House.

MR THOMAS (Welshpool) [12.49 pm]: The amendment addresses what is obviously a very painful aspect of economic policy; that is, interest rates. No-one would argue that low interest rates are very desirable because they are much easier for various elements of the community to accommodate. Members opposite have spoken about the impact that interest rates have on business and I am sure that all of us, through people in our electorates who are buying homes, would be aware that it is much more comfortable and desirable if we are able to have low interest rates.

The aspect of the question to which members in favour of the amendment did not address themselves was how it is possible to responsibly have low interest rates. There is no use in having low interest rates if one is to consequentially have runaway inflation and high unemployment. The balance of opinion in terms of macro theory and explanation of our economy is that they are the options.

The speakers in favour of the amendment did not go anywhere near addressing those problems and advising how it is possible to get our economy into such a state that we are able to have low interest rates, high rates of employment, and other aspects of prosperity which this Government and the Federal Government are working towards. Instead, we heard from the Opposition a litany of negative statements about various aspects of economic policy by both the National and State Governments. Because they were taken in isolation, those aspects were very misleading.

It is worthwhile looking at some of the economic initiatives which have been taken by the State and Federal Governments since 1983. Members will have to agree that both Governments have presided in a responsible manner over the Australian economy at a very difficult time and, at the end of the day, the scores have been on the board and the achievements are evident.

I challenge members opposite to say how they would have managed the economy in a manner which would have achieved better results. We are very fortunate that the document leaked from the Liberal Party—which was given a quite comprehensive run in *The Australian Financial Review* on 23 March—indicated precisely what the Liberal Party would do if it was in power at the Federal level.

Mr Court: The standard of living went up over a 20-year period. Now it's gone down over a four-year period.

Mr THOMAS: I seem to remember that in 1982 when the Liberal Governments, both State and Federal, were at the end of their days, the father of the member for Nedlands was instrumental in obtaining what was then called the wages freeze.

Mr Court: Did you agree with the wages freeze?

Mr THOMAS: I agree with the accord which was negotiated between the Australian Labor Party and the trade union movement. Essentially, both the accord and the wages pause were trying to achieve some sort of wage restraint.

Mr Lewis: So you agreed with that?

Mr THOMAS: I agreed with the accord which was negotiated by the Australian Labor Party and the trade union movement. It achieved the end which the wages pause had sought to achieve. It promoted wage restraint using a method of consultation rather than confrontation. The O'Connor and Fraser Governments in their dying days used a confrontationist manner which quite obviously would not have worked.

The accord which was negotiated by the Australian Council of Trade Unions has achieved restraint in setting wage levels. I am sure that members opposite would agree that that is a necessary part of the strategy for economic recovery in this country.

Mr Court: I do not agree with a centralised type of system. If you want to work harder, you should be able to earn more money.

Mr THOMAS: A person should certainly be able to work harder and be paid what is fair and reasonable for his efforts.

Mr Lewis: You are not allowed to.

Mr THOMAS: That is allowed. I will deal with a mistake that the member for East Melbourne made in his contribution to the debate. He asserted that due to our centralised system of wage indexation it was not possible to have flexibility within wage rates. He gave the example of the iron ore industry and general industry and said that a person doing similar sorts of work in those industries had to be paid the same amount.

Mr Court: He said that a decision made on the 5th floor of that building in Melbourne went right through an industry.

Mr THOMAS: That is not true.

Mr Lewis: It is true.

Mr THOMAS: It is not true. Under our system of wage fixation we have a system of awards. Some of them apply across industries; some of them apply within an industry; and some of them apply within certain sections of an industry. Some sort of base rate usually attaches to a particular classification and all sorts of allowances are built into the total wage that applies in that industry. It is possible for employers or sections of an industry to apply for variations to awards that affect their industry. Anyone who has the slightest degree of familiarity with industrial relations will realise that the amount of remuneration which is prescribed in awards for the same classification within and between industries can vary enormously, depending on the circumstances of those industries. Factors such as the capacity of an industry to pay can be taken into account. The suggestion that was made by the member for East Melbourne is quite misleading.

The national Government has made a clear contribution to the economic management of this country by way of the accord. We have seen sustained restraint in claims by the union movement for wage increases at a time when it has been agreed generally that that is what is necessary for the economic good. The trade union movement deserves congratulations for its participation in that process.

Mr Lewis: Why aren't they doing something about this claim in the building industry? Why is the ACTU sitting mute and not saying anything?

Mr THOMAS: I do not think that the ACTU is sitting mute. It has been quite explicit on that question.

The trade union movement has practised sustained restraint in wage claims at a time of record lows in terms of industrial disputation. Representatives of the New Right—some of whom sit on the other side of this Chamber—have criticised the trade union movement. However, over the last three or four years we have had record lows in industrial disputes and an unprecedented amount of restraint in wage claims. There has been cooperation with Governments both nationally and at a State level in terms of economic strategies, but still the Opposition is not happy.

Mr Court: If there have been record lows in the iron ore industry, for example, why was Robe River forced to take the action it did last year?

Mr THOMAS: Robe River went in and picked the fight.

Mr Court: Why did they have to?

Mr THOMAS: Robe River did not have to pick the fight.

Mr Court: They just wanted to slip out the back door, is that the story? Even the Prime Minister agreed that there were major problems with the work practices involved. Just because you develop new techniques to hide your strike statistics, does not mean they have improved.

Mr THOMAS: The confrontationist tactic that was used in that dispute was one obviously designed to pick a fight. Robe River sells essentially the same product, iron ore, in essentially the same markets as its competitors. The others were managing to retain levels of productivity. Robe River was in a position which management had got it into and management should have talked its way out of it. It was not a situation in which unilateral action was appropriate. Management took a cavalier attitude.

Mr Court: Are you happy with the current situation at Robe River?

Mr THOMAS: No, I am not.

Mr Lewis: You are not happy for it to make a profit?

Mr THOMAS: I am very happy for the company to make a profit, but I wish that there were a more productive industrial relations system in place there. However, at present I have the floor and I would like to be able to address myself to matters other than the iron ore industry.

Mr Lewis interjected.

The ACTING SPEAKER (Dr Lawrence): Order! The member for Welshpool has made it quite clear that he does not wish to deal with interjections at this stage. I hope that members will respect his wish.

Mr THOMAS: The Government's move in relation to exchange rates deserves congratulations. It has been important for the iron ore industry and the agricultural industry. The devaluation of the Australian dollar and the consequential effects it has had on the marketing of Australian products overseas has made it possible to save large sections of Australian industries. If it were not for that devaluation and the floating of the Australian dollar there would be no iron ore industry, wheat industry, wool industry or perhaps any other major export industry on which Australia depends. If we are unable to sell our iron ore, wheat, alumina or whatever, the question of what interest or wage rates prevail becomes largely

academic, because most people would be unemployed. The national Government deserves credit for its moves with respect to that aspect of economic policy. To the best of my knowledge no credit has been given by the Opposition where it is due.

A third aspect of economic policy—one that was mentioned by members opposite in their speeches in favour of the amendment—is the necessity for restraint in public spending. About the only thing members opposite were able to offer as a means of facilitating lower interest rates was restraint or reduction in public spending.

Mr Lewis: What would you do about it?

Mr THOMAS: I am about to tell members opposite.

Sitting suspended from 1.00 to 2.15 pm

Mr THOMAS: I have indicated that in comparison with the substantial record and unparalleled success of the Federal Government's economic strategy in terms of the responsible management of Australia's economy, nothing has been included in the amendment or said by members of the Opposition in recent times which would indicate that they have anything substantial to offer as an alternative.

The Deputy Leader of the Opposition spoke about putting a human face on economic policy. I will speak very briefly about a number of aspects of the economic policy of the national Government which, taken in combination with the State Government's programmes, indicate that a human face in fact is applied to the economic problems besetting our nation. One of the pressing problems is to find ways and means of employing our young people and one of the ways of tackling this problem is to train them properly so that they are able to be placed in such niches as are available in the labour market.

I have recently been made aware of two programmes operating very successfully in my electorate. The first is the information technology centre which has been set up in Belgravia Street, Cloverdale under joint Commonwealth and State funding. I recently opened the centre in cooperation with my colleague, the national Minister for Defence, Mr Kim Beazley. Of course, it is within his electorate also. A number of members opposite were present at the opening and are able to confirm that a very innovative training facility has been set up, using Commonwealth money, under the guidance of the State Department of Computing and Information Technology and the De-

partment of Employment and Training. The centre will run short courses and is able to train those people to find jobs who may not otherwise have been able to find employment because of lack of experience.

Funding for the project was approved only six months ago and within six months of that approval the centre has been established. It is running on a shoestring budget with the cooperation of local industry which is providing much of the hardware and all of the software, and contributing in other ways to the running of the centre. It is actually operating on a commercial basis and providing services related to local industries and, in addition to offering courses to members of the local community, it is able to work for local industry. It is training dozens of people—I am not sure of the exact figure but it is of that magnitude—and one hopes they will have a greater chance of finding employment than they would otherwise have had because of their lack of experience or qualifications.

Another similar scheme is the Youth Employment Scheme, YES, which was announced by this Government prior to the last State election. Last week I had the honour of representing the Minister for Labour, Productivity and Employment and presenting graduation certificates to those who had completed one of the first courses offered. The course was in photographic minilab operation. There is a substantial number of vacancies in this area but employers demand people with experience and training in the operation of the equipment. Obviously, an inexperienced person off the street cannot take up that sort of employment. However, it is also an employment classification the requirements of which are not met by any organised or orthodox training scheme. It is not the subject of any apprentice training or other form of appropriate training.

Under the YES scheme, in cooperation with industry, the Department of Employment and Training structured a course using industry sources and, to some extent, industry personnel to train people. As a result some 40 young people were able to have the benefit of the course. They not only learned how to operate photographic minilabs—the primary part of employment if YES is successful—but also had courses in grooming and self-assertiveness. As a result of participating in that course these young people improved and became more employable.

This is a stunning success. As a result of that, the 40 young people who participated in that course graduated last Friday, and 20 of those had jobs to go to the very next Monday, Monday of this week. So by the time the course was completed, 20 had jobs, and the prospects for the other 20 are very good. That is the sort of approach that can be taken to the labour market and to the economy, within the overall constraints and parameters of managing the economy responsibly.

To single out one aspect such as interest rates, as members opposite did earlier, is to oversimplify and distort things quite substantially. Members opposite have not said anything positive, certainly not in this debate, about what they would substitute for the policies of the State Government and the Federal Government which they were criticising. However, articles in *The Australian Financial Review* and in journals about documents which have been leaked from the Federal Liberal Party as to what it would do in its first hundred days were it ever to attain Government at a national level, indicate it certainly does not have anything positive to contribute. In fact, the steps it has foreshadowed it would take would be very negative steps in terms of the economy generally.

As far as reducing expenditure is concerned, the Federal Liberal Party has indicated it would abolish all industry councils. One presumes that would include the Iron Ore Industry Consultative Council. This is a very successful example of industry unions and various other participants in the industry getting together to talk about problems in an attempt to chart a common course for that industry. Whereas previously over the whole industry there was an adversarial approach not only to industrial relations, but also to the industry generally, in recent times, largely as a consequence of the formation of that council and the various consultative mechanisms that have been established under that council, there has been a very substantial turnaround in that industry in regard to time lost due to industrial disputes and in attitudes towards productivity and other areas of the industry generally; this is where the council has been stunningly successful.

It is absolutely horrifying to see throughout this document, which is outlined in *The Australian Financial Review* of 23 March 1987, the types of cuts in expenditure which would take place if a Howard Government were to be elected at Federal level. Apart from the impact on programmes and the substantial effects that

would have, it indicates that the Opposition is absolutely bereft of any positive economic policies to put to this nation.

This House should reject this amendment quite decisively because, along with Liberal policies generally, it shows they have nothing to offer.

MR HOUSE (Katanning-Roe) [2.25 pm]: I indicate the National Party's support for this amendment to the Address-in-Reply. I remind the member for Welshpool exactly what we are debating. We are talking about the effect of interest rates on the Australian community. One can talk about all the other issues he has raised until the cows come home, but that will not get away from the fact that interest rates are the greatest single factor contributing to the problems faced by the rural population.

This State Government has not seen fit to take any conclusive action to ensure that those interest rates are brought down by the Federal Government, and as a consequence both farmers and the total rural community are hurting, particularly those who operate machinery dealerships and small businesses. It is time members were clear about how those interest rates are hurting those in the community, particularly those in rural areas. There is no question that interest rates are the greatest single problem faced by farmers and rural businessmen at the moment. It is no secret that the average farm debt in Western Australia is higher than it is in any other State in Australia. That farm debt averages \$70 per cleared hectare of farm land. Bearing in mind that 25 per cent of farmers do not owe any money at all, that places an enormous burden on those who do.

Another indication of the problems faced by rural areas is that the Rural Adjustment and Finance Corporation, which is supposed to be the lender of last resort in this State, has given 2 600 farmers loans. That represents 16 per cent of the farmers of this State, not the 10 per cent that is commonly quoted as being expendable to the industry; and I do not hold that view anyway. So we are talking about a very high percentage of people who have had to go to a lender of last resort to get help to maintain their farms and businesses.

In order to have a balanced view, one must look at the part banks have played in the problem of interest rates in Australia and at the position all the lending institutions have taken. One of the areas I am most critical of is the amortisation of loans to people in rural indus-

tries. I quote some figures to support that statement. If one takes a loan of \$100 000 and amortises it with interest over a 15 year period, when one gets to the halfway mark, if a single payment is missed, one would be right back at the start, owing \$100 000.

It cannot be questioned that banks and financial institutions in Australia have a greater control over the money supply than some members would like to believe. Although they cannot generally be responsible for interest rates, they certainly are responsible for the interest rate margins on the money they make available to people.

I was interested to hear one of the previous interjectors refer to the fact that a lot of rural people had been put on to "rollover bills", as they are called. That has had the effect of putting farmers on a much shorter-term money market basis, and contrary to what a lot of them think and contrary to the advice they are getting from their bank managers, by the time they roll those loans over and the banks add what is generally a 2½ per cent interest rate, because farmers are considered to be a high risk industry, they end up paying a greater interest rate than they would if they were given longer-term loans, plus the charges that are added on.

The banks have some part to play in that situation, but it is also a fact—and senior banking officials have been saying for some time—that if it were not for Government policy, interest rates in this country would be somewhere between five and six per cent lower than they are now. I accept that we must take a balanced view of that situation. One cannot simply argue that interest rates should be lower; one must balance that with some of the other things we need in this society, such as a lower inflation rate, higher employment, and all the other ideals we have.

The member for Victoria Park indicated in his speech that high interest rates were necessary so that we could have all the other things to which we have become accustomed. But all that does is put the pressure onto farmers and small business people. Generally speaking, they are the people who owe money and take development risks, and who are largely in debt to the financial institutions. It is grossly unfair for a Government of any political persuasion to put that sort of burden on one sector of the community. The burden should be spread across the range so that, as the member for Victoria

Park rightly said, there is a fair and reasonable distribution of the problem. No-one in Western Australia would deny that there is a problem.

Mr Cowan: At the moment it is not fairly distributed.

Mr HOUSE: That is right: that is the thrust of our argument. The average Western Australian grain grower owes about \$230 000, so if we work on today's interest rate that means he is paying somewhere between \$40 000 and \$50 000 in interest. The fact is that commodity prices in the rural areas currently do not allow farmers to make a profit and pay those high interest rates. The average Western Australian farm debt is also greater than the national average.

This Government must acknowledge that we have a problem in this State—a problem that must be addressed in a rather special way. We need more access, not only by farmers but by rural business people, to the Rural Adjustment and Finance Corporation. The only way that access can be given is for the Government to make more finance available to the Rural Adjustment and Finance Corporation so that it can lend it to the rural industries at a reduced interest rate.

