

Legislative Council

Tuesday, 18 April 1989

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

SUPPLY BILL

Assent

Message from the Governor received and read notifying assent to the Bill.

MOTION

Parliamentary Precincts Committee - Abolition

HON A.A. LEWIS (Lower Central) [2.34 pm]: I move -

That this House requests the Government to recommend to the State Planning Commission that it review its abolition of the *Parliamentary Precincts Committee* so that the Parliament retains its direct input into planning decisions affecting the precinct of this legislative building.

Those members who have been in this place for a long time were horrified a week or so ago to find that you, Mr President, as Chairman of the Parliamentary Precincts Committee, had received a letter, constructed in an abrupt way, telling you that the committee had been disbanded and you no longer had a job as chairman of that committee. Something should be done about it. Having listened to Hon Robert Hetherington's remarks during the Address-in-Reply debate about certain buildings in St George's Terrace I was prompted to move this motion.

It appears to me that some people are lacking in a sense of history. When I mentioned this subject in this House last week I made reference to Hon Colin Jamieson, but I did not realise that he was sitting in the President's Gallery at the time. He told me afterwards that he could have written a far better speech on the subject. I have no doubt that he could have done that. I followed up my comments with questions about who was notified about the committee being disbanded, why they were notified and who made the decision. I believe the answer is that the Chairman of the House Committee did make the decision.

The PRESIDENT: Order! I advise the stranger in the President's Gallery that documents cannot be passed over the Bar of the House.

Hon A.A. LEWIS: The Chairman of the House Committee had been consulted. I asked a few members of the House Committee whether they had been consulted and I found that they had not been and that is the reason for this motion. I have spoken to several past members of the House Committee including, as I have already mentioned, Hon Colin Jamieson. I have also spoken to previous Speakers and it seems to me that this matter has been handled extremely clumsily and it has not been to the benefit of members of Parliament or the precincts of Parliament House.

I will inform members of a few of the meetings that have been held and I will quote some instances. For example, it was discussed some 25 years ago that Parliament House should have 300 car parking spaces, but that has not occurred. Successive Governments have been tardy in doing anything about it.

First, I will refer to the Report of the Interdepartmental Committee on the Control of Building Adjacent to Parliament House and King's Park. This document backed up a Cabinet minute by the then Minister for Town Planning, Hon Les Logan, whom many of us will remember. As a matter of interest the photograph on the back of this document is the best photograph I have seen of the parliamentary precinct. It shows the old Barracks before the freeway was built. I will have to contact the owner of this document to obtain a copy of the photograph because it is an extremely good one. Page three of the report states -

Parliament House should always be visible and accessible.

It should be part of a wider design embracing a parliamentary precinct.

Its visual linkage with the city should be evident and its place in the whole composition should be respected.

You, Mr President, will know better than I that during the days when I was a member of the Joint House Committee, it not only ensured that buildings were not too high, but also that no objectionable signs were erected and that reflective glass was not used. A sign is in place at the moment which is visible from Parliament House; that sign should not have been allowed and I shall talk to the senior partner of the firm to make sure that it is taken down!

Hon John Halden: I agree with you.

Hon A.A. LEWIS: When Hon John Halden has heard my comments, he will probably agree with all of them. Members will recall the various suggestions made in the past for tin roofs and other cladding that would reflect back onto Parliament House, and the numerous roof colours that have been proposed. It is slightly odd that the Chairman of the Joint House Committee, as the Presiding Officer of one House, should not refer a matter dealing with the parliamentary precinct to the Presiding Officer of another House. I know that has happened in the past in connection with minor matters, but this issue is important to the whole of Parliament House, the people who work in it and the members. This Parliament is made up of both Houses and both Presiding Officers. If it were permissible I would say some rude things about a Presiding Officer who acted without consulting the other Presiding Officer. However, I know that you, Mr President, would not allow me to do so. It is not acceptable for a decision that will affect the whole of Parliament to be made by one Presiding Officer. In answer to a question reference was made to the Chairman of the Joint House Committee, and yet the matter was not referred to that committee. This should be looked upon very seriously by the Government.

I do not want to create party political friction in this matter, and that is why I have requested the Government to refer this matter to the State Planning Commission. If that request is not complied with, I suggest that members who have been re-elected should adopt sterner measures, such as passing a Bill which provides for the parliamentary precinct. It appears from a report of a meeting of members of the Legislative Assembly and Legislative Council held in the Legislative Assembly Chamber at 7.00 pm on Thursday, 11 November 1965 that that step was envisaged. That meeting related to road construction, and members will recall that under an earlier plan it was proposed that Harvest Terrace be cut off, the area in front of Parliament House be taken for the freeway, and the Parliament left with a satisfactory parliamentary precinct. The current State Planning Commission is acting against the apparent will of the Parliament and certainly against the procedures that have been adopted for a number of years. Preceding that meeting of both Houses of Parliament, discussions were held between the Joint House Committee and the Interdepartmental Town Planning Committee, headed by Professor Gordon Stephenson, whose members were Mr J.E. Lloyd, Mr D.H. Aitken, Mr W.L. Green, Mr D.J. Davies and Mr Baxter, a town planning officer. Most of those names are quite well known to members. From the report of the proceedings it appears that the interdepartmental committee and the Joint House Committee believed that they could provide the same accommodation without closing Harvest Terrace, which was an important link to the Mitchell Freeway. I wonder with the current traffic situation whether it is such an important link, especially the section directly behind Parliament House. The section between Murray and Hay Streets is probably important, but I query how much traffic travels across from Mount Street onto the Mitchell Freeway. Perhaps the road planners of those days were even further ahead than anticipated with regard to access to the Mitchell Freeway.

In July 1983 members of the Joint House Committee were presented with a planning bulletin, and more meetings were held with the Perth City Council. I believe Sir Frederick Chaney was Lord Mayor at the time. The planning bulletin set out the following objectives -

1. To recognise the significance of the Institution of Parliament.
2. To reinforce the unique role Parliament Hill plays in the structure of the City.

Bearing in mind some of the structures being built at the moment, I wonder whether those objective are being followed. The bulletin lists the following among the policies that had been adopted -

1. Generally it is intended that development heights be restricted on particular sites to establish compatible scale relationships between Parliament House and adjacent development and also to protect views between Parliament Hill and other important city elements, such as -

Swan River - Perth and Melville Water
 South Perth foreshore and Mill Point
 Esplanade and Supreme Court Gardens
 Heirisson Island and the Darling Scarp
 Central City block particularly the St. George's
 Terrace vista.

I understand that the view to another park in East Perth should also be kept open. It had been generally agreed that there should be an outer and inner precinct of Parliament House and that all development projects should be considered with that in mind. Procedures were laid down as to how applications should be made, and maps of the area were presented. Two committees were in existence, the Parliament House Precinct Committee which consisted of: A Chairman, selected from the members; the Town Planning Commissioner; two Perth City councillors; the Director of the Art Gallery of WA, the Chairman and a second member of the Joint House Committee of Parliament; the Principal Architect of the Public Works Department; two nominees of the Royal Australian Institute of Architects; and the Professor of Architecture at the University of Western Australia. That committee was perhaps a little overloaded with architects, who outnumbered any other profession by 2:1. It could be a feature of the time, but I would have thought enough good courses in landscaping were available to have allowed a professional landscaper to be included on the committee. The other committee was the Parliament House Precinct Sub-Committee which consisted of: Four architect members of the main committee and a technical/professional officer from each of the Perth City Council and Town Planning Department. Whether, again, that was duplicating work, I do not know. It is up to the Parliament House Precincts Committee to appoint any subcommittee it wishes. I believe the Parliament House Precincts Committee should be retained.

There was review after review in relation to this matter. The one I have picked up is stamped "confidential", although I guess it is not all that confidential now because I have a copy of it. In 1981 the architects put a number of ideas to us. As I understand, this is the final book; from memory we received four books for four different schemes as to how the parliamentary precincts should operate. We finished up with the Parliament House precincts about which I have just quoted the objects, views and accessibility.

Members may feel that all this occurred in the past. It would have been very easy in the 1960s, 1970s, or early 1980s to say, "Forget it, let them build us out. Let them do what they like with Parliament House." However, this is our workplace. It may be that 15 to 20 years ago when we all worked here and had our offices here we had more feeling for the place. There were no electorate offices in those days, so more members did their work in Parliament House. I say to the younger members in this place that it is our job as members of Parliament to ensure that the precincts of this Parliament are kept and that the Parliament remains in a position that can be viewed from those places I read out a moment ago, and that it is accessible to the public.

Let us look at the Parliaments around the world so that members see what I mean. I am not greatly in favour of some things in the new Parliament House in Canberra, but it is in a position where one cannot miss it - it cannot be built out. If one goes to Spring Street in Melbourne one sees a majestic building at the top of Collins Street that one must look up to. If one walks down North Terrace in Adelaide one cannot miss Parliament House. Apart from Cape Town, that North Terrace strip has the most magnificent set of buildings, including Parliament House, that one can see. Parliament House is on a corner straight opposite Government House and cannot be missed.