I applaud the Government's decision to make the major thrust of that corporation's lending in Western Australia this year an interest rate subsidy. I know the Minister has moved along that track, and I commend him very strongly for doing so. It is a great step forward, and the benefits of that scheme will be seen. The Minister for Agriculture has done exactly the right thing, but the problem is that so much of the money is targeted towards what is now being called "the bottom 10 per cent". We must open up the guidelines so the money may be targeted at the people above that level to stop them falling into the bottom 10 per cent—which is, I think, closer really to 16 per cent—or that bottom level will be joined rapidly by many more people, thereby exacerbating the problem we face.

It is interesting to note that, of the total of \$1.7 billion owed by the rural industry in Western Australia, \$900 million is owed by the grain growers; and the banks and finance companies have indicated that something like one-third of that \$900 million is what they call "at risk". Quite clearly, many rural people cannot meet the high interest rate debts they face.

I have spoken at some length in this House about rural business in Australia, and I take the opportunity again to point out to the Govern-

ment that nothing has been done to help rural business people. The lifeblood of our towns is simply being destroyed. Businesses are going broke, and I do not accept the Minister for Small Business's assertion, made in this House a couple of days ago, that that is just a natural wastage. It has gone far beyond that point and is accelerating. The decline has not stopped; it is getting quicker every day.

I know it is not fashionable for the conservative side of politics to applaud Mr Keating, but I am prepared to go on record again and say that I do applaud the floating of the Australian dollar. It is the one thing that has kept farmers competitive in Australia; it is the one thing that has allowed our commodities to be sold on the world market at a price that enables us to remain in business. But that same step—the floating of the dollar—has also had a great effect on rural business, because so much of our machinery and so many of the things we use in Australian agriculture are imported. As I said last night in this House, we must look very closely at that. Some short-term incentives should be given to businesses to enable them to keep that competitive edge and stay in business while they sort out their problems.

The restructuring of rural business will mean that people in country areas do not have access to the very necessary supply of parts, labour, and the other things they need at their peak work times of the year. But, more importantly, many people being hurt by the businesses going to the wall are employees of those businesses. Many of them do not support the conservative side of politics; in some towns, I know, they support very strongly the Labor side of politics. But so many of those people own their own homes in rural towns and have been forced out of their jobs because the people who own the businesses have simply gone broke.

We must have a good hard look at assisting those people to stay in country towns, and the only way to do that is by assisting the businesses for which they work. In the same way that farmers have some access to financial help from the Rural Adjustment and Finance Corporation, I believe help must be extended to rural businesses through the interest rate subsidy scheme.

The argument about money supply in any country will always create an interesting debate, and the philosophy of where it should go in terms of our community is also of interest. But it is quite startling to look at this year's State Budget and see where this Government has directed its resources. I will give some

examples of the inequities that appear in the State Budget, which will point clearly to where the priorities of this Government lie.

The Department of Agriculture budget has been increased this year from \$60 million to \$64 million, a very small increase indeed. Members should compare that with the Aboriginal Affairs Planning Authority budget, which has increased from \$2.3 million to \$7.9 million—that is, a 243 per cent increase. The Western Australian Water Authority budget has been reduced from \$39.1 million to \$34.8 million. That is an 11 per cent fall, for the supplier of a commodity that is vitally important to country people.

The Department of Marine and Harbours has received a \$5 million increase, and the Police Department an \$8.6 million increase. And so it goes on, until we come to areas such as the Equal Opportunity Commission, which has had an 85 per cent increase. The Department of Conservation and Land Management has received a 20 per cent increase; yet the Main Roads Department suffered a 2.4 per cent decrease.

Those are areas where the Government tells us it is restricted in certain ways. That clearly points out exactly where the Government's priorities lie.

Unless we get back to the basics in this country, back to making sure that people can produce wealth which can be deployed throughout the country to employ people and create things in Australia, we will just fall into a bigger and deeper hole. We will find that the national debt will increase, unemployment will grow, and our economic problems will be exacerbated. Only a turnaround in Government thinking will fix that.

Part (c) of the amendment asks the Government to take initiatives to help the rural community stay on their farms and in their businesses. I challenge following Government speakers to address that part of the amendment and to explain exactly what they think their Government has done while we have been facing this massive decline in the population of country areas, where we have seen people walking off their farms and shutting their businesses. We have even heard the Minister for Small Business telling us he thinks that is just a natural wastage.

Mr Lewis: He believes the Small Business Development Corporation will fix that.

Mr HOUSE: It has done nothing at all to date. The Government should not be following policies which force people to leave our country areas.

I support the amendment. Unless we do something about interest rates we will be in greater trouble as time goes by.

The following material was incorporated by leave of the House—

TABLE 1

Characteristics of a \$100 000 loan repaid over 10 years at 18 per cent: annual payment \$22 251.46.

Year of Loan	Balance at Start of Year	Interest	Principal Reduction	Balance at End of Year
	\$	\$	\$	\$
1	100 000.00	18 000.00	4 251.46	95 748.54
2	95 784.54	17 234.74	5 016.72	90 731.81
3	90 731.81	16 331.73	5 919.74	84 812.07
4	84 812.07	15 266.17	6 985.29	77 826.78
5	77 826.78	14 008.82	8 242.64	69 584.13
6	69 584.13	12 525.14	9 726.32	59 857.82
7	59 857.82	10 774.41	11 477.06	48 380.76
8	48 380.76	8 708.54	13 542.93	34 837.84
9	34 837.84	6 270.81	15 980.66	18 857.17
10	18 857.17	3 394.29	18 857.17	—

TABLE 2

Characteristics of a \$100 000 loan repaid over 15 years at 18 per cent: annual payment \$19 640.28

Year of Loan	Balance at Start of Year	Interest	Principal Reduction	Balance at End of Year
	\$	\$	\$	\$
1	100 000.00	18 000.00	1 640.28	98 359.72
2	98 359.72	17 704.75	1 935.53	96 424.19
3	96 424.19	17 356.35	2 283.92	94 140.27
4	94 140.27	16 945.25	2 695.03	91 445.24
5	91 445.24	16 460.14	3 180.13	88 265.11
6	88 265.11	15 887.72	3 752.56	84 512.54
7	84 512.54	15 212.26	4 428.02	80 084.53
8	80 084.53	14 415.21	5 225.06	74 859.46
9	74 859.46	13 474.70	6 165.57	68 693.89
10	68 693.89	12 364.90	7 275.38	61 418.51
11	61 418.51	11 055.33	8 584.95	52 833.56
12	52 833.56	9 510.04	10 130.24	42 703.32
13	42 703.32	7 686.60	11 953.67	30 749.65
14	30 749.65	5 534.94	14 105.34	16 644.30
15	16 644.30	2 995.97	16 644.30	—

Debate Resumed

MRS HENDERSON (Gosnells) [2.42 pm]: I will speak only briefly to this debate. I am amazed at the degree of hypocrisy demonstrated by the Opposition in raising the question of interest rates as though they are some kind of isolated factor while neglecting the whole economic context in which these interest rates have risen. Although the last speaker redressed the balance to some extent and gave the Federal Government credit for the initiatives it has taken, previous Opposition speakers gave no recognition of that and treated interest rates as though they were some kind of totally independent factor rising with

the Government's blessing—a factor with no bearing on other economic strategies embarked on by the Federal Government.

The very first thing the Federal Government did soon after coming into office, as a demonstration of its new economic thrust, was to float the dollar. When it did that I remember very clearly that the response of the Opposition, both the National Party and the Liberal Party, was one of unqualified support.

Mr Blaikie: I didn't support it.

Mrs HENDERSON: The member's leader supported it. There was no doubt that the Australian dollar had been massively overvalued over the previous 10 years or so under the Fraser Government. Because no action had been taken to bring Australia into the mainstream of the world economy, the dollar was at an unrealistically high level. The Federal Labor Government took a very courageous step, one for which it suffered a considerable degree of criticism. It floated the dollar, and the dollar reached a value which reflected more realistically its true value in the world market.

As a result of this the agricultural sector in this State benefited enormously.

The ACTING SPEAKER (Mr Thomas): Order! The member for Karrinyup will cease interjecting.

Mrs HENDERSON: I was pleased to hear the previous speaker give credit to the Federal Government for the beneficial impact on the farming community of the Government's action, because the rural community's products were able to be sold on the world market at a better price because of a more realistic Australian dollar. This was a reflection of the fact that the Australian dollar had been insulated from the world and had been shackled by regulation for more than 10 years while no action had been taken.

The second thing the Federal Government did soon after it floated the dollar was to deregulate the banking system. It allowed the entry of foreign banks into Australia, and it removed a lot of the restrictions that had previously governed the banking system. I do not remember hearing at that time one single member of the Opposition in this place rising to say, "That action is wrong. When we get back into Government we will abolish the right of entry of foreign banks into Australia and we will reintroduce the kinds of restrictions that previously existed." Opposition members did not say that because they knew that the entry of foreign banks into Australia and the

deregulation of our banking industry would allow a lot of new financial packages to be offered to investors and that there would be a massive inflow of foreign capital which would benefit Australia enormously. The Opposition did not oppose that; it did not give any undertakings to change it. It made no criticism; and some of the more honest members of the Opposition actually supported it.

Both those factors were long-overdue actions to bring the Australian economy into the world from which it had been isolated for such a long time. However, in removing those shackles, with a massive inflow of investment, inflation went up. It was nothing like the galloping inflation we had in the latter years of the Fraser Government. Interestingly enough, the increase in inflation was more noticeable because in 1983, to the Federal Government's credit and the Opposition's incredible silence, inflation went down, unemployment went down, and all those factors which are indications of the general health of the economy showed a massive improvement.

Mr Clarko: The drought had ended. Don't you realise the importance of the drought?

Mrs HENDERSON: Of course, but the ending of the drought did not cause the 300 per cent or so increase in building approvals for homes and other construction work around Australia. At the beginning of my speech I said I would speak only very briefly, so I do not want to respond to interjections.

The ACTING SPEAKER: Order! The member for Karrinyup, the member for East Melville, and several other Opposition members have persistently interjected on the member speaking. Since she started she has indicated that it is not her intention to respond to interjections and therefore it is inappropriate for these interjections to continue. I have drawn the attention of the member for Karrinyup and the member for East Melville to this fact several times, and I indicate now that I will not tolerate any more interjections.

Mrs HENDERSON: The increase in inflation was noticeable at that time because it had dropped as a result of the election of the Hawke Labor Government. As I have said, at that stage we had record levels of home loan approvals and other building construction. We had a great increase in the level of employment.

Then something happened which was beyond the control of any of us—the world price of agricultural products collapsed. At the same

time, there was a collapse in the demand for and the price of our raw materials such as iron ore.

At that time we saw something, the implications of which are more enormous than almost anything else that has happened in recent times. We saw the beginning of a trade war; we saw primary products in particular being used by some countries as a weapon to attack each other's economies.

What did our Federal Government do when Governments overseas were actively subsidising their farm products to erode the traditional markets of other countries such as Australia? It sent envoys off to the United States to try to impress the American Congress that that was not the way to go about dealing with a long-standing ally of America's, and that it was not appropriate for the Americans to undermine our traditional markets in the world. We did the same in Europe. John Dawkins, the Federal Minister for Trade, succeeded for the first time in placing on the agenda of the GATT Conference the issue of trade wars. That was a very positive action on the part of the Federal Government; it was a very positive and clear action which showed that Australia did not support this kind of programme of subsidising farm products and pitting one country against another by using taxes collected from one sector of the economy to subsidise products produced in others to produce an artificial price for those products.

What did the Opposition do? The Opposition sent off the member for Murchison-Eyre to write a letter to the American Secretary of State saying, "Don't listen to the Australian envoys; don't listen to what they are telling you you ought to do. Just go ahead and, if you can, bring down the Australian Government at the expense of the farming community in Australia."

That was the reaction of the Liberal Party. It has nothing positive to put forward; all it could do was to politic, and that is what makes this amendment so hypocritical. It is the most hypocritical amendment I have heard moved in this House. Every Opposition member sought to undermine the efforts of the Australian Government. The problem was compounded by the fact that for 10 years under the Fraser Government, Australia was insulated from the real economic world and that Government was not prepared to take steps, which the Hawke Labor Government took, and float the dollar and remove the economic shackles. The Opposition allowed the newly-elected member for

Murchison-Eyre to write to the US Secretary of State and suggest the US should undermine the Australian Government's efforts.

However, there is no doubt that falling prices for our agricultural products have led to a massive increase in our national debt.

Point of Order

Mr CLARKO: Mr Acting Speaker, I understand very clearly the ruling you gave a moment ago. The member for Gosnells indicated she did not wish to answer interjections and you directed me and another member of the Opposition not to interject. Having spent five years as Deputy Speaker, I appreciate your ruling. Is that your basic stance in regard to a member who is speaking in the debate—if he or she says they do not wish to have interjections, you will prevent interjections?

The ACTING SPEAKER (Mr Thomas): What is the point of order?

Mr CLARKO: I want you to clarify your ruling in regard to points of order. That is not the traditional way in which interventions and interjections have been dealt with. I want to know what your stance will be. Will it be that members cannot interject if the member speaking indicates he or she does not want interjections?

The ACTING SPEAKER: There is no point of order.

Debate Resumed

Mrs HENDERSON: At the same time a very important factor which caused an increase in the national debt was the level of overseas borrowings, a great number of which have been to finance takeover bids. I have not heard anything from the Opposition indicating its concern for our national debt and agreeing that people should be following the lead of the Federal Government in encouraging industry to buy Australian products and invest in the manufacturing sector.

Mr Cash: Another academic argument!

Mrs HENDERSON: It is not academic when one talks about cars and agricultural machinery. One of the problems is that imported machinery has become relatively more expensive. This is a legacy of 10 years of non-investment by the Australian industrial sector when it had the capacity to invest and upgrade its plant to produce the kind of goods we need now and which are more expensive to buy from overseas.

In 1983 for the first time the Australian Government tackled these problems which had been accumulating and had been ignored for many years. It was most unfortunate that the collapse in the price of primary products occurred about the time our economy was showing such tremendous growth and improvement in its general state of health. There is no doubt the National Party has seen that the future lies in more investment by Australian industry in our own products so that we do not rely entirely on our primary products. Had this occurred 10 years ago, things would not be as bad as they are at the moment.

One of the most hypocritical features of this amendment is what it does not say. It does not say the Opposition wants to see the dollar repegged or the financial sector reregulated. It picks out one small part of the economic picture, criticises it as though it is operating in isolation, and gives no credit to the hard work which led to a massive growth in the Australian economy far in excess of anything seen in the last 15 years, and which has seen an increase in inflation rates as a result.

There is hope on the horizon. Plenty of reports say that interest rates will fall. I was interested to hear the national Manager of the National Australia Bank saying that in his view the Australian dollar is currently undervalued and that its true market value is around 80c. It is my view that as the world situation settles down and those people who can move money in and out of Australia at whim also settle down, our dollar will reach its real value. It is time the Opposition gave credit where it is due and stopped picking out one sector in isolation and showing the degree of hypocrisy it has demonstrated today in this amendment.

MR BLAIKIE (Vasse) [2.56 pm]: I congratulate the member for East Melville for moving this amendment, which is a very important one. We have heard a number of Government members speaking on it, and it has been interesting to note their paucity of knowledge. They reflect an academic view of the current monetary crisis which is facing Australia. They certainly reflect an academic view of the crisis which is facing rural Australia. It is also very evident that all those members of the Government who have spoken to date have never left the precincts of Parliament House, or at least have never gone further than the hills of the Darling Range, because had they done otherwise they would be aware of the different message coming from rural areas of Western Australia.

This amendment is timely because the Labor Party in Government has been saying, "When we get around the corner", and, "When the next month's figures come in things will improve". I say to the Government and the Australian Labor Party nationally and at a State level that it is time; their time is up. They have had their chance, and they have blown it. They have not performed. They have put Australia into its worst financial crisis on record. The Federal Government is the biggest spending Government on record. The people of Australia do not accept the vague promises the Government has made time and again and which we have heard from members opposite today.