I am not saying that the State Planning Commission has any ulterior motive in relation to this matter, but why get rid of a perfectly legitimate body which looks after this place and which results in representatives of this place mixing with departmental people and expressing their views? We are the elected members. Members of the State Planning Commission are not elected, they are appointed. We are the people who will have to answer to the public if

Parliament House is built out. It may be that we will have to answer to them if it is not built out. When I read out the list of places people were meant to be able to view this Parliament from it certainly included the north east and south metropolitan electorates from which those members' constituents should have a view to Parliament House. I believe matters should continue that way.

I do not wish to prolong this matter and do not quite know what will happen to it as I understand we will not be sitting for much longer. However, I believe this motion needed to be moved and needs to be supported by all members of this House and not be played around with along party lines. This is a matter that has never been played around with on party lines before; it has been considered on individual lines because everyone's feelings about architecture, the city and the environment are different. However, the general thrust of the motion that we should have a Parliamentary Precincts Committee in this place is an essential one.

HON D.J. WORDSWORTH (South) [2.56 pm]: I have pleasure in seconding the motion. I do not wish to cover the same ground as that covered by Hon A.A. Lewis as I believe he has covered it admirably and has gone into the history of why this committee existed and why it is important that Parliament House should not be built out. I, too, am disappointed to find that the recommendation seems to have been lost and that the committee is not allowed to function in the manner it was set up for.

It is important that Parliament House be prominent. I have been disgusted to read in a newspaper that the objective in this matter was that members of Parliament be able to view the river and to view this and that. Hon A.A. Lewis has made the point quite plain that the objective was not for the benefit of members of Parliament so as to enable them to view other places but that Parliament House could be viewed from certain places. Parliament House represents the democratic system that exists in Australia. Not only should it be important, but also it should be seen to be important and not be allowed to be built out.

Hon A.A. Lewis referred to the fact that people work here and that it is important to them. However, that is not the significant thing, at all. I do not mind whether I can see the river, that is of no consequence. The consequence is that Parliament House should be a prominent and important building and should not be built out. Although it can be said that the ruling is to the disadvantage of some people who own adjacent land and find that they cannot build high rise on that land, let us remember that the value of that land has always been determined by that ruling; in other words, when the owner bought that land he knew that he could only build three storeys. If, of course, that person can persuade someone to allow him to go to six storeys on that land then he has gained value because he has managed to turn around normal town planning rules. I am afraid that that is what has happened. It is those developers who have fed stories to the Press that this ruling exists so that members of Parliament can look at the river. It is not that at all; it is for the benefit of the public, so they can see Parliament House and realise what it stands for and its significance.

Debate adjourned, on motion by Hon Fred McKenzie.

WESTERN AUSTRALIAN PETROCHEMICAL INDUSTRIES AUTHORITY BILL

Second Reading

Debate resumed from 13 April.

HON P.G. PENDAL (South Central Metropolitan) [3.00 pm]: I rise to support the Bill before the House, not because it sets up an authority, whose task it will be to oversee the development of a petrochemical industry in Western Australia, but because to oppose a Bill of this kind will be seen by some people as opposing the establishment of the petrochemical industry. The first observation I make is that it will indeed be a sorry day when we need statutory authorities of this Parliament to ensure that we have industrial or commercial development in this State. I venture to suggest that it will not be long before we will see the need to repeal this Bill because any industry that is not capable of standing on its own two feet, without the involvement of Government at a high monetary level, is unlikely to be an industry of much economic value to the State.

The Liberal Party has made it clear in many debates over the past nine years that it supports the establishment in Western Australia of such an industry. What never entered our minds,

of course, was any suggestion that the industry would be established with a huge Government equity, such as is now the case, and which has led to the Bill now before the House. We made it clear during the lead up to the State election that a condition for our support was that the siting of the new industry was of paramount importance. It is because I am now one of the members in this House who represents just under a quarter of a million voters who live and work in the South Metropolitan Region of this State that I want to use this occasion to draw to the attention of members some of the serious concerns that those people have in respect of the environmental controls for this project. The Liberal Party has consistently made it clear that there should not be a petrochemical industry in the southern suburbs of Perth; the most appropriate site is in the Pilbara. The reason for that is fairly elementary: We have there an abundance of those natural commodities, particularly salt and natural gas, which will be used in a widespread manner once the industry gets under way.

The Government's decision to ignore the questions of the community in respect of the siting of the project ought not to go unnoticed. It is fair in a major debate of this kind to focus attention, for a few moments at least, on some of the environmental aspects that will indisputably have an adverse impact on the people to whom I have already referred. We are in the somewhat unprecedented position where the local authorities - the Cities of Rockingham and Cockburn and the Town of Kwinana - have become so concerned about the health, environmental and people orientated consequences of siting this industry in the southern suburbs that they have taken the step of commissioning a report. That report has not been widely circulated among members of the public but it has, to my knowledge, been circulated to Ministers of the Crown. The report is called, "A review and report on proposed petrochemical complex Kwinana, August 1988." It is written by Bowman Bishaw and Associates, environmental and industry management consultants. The report does not pour cold water on the project as a whole; however, it isolates and identifies a number of serious concerns, not only on the part of those consultants but now also, by extension, on behalf of the Cities of Rockingham and Cockburn and the Town of Kwinana.

The contents of the report have come to me in only the last day or so. It says at page 27, under the heading "Conclusions", that -

The proposed petrochemical complex will be a highly complex installation. The manufacturing processes, operations management, waste treatment and environmental management will be more complicated -

I ask members to note these words -

- by an "order of magnitude" than any other industry in the Kwinana area.

The members of this House and the other place, and members of the community, ought to be under no illusions about the magnitude of the industrial activity that is about to take place. I repeat that members of the Liberal Party, and other members who represent this area, support the establishment of the petrochemical industry; there is no dispute about that. There is, however, a huge body of concern about the siting of the project. The conclusion of the report is not necessarily utterly profound, but it draws to the attention of members that we are dealing with an industrial expansion in that part of the metropolitan area which is not just a run of the mill, garden variety industrial growth; we are dealing with a complex "which will be more complicated by an 'order of magnitude' than any other industry in the Kwinana area".

The report's conclusions contain a significant observation -

Whilst we agree with the conceptional conclusions that environmental management and waste disposal problems can be satisfactorily solved, this has yet to be demonstrated in theory and in practice.

Members should appreciate that the Government and the proponents of the scheme were obliged to proceed with a series of environmental studies, to the stage of an environmental review and management program. Those are not my words, they are those of an independent consultant. The report goes on to say -

In reality, only the first phase of the environmental assessment process has been conducted so far. There is a need for substantial further evaluation work to be conducted to validate the acceptability of each and every aspect of safe operation of the complex, and acceptable treatment and disposal of waste.

A little further on in this list of conclusions we are told this. I mention here that this is a conclusion on the part of the consultants which will indisputably reflect in a financial way on the ratepayers of those three local authorities. I quote -

To ensure the maintenance of a satisfactory level of environmental quality in the Kwinana/Cockburn/Rockingham area, the CKRLA Committee must seek to have technically competent input to the assessment and approval process.

It goes on to say that recent overseas experience has demonstrated the desirability of this approach through appointment of a project team to the assessment task.

That will cost the local authorities an arm and a leg. What the consultants are saying is that if we want to see those environmental controls correctly applied it will be necessary to bring in at the local government level a task force of experts to ensure that the monitoring is correctly carried out. That will not be done for nothing. It will not be done at no cost to the ratepayers in those three municipalities. I do not know what it cost for the three municipalities to commission the report from which I am now quoting, but none of these things is done without a fair bit of expenditure.

What we are being told now by this independent assessor is that this will go on; it will be an ongoing cost for the ratepayers, and that is something that the Government will need to take into account. I formally ask the Government to take it into account once the stage is reached where the Petrochemical Industries Authority is in operation, and it has the task of ensuring that the ratepayers of those areas do not cop it both ways. As taxpayers they are already paying for the extensive ERMPs done by way of the State's environmental laws. They are now being asked to pay a second time to have a guard dog brought in to guard the guard - in this case the EPA.

That is the end of those conclusions from which I quote, but I refer briefly now to the actual body of the report. I preface my remarks by saying that I have not read the report, nor have I had full access to that report by Bowman Bishaw, but I do have a sufficient number of extracts from it to be able to raise at least some of the concerns of people in those municipalities and the ratepayers within their boundaries.

For example, the document says this - I understand the reference here is to the documents which have resulted from the Petrochemical Industries Co Ltd's avowed intention of siting the works in that area -

None of the documents have given any attention to the likely contribution of the complex to atmospheric concentrations of non-methane hydrocarbons (NMHC) and the way in which the potential for petrochemical smog in the Kwinana and metropolitan areas will be affected.

That is of real concern. It is a serious observation being made by the independent consultants employed by the shires in relation to the ERMP and other documents produced by PICL. In none of the documents they have seen has the proper potential for petrochemical smog in the Kwinana and metropolitan areas been taken into account. The document goes on to say -

NMHC along with the oxides of nitrogen are primary chemical pre-cursors of the formation of petrochemical smog. This aspect should be addressed in some detail as the petrochemical complex is clearly a large potential force of NMHC.