One of the most unsettling aspects in the community is the number of people who are concerned about the cost of living and how they are going to cope with increasing costs. The Government has established a Price Watch Committee but it should have established such a committee to investigate its own charges, because no charges have increased as fast as those imposed by the Government.

Mrs Buchanan interjected.

Mr BLAIKIE: That is four years down the track. What has this Government done? It is going to talk itself out of office because the public does not believe it. The Government has had its chance and has blown it, and it is time for a change. That is what will happen. If the member for Pilbara wants to go back to Port Hedland, I will go there any time and talk to the people. They will tell her that what concerns them most is the ongoing spiral in costs and charges. Those costs are constantly increasing, and it is causing them concern.

Mrs Buchanan: When did you go to Port Hedland?

Mr BLAIKIE: I was there about eight weeks ago.

Mrs Buchanan: For how many days?

Mr BLAIKIE: Two days, but I will be staying longer next time, be sure of that. More importantly, I will be going around the shopping centres and looking at the good work the member for Pilbara is supposed to have been doing in keeping prices down. I will be reminding people of how she has failed.

The constant spiralling of costs and prices are factors that are continually causing concern to people. People everywhere tell us that. Small business owners, home owners, and the rural sector are in trouble. These problems can be traced back to the high interest rate policies of

the Government. The Labor Governments, both Federal and State, have inflicted misery on the people of Australia.

Mr Grill: That is nonsense.

Mr BLAIKIE: The Minister has his view and I have mine.

Another major area of concern is the price of fuel. Irrespective of what a person does in the bush, he has to buy fuel. The way the Government creams from the top all the time affects everyone. The further out in the bush people live, the bigger the effect on them. It is interesting to note that the Hawke Government has increased the fuel excise from 6.155c a litre to 23.884c a litre, an increase of 288 per cent. More importantly, revenue to the Government has increased from \$4.95 billion in 1982-83 to \$7 billion in 1985-86. The best harvest of all is being reaped by the Government while country areas are going backwards. The people living further away from the metropolitan areas carry the heaviest burden, but the State and Federal Labor Governments will not accept that.

I do not accept it; in fact I reject it. All over Australia rural towns are failing what I call the litmus test. They are starting to burn because of high Government expenditure and high interest rates.

The member for Nedlands read part of what the President of the National Farmers Federation, Mr Ian McLachlan, is quoted as saying in today's *The Australian*. I wish to quote that article a little further. It states—

Mr McLachlan said he regretted that the federation's proposal to lower inflation and interest rates by abolishing fuel excise had not been taken more seriously by the Government and some other sectors of the economy.

Ian McLachlan is saying that the National Farmers Federation is prepared to bite the bullet and pull in its belt, but the Government will have to do the same thing. I would like to hear one member of the Government say that he is prepared to reduce the excise on fuel. That excise has the biggest effect on rural Western Australia.

We are very aware of the crisis confronting rural Australia. Again in today's *The Australian*, Julian Cribb has announced the plan for a rural crisis hotline. He says—

The Federal Government and National Farmers Federation (NFF) will set up a telephone crisis hotline in an attempt to

determine the extent of distress affecting hundreds of farming families throughout Australia.

The hotline will be established jointly by the NFF and Federal Department of Community Services by the end of this month.

The deputy director of the NFF, Mr Rick Farley, said the decision to set up a hotline arose out of findings by the Rural Women's Task Force and a telephone survey conducted in South Australia by the United Farmers and Stockowners Association.

"There have been a great many calls from distraught farm families to members of the Rural Women's Task Force and to farming leaders in recent months," Mr Farley said.

"Some are facing extreme poverty and are in really terrible circumstances. In some cases the Salvation Army or St Vincent de Paul Society has had to be called in to provide food parcels for desperate families."

Members on this side of the House are being constantly reminded of those sorts of facts. Yet to listen to members of the Government who have spoken in this debate today, one would assume that there is no crisis at all. Headlines in all of the major newspapers across Australia indicate how out of touch they are. I ask Government members to go to the bush and gain some understanding of what is going on. They would get the shock of their lives. The member for Victoria Park would be a classic example of a member who should go to country areas to gain an understanding of what I am talking about.

Dr Gallop: I come from the country.

Mr BLAICKIE: How long ago?

Dr Gallop: I probably know more farmers in the Chapman Valley than you know in Vasse.

Mr BLAICKIE: Irrespective of that, and because of his jaundiced view, I suggest that the member take a jaunt to the Chapman Valley or wherever else he likes and talks to people in the wider community. I appeal for all Government members to do that because only then will they understand what we are talking about.

I have received representations from a constituent about the assets test which has given me great concern. This person, who is 66 years of age, told me that, because of the assets test, his pension was cut to \$1.10 a fortnight from 5 March. Apparently the Department of Social

Security reviewed his personal affairs. He is not in the best of health and has a part-time job at a motel in order to survive. He has become a victim of ALP policy. His son has a property in the northern wheat-belt area which currently carries a debt of \$1.4 million. The father has an interest in that property of \$164 000. He will never receive his money because many other creditors want their money first. Three years ago the property was valued at \$900 000. It is now valued at \$360 000 and it is carrying this extensive debt load. Because the father holds this asset, the only pension he can receive is \$1.10 a fortnight.

Members of the Labor Party should be aware of the hardship and heartache they are causing many people in the community. This hardship does not affect only those concerned, but also their families. The Liberal Party has given a commitment that the assets test will be abolished when it is returned to Government. The Government should be aware of the bitterness and resentment it is causing people because most of these problems are outside the control of the people they are hurting. Often they cannot even obtain welfare assistance. I thought Australia was supposed to be a caring society. What the Government is doing to the family in this country is despicable. This man has done his best to secure a part-time job, because without that job, and even at his age, he could not survive financially.

That is the economic circumstance with which those farmers are faced, and which are directly attributable to the policies of the Australian Labor Party in Government. However, its time is up and it has had its chance. The electors will make their determination at the next ballot box.

My comments to date have been related to Western Australia only, and the following matter I bring to the attention of the House relates to Australia as a whole. I was in Victoria about three weeks ago and I noticed an advertisement in *The Age* seeking applications for the position of a rural counsellor to be based in the Wimmera district. The duties were to provide a counselling service to farm families under stress to assist them to assess their farm's financial situation, to determine and follow options best suited to them, and to refer them to other appropriate helping services. It is the fourth community group in Victoria which has employed a rural counsellor, but it is only one of a number of appointments that will occur across Australia.

We have heard pious comments from members of the Government telling people not to be worried about the situation and that when the next set of statistics are released the economy will be better. But we know it will get worse. It will get much worse for a lot of people.

Community groups are setting out to employ their own rural counsellors to help in the rural crisis. People in the city block should go to the rural areas to ascertain, at first hand, what is happening.

In the time remaining to me I will refer to some comparisons that I want recorded in *Hansard* and which relate to the Government's performance while in office. A previous speaker quite rightly moved an amendment to the Address-in-Reply relating to interest rates. As far as I am concerned, interest rates are the bane of Australia's problems. One has only to look at personal borrowings to see how interest rates have increased over the last few years. In December 1984 the interest charged on Bankcard was 18 per cent, and in February 1987 it was 22.5 per cent. The interest on savings bank home loans was 11.5 per cent in 1984, but in February 1987 it was 15.5 per cent; prime interest rates were 13.5 per cent in 1984 and in February 1987 they were 18.5 per cent; interest on a small overdraft was 14.5 per cent in December 1984 and in February 1987 it was 20.5 per cent. In all areas of personal borrowings, the interest rate increased by between four and six per cent between December 1984 and February 1987.

In addition to that, I have a comparison between home loan interest rates in Switzerland and Australia. The rate in Switzerland is 5.3 per cent and in Australia it is 15.5 per cent. The situation in Australia is stark when compared with other countries.

The current annual inflation rate in Australia is 9.8 per cent; the USA, 1.3 per cent; Japan, 0.0 per cent; West Germany, -1.2 per cent; while the OECD average is 2.2 per cent. Again, the comparison shows that since the Labor Governments came to office Australia has fallen abysmally in comparison with its world trading partners. Australia is going backwards while other countries are going forward. It is little wonder that people are complaining.

A comparison of prime interest rates in USA, Japan, France, Canada, and Australia is as follows—

	December 1984	February 1987	Change
USA	11.8%	7.5%	-4.3%
JAPAN	5.5%	3.8%	-1.7%
FRANCE	12.0%	9.5%	-2.5%
CANADA	12.5%	9.3%	-3.2%
AUSTRALIA	13.5%	18.5%	+5.0%

These are the reasons that Australia is finding it impossible to compete on the world scene. Australia cannot compete with its trading partners around the world. People in Australia have to pay higher prices in comparison with people in countries I have mentioned. It is little wonder that Australians are tired of the harping and carping promises made by the Prime Minister and the members of the Australian Labor Party about the next set of figures being better. They have not improved. The Opposition believes they will get substantially worse.

It is time the Government took a hard look at what has occurred, and it should make a positive effort to ascertain the real situation in the rural areas.

The only salvation this State and the country have is for a change in Government. The Government has had its chance and it has blown it.

MR HASSELL (Cottesloe) [3.16 pm]: The amendment before the House concerns interest rates and, in particular, the lack of action by the State Government to do something about the interest rates crisis. I commence my remarks by referring to the reality of the figures as they apply to the ordinary people, particularly the farmers.

In question on notice 40 of this session, the Minister for Agriculture was asked, "What is the average debt per farmer in Western Australia?" The figure of \$151 965 he quoted was for the period ending June 1986—some months ago. Farmers are now being charged a 20 per cent interest rate on their loans. That means that on an average debt a farmer has to find \$30 000 per annum to service that debt before he starts paying off the capital. That is a very significant proportion of what the average farm can produce. If the interest rate were just five per cent less the difference of \$7 500 per annum would be a material difference. However, if it were 10 per cent less, which would still mean that the interest rate being charged was ahead of that of our major trading partners, the USA and Japan, the farmer would have a real chance both to service the debt and to pay it off.

In his address, the member for Victoria Park tried to attribute the interest rate and economic crisis to the deterioration in trade. Of course, that is only one of the factors. Certainly there was a deterioration in trade in relation to our primary products, and that particularly hurts

Western Australia because its mining and agricultural produce were less readily saleable on the international markets.

The member for Victoria Park went on to say that we needed to have high interest rates to keep up the dollar because if we did not have high interest rates to keep up the dollar we would have higher inflation. That, of course, is a very doubtful proposition and one that could certainly be challenged and argued. What the member for Victoria Park completely overlooked was that high interest rates themselves contribute so markedly and very materially to inflation. The member for Victoria Park's argument in favour of high interest rates was questionable.

The member for Victoria Park was echoed to some extent by the member for Gosnells in her support for the floating of the Australian dollar and deregulation of exchange control. I believe now, as I did then, that deregulation of the dollar was a correct move by the Federal Labor Government and that deregulation of exchange control was also a correct move. It promoted the operation of market forces and, through that, the proper adjustments to our position in the economic world. In fact, it facilitated those adjustments. Some of them have been forced upon us by the deregulation that took place and the fall in the dollar that flowed from that. We are seeing some of those changes taking place.

Changes in work practices have been brought about as a result of the action at Robe River, so vehemently opposed by the Labor Party and its union cohorts. It has become a national activity to change work practices. That has come about as a direct consequence of the impact of the change in Australia's place in the economic world. That has been recognised by deregulation of exchange control and floating of the dollar.

Neither the member for Gosnells nor the member for Victoria Park explained why the Federal Labor Government did not follow through with its decision to float the dollar as part of a complete deregulatory process. None of the speakers on the Government side—their contribution to this debate has been negligible and of very shallow substance—has explained why it is that having floated the dollar the Government has imposed high interest rates to hold up the dollar.

That leads me back to the point about the terms of trade on which the member for Victoria Park relied so much. He was right in saying that the terms of trade had deteriorated

in relation to Australia's business place in the world; he was wrong in suggesting that that was the only factor. He did not say why the Government party of which he is a member has not instituted an examination of whether Western Australia would have been a lot better off if there had been what is referred to as a clean float; in other words, a float that lets the dollar go to its natural level. Instead, we had what is referred to as a dirty float. The Government floated the dollar and as it began to fall in value the Government became alarmed and stepped in to maintain the value of the dollar through a monetary policy which maintains interest rates—as quoted by the member for Katanning-Roe—at a level five to six per cent higher than they would be if they were allowed to find their natural level without deliberate Government intervention.

I am suggesting that Western Australia suffers a double disadvantage under the policies of the Labor Government. First, it suffers the disadvantage of very adverse terms of trade which affect our industries—our iron ore exporters and agricultural exporters, in particular. The Labor Government has no direct control over terms of trade. The other disadvantage that Western Australia suffers is that of the high interest rates which are the direct result of Government policy. Interest rates are being kept high not to protect Western Australian industry, but to protect some situation in the Eastern States.

This Government should have examined in a very thoroughgoing way whether the dirty float which has been pursued by the Federal Labor Government should not in the interests of Western Australia have been vigorously opposed in favour of a clean float which allowed the dollar to find its real level. Perhaps the dollar would have fallen to 50c or 49c instead of being propped up to a minimum of 60c. Had that happened our primary producers may well have been a lot better off and Western Australia would have been suffering a lot less. Not only would our primary producers have received a bigger return in Australian dollars for their primary produce—such of it as can be sold—they would also not have been suffering these five to six per cent higher interest rates which is the acknowledged gap between the natural level of interest rates and that which is being imposed by the Federal Labor Government.

Mr Taylor: I think you should stick to law.

Mr HASSELL: Instead of being clever about it, the Minister for Health may like to get to his

feet and make a contribution to the debate to explain the position of the Western Australian Government on the issues that I am raising.

Mr Taylor: We have supported the Federal Government's policies and they have proved to be right the whole way down the line.

Mr HASSELL: It is interesting that the Minister for Health says that the State Government supports the interest rates that now apply. It is important to have that cleared up in this debate.

Mr Taylor: The economic policies of the national Government are spot on; they are proper policies.

Mr HASSELL: They have produced the interest rates we have now.

Mr Taylor: The national Government's economic policy has also helped our export industries a lot by floating the dollar.

Mr HASSELL: If that logic is true, would it not also be true that our industries would have been more greatly helped had interest rates and the dollar been lower.

Mr Taylor: No. The reason it would not have is that our inflation rate would have gone through the ceiling. It is not as simple as you think.

Mr HASSELL: It is not as simple as the Minister thinks, either. I listened to his interjections; the least he can do is listen to my speech. The Minister has overlooked the fact that interest rates of 20 per cent are feeding inflation. If the interest rate were five or six per cent lower, we would have a reducing force in relation to inflation.

Mr Taylor: You would have a much higher rate of inflation.

Mr HASSELL: But that higher rate would to some extent be offset by the lower interest rates. The Minister cannot have it both ways. I am glad that he has assisted me in making the point that I was trying to get across, because I acknowledge the reality that a State Government cannot do much on its own to control interest rates. A State Government does not control the factors which enable it to push up or push down interest rates. However, a State Government can put pressure on the Federal Government in relation to its policies.

Mr Taylor: That is exactly what the Minister for Housing has done.

Mr HASSELL: We are not talking only about housing. I am suggesting that on behalf of the people of this State, the State Government should have examined the question of whether it was better for Western Australia to have a clean float rather than a dirty float of the dollar.

If that study with proper examination—which has not been done—had shown, as I believe is the case, that we would have been better off with a clean float, through our Government, we should have been applying pressure on the Federal Government in relation to its policy.