Before I quote from the document again, let me remind members again that these are reasons one could advance as to why it is inappropriate to site such an enormous industrial complex in a built up area. For those who say that the plant will be no closer than 2.5 kilometres or so from the nearest residence, I shall quote a few responses to this. This is what is said -

Fugitive emissions are those emissions of processed streams and product materials that occur through leakage of valves, flanges and other connections in pipe work between and with process equipment and storage facilities. A complicated industry such as that proposed by PICL may have thousands of possible sources of fugitive emissions . . .

I break in here to say that it is important to understand the term "fugitive emissions". The Minister for Resources Development in another place, and publicly through Press statements, has spent some considerable time on giving us assurances that any emissions would occur in

such a way as to trigger an alarm mechanism long before they became a problem. What this report is saying - and I am in no position to judge its strength or otherwise - is that it is possible to have emissions called fugitive emissions which will perhaps not be picked up in the normal course of monitoring. I do not know. However, to continue -

A complicated industry such as that proposed by PICL may have thousands of possible sources of fugitive emissions, the combined total quantity from all sources of leakage may be considerable. For example, the US EPA has estimated losses per valve to be as high as 8.8 grammes per hour. In a petrochemical plant, with, say, 10 000 valves, this would equate to product losses of 88 kilos per hour or two tonnes metric per day. Given that the component of these losses would consist of toxic gases such as VCM allowing fugitive emissions to escape to atmosphere is clearly unacceptable.

My final quote from this report - and I repeat that I have not seen the full report but only extracts from it - is a comment on some of the energy implications of the Bill we are dealing with. I quote -

The Petrochemical complex will require approximately 90 MW of base loaded electricity for normal operation. The SECWA South West inter-connected electricity grid, which will supply the complex has a capacity of approximately 2000 MW, of which 300 to 500 MW is excess to normal requirements but is held in reserve for emergency use and therefore to increase the system reliability. The ERMP does not provide any information as to the capability of the existing system to cater for supply of an extra 90 MW of base load. If this electricity is supplied from the existing installed plant it is possible that system reliability will be reduced. This will be of possible detriment to other consumers of electricity.

I do no more than place on record some of those counter but expert observations that have arisen from the joint report prepared on behalf of the three municipalities in my region. Before I resume my seat I want to make some brief comments about other aspects that do not rely on the contents of that report.

I said earlier that the Deputy Premier and Minister for Resources Development, Mr Parker, himself has gone on the public record in response to those who would say that the petrochemical plant poses a risk to Perth residents; because that is a claim that has been made, too - not just that it will affect the municipalities in the immediate area of the plant but that, because of the situation with the prevailing winds, something like the whole of the metropolitan area could be affected. In fairness, the Minister for Resources Development rejects that and says that those assertions, by whomever they are made, are inaccurate and that people need take no notice of them; but he did say this, and I quote from his media statement of 18 January -

No emissions from the plant will be carried to Fremantle and Perth on the prevailing winds.

For a start, the plant is being designed so that there will be no emissions detectable at the plant boundary.

If the worst should happen and there is a leakage of VCM, it will immediately begin to dissipate in the atmosphere. The distance between the plant and the nearest residential areas is such that even under the worst case weather conditions - a calm breeze - there would be no environmental impact and no threat to human beings or plant life.

I relate that reassurance back to the concern raised by Bowman Bishaw, because they appear to be saying somewhat the reverse. Members may recall that I read the rather lengthy quotation about fugitive emissions and how they can occur. That seems to me to run counter to the reassurances now being given to us by the Minister for Resources Development.

I turn now to one of my final points; that is, the other assurance that was given to us by the Premier himself just prior to the election by way of his official announcement on 9 January. The Premier then outlined to us that an environment and community safety task force would report directly to him on the construction and operational phases of the plant. Indeed, he went on to name the people who would sit on that task force. Interestingly - and I would like the Leader of the House to make some response to this - the Premier, in trying to identify the sorts of jobs the task force would be given, said that it would -

examine the adequacy of the environmental conditions that have been set for the project.

On the face of it, that is a welcome assurance; but I now raise the question: How does one rely on a group of well intentioned laymen to examine the adequacy of those environmental conditions? On page 2 of the Premier's announcement on that day we are told that the task force will be chaired by Professor John De Laeter, who is well known in the engineering field, but that the other members of the task force will be the Deputy Director of Nursing at Royal Perth Hospital, the Mayor of Kwinana, and a nominee from each of the Conservation Council of Western Australia (Inc) and the Confederation of Western Australian Industry (Inc). I hasten to add that I do not in any way reflect on the capacity or probity of any of those people. I am sure that a person who is the Deputy Director of Nursing at Royal Perth Hospital, or the Mayor of Kwinana, or someone from the Confederation of Western Australian Industry, is a competent person in his or her own right. However, one of their tasks is, I repeat, to "examine the adequacy of the environmental conditions that have been set for the project." The Government is asking these people something that is simply beyond their competence. I suspect the mayor is a very competent leader of local government, just as we in this House bring together a whole range of backgrounds; but in the ultimate, if somebody is being asked to make an expert judgment on something, I would have assumed or presupposed that he or she would have some qualifications to do that. I repeat that in no way do I reflect on those people's competence in other areas, but I grieve for their task in having to make highly technical and highly environmentally inclined decisions when they sit as members of this task force.

Finally, if one is to sustain an argument as I have attempted to do and as many members of the Opposition, including the Leader of the Opposition and the Deputy Leader of the Opposition, have attempted to do, that the plant needs to be relocated to the Pilbara, one needs to look at the consequences of that relocation; because in fairness, from the reading I have done, there is no reason why the plant cannot go into the Pilbara other than the very obvious and legitimate argument that it will cost a helluva lot of money to relocate it. I am reminded of the Minister for Resources Development's statement on 9 January wherein he claimed that any suggestion on the part of the Opposition that it should be relocated to the Pilbara was impracticable because it would require a huge amount of relocation expense. Indeed, he went on to say that it would effectively kill off the project if we were to vote in this Parliament to move it or to say that it must go not to Kwinana but instead to the Pilbara. Mr Parker additionally went on to say - and these following words are very important to my argument -

For a start, you would be looking at a 35-40 per cent increase in construction costs - some \$350-\$400 million extra on the construction figure of \$1 billion, . . .

I am in no position to judge whether it would cost that. I would certainly agree, as would any layman in this place, that clearly it would cost more, but how much more I guess not many of us in this place are competent to say. However, I ask the question, firstly, whether it might not be a good investment on the part of this State to pay that sort of money, because the current Government certainly has not been backward in coming forward in expending taxpayers' funds for far less reason than on something that will actually produce jobs and revenue, such as a petrochemical industry would do. I do not want to retread all of the arguments we have been through about the Government's bailout of business, merchant banks, building societies, credit societies, and God knows what else, but there was no compunction about that spending and we are told in today's *The Age* that the losses from the Rothwells collapse could rise to something like \$621 million, more than double the previous estimate. If it was possible in the past for the Government to make decisions in a negative sense to bail out people who were going broke, maybe as a community we should have been confronted with the prospect of actually paying \$350 million, if that is what it would have taken, to relocate the petrochemical industry in the north.

There were huge benefits to be gained, but that is predicated in the belief that it might be possible to justify taxpayers' money being used in that way. However, I hope the Government will not come back and say, "Well, we should not be in the business of assisting businesses in that way." I remind the House that only 18 months ago the Government did exactly that in relation to the silicon venture for Barrack House in the south west of the State. When it was electorally advantageous, the Government went to Barrack House and said,

"You are going to put that thing up there in Wundowie. How much would it cost us to induce you to put it the south west?", because it was in the Government's interests for that to happen. I am told that the figure - which started out to be a paltry couple of million dollars - to induce the company to go south is now something in the order of \$20 million. That is what it has cost the Minister for Budget Management and his fellow members of Cabinet. Certainly the last time I checked, one of the figures being used was \$8 million, and the accurate figure presumably lies somewhere between the two. Regardless of the case, if one were to look at the capital cost of the silicon plant and then at what the Government was prepared to spend to induce the company to go to the south west, one would be entitled to ask why we should not look at the prospect of paying that amount of money - and I have my doubts that it would cost \$350 million - to relocate it to the Pilbara. Any of those figures would have been inflated to support the Government's argument; I do not blame the Government for that terribly much.

It is still not too late for us to do something in that respect. In particular, I refer to an article - and the Minister will be pleased to learn that this is my last point because I promised him I would be relatively brief - which appeared in today's *The West Australian*. This article gives us good reason to consider seriously, at this last stage, the prospect of relocating the plant to the Pilbara. The article on page 5 of *The West Australian* is headed "Waste threat from petro plant's land" and it underpins the whole of my argument: We are starting off with an environmental deficit down at Kwinana. It is not even as though we were putting in a plant with the capacity to be environmentally damaging and disruptive, nor is it as though we were saying, "We will stick it out into the Simpson Desert; we will be starting afresh there because there is no damage to be, nor has there been any, done to the Simpson Desert." We are starting off in Kwinana on an uneven keel for the petrochemical plant; we are starting off with an environmental deficit. That is brought home by the article in this morning's paper because it reports that the land on which the petrochemical plant is to be sited is owned by British Petroleum, which has used it as a dumping ground for toxic and other waste for the past 20-odd years. There is apparently a deal on whereby that land will be used to site the petrochemical plant if the company gets rid of all the environmental hazards which have been dumped on that land for the past 20 years. There are some important concerns expressed in that newspaper article, which reads in part as follows -

But experts believe that some of the pollution has found its way into groundwater under the site.

Why add insult to injury? I believe this is another reason, even at this late stage, for us to say, "Let's seriously look at the prospect of inducing the company to go north and, if necessary, to find a way where we as a community can meet the huge costs associated with it." Even one of the company's executives is quoted in the article as saying -

"A groundwater study is being carried out to determine the quality of the groundwater so we know what the baseline contamination is."

It is not even a question of determining whether the ground water is actually contaminated; it is actually to find out the level of that contamination. To me, that is an appalling admission under the circumstances.

In summary, I, like other members of the Opposition, enthusiastically welcome the prospect of Western Australia getting a petrochemical project. I totally reject, like other members of the Opposition, the idea that we need to have a Government with something like a 43 per cent or a 44 per cent equity in this project. I have seen the letters, as have other members, which have come from some of those well known, well placed and reputable European bankers who sit agog and wonder where the devil the funding of this will come from. They now know that a large swag of that money will come by way of Government investment. It is a great pity that we are to get a petrochemical industry which will be propped up by Government involvement in an equity sense. What a feather in the cap it would have been for this Government, or for any other Government, to have said, "We want to get a petrochemical industry for all the benefits - the export benefits, the job benefits and the benefits which could result in a greater level of permanence in the north west - we want to get a petrochemical industry because it is a viable proposition for the private sector." The Government has chosen to go down the path of Government equity involvement and down the path of establishing an authority. I think the Government is wrong, but it is entitled to go

to hell in its own way. That is what will happen once this Bill is passed; the Government will go its own way.

The one thing that does not have to be beyond the point of no return is the question of the siting of the plant. We are talking about an industry, the magnitude of which cannot be imagined by most Western Australians - an industry which will be put into the suburban parts of Perth. People who reckon that Kwinana, Cockburn and places like that are in some far flung parts of the State are people with slow motor cars. These areas are within 30 minutes' drive of the city and they are the starting point of the prevailing winds. All we need to do at this late stage is to look at the prospect of resiting the plant to the Pilbara, to somewhere more environmentally acceptable. If that were to cost the State the sort of money we are talking about, I think that would not be a bad investment on the part of the State Government, given that some of its previous investments have not been crash hot. With a great deal of reluctance, for the reasons I have just outlined, I support the Bill.

HON J.M. BERINSON (North Central Metropolitan - Leader of the House) [3.38 pm]: It is true to say, I believe, that in the recent State election no issue had more, or more vigorous, attention than the notion of WA Inc in general and the Petrochemical Industries Co Ltd project in particular. In the end the Government was returned, and as the Leader of the National Party in the Assembly has said, that carries with it an acceptance by the public of the Government's commitment to PICL, though I add at once that it also requires action on the Government's pledge to wind down a number of commercial activities and in other areas to establish a much higher degree of detailed public accountability than presently exists.

As will be obvious to us all, the latter consideration applies especially in respect of the Petrochemical Industries Co Ltd project. It is important to note that the proper standards of accountability to be established have not been defined by the Government. They were set out by the independent and highly respected members of the Burt Commission on Accountability and it is a measure of the importance which the Government attaches to its continuing conduct in relevant areas that we have immediately moved in the new Parliament to implement the recommendations of the Burt commission effectively in their entirety. That is the purpose of the Bill we are now discussing and of the Acts Amendment (Accountability) Bill which has been referred to this House after its passing through the Legislative Assembly.

I have now been in a number of new Parliaments and the new Governments invariably have claimed to have a mandate to do this or that. The position with the two accountability Bills falls into that general context but they are very different from the norm. Given our public and unequivocal commitments on this central election issue the Government is not approaching Parliament on the usual basis of right to implement these measures but on the basis of our obligation to do so. In meeting that obligation we are guided throughout by the recommendations of the Burt commission - and not simply by the letter of them, but also by their spirit. I do not believe that has been questioned by any member of this House, nor has it been suggested that the commission's recommendations are inappropriate or inadequate. It is fundamental to the Government's election undertakings that these recommendations should be implemented and the Government looks to the support of Opposition members to ensure that that occurs. Already in this session, the PICL project has been subject to the most intensive possible comment - the Address-in-Reply, the Supply Bill, and the Treasurer's Advance Authorization Bill have been directed by the Opposition into debate on this very subject.

Dealing with the issue more directly it is important to deal with the realities and the practicalities of the position. With due respect to Hon Gordon Masters and others, the realities are not met by a line of argument which not only looks to the abolition of WA Government Holdings Ltd, but as well as that the State's withdrawal from the PICL project altogether. A more realistic approach, if I may say so, is that advanced in the second reading debate by Hon Eric Charlton and Hon Bill Stretch - and I believe Hon P.G. Pandal's comments fall into the same category. All of those members - if the State was not already committed to the project - would undoubtedly oppose the State's participation in them but they recognise that that participation is in fact there so that the real choice is between continuing within the WA Government Holdings Ltd framework or within the more limited or more accountable framework of the statutory authority proposed by this Bill. That is a proposition, I suspect, we will have to return to quite often, and certainly it is fundamental to our further consideration in this debate and in the forthcoming Committee stage.

Members who spoke during the second reading debate raised many issues and I will attempt to deal with the more fundamental of them. In some respects this will anticipate the Government's response to various of the amendments which have been listed and, with a bit of luck - although I am not altogether holding my breath - this might assist us to keep that part of debate within reasonable bounds as well. I turn, firstly, to the comments by Hon Gordon Masters.

Sitting suspended from 3.45 to 4.00 pm

Hon J.M. BERINSON: In the course of his comments Hon Gordon Masters sought an assurance that significant assets were purchased by the public for the State's \$175 million contribution. The Government has stated publicly on a number of occasions that the range of contracts which had been negotiated by the previous shareholders of PICL include the construction contract with JGC Corporation of Japan and Clough Engineering Ltd, the ethylene-dioxide vinyl chloride monomer technology licensing agreement with the BF Goodrich Company, the product take off agreement with Mitsubishi Corporation of Japan and an energy supply contract with the State Energy Commission of Western Australia. There is, in addition, its prospects in connection with the sale of caustic soda and the potential for downstream plastics manufacture. All this gave PICL substantial value in addition to the value of the agreement with BP for the purchase of the Kwinana site and the project team that has been assembled. Whether its value at that time was \$400 million is a matter upon which many, including Price Waterhouse, have expressed views. The fact is that in the judgment of the Government the purchase of an interest in the project was a viable proposition.

With due respect to Hon Gordon Masters, he seems confused about the nature of the facilities WA Government Holdings has provided to PICL for interim project financing; that facility is a cash advance facility under which WAGH may be called on to provide \$100 million in total. WAGH's exposure to PICL is secured by the mortgage on the Kwinana land and by a charge over the assets and undertakings of PICL. The interim project finance is advanced on terms that it is repayable by the first draw down by PICL of the proposed long term project financing. Once the long term finance is in place the Government's total cash outlay to the project will be the \$175 million which it paid for its interest in the project. Hon Gordon Masters also invited the Government to detail the proposed sources of long term finance and the Treasurer has indicated that a group of banks has been commissioned to arrange long term financing on a widely syndicated basis. The arranging banks are major international institutions with extensive experience in project financing and they are committed to the project. The Treasurer has reported that they are very confident that the project finance of an amount sufficient to cover all construction and commissioning costs, including interest costs during construction, initial raw material requirements and the initial working capital associated with the completion of construction, will be arranged. Commissioning and the start up of the plant can be procured without a requirement of the State or the Bond group to continue to provide further equity to PICL, or, indeed, to the PICL group.

Hon Gordon Masters read into *Hansard* a letter from Mr de Gelsey. Of course it is trite to say that advice can only be as good as the facts available to the adviser. The generalised nature of both Mr de Gelsey's assumptions and conclusions were no doubt unavoidable due to his lack of association with the project, and in the end they do not carry the Opposition's general approach any further. It certainly bears no relation to the core of this legislation which I again emphasise, at the risk of being repetitious, is for the transfer of existing arrangements from a non-accountable to an accountable framework.

Hon Gordon Masters gave notice of the Opposition's intention to move amendments to ensure that the State's 43.75 per cent interest is not increased at all. In an important sense the issue which this raises is at a tangent with the main aim of the Bill which is to implement the Burt commission's recommendations. The Opposition's amendments will also add an undesirable degree of inflexibility to the operation of the new authority. At the end of the day it is a matter of whether the administration of a statutory authority is a matter for the Parliament or a matter for the Executive. It is the Government's view that it is a matter for the Executive, and that it is for the Executive to be answerable in turn to the Parliament for its actions.