I remind the Minister and his colleagues on the other side of the House that in 1983 the Labor Party in this State was not backward in suggesting that the solutions lay in Federal economic policies. The ALP State platform of September 1982, in the lead-up to the 1983 election, said that Labor recognises that the basic problem of high interest rates can be eliminated only by fundamental changes in national economic policy. Those fundamental changes came about but the problem of high interest rates has not gone away, it has become considerably more serious. That is the first of my very important points.

The other point is that the State Labor Government, limited though it is in its capacity to deal with the problem of interest rates, has failed to represent the interests of Western Australia from a Western Australian point of view. It has failed to examine the issues and to put pressure on its Labor colleagues at the Federal level.

I am glad to have it recorded that the Government Minister who interjected on me has said very clearly that the State Labor Government has supported the Federal Labor policies all down the line.

I also want to point out as a matter of record what the interest rates were in January 1983 so that we have a base point of view on record. Time is short and I seek leave of the House to incorporate in *Hansard* a short table of selected interest rates, per cent per annum, for January 1983 from a document prepared by the Western Australian Treasury.

The following material was incorporated by leave of the House—

Table 1: Selected Interest Rates
(Percent Per Annum): January 1983

Overdrafts (under \$100 000)	13.50—14.50
Overdrafts (over \$100 000)	
—Prime borrowers	14.00—15.00
Savings Bank Housing Loans	12.50—13.50

Building Society Call Rates (a)	8.00—13.25
5 Year Commonwealth Bond Yield (b)	12.14
Yields on Public Issue of Semi Government Securities (a)	14.10—14.40
Australian Savings Bonds	12.25
Average Cash Management Trust Deposit Rate (a)	14.50
(a) December figures—lower figures should be evident for January	
(b) Latest tender result	

Source: Syntec and Reserve Bank of Australia Bulletin.

Debate Resumed

Mr HASSELL: The other thing the State Government can do which will make a difference to interest rates is curtail its own pressure on interest rates through borrowings. In that respect I refer to the material recently publicised by the States' Policy Unit of the Institute of Public Affairs concerning the borrowing of State Governments generally and this State in particular. The first statement was issued on 22 January in which it was pointed out that—

State Governments are undermining Commonwealth Government efforts to rein back public sector borrowing, according to Les McCarrey, The Director of the IPA States' Policy Unit.

The net borrowing requirement of State and Local Governments is estimated to rise by a massive 45% in 1986/87 despite the Loan Council having agreed to a 10% cut in new money borrowings.

The statement continued—

Mr McCarrey pointed out that notwithstanding substantial tax increases in three States, total outlays by the States have continued to increase at a greater rate than revenues and grants available to them, dramatically so in most cases. Total State outlays are forecast to increase by 9.7% this year compared with an expected increase in revenue and grants of 6.3%.

The figures for Western Australia, as quoted in a subsequent document issued on 23 February, show that it had a total increase in its net deficit on public sector borrowings of 66.3 per cent between 1982-83 and 1986-87.

To summarise the position: The State Government has failed in relation to interest rates as a major problem on two fronts. Firstly, it has failed to examine the problem from the point of view of Western Australia and to make appropriate representations to the Common-

wealth Government. Secondly, it has failed to curb its own expenditure in the borrowings area and, as a result, has directly contributed to the upward pressure on interest rates and to the costs being borne by people in this State who have to borrow money, whether for farming, housing or any industry and development.

Amendment put and a division taken with the following result—

Ayes 15

Mr Blaikie	Mr Laurance
Mr Bradshaw	Mr Lewis
Mr Cash	Mr Mensaros
Mr Clarko	Mr Schell
Mr Court	Mr Tubby
Mr Cowan	Mr Watt
Mr Hassell	Mr Williams
Mr House	

(Teller)

Noes 22

Mrs Beggs	Dr Lawrence
Mr Bertram	Mr Marlborough
Mr Bridge	Mr Pearce
Mr Brian Burke	Mr Read
Mr Carr	Mr D. L. Smith
Mr Evans	Mr P. J. Smith
Dr Gallop	Mr Taylor
Mr Grill	Mr Thomas
Mrs Henderson	Mrs Watkins
Mr Gordon Hill	Dr Watson
Mr Hodge	Mrs Buchanan

(Teller)

Pairs

Ayes	Noes
Mr Thompson	Mr Wilson
Mr Lightfoot	Mr Parker
Mr Trenorden	Mr Bryce
Mr Stephens	Mr Troy
Mr Grayden	Mr Peter Dowding
Mr Crane	Mr Tom Jones
Mr Spriggs	Mr Burkett

Amendment thus negatived.

Debate (on motion) Resumed

MR P. J. SMITH (Bunbury) [3.41 pm]: I would like to spend some minutes on the Address-in-Reply debate. In my maiden speech in August 1983 I covered the general Government policies on decentralisation and regionalisation. I am pleased to see that in Bunbury in particular the Government is making good progress in its regionalisation programme. Bunbury is doing reasonably well, as are most other regions in country areas, but I shall leave that particular point until the Budget debate later in the year.

In my maiden speech I finished up by saying that I was interested not only in the south west and Bunbury, but also in State-wide matters. I would like to quote my final words. I said—

It also worries me that so many people who enter this underwater world wearing scuba equipment, die or are seriously

injured each year. Those who buy this scuba gear should be able to expect safe gear and expert training.

I said at that stage that I would later bring up more about those matters. I think now is an appropriate time. Most of us will be aware of the rapid increase in the number of reported cases of the bends, or decompression sickness. I would like to dwell on some of these accidents, which seem to have reached epidemic proportions.

Going back to September 1984, Mr Albert Jager was diving with a reputable group called the Froth and Bubble Diving School when he failed to surface about midday. He was aged 26, and according to his mother and friends to whom I have talked recently, he had received some reasonable training and was expected to be able to take a deep dive off Rottnest and survive.

I will not go into the reasons for his death. Suffice to say that he was separated from his buddy, and failed to surface. By the time they found him one hour later it was far too late to resuscitate him.

Earlier this year a father was teaching his 18-year-old son on his first scuba dive. His father had barely had time to explain to him the basics of diving at a reasonably shallow depth. His son for some reason panicked, held his breath as he rose, and ruptured a lung, with the result that, according to the doctors, he will probably never be able to dive again.

This year there have been many cases of the bends. Perhaps the best example of someone with a lot of experience getting into trouble was the victim from Capel, a 27-year-old man called Dean Dunlop, who had been diving for more than 10 years. He was a diabetic, and had never actually completed a diving course, although he said he learned the basics from an abalone diver who he said was very experienced.

After 12 years' experience he had a series of deep dives, and then started to get pains in his legs. He thought he had been bitten by a snake. It was two days before a doctor was able to diagnose he had the bends, or decompression sickness. He was rushed to the Stirling Naval Base and put into the recompression chamber. Finally he was relieved of the pain. I am not sure whether, having been relieved of the pain, he will not suffer from damage in that leg for the rest of his life.

The three cases I have quoted are of almost untrained scuba divers. We expect untrained scuba divers to get into some sort of difficulty. It is a very dangerous sport. People do not realise the dangers of using compressed air and diving to any depth without any sort of training.

However, we have an anomaly in the numbers of accidents which have been reported as a result of scuba diving. Apparently 64 per cent of the victims of accidents reported since June 1985 have been trained in the proper use of scuba equipment. There appears to be an epidemic of the bends or decompression sickness. I am not sure why this is, but certainly it is a cause for concern to the Government. It has been a cause for concern to people involved in the diving world for many years.

I would like to quote some figures. Perhaps I could thank the member for Vasse, who is not here at the moment, because the figures come from a question he asked on notice today. Those who have gone into the recompression chamber are the easiest to record. In 1984 there were 10 cases; in 1985, 18; in 1986, 20; and in 1987 up until last weekend there have been 28 cases.

The diving clubs, the scuba trainers, and members of the Australian Scuba Council are trying to put the blame to a large degree on unskilled and unqualified diving clubs and diving instructors. I am not sure whether that is true, but I am pleased that the Government has set up a task force. One of its jobs will be to see whether there are problems only within the untrained or unqualified or amateur diving clubs, or whether the problem is more widespread. I suspect it is more widespread.

This problem is not new. In December 1982 the Australian Underwater Federation wrote to the then Minister for Recreation, Hon. Bob Pike, and expressed concern. It said—

At this point in time scuba diving as an amateur sport suffers the highest death rate of all sports other than amateur flying. Throughout Australia an average of 10-12 people per year die while diving, and per capital W.A. has a higher death rate than the National average.

It went on to say that there is a need for legislation. The federation quoted the controls applied in South Australia, and said that over a period of 10 years, 11 people died while diving in the sinkholes in South Australia. Eventually the South Australian Government closed the area to divers until an association was formed

to train, certify, and control sinkhole diving. The caves are now visited far more frequently than ever before and no diver has died in the area since 1975. I have no record of whether there have been any further deaths since 1982.

If controls are introduced it appears to cut down the number of accidents. What the Government and the divers of Western Australia are worried about most of all is that eventually, without controls or an education campaign, there will be more deaths.

The Australian Scuba Council, which has more than 1 300 certified instructors, has set up standards which it considers necessary for instructors. It has taken the standards from reference to other groups, particularly the American Standards Institute, and it hopes that if legislation is introduced, these standards will be the norm for anybody wishing to instruct persons in the art of scuba diving.

A problem arises because of the anomaly that so far two-thirds of the people who have had accidents, particularly due to decompression sickness, appear to have been trained. It may be easy enough to control scuba instructors and those who fill the cylinders, but a large number of people own hookah units which do not require regular servicing, and supply free air, and it is going to be difficult to stop dad from instructing his son.

In New South Wales they have introduced diving controls through the Trade Practices Act 1974, and they appear to be having some success in cutting down the number of diving deaths and accidents. But in Western Australia there is the anomaly that divers who apparently are properly trained are having accidents. That will be an interesting point for the diving task force to take up.

It has been put to me that one of the problems with the training course is that divers have only one dive in deep water, which is under the complete control of instructors, usually with buddies, with a group of other divers, and everything is controlled. Having obtained their "C" card, which is their basic qualification, divers can then go and dive wherever and as deep as they like, with no further training required.

Mr Dunlop, who had been diving for 10 years, apparently did not know there was a need for decompression stops in depths of water over 30 feet. One could perhaps think that experience brings carelessness.

This year has been a very good diving year. It has been calm and clear; it has been easy enough for anyone to go out in a boat, jump over the side, have a dive and enjoy it, without having to worry about decompression stops. When the water is dirty and cold, people tend not to stay in the water for very long and they remember their decompression stops and their training.

Another problem that could lead to an increase in the number of bends victims is the fact most people are irregular divers. One's fitness can change from day to day according to how much alcohol is consumed in the last 24 hours, how tired one is, what time of day it is, and so forth. Whereas one may easily dive down to 40 or 50 feet today, next weekend one may need a much longer decompression stop for the same depth. I have heard people say that all one does if one dives deeper than 30 feet is come up to the bottom of the boat, swim around for a while, count the barnacles on the bottom of the boat, and when one feels all right, just come out of the water. However, that is not the way it is done. It requires a much more scientific attitude than that.

The original diving decompression tables were based on the American Navy standards, which were for fit, young men. There is quite a difference between fit, young men and ordinary men. Women in particular seem to have a propensity for storing nitrogen in their cells and apparently need longer decompression stops.

Another area which might be creating these problems is the attitude of experienced divers who enjoy themselves, but if they want to get out of the water earlier, particularly if they are feeling a bit cold, they leave quickly, with minimum decompression stops. If they do have a few pains, they can go to *HMAS Stirling* and the Australian Navy will put them in the recompression chamber without charge, and within a few hours, or a day if it is serious, they will be out of it again as good as new and perhaps be able to go diving again the next weekend.

The diving task force is going to have a very difficult job if it is to bring forward to the Government the necessary legislation. It may be easy to control the legitimate schools and perhaps even to license divers if necessary, but in Western Australia amateurs are able to obtain equipment and go diving without adequate training. The major point the task force will be looking at is an education programme and publicity to be conducted throughout the whole of Western Australia at the beginning of next

summer so that people who are going diving or parents who are assisting their sons and daughters to buy diving equipment will be aware whether they are buying themselves, their friends, or their children dangerous equipment. Diving is probably more dangerous than driving a car so far as the problems associated with the individual are concerned.

A further problem I see looming on the horizon is the amount of time that is taken up in the recompression chamber of the Royal Australian Navy. The chamber was not built for amateurs; it is not for people who go diving and are careless, to come in there for free treatment. It was built for the navy. It is estimated it costs the navy between \$5 000 and \$6 000 to treat each bends victim. At some stage in the future the navy may say it is going to charge or it wants the Western Australian Government to build another recompression chamber. If that is on the horizon and looks like coming before the task force, it may have to look at some form of insurance on divers so they can pay these massive costs if they do have problems, rather than load the cost of their carelessness onto the Western Australian taxpayer.

I support the motion.

MR TUBBY (Greenough) [3.56 pm]: I would like to make a contribution to the Address-in-Reply debate and bring before the House a number of concerns affecting my electorate and, in particular, the problems of isolated people. The more isolated people are, the greater the impact on them of decisions of both Federal and State Governments. Many of these decisions appear to be deliberately designed to reduce the influence of these people. I consider that the people who have been the most affected are some of the most productive in our State so far as the generation of export earnings is concerned.

The most glaring of these problems is the fuel taxes imposed by the Federal and State Governments. As a result of the recent increase in the State fuel levy, it now raises \$47 million, a very large proportion of which is borne by people in isolated areas, because of their need to travel in order to use services which city people take for granted and which for them are usually just around the corner. People in isolated areas do not have the privilege of public transport and are forced to travel enormous distances for their daily needs.

Another example of the losses—and I am glad the Minister for Health is now in the Chamber—is the IPTAAS scheme.

Mr Taylor: I am always in the Chamber.

Mr TUBBY: Yes, I think he probably is. At face value, in a lot of cases the scheme appears to be quite reasonable, and one of the greatest benefits of the scheme is the very quick processing of applications for assistance. However, those on the receiving end of that assistance, particularly isolated people, are quite concerned.

I have an example of one of my farmer constituents from Morawa who is in dire circumstances and is really battling to carry on. I believe at this stage he has not received approval for funds to carry on for this year. He is a diabetic, and under the old scheme he travelled to Perth and received \$118. Under the new IPTAAS scheme he received only \$34, yet he travelled down by the same means, for exactly the same distance, and attended a specialist for exactly the same reasons, staying in exactly the same hotel, and travelling exactly the same distance back.

He was certainly quite upset, and felt that the scheme should be changed to give more benefits to people who must travel such long distances.

Mr Taylor: I will just answer that, if I may. That man would have travelled by road, so he would have received 10c per kilometre, which I think is sufficient to cover the cost of road transport—the cost of running a car between, say, Perth and Morawa. The only thing he would have missed out on is the accommodation component in Perth. We have extended the scheme from the point of view that people holding health care cards do not have to pay anything at all, which is of great advantage to them. But by telling those people we will give them more, we have to take something away from somewhere else. We decided that people who did not hold health care cards must pay for their first three nights' accommodation in Perth. We also imposed a limit, which means that people do not have to pay out more than \$280 per year.

If the person you mention is in desperate financial circumstances, he can apply to the Commissioner for Health for assistance to meet those costs. Under the old IPTAAS scheme there were no ifs or buts about it; if someone did not qualify, he did not qualify. Now there is a flexibility in the scheme. If that farmer is in difficult circumstances he should apply for some assistance if he has to travel to Perth on a regular basis.

Mr TUBBY: I thank the Minister for that information, but I think he will appreciate that anyone in difficult financial circumstances would have received a shock when confronted with the difference between the level of assistance available under each of the schemes.