Hon Eric Charlton raised a question about what would be the commitment of the State in

future in connection with the petrochemical project beyond the "\$275 million already committed". I again refer to the Treasurer's advice that upon the finalisation of the project finance for the petrochemical project the interim finance provided by WA Government Holdings, and to which the authority will succeed, will be repaid in full. People will be aware that the State has outlaid \$175 million for its interest in the petrochemical project and, other than being a supplier of energy to the project, that is expected to be the full extent of the Government's financial commitment. As was also indicated earlier, the banks which were given a mandate to arrange the project finance are very confident that the construction and initial operations of the complex, including the start up costs and the initial working capital costs, will be fully funded by major international syndicated borrowings.

Hon Eric Charlton asked whether it was true that the project would continue to operate even if it could not pay its energy costs. I am told that, if that situation arose, it would be a matter for consideration by the parties to the project at the given time. However, the advice that the Government has had is that the petrochemical project will be viable and generate sufficient cash flows to meet its obligations in all respects when they fall due both in respect of its financing and raw material costs. Hon Eric Charlton made the point, as Mr Cowan did in the Assembly, that as far as the National Party is concerned the Government is already a participant in the petrochemical project and it would prefer that the Government continued with its involvement through the vehicle of a statutory and accountable authority rather than on the present basis. The Government acknowledges that the Western Australian people have clearly indicated that that is their preference as well. But, in any event, the Government announced prior to the election that it intended to adopt all the recommendations of the Burt Commission on Accountability. It is the Government's view that this Bill complies in all respects with both the letter and the spirit of that undertaking.

I turn now to a number of the comments made by Hon Max Evans. Mr Evans dealt at some length with the results of company searches in relation to Petrochemical Industries Co Ltd, Petrochemical Holdings Co Ltd, Petrochemical Investments Pty Ltd and WA Government Holdings Ltd. With due respect, the relevance of much of that information to the objects of this Bill is not apparent. It certainly does not establish, for example, as Mr Evans' comments might have implied, that any director of any company was in any way at fault in the exercise of his obligations as a director. By way of a simple example, the fact that on 29 July 1988 the shareholders of Rothwells may have approved of the disposal of certain assets of that company to a company associated with Mr Connell does not amount to evidence that as at August 1988 that WA Government Holdings Ltd had undertaken an obligation which its directors could not reasonably have expected it to fulfil. The fact of the matter is, of course, that on 18 August 1988 WA Government Holdings Ltd had not entered into any transaction to acquire an interest in Petrochemical Industries Co Ltd and neither had it resolved or contemplated issuing securities to the State Government Insurance Commission.

Hon Max Evans asked for a balance sheet for WA Government Holdings Ltd to the end of January or the end of March. The company is under no obligation to prepare balance sheets on a monthly basis or to provide them to the Government. This legislation is designed to wind up the assets of WAGH and, indeed, to dissolve it and transfer its operations to the authority. The authority will be accountable to the Parliament under the Financial Administration and Audit Act and, upon the presentation of its accounts under that Act, the position of WAGH at the point of transfer will also be made clear. As a practical issue it needs also to be said that the presentation of a balance sheet at this stage would change nothing. Whatever the assets and liabilities are at any given date is what they are. What is there at the point of transfer is what will be transferred to the new authority. Whatever is transferred will certainly appear in the authority's first report.

I again take this opportunity to point out to members that one of the effects of the transfer to the authority will be to make its affairs, certainly its financial statements, open to examination and comment by the Auditor General.

Hon D.J. Wordsworth: It will be another couple of years before such a report is out.

Hon J.M. BERINSON: Not at all. The Financial Administration and Audit Act imposes much more stringent time limits than that. I am sure, given its high profile, it will be an authority which will be anxious to start life on the basis which meets those requirements to the full.

Hon Max Evans asked what was meant by the provisions of the Bill which required the Treasurer's prior approval of the terms and conditions of any guarantee or other commitment given by the authority. He also asked whether that approval might be retrospective. I may have misunderstood the point of his question, but I am sure he appreciates that it is impossible to give prior approval retrospectively. The inclusion of the word "prior" in the relevant provisions of the Bill is specifically intended to prevent the possibility of obligations being entered into without the approval of the Treasurer having first been given. The provisions of schedule 1 of the Bill are intended to enable the Treasurer to impose terms and conditions upon which he will assume the obligations of WAGH. Although it should be noted that the Opposition has given notice of amendments which, if carried, would prevent the Treasurer from reviewing WAGH's obligations before assuming them.

Hon Bill Stretch also dealt with a number of the questions to which I have referred, but he did raise a different specific matter in relation to the question of salt supply. Salt supply is, of course, a matter for PICL and not for the Government. Salt supply for the project has been put out to tender in the ordinary way and decisions on salt supply will be made on technical and economic grounds without any interference from the State Government other than in its capacity as a shareholder of PICL.

Although I cannot do justice to the detail of the environmental questions that Hon Phillip Pandal raised, the least I can do is to refer to his specific question on the ability of the members of the task force dealing with PICL environmental matters to properly perform their functions. It is, of course, acknowledged that not all members have personal expertise in that field. To the extent that members are not experts their inclusion has been on the basis that it has been desirable to have a wider community contribution to the considerations that are involved. However, I am advised that the task force will be supported by the availability of professional expertise and that the type of question which one would want dealt with by experts will come by way of those appointments or consultancies as the case may be.

This Bill is entitled the Western Australian Petrochemical Industries Authority Bill. Paradoxically and in spite of almost the whole of the content of the debate this Bill is not about an investment in petrochemicals; that is already in place. This Bill is about accountability and the Government's obligation to ensure that that is also in place and in full measure. That is the Government's commitment; that is the purpose of the Bill and I commend it to the House.

Question put and passed.

Bill read a second time.

Committee

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

Clause 1: Short title -

Hon G.E. MASTERS: The Leader of the House made a number of comments in his reply to the second reading debate but he certainly did not give me sufficient evidence to justify the setting up of an authority under the arrangements proposed in this legislation. I believe the real wish of the Government, if it could manage it, would be to get out of the project as quickly as it could. It is locked in and it cannot see any way of getting out of it for the time being and that is the reason for this performance today.

After six years of pressure from the Opposition and, in recent times, pressure from the public, the Government has suddenly discovered the word "accountability" and has decided to do something about it. I was intrigued to hear the Leader of the House talk about the role of authorities and to say that a Government authority was answerable to the Executive - that may well be so - and the Executive is answerable to the Parliament. Maybe we have made progress today; we certainly have not done so over the last six years. He also said that the Parliament was answerable to the people; that is fine. I accept that the authority is answerable to the Government.

However, the first stage is to set up an authority, in connection with which the Parliament supports and agrees to legislation laying down certain guidelines and conditions for that authority. The setting up of an authority is a responsibility of members of Parliament. When

the authority is eventually set up, it is answerable to the Executive. The Leader of the House misleads us by suggesting Parliament has no direct role to play at this time and that we should not insist on reports from the authority. Members would be neglecting their duty if they did not ask for a great deal of information. Governments are fond of talking about a mandate and this Government emphasises that it won the last election and has a mandate to do certain things. I remind the Leader of the House that the Legislative Council also has a mandate; the Government does not have a majority in this House, and the combined weight of the National Party and the Liberal Party tops the Labor Party. Therefore, this House has a mandate to make inquiries and insist that certain things be done. It is no secret that the Liberal Party is strongly opposed to the setting up of a statutory authority for the purpose of becoming involved in the Western Australian petrochemical industry. The Opposition has always been opposed to the Government's involvement in Petrochemical Industries Co Ltd and sees no reason at all for setting up an authority at this stage. My proposed amendment will ensure the Government is not involved in the petrochemical industry in the long term and no authority such as the one under consideration is set up. I move -

Page 1 - To delete "*Western Australian Petrochemical Industries Authority Act 1989*" and substitute -

The Northern Mining Corporation (Acquisition) Act 1983 Repeal Act 1989

If this amendment is successful I shall move further amendments to clauses 2 and 3 such that the property rights and liabilities of WA Government Holdings Ltd would be vested in the Treasurer. The Treasurer would have three months in which to provide both Houses of Parliament with details of those property rights and liabilities, and within 36 months of such vesting the Treasurer would be required to effect the orderly sale of any interest in the PICL project. Those amendments are not included on the Notice Paper because I understand the National Party is not likely to support them. An explanation has been given, which I respect. However, it is a matter of principle for the Liberal Party.

I remind members that the Liberal Party is not suggesting the Government should divest itself of those assets and liabilities overnight, but is specifying a period of three years. Surely something could be done in that period, particularly as the Government has emphasised what a wonderful deal this is. Adding weight to the Liberal Party's conviction that the Government should not be involved are the documents which have come to our notice relating to financial measures, a copy of which was given to the Leader of the House last week. The Leader of the House made no reference in his second reading reply to any deed of undertaking supported by the guarantee of the Treasurer; no details were given of how it might affect the Government and the public purse; and no confirmation was received that a deed of undertaking existed. If such a deed exists, the Parliament should be made aware of it, and given certain details. It has been reported in the media today that according to a secret report the Rothwells' loss may reach \$621 million. I can see the Leader of the House is not happy about the release of that document, although it is possible he quietly arranged for it to be released, thinking it would be an ideal time for it to come to light.