There is also the Labor Party policy of one-vote-one-value, which seems to be deliberately designed to reduce the voice of people living in isolated areas. At present it is also being forced on local government. The voice of isolated people is, on a smaller scale within shires, also being eroded by a scheme being implemented by a Minister who says he believes in more autonomy for local government and then stands over shires and says, "Do as I say, or else", for no other reason than that it is Labor Party policy. There has been no request for this by ratepayers or the shires, and these demands on local government could not have come at a worse time. Councillors and shire staff are taxed to the limit at the moment, trying to make ends meet, and any additional demands placed on them mean additional costs. There does not seem to be any real reason for it.

Councils in the northern ward of the Country Shire Councils Association were so disgusted with the Minister's lack of understanding of the needs of rural areas, in his dual role as Minister for Local Government and Minister for Regional Development, that at a regional conference at Kalbarri they moved a motion which began with words to the effect that representatives of his department be located in isolated country towns to obtain a real understanding of the problems of isolation. Madam Acting Speaker (Dr Lawrence), I think you would realise that to get a real understanding of the problems of isolation one must actually be in a community that suffers those problems.

In the mid west there is a great deal of criticism and dissatisfaction with the enormous waste of taxpayers' money in that region, and on the staff under the control of the Minister in his department in Geraldton. We were given a great deal of publicity as to what would be achieved, and many people—myself included—really believed we would see big things happen. However, the distinct impression I am receiving is that people are becoming very impatient indeed to see the results of the study that has been carried out.

The initial report of the study indicated to people the very things they already knew. The opening remarks of the study's initial report were to the effect that the study found that the area surrounding Geraldton produced wheat,

lupins, and barley, ran sheep, and produced a considerable number of fat lambs. The people of that area are well and truly aware of those facts and do not need to be informed of them. To have so much money spent on something they already knew started off their outlook on the study on a very bad footing. They are concerned that following this report there has to be identification of opportunities, and that the identification of opportunities may be along the same lines as the report in relation to the activities in the area. I can assure members that the people are very critical of what is going on, and of the enormous costs and staff involved in this study when compared to the possible benefits they may receive from it.

I am sorry the Minister for Aboriginal Affairs is not present, as another matter I wish to bring before the House concerns a problem that has been going on for four years. It relates to the Barrel Well reserve at Ajana, north of the Northampton Shire. I do appreciate the response by the Minister to an invitation I extended to him to come to the area and meet with the Aboriginal people concerned—which he did on site—and also with the farmers and shire councils, including the Northampton Shire Council. However, following that meeting there was a general atmosphere of disappointment because it was felt that the Minister had already made up his mind about the outcome of the application by the Aboriginal Boomerang Council for use of that reserve before he came to Northampton to discuss it. At no stage in the discussions did the Minister indicate that he was still to be convinced that that would or would not be the right decision to make.

The reserve in question is of some 640 acres and surrounds an old well which is in very good condition. The reserve is on a stock route which is now virtually obsolete. Most of the stock route itself, which runs through the agricultural areas, has been closed, which has left an area of 640 acres of natural scrub. The area is of very little value indeed. The Northampton Shire Council wanted it to be left as an attractive picnic area, which it is in the winter; but in summer it is very arid and barren, as those areas can be.

The Aboriginal Boomerang Council heard that the designation of this reserve as "water reserve" was to be changed, and it notified the Northampton Shire Council. The council had decided that it would no longer be required for the purpose for which it was reserved, and that

it would call for applications of interest, and suggestions as to what the reserve might be used for.

At that stage the Aboriginal Boomerang Council, led by the president, Mr Phil Mallard, decided to squat on the reserve. Members would realise that that is quite illegal; however, it was tolerated because Mr Mallard believed he had a very strong case for his group to be allocated the area of land because of the purpose for which he intended it to be used. Most people would agree, and I know the farmers of Northampton and the shire agreed, that the purpose for which he desired the reserve was a very commendable one.

That was to set up a training school for young and unemployed Aboriginal people from Geraldton in order to give them experience in sharing, handling horses and an atmosphere of a farming operation with animals. At the same time, he wanted to teach them some bushcraft which is a very important part of the Aboriginal life. They like that way of life where they can get away from the more intensely populated communities.

Because of the nature of the reserve, it is fenced only by the neighbouring boundaries, which are constructed to keep their stock under control. The Aboriginal people have taken sheep onto the reserve and are using the neighbouring boundary fences to retain their stock. They also keep cattle, goats, horses and dogs.

During the time they have occupied the reserve, they have been a considerable annoyance to the surrounding landowners. The horses have broken fences and the 50 sheep looking for food went through the broken fence into neighbouring crops. The horses have wrecked water supplies and open grain silos, and have been of considerable concern to these people.

Mr Mallard had ideas of using this reserve as a training school and the farmers, including the shire, feel the area is definitely not suitable. It is not big enough and the water supply in the well is very limited. Fifty sheep would exhaust that water supply within 12 months if the situation were similar to that which we have experienced in recent weeks.

The Aboriginal people have to cart water to their campsite and, according to the farmers who surround the area, there is no hope of getting a better water supply. The food is very limited because there is only natural scrub. It was strongly felt that consideration and support should be given to Mr Mallard's proposition that is, to create various activities for young

and unemployed Aborigines. If one of the many farms for sale in that area were purchased, they would be able to live on the property, and run the stock in numbers, which would be worthwhile, and it would be of great benefit so far as the training process is concerned. They will also be able to create many more activities on the farm.

Most farms in that area have considerable areas of bush where they are able to carry out their camping and other activities. I wish to quote from a letter written by the Northampton Shire Council to the Minister for Lands because it gives an outline of their concern over this area and what they feel it should be used for. It said—

Further to my letter dated November 7, 1985 and following discussions between Mr Carlton of your Department, Mr Peterson of the Aboriginal Affairs Planning Authority and my Council, I advise as follows.

Council is of the opinion that the Barrell Well Reserve is not suitable for the suggested Aboriginal purposes such as a hobby farm or rural training centre. This opinion is based on the lack of sufficient quantity of water on the reserve together with the thought that only 24 hectares of the reserve is suitable for farming purposes.

Due to the lack of water and suitable farming area Council considers that there would not be sufficient work on the reserve to keep the occupiers off alcohol and this, in turn, creates social problems.

Council is also concerned at what authority would be responsible to control activities on and near the reserve if it was made available to an aboriginal group. The social behavior, in the past, has apparently created a few problems for people in the area and Council does not wish to authorise an activity that is against the wishes of some of its ratepayers.

Council firmly believes that the reserve should be made available for tourism and historical purposes owing to its significance with early mining in the area.

Here, they are referring to the earlier lead mines, which are a tourist attraction in the Northampton Shire. It further states—

It was also suggested that the reserve would be best left as a green belt as it contains euro kangaroos which are scarce in the area.

Council respectfully suggests that the reserve should not be made available to a particular group for camping and if it has to be made available, at all, it should be available to everyone.

That gives an outline of the attitude of the Northampton Shire towards the application by the Aboriginal Boomerang Council for this area. As an alternative suggestion, it was felt that this area of land should be allocated to the Aboriginal community, so they could procure a farm. This was mentioned during discussions on two or three occasions but the Minister for Aboriginal Affairs did not take up the matter.

I took the opportunity at the meeting of the Northampton Shire Council and the farmers concerned, to ask the Minister about his thoughts on such a proposition. The Minister said there has not been an application along those lines and that he could not consider such a proposition unless there was an application. I do not wish to be critical of the Minister but I think that as Minister for Aboriginal Affairs it would be good if he were seen to be assisting these people and taking a lead in this alternative proposition. As has been mentioned several times today, many farmers are walking off their land, so many farms are for sale. An established farm could be purchased, it would be supplied with power, shearing sheds, housing, fencing and food for stock which would make it a going proposition.

As I said before, the reserve has absolutely nothing except a rough old tin shanty in which the people who are occupying the reserve camp. It is of a very poor standard. I can see a situation where the Government will be called upon to put on power, and provide water and buildings for this reserve but by doing so, it will not make it a viable proposition.

If one looks to the future, one can see it would be an asset for anybody and certainly will not be able to be disposed of if they so wished at any time. A farm cannot be taken away. The cost of such an investment would not be great. The Government is concerned and should give further consideration to the proposal to buy an established farm and create many activities for the great number of people who would use the facility.

I was rather disappointed that the Minister did not seem very keen to take up the idea. If he has not already done so, I hope he will not make a hurried decision. Following his investigations and discussions with people in that area, he indicated he wished to discuss the

proposition with the shire. I hope it will be clearly indicated—as it was by the farmers in the area—that a viable farm will be protected in the interests of the Aborigines and all the other people who are concerned about this matter.

The member for Cottesloe will recall a discussion we had two years ago with a Margaret Mallard of the Aboriginal Boomerang Council. During the course of that discussion she clearly indicated that both the Opposition and the Government should create activities for Aboriginal communities so that they could get away from the welfare and handout mentality which exists at present, because Aborigines really wanted to do things for themselves.

I was quite disappointed at a recent meeting with Aboriginal people to find that some of their advisers, including Ms Mallard, indicated they did not want a project which they could use to create a profit, such as a farm setup. I think they did not want the responsibilities that go along with such a venture, but that is a completely different argument. Such a position was completely different from that which was put forward two years earlier. I strongly supported the previous application by the President of the Boomerang Council, Mr Mallard, for a station further north. Some four or five years earlier he had written to me and asked whether I would support that application for the station; it was an activity similar to that which they want to have on this reserve.

I wrote to the Minister concerned at that time and strongly supported the application because I believe that if we are to help these people, we should get them away from the towns, where there is nothing for them to do, and into the wide open spaces under the control of people such as Mr Mallard, who is quite influential within the Aboriginal community of that area. He would be able to create some very worthwhile activities which would eventually lead the Aborigines to an interest in the pastoral industry and the opportunities it offers.

As I said before, I hope the Minister does not make a hurried decision about this matter because when the shire, the farmers, and I put forward this proposition—which sadly was not welcomed by the Aboriginal community—Mr Mallard, when asked whether he would consider it, said, "Yes, we will have that and the situation at Barrel Well as well." I think that was greedy and it makes one wonder about the motives behind their application for Barrel Well. There has been a considerable amount of trouble with neighbouring farmers in that area;

apparently there is some personal dissatisfaction between Mr Mallard and the surrounding landholders. There is a clash of personalities and it seems that Mr Mallard is persisting with his application because he knows it will antagonise some people, against whom he has a grudge. I think that is rather unfortunate and I sincerely hope it is not the case but judging by a comment which was made to me by a farmer who attended that meeting, Mr Mallard apparently made such a statement.

I am sorry the Minister for Aboriginal Affairs is not present because I am sure he would have liked to respond to my comments.

Debate adjourned, on motion by Mrs Buchanan.

[Questions taken.]

**ADJOURNMENT OF THE HOUSE:
SPECIAL**

On motion by Mr Pearce (Leader of the House), resolved—

That the House at its rising adjourn until Tuesday, 28 April at 2.15 pm.

House adjourned at 5.03 pm

QUESTIONS ON NOTICE

TRANSPORT DEPARTMENT

Staff

282. Mr RUSHTON, to the Minister for Transport:

(1) Will he please let me have the total of salary and wage employees in each of his portfolio's departments, commissions, and agencies for—

- (a) March 1983 or nearest practical date;
- (b) March 1987 or nearest practical date?

(2) What were the number of officers employed in his ministerial office as at—

- (a) 1 March 1983;
- (b) 1 March 1987?

Mr TROY replied:

(1) (a) As the member asks for the same information regularly, I refer to my predecessor's answer to question 51 of 20 August 1985; and as recently as 10 November 1986 to my written response to his question 1190 of October 1986.

(b) Main Roads Department	2 299
Marine and Harbours	336
Transperth	2 175
Albany Port Authority	19
Bunbury Port Authority	34
Esperance Port Authority	16
Fremantle Port Authority	734
Geraldton Port Authority	33
Port Hedland Port Authority	32
Department of Transport	110
WA Coastal Shipping Commission	297
Westrail	6 097

(2) (a) As the Minister's office staff were included in the staff of the Department of the Premier and Cabinet, exact numbers cannot be established.

(b) 18. However, the member would realise the diversity of the Transport and, Small Business Portfolios, and how the departments and agencies are decentralised. Thus four records

staff, one Westrail liaison officer, one Small Business liaison officer, and two officers on special projects are included in this number.

GOVERNMENT TRAVEL: BOOKINGS

Holiday WA Centres: Value

292. Mr COWAN, to the Minister for Tourism:

What is the total value of travel and accommodation that has been arranged through Holiday WA for and on behalf of Government Ministers, public servants, and other persons whose bookings were paid for by Government departments or agencies since 1 July 1986?

Mrs BEGGS replied:

The total value of Government travel and accommodation arranged through Holiday WA for the period 1 July 1986 to 28 February 1987 is \$7 075 256.

PLANNING

Bernies Hamburger Bar: Redevelopment

315. Mr BLAIKIE, to the Treasurer:

(1) Can he advise whether any officer of his department or the Western Australian Development Corporation made any public comment on Western Australian Development Corporation's saying it will "get the lease arrangements changed so that Western Australian Development Corporation can redevelop A Class Reserve A1720 known as 'Bernies Hamburger Bar' "?

(2) If so, would he provide details?

(3) Is he aware that any move to change the status of "A"-class reserves requires the approval of Parliament?

(4) Would he table all papers, plans, etc. that Western Australian Development Corporation has relative to reserve No. A1720?

Mr BRIAN BURKE replied:

(1) I am not aware that any such comment was made.

(2) Not applicable.

(3) Yes.

(4) No.

PORTS AND HARBOURS: JETTIES

Fremantle: Leasehold

392. Mr CASH, to the Minister for Transport:

- (1) Which persons or companies have leasehold interests in jetties between the Stirling Bridge and the Fremantle Traffic Bridge at Queen Victoria Street?
- (2) When did these leasehold interests commence, and when will they expire?
- (3) Is he aware if these properties are intended to form part of the proposed Anchorage development?
- (4) Is he aware if leaseholders have been approached to negotiate the surrender of their existing leasehold interests and possible relocation of their facilities?
- (5) If yes to (4), will he provide details of the extent of such negotiations?

Mr TROY replied:

- (1) (a) Ball & Son Pty Ltd;
(b) Elder Prince Marine Service Pty Ltd;
(c) Ritma Pty Ltd.
- (2) (a) 1 January 1979 and 31 December 2000;
(b) 1 July 1967 and 30 June 1988;
(c) 1 October 1974 and 30 September 1995.
- (3) Yes.
- (4) I am aware that some of the lessees have been approached.
- (5) I am not conversant with the details of negotiations between the developers and the lessees. However, I have required that the existing businesses be satisfactorily relocated as a condition precedent to my approving of the assignment or surrender and reallocation of the leases.

SPORT AND RECREATION

WA Sports Centre: Construction Cost

404. Mr WATT, to the Minister representing the Minister for Sport and Recreation:

Now that the new WA Sports Centre at McGillivray Oval is nearing completion, could the Minister supply an updated costing of the facility?

Mr WILSON replied:

The committed cost of the facility to completion is \$22 873 180, plus provision for additional work related to the function centre, cafeteria, and concessions estimated at \$1 459 315.

TRADE

Exports: Silica Sands

408. Mr LAURANCE, to the Minister for Transport:

- (1) Is he aware that silica sands are now being exported from the Australian Iron and Steel Pty Ltd wharf at Kwinana?
- (2) Is he aware that the Fremantle Port Authority is charging 90 cents per tonne wharfage at Kwinana, which is the same charge as that levied for this product at the Fremantle wharf?
- (3) Is it a fact that the owner of the Kwinana wharf is prepared to charge a considerably lower wharfage charge?
- (4) Is he prepared to investigate this matter to ensure that the wharfage charges at Kwinana are maintained at as low a rate as possible?