Hon J.M. Berinson: I am really struck by the way your sense of humour has developed of late.

Hon G.E. MASTERS: A report in the *Daily News* of 18 April states -

It has also emerged that:

Investigators are believed to have argued that the WA Government and Bond Corporation paid Mr Connell and another entrepreneur, Dallas Dempster, an inflated price of \$400 million for Petrochemical Industries Company Ltd to enable Mr Connell to buy the portfolio of loans.

The NCSC apparently reported the price was remarkable in the circumstances.

All these matters and the questions raised over a long period provide even more justification for strongly opposing the setting up of an authority for the purposes set out in this legislation. I understand the Government's proposition that this system would be better than the present arrangement whereby there is no accountability, but my foreshadowed amendments, if successful, would adequately cover the situation. Therefore I ask members to seriously consider my first amendment so we can get on with the business of Government, with less Government waste, and avoid the enormous risks and potential liabilities that may follow if

this legislation is passed and the authority is involved to the extent that it will have liability for the whole project. It was said earlier today that this is one of the biggest projects ever undertaken with Government in Australia let alone Western Australia.

Hon J.M. BERINSON: Of course, the Government opposes this amendment; in the present form of the Bill a title of this kind would be misleading. It would refer to only one, and perhaps a lesser, aspect of the legislation, namely the repeal of the old Bill, and would ignore the fact that the major part of the Bill is directed to the establishment of a new authority. I acknowledge that the Acting Leader of the Opposition foreshadowed further amendments in the event of this amendment being carried. The argument against those further amendments is also the reason for staying with the title drafted. As I understand Mr Masters, he is foreshadowing a further amendment, if this one is carried, which would vest the interest which WAGH now has in the project in the Treasurer on the condition it be disposed of within three years. Quite apart from any question of principle that might be involved here in cutting across the object of this Bill so completely, there is the practical consideration involved that, if one is looking at the prospect of the disposal of an industry as large as this one - and on the one hand Mr Masters says three years is a long time while almost in the same breath confirming that this is an industry of historic proportions in this State - to tie anyone's hands - even assuming a sale was thought to be desirable - and to do so within a timetable which gave no consideration to the circumstances that might apply at the time the limit ran out, is an impractical way to proceed.

Hon A.A. Lewis: Could it not be referred back to the House if it were found to be impractical?

Hon J.M. BERINSON: It can always come back to the House if one is required later to pass a Bill requiring a sale. That can work both ways. The point is that that is not the position that we are in. The position is that the State is a participant in the PICL project and will continue to be a participant. The only question for our current consideration is whether that should be in a less accountable or more accountable form. The authority is to maximise the accountability of the further development of the Government's participation. That ought to be reflected in the title of the Bill as well as in its substantive provisions. That would certainly not be served by supporting Hon Gordon Masters' amendment. I know that we are only on the threshold of his list of amendments, but I urge the Committee to see this as an amendment which goes entirely contrary to the direction of the Bill and should therefore not be supported.

Hon E.J. CHARLTON: As the Leader of the Opposition correctly said, it has been obvious from the outset of this debate that the National Party is totally opposed to this proposed Government involvement in the petrochemical project. Although it concurs with the amendment moved by the Leader of the Opposition it has come to its decision in relation to this matter for a number of reasons I explained during the second reading debate. It is not pertinent or advisable for the Government to go down this path in its future operations.

I want to emphasise again, as I did in earlier comments, that we hope and trust the people of Western Australia will be given an opportunity to get the facts straight about the way we see matters and on the mechanism we wish to put in place so that they may have confidence that some mechanism is in place to manage this project. I commenced my comments in this way during the second reading debate and I will now be more specific. The Government became involved in this project because of the position it reached in its financial dealings. We all know that it was blackmailed and highjacked into that position by the Bond Corporation and Mr Bond. It is absolutely essential for Western Australians to know that the person who was the toast of this State, and this nation, at one stage in the past has now locked Western Australians into this position where taxpayers have been asked to dig into their pockets.

I do not consider that the Government got a mandate to go down this path at the recent election. It was a combination of other circumstances that brought about that result, so I do not place much importance on this point. We believe it is not in the best interest of the authority to go down the path of locking it into the position put forward by the Leader of the Opposition. As the Committee stage of the Bill progresses we will move a number of amendments which we hope will enable the authority to get off the ground as outlined by the Government in clause 1, but which will seek to amend the situation to the point where we achieve a mechanism under which the authority will not only be answerable to the

Parliament and to the people of Western Australia, but will also have an opportunity to manage the financial affairs it has been given responsibility for.

I add, because it is part of the amendment, that to put the matter in simple terms - whether it be you, Mr Deputy Chairman, the Acting Leader of the Opposition, me or anybody else - and to set a time limit during which the Government would be forced to get out of this project is similar to our being told we have a certain time to get out of our house or a business. A number of people in this State have been forced into this situation in recent times, and there is no way in the world that they could get out and get a realistic return if they were forced into a fire sale situation where the vultures sat back and waited for a day to come when they could pick up the pieces for their own financial gain. If we go down that path in relation to this matter then we are saying to the public of Western Australia - who have had no say and who I again emphasise were blackmailed and hijacked into this matter while receiving no information about what was being done with their money because the great entrepreneur of this State forced the hand of the Government of the day - and I make no excuses for them as they did not have to go down that path, but they did -

Hon G.E. Masters: He repaid the debt.

Hon E.J. CHARLTON: Yes. It keeps on going. As was said in the other place the other day on another issue, it is time that the people of Western Australia had a bit more say about what takes place in this State rather than it being in the hands of a select few. That is beside the point. The point I am making is that we have to provide an opportunity for this project to be set up in such a way that when the Government gets out the vultures in this State or overseas cannot take advantage of that situation; we would engineer that happening if we put a time limit on this matter. We are moving in that direction. For those reasons the National Party does not accept the amendment put forward by the Acting Leader of the Opposition even though it fully concurs with his ideas.

Amendment put and a division taken with the following result -

Ayes (9)			
Hon Max Evans	Hon N.F. Moore	Hon Margaret McAleer	
Hon Barry House	Hon P.G. Pandal	(Teller)	
Hon A.A. Lewis	Hon W.N. Stretch		
Hon G.E. Masters	Hon D.J. Wordsworth		
Noes (17)			
Hon J.M. Berinson	Hon Graham Edwards	Hon Garry Kelly	Hon Doug Wenn
Hon J.M. Brown	Hon H.W. Gayfer	Hon Tom McNeil	Hon Fred McKenzie
Hon T.G. Butler	Hon John Halden	Hon Mark Nevill	(Teller)
Hon J.N. Caldwell	Hon Kay Hallaban	Hon S.M. Piantadosi	
Hon E.J. Charlton	Hon Robert Hetherington	Hon Tom Stephens	

Pairs	
Ayes	Noes
Hon C.J. Bell	Hon B.L. Jones
Hon Neil Oliver	Hon D.K. Dans
Hon P.H. Lockyer	Hon Tom Helm

Amendment thus negatived.

Hon MAX EVANS: I thank the Leader of the House for indicating that 18 August is the date of the signing of accounts; and that no contract has been entered into, which I have since confirmed. It may be coincidental that the Government did not make the announcement about WA Government Holdings Ltd until after that date. I would like the Leader of the House to reiterate why he does not think there should be even a notional balance sheet at this stage. A director who is being asked to approve the takeover or absorption of a company would want to see a notional balance sheet of that company. I raised this question in respect of the Exim, WA Mint and Gold Banking Corporation legislation. I believe a balance sheet should be available as a normal commercial exercise. The 1987 balance sheet for WAGH

was wrong, and it had to be amended in 1988 to reflect the mistakes in Exim's vesting of assets etc. The Parliament and the public are entitled to see a notional balance sheet to know what is being taken on board; the value of the shares; and the nature of the guarantees.

Hon J.M. BERINSON: I do not believe that I can take any further my earlier comments. A balance sheet at this stage or at any other given date would not add to the arguments pro or con this legislation. The purpose of this Bill is to transfer to the new authority the WA Government Holdings Ltd's assets and liabilities, and it relates to all the assets and liabilities, whatever they might be. The picture will become very clear at the point of transfer, and will be reflected in the accounts of both bodies. WA Government Holdings Ltd will no doubt have its closing balance sheet, and the authority will have its opening balance sheet; and they will necessarily indicate quite clearly what is the precise position. Nothing will be added by trying to construct an interim, ad hoc balance sheet, drawn up at an arbitrary period, and nothing will be changed by that.

Hon G.E. Masters: Except the public will know.

Hon J.M. BERINSON: The public will know at the point when it counts, which is at the point of transfer. I might turn around the argument and ask, if we did have the balance sheet, would anybody suggest that the principle involved in this Bill would be affected by any particular figure on that balance sheet? It would not be affected one iota. We are here to decide on the framework of the organisation in which this Petrochemical Industries Co Ltd project will be lodged.

I said in my final comments when closing the second reading speech that this Bill is not about the petrochemical project; it is about accountability, and the framework in which the project should function. I anticipated I would have to say it many times, and I have now said it for the first time in the Committee stage, but this is a relevant point at which to say it because it goes directly to the question whether any purpose would be served by that balance sheet now being made available. The view of the Government is that no purpose would be served.

Hon MAX EVANS: I have not yet had time to reread the legislation, but I thought it was about vesting the assets and liabilities of one body into another, new body which would run the operation; not about accountability. We are supposed to take everything in good faith, because this is what the Government said it would do, but many things have changed from what was previously said. Can the Leader of the House tell us the anticipated cost for the total venture to be taken on by this authority? I think I read that it would be about \$655 million.

Hon J.M. BERINSON: I am advised that the anticipated cost is \$1 billion, including interest on capitalised cost.

Hon MAX EVANS: Now that we have a director of the company with us we might be able to get some more specific answers. We talked about the bridging commitment which may or may not be called up when debating the Treasurer's Advance Authorization Bill. It is just a carryover until the non-recourse finance comes along. Has the Government any idea of when it expects to have that non-recourse finance tied up so that it can be relieved of its liability for \$100 million?

Hon J.M. BERINSON: I quote the Minister for Resources Development in this respect and his comments on the Bill in the Legislative Assembly. I think the timetable he hoped to be able to meet was about July this year.

Hon MAX EVANS: The Commission on Accountability made quite a lot of play of this deed of undertaking and the fact that under article 160 of the articles of association the Minister may be precluded from obtaining information under the deed of undertaking. Is the Government aware of what is in that deed of undertaking? The Commission on Accountability did not know and alluded to the fact that the Minister may not know.

Hon J.M. BERINSON: There is an undertaking, and it is subject to those stringency provisions. I do not want to go off at too much of a tangent, but it might be worth reminding the Chamber that the Burt commission itself did. That provision follows the pattern of a secrecy clause built into the North West Shelf agreement by the Court Government. That, however, is not to say that those provisions in either respect were desirable provisions. However, I cannot enlighten the member on the contents of that deed; I have not seen it and I do not know what is in it. If I did know I could not tell him.

I think this is relevant to one of his earlier comments about the significance of the present Bill. Those secrecy provisions would be overridden by this Bill so that the terms of any such undertaking would be open to scrutiny and comment by the Auditor General.

Hon MAX EVANS: The North West Shelf gas Bill contains secrecy provisions, but the Minister had access to that information, not the Parliament. I am not asking what was in the deed of undertaking, but whether the Premier has access to it. The Commission on Accountability reports that Sir Francis Burt did not have access to that information.

Hon J.M. BERINSON: I have never discussed this with the Premier so I am not in a position to know whether he has any knowledge of that sort.

Hon MAX EVANS: At the next meeting of Cabinet, could the Leader of the House ask the Premier that question? It is a very important question which has been in many of our minds.

Hon J.M. BERINSON: May I interrupt the honourable member to say that we unreservedly accept the view of the commission that clauses of that kind should not be entered into by Government instrumentalities. We would ensure that they would not be.

Hon MAX EVANS: I thank the Leader of the House. We all agree with that. Has the Government been in the dark since July of last year? I know the board at WA Government Holdings Ltd has access to that deed.

Hon J.M. BERINSON: I cannot go beyond my previous answer, but I can perhaps encourage Hon Max Evans by saying that since he has asked me to raise the question at some future Cabinet meeting I shall seriously consider doing that.

Hon MAX EVANS: Is it intended to increase the fixed capital of the new authority? It is only \$1.6 million now. I am not certain if it made a profit or a loss in the last few months; it is more likely that it has consumed all that capital. With accumulated losses of \$6.8 million I assume there is no net worth at all. Will the Government put fixed capital into WA Government Holdings Ltd or the new Petrochemical Industries Authority?

Hon J.M. BERINSON: I am advised that there is no proposal to inject any further capital into WA Government Holdings Ltd. Indeed there would be hardly any point in that, given that what we are currently about is winding up that company.

Hon MAX EVANS: I really meant the petrochemical authority. The net worth of the holdings is \$1.6 million.

Hon J.M. Berinson: Is the honourable member talking about WA Government Holdings Ltd?

Hon MAX EVANS: Assets and liabilities will be taken across, so the net worth of the petrochemical authority will still be \$1.6 million plus or minus profits or losses since last June.

The DEPUTY CHAIRMAN (Hon John Williams): Order! I am quite at a loss to understand this point in relation to clause 1, the short title. You are asking about financial commitments. This is dealt with in clause 3 of this Bill. It would be more correct if you asked the questions on that clause.

Clause put and passed.

Clause 2 put and passed.

Clause 3: Definitions -

Hon MAX EVANS: Under "financial arrangements", there will probably be no net worth in the company at the time it is taken over to the authority. Will the Government put more fixed capital into the authority?

Hon J.M. BERINSON: I have difficulty in responding to this question for a number of reasons. In the first place I am advised that authorities do not normally get capital as such, but my greater difficulty is that I cannot anticipate what financial arrangements will be necessary at the point of transfer. That really needs a crystal ball, which I do not have. What can be said is that the authority can look to the support of the Government in meeting its obligations.

Hon MAX EVANS: Also under "financial arrangements", some questions were raised in the Chamber last week regarding information. The Government had agreed to financial

arrangements whereby, if a project's operating cash flow was insufficient, the Government, or WA Government Holdings Ltd, would contribute towards the operating costs, including utilities. Can the Minister tell us whether that is completely wrong, nearly right, or right?

[Questions without notice taken.]

Hon MAX EVANS: I refer to the definition of "financial obligations". It was suggested in this Chamber and in another place last week that the Government and WA Government Holdings Ltd have entered into some financial arrangements to support PICL. Will the Leader of the House confirm that the Government and WAGH have taken on obligations to pay the cost of utilities for the petrochemical project?

Hon J.M. BERINSON: The honourable member is referring to the document provided by Hon Gordon Masters last week, which document I understand was also presented in the Legislative Assembly. I can only repeat the advice of the Treasurer in the Assembly at that time, that that document was not the agreement that the project currently involves. I add to that another factor which has to be taken into account before any effort is made to tie down the detail too far. As I have already indicated in this Chamber, the financial package being put together has not been finalised and it is expected to take another two to three months to do that. It could well be that in the course of those arrangements being made, whatever the current arrangements are in respect of the operation of the project they will need some revision or amendment. The short answer to Hon Max Evans is that I cannot confirm it.

Hon MAX EVANS: I seek further clarification from the Leader of the House. He says that the agreements have not been finalised; can he confirm whether these were agreements made some time ago and which may have changed since then? Are they the agreements that have been entered into, which have since been changed?

Hon J.M. BERINSON: The agreements to which Hon Max Evans refers are what constitutes the same deed of undertaking which has been the subject of earlier discussion in this debate. As I have pointed out, I have not seen that deed of undertaking, I am not entitled to, and the secrecy provisions of it would in any event prevent its being aired until the passage of this Bill and the review and accountability procedures are implemented which flow from this Bill.

Hon MAX EVANS: With reference to the deed of undertaking, the Minister said that this legislation will make these matters open and subject to questioning. If the legislation is passed, will information be available to members regarding the deed of undertaking when Parliament resumes in August or September?

Hon J.M. BERINSON: That is a simple enough question, but the answer may be a little more complicated. First of all, I do not know whether we shall still talk about the same deed of undertaking. I take it that Hon Max Evans accepts that these arrangements can be modified if such modification becomes necessary because of other factors associated with the project.

Secondly, I repeat that under the new arrangement any such document would certainly be open to the examination of the Auditor General and to such comment as he might make. Thirdly, I am reasonably confident in saying that the member is right in implying that when we come back - given the implementation of some arrangements under the provisions of this Bill - it will be in order to ask the sorts of questions he is interested in asking.

I think it only fair to elaborate that this will not necessarily ensure that answers are provided to whatever is asked. The Burt commission acknowledged that there could be occasions on which a Minister would arrive at a judgment that he should not provide an answer because of commercial confidentiality, or matters of that kind which are already raised by Ministers in response to certain questions relating, say, to the dealings of the R & I Bank.

The commission said that the situation should be that the Minister is able to reply when he has information that enables him to reply, but in the last resort it would be left to his discretion on occasion as to whether he provided the answer really wanted. Of course, if he did not, that would be a matter of his accepting responsibility for what flowed from that.

Hon MAX EVANS: Reverting to the answer to the question before last, will the Minister clarify this matter for the record? The Minister said that we may assume that the document tabled in the House was part of the deed of undertaking.

Hon J.M. Berinson: No, I did not say that: I said the contrary. I quoted the Treasurer as saying that whatever that document was it was not the deed of undertaking.

Hon MAX EVANS: Has it been part of a deed of undertaking or part of a record, or is it a completely fictitious document that has no relevance to the whole contract?