Mr TROY replied:

- (1) Yes.
- (2) Yes.
- (3) The owners of private jetties within the boundaries of the Port of Fremantle are not permitted to establish wharfage rates. Wharfage charges on goods passing through the port must be paid at the port authority's scheduled rates or in accordance with the agreements covering the use of private facilities in the Outer Harbour.
- (4) To allow differing rates to be charged for use of private facilities would have the effect of discriminating against one group of port users in favour of another.

Wharfage charges are framed to return revenue from which the port facilities are provided and maintained. It is not just for the provision of wharves and jetties per se. These costs should be equitably shared by all port users.

The principle of granting wharfage concessions is always related to the type and volume of cargo, or to provide assistance justified in the

interests of the economy of the State. It would be unfair to all port users merely to grant concessions on the basis of which berth is employed.

All wharfage charges within the Port of Fremantle are kept at the lowest level possible, and are comparable with wharfage charges levied by all other major Australian ports.

WA DEVELOPMENT CORPORATION

Loans: Wesfi Pine Pty Ltd

410. Mr COURT, to the Treasurer:

- (1) Has the Western Australian Development Corporation lent any funds to Wesfi Pine Pty Ltd?
- (2) If yes, how much, and when were the funds transferred?

Mr BRIAN BURKE replied:

- (1) and (2) Pursuant to section 24 of the WADC Act, the financial undertakings and investments of WADC are disclosed in the corporation's annual report.

The corporation, largely at the insistence of the Opposition, is not obliged to provide information to Government outside the terms of the Companies Code and the specific provisions of the WADC Act.

INDUSTRY AND TECHNOLOGY DEPARTMENT

Permanent Head

418. Mr COURT, to the Minister for Industry and Technology:

- (1) When will the new head of the revamped Department of Industry and Technology be announced?
- (2) Who was on the selection panel for this appointment?

Mr BRYCE replied:

- (1) An appointment to the position will be announced after the completion of interviews. It is expected that this will be in approximately three to four weeks.
- (2) The Chairman, Public Service Board has selected an interview panel of the following officers—

- (a) Mr C. Burton, Director, Management Services Division, Public Service Board, representing the board;
- (b) Dr D. R. Kelly, Director General of Mines, and Dr M. Wood, Secretary for Local Government, who are experienced permanent heads of Public Service departments;
- (c) Mr J. Hammond, Executive Officer, Deputy Premier's Office.

LOTTERIES

Private: Legality

428. Mr MENSAROS, to the Minister for Racing and Gaming:

- (1) Has she asked for a legal opinion from the Crown Law Department as to whether the lottery conducted by the *Sunday Times* called Timespool and/or the lotto called Adlot and conducted in stores by Geraldton businessman, James Dean, are legal or are in breach of the provisions of the Lotteries Act?
- (2) If so, has she received the opinion, and what does it say?
- (3) If not, was her "spokesman" wrongly reported in the 25 February 1987 issue of the *Daily News*?

Mrs BEGGS replied:

- (1) The Crown Law Department has been asked for an opinion regarding the legality of the competitions "Super 6" conducted by West Australian Newspapers Ltd and "Timespool" conducted by the *Sunday Times*.
- (2) and (3) No.

WORKERS' COMPENSATION AND ASSISTANCE ACT

Amendment

432. Mr BRADSHAW, to the Premier:

Does the Government intend in the near or distant future to change the Workers' Compensation and Assistance Act to have a single insurer for workers' compensation?

Mr BRIAN BURKE replied:

This question has been incorrectly addressed to the Premier. It has been referred to the Minister for Labour, Productivity and Employment, and he will answer the question in writing.

HEALTH: NURSES

Community-based: Pay Rise

433. Mr BRADSHAW, to the Minister for Health:

(1) Does the recent pay rise granted to hospital-based nurses apply to community-based nurses?

(2) If not, why not?

Mr TAYLOR replied:

(1) Yes.

(2) Not applicable.

HEALTH

Dentists: Incorporation

434. Mr BRADSHAW, to the Minister for Health:

(1) Does he intend to introduce legislation this year to allow for the incorporation of dentists?

(2) If so, when?

Mr TAYLOR replied:

(1) Proposals to allow for the incorporation of dentists are presently being considered.

(2) It is hoped that amendments to the Dental Act could be introduced in the next session of Parliament.

HEALTH DEPARTMENT

Women's Health Policy Unit

435. Mr BRADSHAW, to the Minister for Health:

(1) Has the women's health policy unit been established in the Health Department?

(2) If so, how many are employed in the unit?

(3) Who are the people employed in the unit?

Mr TAYLOR replied:

(1) No, but approval has been given to establish the unit.

(2) One.

(3) Not applicable.

SPORT AND RECREATION

Bikeplan: Bunbury

436. Mr BRADSHAW, to the Minister for Transport:

(1) Does the Government have a cycle plan for Bunbury?

(2) If so, has this plan been implemented?

(3) If not, does the Government intend to install cycleways in Bunbury?

Mr TROY replied:

This question has wrongly been addressed to the Minister for Transport. It has been referred to the Minister for Local Government, and he will answer the question in writing.

HEALTH: DISABLED PERSONS

Motorised Wheelchairs: Traffic Act

437. Mr BRADSHAW, to the Minister for Police and Emergency Services:

(1) Did the then Minister for Police and Emergency Services, in an article in the *Sunday Times* of 1 April 1984, indicate that legislation to exclude motorised wheel chairs from the Traffic Act would be introduced to Parliament in the near future?

(2) Has this legislation been introduced?

(3) If not, why not?

Mr GORDON HILL replied:

(1) No. However, the department at that time indicated that the matter of motorised wheelchairs was being reviewed.

(2) No.

(3) Cabinet has approved amendments to the Road Traffic Act concerning motorised wheelchairs.

CHEMICALS: POLYCHLORINATED BIPHENYLS

Incinerator: North West

438. Mr BRADSHAW, to the Minister for Minerals and Energy:

In view of the fact that the larger percentage of PCBs is in the north west, why does the Government not build the proposed incinerator in that region?

Mr PARKER replied:

This question has been incorrectly addressed to the Minister for Minerals and Energy. It has been referred to the Minister for Health, and he will answer the question in writing.

HEALTH: HOSPITAL

Heathcote: In-patients

440. Mr BRADSHAW, to the Minister for Health:

- (1) Are in-patients still being accepted at Heathcote Hospital?
- (2) If not, where are these patients being accommodated?
- (3) How many in-patients were there on average for the months of March 1986 and March 1987?

Mr TAYLOR replied:

- (1) Yes
- (2) Not applicable.
- (3) 91.48 March 1986 average; 67.70 March 1987 average.

HOME AND COMMUNITY CARE PROGRAMME

Applications

441. Mr BRADSHAW, to the Minister for Health:

- (1) How many applications for home and community care programme money are currently being processed?
- (2) What is now the average length of time for an application to be approved?
- (3) Is the amount of money budgeted for 1986-87 on target with the applications that have so far been approved?

Mr TAYLOR replied:

- (1) Pending 1987-88 Commonwealth and State Budget allocations, and given current funding commitments, available HACC funds are almost fully committed and allow no further approvals of major new projects in this financial year.

Seven smaller applications for HACC funds are currently being processed. Twelve applications for minor funding variations to existing approvals are currently being processed.

The status of thirty-one other applications is currently awaiting agreement by the Commonwealth. In almost all of these cases the State has recommended the proposal be considered in 1987-88 funding round.

- (2) This depends upon a number of factors, including the nature and complexity of the proposal, whether the proposal gives rise to questions of eligibility for funding under the programme, and the availability of funds at the time a particular application is received.
- (3) Yes. See (1) above.

FORESTS: LOGGING

National Estate: Federal Government Actions

443. Mr BRADSHAW, to the Minister for Conservation and Land Management:

- (1) Does his department support the Federal Government's decision to stop logging on the National Estate?
- (2) If not, what action has he taken to try and prevent the Federal Government introducing such legislation?

Mr HODGE replied:

- (1) There are no proposals by the Federal Government to stop logging on National Estate areas in WA which are designated for timber production.
- (2) The Premier and I have made strong representations to the appropriate Federal Minister and the Prime Minister, which I am confident will ensure that National Estate processes will not be used to impinge on legitimate forest management practices in WA.

HEALTH: HOSPITAL

Bicton: Sale

444. Mr BRADSHAW, to the Minister for Health:

- (1) Does the Government intend to sell the Bicton Hospital?
- (2) If so, when and under which conditions?

Mr TAYLOR replied:

- (1) No. Any proposal would have been made to me by the Board of Fremantle Hospital.
- (2) Not applicable.

WA MINT

Contribution: State Treasury

455. Mr HASSELL, to the Premier:

- (1) Is the Perth Mint now required to make a financial contribution to the State Treasury?
- (2) If not, was it ever required to do so?

Mr BRIAN BURKE replied:

- (1) and (2) Section 34 of the Western Australian Mint Act 1970 requires the Western Australian Mint to pay to the Treasurer for payment into the Consolidated Revenue Fund an amount not less than the amount of income tax that would have been payable to the Commonwealth by the Western Australian Mint had the Western Australian Mint been a public company liable for payment of tax.

WA DEVELOPMENT CORPORATION

Board: Appointments

456. Mr HASSELL, to the Premier:

- (1) On whose recommendation are new appointments made to the board of Western Australian Development Corporation, Western Australian Exim Corporation, and their subsidiaries?
- (2) Are discussions held with private sector industry bodies and organisations?

Mr BRIAN BURKE replied:

This question has been incorrectly addressed to the Premier. It has been referred to the Minister for Economic Development, and he will answer the question in writing.

AGENT GENERAL, LONDON

Residence: Sale

462. Mr HASSELL, to the Premier:

- (1) What was the capital profit to the State from the sale of the former residence occupied by the Agent General in London?
- (2) What was the cost of converting the top floor of Western Australia House in London into a new residence for the Agent General?

Mr BRIAN BURKE replied:

The information the member seeks will take considerable resources to compile. The member will be provided with the relevant details when they are available.

WA MINT

Reorganisation: Staff Displacements

464. Mr HASSELL, to the Treasurer:

- (1) In the reorganisation of the Perth Mint, how many personnel have been displaced from their positions?
- (2) (a) What are the displaced positions;
(b) what is the seniority of the people concerned;
(c) to what duties have they been assigned?

Mr BRIAN BURKE replied:

This question has been incorrectly addressed to the Treasurer. It has been referred to the Minister for Economic Development, and he will answer the question in writing.

STATE FINANCE

Treasury Officers: Northern Trip

470. Mr HASSELL, to the Treasurer:

In relation to the answer to question 49 of 1987—

- (a) when did the Treasury officers leave Perth airport;
- (b) when did they return to Perth airport;
- (c) if other visits to other centres were made, what were those centres and when were they made;
- (d) does the total cost of the charter as quoted include all visits made on that trip;
- (e) what other trips by Treasury officers have been made by chartered plane or chartered jet since 1 January 1987?

Mr BRIAN BURKE replied:

- (a) Wednesday, 11 March, at 1 pm;
- (b) Friday, 13 March, at 1.15 pm;
- (c) Newman, Thursday, 12 March; and Kalgoorlie, Thursday, 12 March and Friday, 13 March;

(d) yes, although bus tours and a helicopter flight over the Karratha region, Burrup Peninsula, Harding River Dam, and port facilities were also undertaken;

(e) none.

CHEMICALS

Sodium Cyanide Plant: Environmental Report

472. Mr BLAIKIE, to the Minister for Environment:

When is the Environmental Protection Authority's assessment of the proposed CSBP and Farmers Limited-Coogee Chemicals Pty Limited-Australian Industry Development Corporation sodium cyanide plant at Kwinana expected to be completed?

Mr HODGE replied:

Approximately 4 weeks.

CHEMICALS

Sodium Cyanide: Use

473. Mr BLAIKIE, to the Minister for Environment:

(1) Can he give details of the current usage of sodium cyanide in Western Australia?

(2) Further to (1), can he advise whether any sodium cyanide that is imported into this State is in—

(a) liquid;

(b) solid form,

and the amounts in each category?

Mr HODGE replied:

(1) The usage of sodium cyanide in Western Australia in 1986 was approximately 15 000 tonnes.

(2) All sodium cyanide used in Western Australia is currently imported.

(a) No sodium cyanide is imported in liquid form;

(b) the quantity of solid sodium cyanide imported in 1986 was approximately 15 000 tonnes.

CHEMICALS

Sodium Cyanide: Transport

474. Mr BLAIKIE, to the Minister for Environment:

(1) What discussions has the Government had regarding the transport of sodium cyanide from the proposed Kwinana plant?

(2) Did the Government consider rail transport; and if not, why not?

(3) On what basis were the transport routes adopted, and what consideration was given to bulk versus solid product, and would he provide details?

Mr HODGE replied:

(1) to (3) The proposal is currently being evaluated by the Environmental Protection Authority, and the issue of the transport of sodium cyanide is being canvassed by the EPA with the Mines Department, Westrail, and the Western Australian Water Authority. The EPA is yet to report on the sodium cyanide proposal.

ENVIRONMENT

Mandurah: Farm Closures

476. Mr BLAIKIE, to the Minister for Environment:

Alluding to the report in *The Western Mail*, 10 January 1987, "Farms May Go To Save Mandurah", does the report have any foundation in fact, and what does the Government propose for—

(a) the estuary;

(b) area farmers?

Mr HODGE replied:

The report has no foundation in fact. The stage 2 ERMP for the Peel Inlet is still being prepared by the Department of Marine and Harbours. It will be widely circulated for public input before consideration by the Environmental Protection Authority.

CHEMICALS: POLYCHLORINATED BIPHENYLS

Incinerator: Environmental Submissions

477. Mr BLAIKIE, to the Minister for Environment:

(1) How many—

(a) individuals;

(b) environmental groups;

(c) Government agencies;

(d) industry groups.

lodged submissions with the Environmental Protection Authority over the proposed PCB incinerator at Koolyanobbing?

(2) When is the Environmental Protection Authority expected to complete its inquiry?

Mr HODGE replied:

(1) The total number of submissions made to the Environmental Protection Authority on the proposed PCB incinerator at Koolyanobbing is 58.

The EPA does not provide a breakdown of submissions from various classes of agencies or groups. However, an analysis of public submissions will be contained in the EPA report.

(2) The Health Department has been requested to supply additional information to the EPA. Until this information has been provided, it is not possible to give a date for the EPA report.

ENVIRONMENT

Pollution Control Unit: Kwinana

478. Mr BLAIKIE, to the Minister for Environment:

(1) What has been the capital cost of establishing the Kwinana pollution control unit?

(2) How many persons are employed at the unit, what are their operating hours each day, and what is the expected yearly wages and salary cost?

(3) Since the centre's commencement in November, would he give details of the number, type, and results of reports to date?

(4) Would he indicate whether the Government proposes taking any court action as a result of pollution reports, and if so would he provide details?

Mr HODGE replied:

(1) \$106 000.

(2) Seven persons are employed full-time; an inspector and assistant are rostered to respond to after-hours reports at all times. Their salary cost is expected to be \$188 000 in 1986-87.

(3) To 31 March 1987, the unit had received 194 complaints of various pollution including dust, odour, smoke, noise, and water pollution. Appropriate action has been taken in each case, ranging from consultative assistance to recommendations for prosecution.

(4) Court action is currently proposed in some cases and will be taken wherever appropriate. Final decisions on proceeding with prosecutions have yet to be made.

ENVIRONMENT

Pollution Control Units: Additional

479. Mr BLAIKIE, to the Minister for Environment:

Does he propose to establish units in the State additional to the Kwinana pollution control unit, and if so where?

Mr HODGE replied:

There are no immediate plans for the establishment of units similar to the Kwinana pollution control unit. The need for such units will be kept under review.

AGRICULTURE

Chemicals: Environmental Impact

480. Mr BLAIKIE, to the Minister for Environment:

(1) Would he provide details of the Government's intention to commission a study into the environmental impact of agricultural chemicals?

(2) Does the Government intend the study to include use of chemicals for—

(a) domestic;

(b) commercial, purposes?

(3) What are the reasons for the study?

(4) Who will carry out the study, and when is it expected to be completed?

Mr HODGE replied:

- (1) to (4) The Government is currently considering the scope and format for such a study. Announcements regarding the study will be made in due course.

RIVER SWAN

Management: Review

482. Mr BLAIKIE, to the Minister for Environment:

(1) How many—

- (a) individuals;
- (b) environmental groups;
- (c) Government agencies;
- (d) companies;
- (e) industry groups.

have responded to the review of legislation concerning the management of the Swan and Canning Rivers?

- (2) When is the review expected to be completed?
- (3) Does the review supplant a similar undertaking by the Department of Conservation and Land Management, and if not would he give details and reasons for the Environmental Protection Authority inquiry?

Mr HODGE replied:

- (1) The review of legislation is being carried out independently by Mr C. Zelestis. He will give consideration to the release of the information requested when making his report.
- (2) The Government has asked Mr Zelestis to report by the end of April.
- (3) The review of legislation does not supplant the development of a strategy plan by the Government task force.

PASTORAL LEASES

Mt Barnett: Purchase

483. Mr BLAIKIE, to the Minister for Lands:

- (1) Has the Government any interest in purchasing Mt Barnett Station in the Kimberley through WADC, Western Australian Exim Corporation, or the Aboriginal Affairs Planning Authority?

(2) Did any officer of Government or agency attend the auction of the above station?

(3) Did any agency of Government, State or Federal, lodge any bids for this station, and would he detail?

Mr WILSON replied:

- (1) Not to my knowledge, although I point out that the Minister for Lands is not responsible for the day to day activities of WADC, Exim, or the Aboriginal Affairs Planning Authority.
- (2) No officer from the Department of Land Administration or the Pastoral Board attended the Mt Barnett auction.
- (3) Not known.

PASTORAL LEASES

Tenure: Legislation

484. Mr BLAIKIE, to the Minister for Lands:

- (1) Is it the intention of the Government to introduce legislation to improve tenure for pastoral leases?
- (2) Does the Government intend to transfer administrative responsibility for the Pastoral Board from the Department of Land Administration to the Department of Agriculture?
- (3) (a) Is the former Minister for Lands, Mr Ken McIver, to be given a job as chairman of the Pastoral Board;
(b) if so, is it to be a part or full-time position?
- (4) What salary and emoluments of office, including motor car, telephone, etc., are to be paid?

Mr WILSON replied:

- (1) Yes.
- (2) Cabinet is currently considering the future location of the Pastoral Board.
- (3) (a) Hon. Ken McIver is currently the part-time chairman of the Pastoral Board, having been appointed to that position on 16 June 1986.
- (3) (b) and (4) No decision has been made on whether the Chairman of the Pastoral Board should be a full-time appointee; nor have terms and conditions been decided.

CRIME

Repetition: Kununurra Youth

485. Mr TRENORDEN, to the Minister for Police and Emergency Services:

- (1) Is he aware that a youth from Kununurra was recently released from custody by the Department of Community Services, only to repeat the crime for which he was originally held?
- (2) Is Cabinet seeking to ensure this event will not be repeated?

Mr GORDON HILL replied:

The member has directed his question to the wrong Minister. The question has been referred to the appropriate Minister for a reply to the member in writing direct.

Mr GORDON HILL replied:

Traffic Branch	9
Criminal Investigation Branch	2
Albany Police Station	1
Bunbury Police Station	1
Broome Police Station	1
Geraldton Police Station	1
Kalgoorlie Police Station	1
Karratha Police Station	1
Narrogin Police Station	1
Northam Police Station	1
Morley Police Station	2
Warwick Police Station	2
Carriington Police Station	1
Mt Hawthorn Police Station	1
Midland Police Station	2
Fremantle Police Station	3

COMMUNITY SERVICES DEPARTMENT

Youth: Release

486. Mr TRENORDEN, to the Minister representing the Minister for Community Services:

- (1) Under which Act did the Department of Community Services authorise the release of a youth from Kununurra from custody?
- (2) Is the Minister aware that this youth has been charged with breaking and entering after his release?

Mr WILSON replied:

- (1) Presumably the member is referring to recent Press reports concerning the release of a juvenile from custody. The juvenile in question had been remanded in custody under section 28 of the Child Welfare Act, which limits custody to one calendar month. Upon expiry of this period, the department had no further authority to hold the juvenile. He was subsequently released to a departmentally-funded group home in Kununurra.

- (2) Yes.

POLICE OFFICERS

America's Cup Duty

487. Mr TRENORDEN, to the Minister for Police and Emergency Services:

Where have the 30 policemen who were on America's Cup duty been posted?

CRIME

Northam: Letter

489. Mr TRENORDEN, to the Minister for Police and Emergency Services:

- (1) Has he seen the letter sent by telefacsimile to his office on 7 April 1987 concerning law and order problems in Northam?
- (2) Does his department agree that the situation is serious?
- (3) What action is he going to take to support Northam residents?
- (4) What action is he going to take to support Northam police officers?

Mr GORDON HILL replied:

- (1) Yes.
- (2) No. However, the situation is being monitored.
- (3) The Commissioner of Police has arranged for two Aboriginal aides to visit Northam to liaise with local Aborigines and the Superintendent in Charge of the Northam Police Region is attending an Aboriginal council meeting at Moora on 9 April 1987, to evaluate their perception of law and order problems in Northam.
- (4) The Commissioner of Police has advised that he has allocated an additional officer to Northam Police Station, but he is yet to take up resi-

dence. I have confidence in the capacity of the Police Force to deal properly with the situation.

WA EXIM CORPORATION

Consultancy: Fees

492. Mr COURT, to the Minister for Education:

- (1) Further to question 81 of 1987, has Exim Corporation invoiced any consulting fees to the Education Department?
- (2) If yes, for what amount and for what specific services?

Mr PEARCE replied:

- (1) No.
- (2) Not applicable.

"JOHN CURTIN"

Passengers: Risk

494. Mr COURT, to the Premier:

- (1) Were VIPs put at unnecessary risk by being taken out on a passenger vessel, the *John Curtin*, that was not surveyed?
- (2) Was additional insurance taken out to cover that possibility?

Mr BRIAN BURKE replied:

- (1) At no time were passengers on the MV *John Curtin* at risk.
- (2) Not applicable.

WA EXIM CORPORATION

Accommodation: Relocation

495. Mr COURT, to the Premier:

- (1) Investigating the circumstances surrounding the relocation of Exim Corporation following the adverse publicity relating to its accommodation, what funds were initially spent by Exim Corporation in fitting out its premises in the Capita Building?
- (2) How much of this funding is able to be salvaged and recommitted to the new premises?

Mr BRIAN BURKE replied:

This question has been incorrectly addressed to the Premier. It has been referred to the Minister for Economic Development, and he will answer the question in writing.

WA EXIM CORPORATION

Cattle Auctions

503. Mr COURT, to the Premier:

- (1) Is it correct that the Western Australian Exim Corporation reintroduced cattle auctions to the Kimberley?
- (2) What costs were incurred by the Western Australian Exim Corporation in reintroducing cattle auctions?

Mr BRIAN BURKE replied:

This question has been incorrectly addressed to the Premier. It has been referred to the Minister for Economic Development, and he will answer the question in writing.

ROAD

Salisbury Road: Reopening

507. Mr LAURANCE, to the Minister for Transport:

- (1) Is he aware of petitions and calls by local residents in the Midvale area to have Salisbury Road reopened to through traffic?
- (2) What action has he taken, if any, to liaise with the local shires involved to reopen this road to provide easier access for these residents?
- (3) If he has taken no action to date, will he initiate moves to assist with the reopening of this road?

Mr TROY replied:

- (1) Yes.
- (2) and (3) Salisbury Road is a local road under the control and management of the Mundaring Shire Council. I understand that the council is considering certain works in next year's budget, which would allow for the re-opening of Salisbury Road.

CHEMICALS: POLYCHLORINATED BIPHENYLS

Incinerator: Capacity

508. Mr HASSELL, to the Minister for Environment:

With regard to the proposed incinerator to be constructed at Koolyanobbing—

- (a) What is the estimated capacity of the proposed plant;

- (b) is it intended to provide additional equipment and facilities to support the main incinerator?

Mr HODGE replied:

This question has been incorrectly addressed to the Minister for Environment. It has been referred to the Minister for Health.

CHEMICALS: POLYCHLORINATED BIPHENYLS

Incinerator: Construction Schedule

509. Mr HASSELL, to the Minister for Minerals and Energy:

- (1) With regard to the proposed incinerator to be constructed at Koolyanobbing, what is the present estimated construction and completion schedule?
- (2) What is the total estimated cost of the project?
- (3) How many people will be employed during—
 - (a) construction;
 - (b) operation?

Mr PARKER replied:

This question has been incorrectly addressed to the Minister for Minerals and Energy. It has been referred to the Minister for Health, and he will answer the question in writing.

SELECT COMMITTEES

In Camera Evidence: Destruction

510. Mr LEWIS, to the Speaker:

- (1) With reference to question 262 of 1987 respecting the destruction of evidence, could he specify under what Standing Order is "in camera" evidence defined?
- (2) Is evidence given in closed session pursuant to Standing Order No. 373 considered "in camera", and if so, under what Standing Order of the Legislative Assembly or practice of the House does it apply?
- (3) Where in the records of the Legislative Assembly can precedents for the long-standing practices to destroy evidence heard so-called "in camera", or otherwise in closed session, of a Select Committee of the Legislative Assembly, be found?

The SPEAKER replied:

See answer to previous question on this matter.

QUESTIONS WITHOUT NOTICE

SUPERANNUATION BOARD

Investments: Western Reefs Pty Ltd

42. Mr MacKINNON, to the Treasurer:

- (1) Is the Treasurer aware that the State Superannuation Board's investments in Western Reefs Pty Ltd and Sonartec Ltd, companies associated with Mr Rob Martin, are now showing losses estimated to be \$1.85 million and \$253 000 respectively?
- (2) Is the Treasurer further aware that these losses equate to 60 per cent and 53 per cent of the original investments?
- (3) Given the board's heavy involvement in other projects associated with Mr Martin, does the Treasurer believe that the State Superannuation Board should review its policy in regard to these investments?
- (4) If not, why not?

Mr BRIAN BURKE replied:

- (1) to (4) I am not aware of those details; but I point out to the Leader of the Opposition that the annual report of the board, as tabled in Parliament, indicates the most satisfactory year's trading in terms of return on contributors' funds that has been recorded in recent years. I understand that the return on contributors' funds equated to roundly 19 per cent.

If that is the case, the Leader of the Opposition has a great deal of difficulty in trying to distort that picture by referring to one or two individual investments. I do not know, but I have no doubt that I would be able to take investments made by the board in other areas and say to the Leader of the Opposition that there had been very healthy increases in the value of those investments as a result of returns that they had earned. However, that still does not give a true picture, which can only be gained from the audited accounts included in the annual report and published to indicate that there has been an overall 19

per cent increase, or return, on the value of the investments made on behalf of contributors.

That is a very satisfactory result, and even in terms of investments on the money market—investments that are often used by people when they say, "As an industrial developer or resource developer, we could get more for our investments by putting our money into the overnight money market." On that sort of comparison, the State Superannuation Board has done remarkably well; and for the Leader of the Opposition to try to distort the picture by picking out two investments and saying that they are bad investments because they, on paper at least, are investments which are losing money, is misleading, as it would be for me to pick out two investments and say that they have earned returns of 100 per cent and therefore the investments made by the board are generally excellent.

The Leader of the Opposition knows better than that; he knows he is being political and that the only way to get a fair indication of the board's performance is by taking the total of the contributors' invested funds, discerning the return on those funds, and seeing, as they are in this case a 19 per cent return, whether that is a satisfactory result.

DRAINAGE

Mounts Bay Road Project: Tunnelling Equipment

43. Mr MENSAROS, to the Minister for Water Resources:

- (1) Has the Minister considered proposals made to him by DM Drainage and Construction Co regarding using their equipment for horizontal boring and tunnelling, which is capable of performing the required work without interfering with the flow of traffic?
- (2) Has the Minister asked for a demonstration of the new machinery which the company has offered?

- (3) Has the Minister, or the Water Authority, inspected similar jobs done by this company for the Main Roads Department?
- (4) Is it the Minister's policy to proceed with the necessary work with the least disruption of traffic and the least inconvenience to the public?

Mr BRIDGE replied:

- (1) It is my intention to ensure that the absolute minimum of disruption occurs with respect to that project. To that end I was able to arrange a couple of weeks ago an extensive meeting of interested groups at which planning matters were canvassed; and at the end of that discussion it was agreed that the current method of carrying out the works was an approach which would ensure a minimum of disruption. A detour has been put in place, and from all reports things are going very smoothly. The police have substantiated that view.
- (2) to (4) I recall receiving correspondence from the firm, and I was certainly interested in the technique or method which it indicated it was capable of offering to the authority. As I recall, I referred this matter to the Water Authority for follow-up action. That would embrace the need to examine the type of operations and technique employed by the company. I would be keen to have this information at an early date because clearly operations of the kind we are seeing now in the city will recur from time to time as the drainage pipes get old.

If there is a particular technique which does away with the current type of operations, or minimises the effect on traffic and the public, it would be a preferable option.

Mr Mensaros: Do you recall whether you asked the authority for its view weeks ago or months ago?

Mr BRIDGE: I am not sure when it was, but I think I received the correspondence in the last three weeks and I referred it straightaway to the authority. It is only a matter of a few weeks.

INDUSTRIAL RELATIONS

Strike Legislation

44. Dr GALLOP, to the Minister for Labour, Productivity and Employment:

Is the State Government considering strike legislation similar to that proposed by the Queensland Government?

Mr PETER DOWDING replied:

No, the State Government is not considering legislation of that sort because, quite frankly, the legislation is offensive. The legislation and the attitude that is encompassed in that legislation are likely to drive Australia backwards in industrial relations rather than forwards.

I was interested to read recently an article in the British magazine *The Economist*, which is not noted for its left-wing views, in which in a detailed analysis of Australia's performance it said—

The fact that Australia is not in much more serious trouble—

That is referring to our economic position. To continue—

—than it is can largely be attributed to a remarkably successful relationship between the Labor Government and the trade unions.

Labour relations in this country and in this State are better than they ever were under conservative Governments. Most democratic countries—countries like Chile and those in the Eastern Bloc, and States like Queensland, are the exception—have recognised that a sensible approach to industrial relations involves a willingness to consult and to conciliate.

Like the Minister for Health in this House did the other day, I deplore the attitude of striking first and talking afterwards, and there are some individuals and unions in Australia who have not moved from that position. They are out of step with the vast bulk of responsible unionists and the responsible union movement.

Nevertheless, it is an incredible proposition that a State should seek to outlaw strikes in that way, a move which that Government knows full

well will never work. As members opposite know, they were incapable of delivering an improvement in industrial relations while they held those Neanderthal attitudes.

HEALTH

AIDS: Homosexual Bathhouse

45. Mr CASH, to the Minister for Police and Emergency Services:

- (1) Is he aware that the homosexual bathhouse at 565 Beaufort Street is owned by members of the Flatman family?
- (2) Is it correct that the Flatman family also owns brothels which fall under the police containment policy?
- (3) Is the bathhouse in Beaufort Street also subject to the containment policy?
- (4) Given that in the 1985-86 financial year the owner of the homosexual bathhouse at 565 Beaufort Street declared as income entrance fees of \$115 000, which is the equivalent of over 19 000 users, will he take this matter seriously and indicate whether the Government intends to take any action to close down this extremely dangerous bathhouse?
- (5) If not, why not?

Mr GORDON HILL replied:

- (1) to (5) I am not familiar with the comments and allegations made by the member. I am not aware whether that is an issue—

Mr Cash: Would you be good enough to look at it?

Mr GORDON HILL: The member asked the question; does he want it answered or not?

Mr Cash: Give me the answer as best you can.

Mr GORDON HILL: I am interested to know the member's attitude towards the policy of containment.

Mr Cash: You are the Minister for Police and Emergency Services.

Mr GORDON HILL: I have never heard anything positive from the Opposition in relation to policing issues. All the member wants to do is to have me stand up and direct the police on operational matters, as he has done on many occasions previously. It is not

my intention to become involved in operational matters. From time to time I discuss these issues with the Commissioner of Police, but I do not and will not become involved in directing the police on operational matters. The way the police conduct their affairs in terms of operational duties is not a matter for either the Government or the Opposition.

MEMBER FOR MURCHISON-EYRE

Comments: Truthfulness

46. Mr THOMAS, to the Premier:

- (1) Is he aware of comments by the Leader of the Opposition with reference to remarks made by the member for Murchison-Eyre?
- (2) Is he aware of any evidence supporting the comments made by the member for Murchison-Eyre regarding hundreds of millions of dollars?

Mr BRIAN BURKE replied:

- (1) and (2) I hate to have to do this for the third evening in a row, but I am aware of comments by the member for Murchison-Eyre with regard to the hundreds of millions of dollars, presumably paid to someone improperly. I am not aware of any evidence to support those claims.

Indeed, I have noted that the Leader of the Opposition has sought to distance himself from the member for Murchison-Eyre both in the party room and, only marginally more publicly, on ABC television, appropriately enough on 1 April, when in answer to a question about evidence supporting these claims the Leader of the Opposition said, "Mr Lightfoot can justify that, or otherwise."

Is the Leader of the Opposition saying that Mr Lightfoot is making extravagant and unsubstantiated claims without the Leader of the Opposition's knowledge or permission? Is that what he is saying?

That is what he is saying. Surely in a matter that the Leader of the Opposition says is as serious as this one, the member for Murchison-Eyre has not been permitted to make extravagant and untrue claims, and yet the Leader

of the Opposition says in answer to a question, "Mr Lightfoot can justify that, or otherwise."

I think it is clear that, slowly, the Leader of the Opposition is beginning to learn that being too closely associated with the member for Murchison-Eyre, whether it is on the question of wheat sales or other matters, might not be a wise thing. In fact, I should give the Leader of the Opposition the opportunity to dissociate himself from another of the member for Murchison-Eyre's gross statements made on the same day when he said—

... and many businessmen in this State who have dealt at times, illegally and immorally and in the most appalling manner with public funds.

Does the Leader of the Opposition wish to be associated with those sentiments? Of course, he does not. Do we support the member for Murchison-Eyre when he says—

... and many businessmen in this State who have dealt at times, illegally and immorally and in the most appalling manner with public funds.

Mr MacKinnon: We can sit here all day, every day, serving up to you quotations taken out of context to justify any statement, too.

Mr BRIAN BURKE: That statement was not taken out of context. It is his statement. The Leader of the Opposition either supports him or he does not. The member for Murchison-Eyre is either talking with the Leader of the Opposition's authority or he is talking outside the Leader of the Opposition's control. We suspect he is saying many things that the Opposition hears for the first time when he says them.

Mr MacKinnon: Do you support the Minister for Police and Emergency Services' leaving open a homosexual bathhouse?

Mr BRIAN BURKE: What an absurd statement. The Minister for Police and Emergency Services should pop down and shut it! Does the Leader of the Opposition want me to instruct the Minister to instruct the commissioner to close a bathhouse on the

basis of certain matters raised by the member for Mt Lawley. The Minister answered the question properly. The question asked by the member for Mt Lawley will be brought to the attention of the police, but we will not instruct them to take action against anyone. The Government will not take action to close the bathhouse; it is not our job.

Mr Lewis: Are you answering questions now for the Minister for Police and Emergency Services?

Mr BRIAN BURKE: I was asked a question by the Leader of the Opposition. I support the Minister for Police and Emergency Services' answer. The truth is that the Leader of the Opposition is boring even when he is listening.

Mr Laurance: You did not even get half a laugh from your side for that one.

Mr BRIAN BURKE: I thought it was quite good.

I want to know whether the Leader of the Opposition supports the member for Murchison-Eyre. Does anyone on that side of the House support his proposition—

... and many businessmen in this State who have dealt at times, illegally and immorally and in the most appalling manner with public funds.

Mr Laurance: The police do.

Mr BRIAN BURKE: The Deputy Leader of the Opposition says the police do. Who on the Opposition benches supports that statement?

Mr Laurance: The police.

Mr BRIAN BURKE: Okay, the police on the Opposition benches. Who else on the Opposition benches supports it? The answer is no-one. The Leader of the Opposition boasts that his drive for the premiership is gaining momentum. The truth is that all things go faster when they are going downhill.

TRAVEL AGENTS ACT

Anomalies

47. Mr WATT, to the Minister for Consumer Affairs:

- (1) Has the Minister received a letter from the Goldfields-Esperance Travel Association drawing his attention to anomalies within the Travel Agents Act?
- (2) Is the association correct in its contention that some tourist bureaux and other small travel agents which are required to become licensed travel agents and contributors to the travel compensation fund will be seriously disadvantaged financially because of low annual turnover?
- (3) Will he give consideration to introducing amendments to implement a sliding scale to remove the discrimination against small operators?
- (4) Will he also consider amendments which would differentiate between tourist bureaux which only sell domestic travel?

Mr TAYLOR replied:

- (1) Yes.
- (2) That may be possible, particularly with those that have a low annual turnover.
- (3) Yes, we will be looking at that.
- (4) We will also be considering this matter.

I asked one of my senior officers from the Department of Consumer Affairs to attend a meeting of country tourist bureaux, which was held in Perth last weekend, and discuss this matter with them. He canvassed other issues and I understand that they were reasonably satisfied. However, coming out of that were matters raised by the member today, and we will be considering those matters.

I understand that tourist bureaux with small turnovers could face difficulties. However, we have to understand that there are other country tourist bureaux that have large turnovers, sometimes in the vicinity of \$1 million or more. They also have to be considered in the light of other operators in this area and treated in the same way.

We also have to bear in mind that there is no reason whatsoever that country tourist bureaux should not face some of the financial difficulties and other difficulties that travel agents in this State and throughout Australia have faced over the years. It was because of some of those difficulties that legislation was passed in this place in 1985.

As we promised members of the country tourist bureaux last weekend, we will consider the problems which they raised. However, in considering those problems we have to be aware of other factors such as the fact that some large operators operate in competition with normal travel agencies.

EDUCATION

Schools: Integration of Activities

48. Mrs HENDERSON, to the Minister for Education:

Is it a fact that the equal opportunities policies of the Education Department provide that there must be total integration in sporting activities at schools irrespective of the views of parents and local communities?

Mr PEARCE replied:

It is totally untrue that the Education Department has adopted a policy which would, for example, force boys and girls to compete against each other in sporting carnivals without notice being taken of the wishes of parents, teachers, or students.

I have carried out a thorough investigation into where the rumours emanated, and have found that they came from the principal of the West Busselton Primary School who integrated the sports carnival at that school. He made six-year-old boys compete against six-year-old girls and told parents that he had been forced to do so by the Education Department. He also said that he was not game to take any other action because he might be suddenly confronted by aggrieved parents who wanted their children to compete against each other.

His interpretation of the circumstances was inaccurate. He was informed of that by the regional superintendent and by officers of the department.

Mr Hassell: But your department directed Dalkcith Primary School about its sports day. It had to modify sporting events on its sports day because of directions from the superintendent of equal opportunity.

Mr PEARCE: That is totally untrue.

Mr Hassell: It is not totally untrue. My children go to that school and that happened at that school. Its sports day programme was modified.

Mr PEARCE: In what way?

Mr Hassell: As a result of directions from your department.

Mr PEARCE: In what way?

Mr Hassell: They changed the races and the way the children had to compete.

Mr PEARCE: They were not forced to run boys against girls?

Mr Hassell: I do not know the detail.

Mr PEARCE: The member for Cottesloe does not know the detail; all that he knows is that it did happen, but he did not know what happened.

Mr Hassell: I am telling you.

Mr PEARCE: I know the member for Cottesloe is telling me, but he is not telling me any details. Let me know in which way this modification was brought about.

Let me tell members a way in which it might be possible for a sports carnival to be modified at the direction of the superintendent of equal opportunity. If a school decided that it was to have sprinting races over 200 metres for boys only, the school can be made to have the same events for the girls.

Mr Hassell: You now admit that your department is fiddling around with what schools are doing with sports just to satisfy what some feminists in Canberra want.

Mr PEARCE: The member for Cottesloe is really showing his ideological bent. In saying that, what he is supporting is the proposition that taxpayers' money which goes to schools can be directed more to boys than to girls—

Several members interjected.

Mr PEARCE: That is an illegal position in this country.

Mr Hassell: The whole bureaucracy is telling parents how their children will run races in schools when they are six years old. It is pathetic.

Mr PEARCE: That is not right and the member for Cottesloe really is showing his prejudices this evening. The fact is that no school is compelled to force boys to run against girls at six years of age. That is the truth of the matter. In fact, when I spoke last year to the parents at the West Busselton school I said that it was conceivably illegal for that position to obtain and that if it were in fact the case that six-year-old or even 12-year-old girls were not able to compete on equal terms with boys in races, they were forcibly integrated in that way.

It is one thing to say that the department is not forcing boys and girls to compete against each other, but it is another thing to say that we are prepared to put up with a set of circumstances in schools where the focus on sporting attention is on the boys and the girls are disadvantaged. If there is a situation prevailing at sports carnivals where girls are not given equal access to sporting materials, events, or occasions, then schools can be made to come into line with that particular thing. That is not just because it is a directive from the Education Department; it is because it is the law of the land, both at a national and a State level. Time and time again the member for Cottesloe has told this House that we have an obligation to support the law of the land.

Mr Hassell: The law of the land does not take away authority from parents and schools.

Mr PEARCE: That is an interesting point of view. The member for Cottesloe is aligning himself with the New Right now. What he is saying is that we have to support the law and be a supporter of law and order except if the New Right and Bill Hassell do not agree with it.

HEALTH

AIDS: Homosexual Bathhouse

49. Mr BRADSHAW, to the Minister for Health:

(1) Is he aware that the manager of the homosexual bathhouse, Mr Victor Francis, is also a member of the AIDS Council?

Mr Brian Burke: Do you have someone check your questions before you ask them?

Mr BRADSHAW: Listen to the question—

(2) If he does or does not know whether this is true, does he believe this is a conflict of interest?

The SPEAKER: Order! In naming the person that the member for Murray-Wellington named as the manager of that bathhouse, which he claims is a homosexual bathhouse, has he satisfied himself that that person is indeed the manager or has someone just told him.

Mr BRADSHAW: I have followed it up, Mr Speaker.

The SPEAKER: What about the other matter?

Mr BRADSHAW: To the best of my knowledge, I have satisfied myself that that is correct.

Mr TAYLOR replied:

(1) and (2) In relation to the first part of the question the answer is no. I did not hear the second part of the question.

Mr MacKinnon: Is it a conflict of interest for the proprietor of the bathhouse to be a member of the AIDS Council?

Mr TAYLOR: As I understand the charter of the AIDS Council, any person in this House or in Western Australia can join the AIDS Council simply by paying a subscription to it. I do not think a person should be prevented from being a member of the AIDS Council.

Mr Bradshaw: I said is it a conflict of interest?

Mr TAYLOR: No, I do not see any conflict of interest at all. If he wants to pay to be a member of the AIDS Council, he is entitled to be a member. Like any person in this State he is entitled to pay a subscription to become a member of the AIDS Council.

EDUCATION

Better Schools Report: Rumours

50. Mr READ, to the Minister for Education:

- (1) Is the Minister aware of three rumours listed in the Opposition's document relating to the "Better schools in Western Australia" report?
- (2) Can the rumours be substantiated by anything proposed in that report or by any statements made by himself or by officers of the Education Department?

Mr PEARCE replied:

- (1) and (2) I thank the member for Mandurah for his question. The Premier said, by way of a quiet interjection to me, that he thinks, as do I, that the whole education policy of the Opposition is a rumour.

Considering the attitude that has been taken by the Opposition in alleging that it has not been peddling rumours in the course of debates about other matters in the Parliament over the last couple of weeks, it is interesting to cast one's eye on page 10 of what passes for the Opposition's response to the Government's better schools programme. Under a section headed "Future Changes", it states—

There are many rumours circulating in education circles concerning future changes.

Whilst the Opposition is not in a position to substantiate these rumours it is worth noting the concerns that many people have.

The Opposition is saying that these are the rumours that are circulating, we do not know whether they are true or not, but we are telling everyone what they are. There was no suggestion of any of these rumours before they were printed in the Opposition's document. The technique which the Opposition has been using in the Parliament over the last two weeks concerning a range of matters has been the manufacturing of a rumour, spreading it around and then repeating it publicly. They are saying, "Here is a rumour which we do not know about and for which we do not take any responsibility—we are just drawing the public's attention to it as

part of our public duty." The same device is being used in print this time in the Opposition's response.

I will tell the House what the rumours are. They include "a suggestion that all principal positions will be declared vacant and then refilled by Ministry appointments". That rumour is totally untrue. There is nothing in any of the documentation, letters, updates, or any of the speeches that have been made to give one scintilla of evidence to suggest that there may be any proposal to do anything like that. The only way in which that proposal has appeared in print is as a result of the Opposition's rumourmongering about the matter.

Mr Peter Dowding: Was it written by the member for Murchison-Eyre?

Mr PEARCE: I do not know who wrote it. The spelling is correct so it certainly was not written by the shadow Minister for Education.

The second rumour is "the view that principals will be employed by the Public Service Board and will become public servants rather than employees of the Department of Education. This will mean that principals will be required to work longer hours and have less holidays." Again that is totally untrue. It was never suggested by anybody except by the Opposition. It is not hard to see the basis on which the Opposition makes up these rumours. They are designed to scare people about the changes and to introduce red herrings into an argument because the Opposition does not have a policy of its own. It cannot see any fair counter to the good policies which the Government has introduced.

The third rumour which is also untrue is "the suggestion that principals will receive massive pay rises to compensate for their additional duties and absorption into the Public Service". That also is not true. It would always be possible for the Teachers Union, if it believed in the better schools report that the position of principals has been upgraded, to seek compensation for that through the normal industrial process. There is no truth in those rumours. The rumours were not around

the schools until the Opposition's document was distributed. As people have approached me for confirmation or denial of those rumours I have denied them in the absolute terms I have denied them in the Parliament today. The short-term result might be a gain for a day or two for the Opposition; but the net result is, as it is for all the other matters, long-term loss of credibility for the Opposition.

ANZAC DAY

Holiday Arrangements

51. Mr BERTRAM, to the Minister for Labour, Productivity and Employment:

Will the Minister state what arrangements have been made for the public relative to the Anzac Day holiday?

Mr PETER DOWDING replied:

The legislation passed by the previous Government requires there to be a public holiday in the event of Anzac Day falling on a weekend. As the Opposition was in Government when

this last occurred, its members will recall that on that occasion there was a public holiday for Anzac Day and a public holiday on the Monday.

Anzac Day again falls on a weekend this year. The issue has been drawn to my attention too late for us to contemplate taking any detailed action in relation to the matter or to discuss with the affected bodies some alternative change. Accordingly, I have asked that the employers, the unions, the Returned Services League of Australia, and others who may have an interest in this issue, meet in order to ensure that when this event next occurs we will not be in a similar situation and we will be able to review it with a view to some statutory amendment in good time.

This year we are doing exactly what was done last time this occurred. We are following the precedent set by the Liberal Government when it was in office. I hope that by the next time Anzac Day falls on a weekend we will have put in motion actions which will achieve some rationalisation of the situation.