Hon J.M. BERINSON: As I have not had any connection with the deed of undertaking, I am unable to answer that question.

Hon MAX EVANS: During the next Parliament, will the Leader of the House be seeking an opportunity for involvement in the decision making so he can answer questions properly in this House?

Hon J.M. BERINSON: The matter of answers to questions is somewhat analogous with the position that the President was talking about a few moments ago in relation to questions without notice. I always try to respond to questions in the best way that I can. I am saying that I am unable to take this matter further.

Hon MAX EVANS: There is also a financial arrangement. The Commission on Accountability referred to its legal views on Northern Mining NL. The Government gave a guarantee under that legislation with respect to that \$US24 million loan. I thought I read somewhere that it doubted that that gave the board of WA Government Holdings Ltd the unlimited right to give more and more guarantees under that legislation, which was put in there specifically when it took over the company to guarantee those loans because it was going to take the assets away. Does the Leader of the House have a comment on that legal point? I thought it alluded to the board not having real power to sign more guarantees and that it was limited to that one deal.

Hon J.M. BERINSON: This is one of the matters to which the commission referred where Crown Law officers took one view and other people suggested other possibilities. My memory of the commission's comments is that it expressed no view at that time.

Hon MAX EVANS: Was the \$100 million guarantee given in relation to the line of credit to PICL by WA Government Holdings Ltd signed and sealed by the board of WA Government Holdings Ltd and does the Government endorse that guarantee, or is that implied by the legislation? I want to know for the record how it operates.

Hon J.M. BERINSON: As I understand the position, there is no guarantee by WAGH, but it has raised those funds and made them available for the interim funding of the project.

Hon MAX EVANS: I thought it had been alluded to in relation to the line of credit arranged for PICL by WA Government Holdings Ltd under the document that PICL raised. I thought the money and the guarantee were given to them and the security was in respect of the land and equity in the venture.

The DEPUTY CHAIRMAN: As it is fast approaching the time when we normally adjourn, and as the question is a complex one demanding an extremely accurate answer, perhaps the Minister might consider it during the adjournment.

Sitting suspended from 6.00 to 7.30 pm

Hon MAX EVANS: Mr Deputy Chairman, I asked a question of the Leader of the House before dinner and I ask him now to answer the question for the benefit of members.

Hon J.M. BERINSON: I think the original question was whether PICL was guaranteed by the Government. Funds for bridging finance were in fact provided by WA Government Holdings Ltd and not guaranteed by WA Government Holdings Ltd for the support for the PICL project. Certainly, my intention was to convey that understanding, which I hope I did; if not, that should clarify it.

Hon MAX EVANS: For the benefit of members, the funds from WA Government Holdings Ltd were closely connected with the Government. Have those funds come from Treasury, or were they borrowed from the R & I Bank or elsewhere?

Hon J.M. BERINSON: I understand that they have been borrowed commercially.

Hon MAX EVANS: Previously the Leader of the House talked about the cost of the project, which is now just over a billion dollars in capital costs, interest, etc; it has increased from \$650 million to \$1 billion. How much of that is increased capital and how much was due to underestimating the cost?

Hon J.M. BERINSON: I do not have that technical detail.

Hon G.E. MASTERS: I give notice to members that I have two amendments on the Notice Paper, but before I move them I must say that upon listening to the questions of Hon Max Evans and the answers given by the Leader of the House I am disappointed with the extent of the Leader's knowledge of financial matters relevant to this debate and this legislation. The legislation makes reference to financial arrangements and I believe members are entitled, indeed obliged, to ask questions and seek reasonable answers. The answers to date have not been satisfactory. It appears that the Opposition will not get the sorts of answers it requires on the financial arrangements that are being made. I know that many of the arrangements will be confidential, and the Leader of the House made that clear in his second reading speech. Hon Max Evans was entitled to ask some questions and to expect reasonable answers.

I draw the Chamber's attention to the two amendments to clause 3. The first amendment deals with "proportionate share" and the second one deals with "total financial commitment". I give notice that I will not be moving the second amendment. Therefore, I move -

Page 2 - Insert in the appropriate alphabetical order the following -

"proportionate share" means 44% of the total financial commitment of all participants to the petrochemical project, or such larger share as is approved by Parliament;

The Opposition has made it absolutely clear that it opposes the Government's involvement in the PICL project. Having failed with the first amendment, it is crucial to the remainder of our amendments that Government involvement be limited and that the authority be not allowed to act without the authority of the Government and of the Parliament. We understand that the total involvement so far is \$175 million, which puts the Government's interest in the region of 43.75 per cent. Therefore, we are using a figure of 44 per cent.

The Leader of the House in his second reading reply stated that the Government would not support any limitation on the percentage of interest held by the Government because it might be, I assume, that the Government would be required to take up a bigger interest. It may be that the Government has in its mind at this time the need to make it a bigger interest. Let me leave no doubt at all that the Liberal Party is strongly opposed to any increase in the interest owned by the Government or by the authority. I make this point because the authority is the Government as the authority must seek approval from the Government.

I draw the Committee's attention to clauses 24, 25 and 26 where the reference to the "proportionate share" applies. Without this definition it would jeopardise the future amendment that I have already placed on the Notice Paper. I ask the Committee to agree to my amendment, bearing in mind the huge expense and the massive liability which may be incurred, and bearing in mind our experience over the last six years of Government involvement with substantial losses of taxpayers' money. If the Government is to take a bigger share and a bigger liability and enter into an arrangement that would substantially increase the level of risk to the public, we are entitled to say, "Enough is enough for the time being." If the Government wants to increase the percentage of its interest and equity, it could come back to the Parliament to get that permission. That is all we are asking. We may not agree at the time, but we may well do so. Therefore, I ask members to support the amendment.

Hon J.M. BERINSON: I oppose the amendment and have to follow the pattern set by Mr Masters in relating the intentioned effect of this amendment on later clauses. The introduction of the term "proportionate share" is to be understood only in terms of its intended application on proposed new clause 10 and the amendment to existing clauses 10, 24, 25 and 26, and proposed new clause 33. First, the net effect of those proposed amendments would be to make it impossible, without the approval of the Parliament, for the authority to take greater than 44 per cent of the total risk being taken by all parties connected with the petrochemical project. Secondly, it will not be possible without the approval of the Parliament for the authority to increase its interest in the project to greater than 44 per cent. I preface my further comment by saying that there is certainly no present intention to increase the proportion of the Government's interest, and that is not really the point at issue. The point comes down to the undesirability of the authority's being limited in the way it

undertakes its involvement in the petrochemical project in these respects. The legislation as it presently stands states that the Government requires the Treasurer to approve of any undertaking by the authority in any substantial financial commitment. To overlay a requirement for parliamentary approval as well is to confuse the roles of the Parliament on one hand, and the Executive on the other.

Some detailed reference to the views of the Burt commission in this respect is relevant at this time. The criteria by which the Burt Commission on Accountability judged those organisations which it examined - and I refer to page 4 of the report - cannot be construed as requiring parliamentary authorisation for every investment of the funds of the relevant agency, nor can they be construed as requiring parliamentary approval for every investment made, or contingent liability created, by the granting of a guarantee by the Treasurer. Criteria (a) and (b) set out on page 4 of the report require, in the first case, statutory power to invest funds; and, in the second case, an appropriation clause for the purposes of section 72 of the Constitution Act. They require legislative authority but not parliamentary administration.

It is the Government's view that it is the criteria listed as (h) and (i) on pages 4 and 5 of the commission's report which must be met to enable Parliament to scrutinise the operations of the Executive. Criterion (h) requires that -

... a Minister of the Crown be appointed with overall political responsibility for all the acts of the agency, and so as to enable him to discharge that responsibility, with authority to control the agency's investment decisions and oversee its procedures. Necessarily involved in that is a grant of power to the Minister to have unrestricted access to the agency's financial records and unrestricted access to the records of the agency's decision maker and with authority to call for explanations as to the ends sought to be achieved by investment transactions and decisions entered into and made by the agency;

Criterion (i) requires that -

... the responsible Minister recognises that he is under a duty which he owes to Parliament - a political but not a legally enforceable duty - to answer proper Parliamentary questions which relate to the information which he has or which he has the authority to obtain.

It was, therefore, not the view of the Burt commission that legislation of this kind should include a right on the part of Parliament to control or veto the detailed investment decisions made by authorities. That responsibility is, in the first place, with the Minister - in this case, the Treasurer.

If I might anticipate another development, I refer to clause 28, which establishes criteria for that exercise. It may help our further consideration of this and related matters if I indicate that I have noted the amendment to clause 28 proposed by Hon Eric Charlton, and those quite extensive new provisions are acceptable to the Government.

Hon G.E. MASTERS: I take the Leader of the House's point on the question of approval by Parliament. Our amendments to clauses 24, 25 and 26 refer to approval by the Treasurer; so, if the Committee permits, I will alter my amendment by replacing the word "Parliament" with the words "the Treasurer".

Leave granted.

This again raises the question whether the Government intends to increase that share in the project, but if it were approved by the Treasurer I would think the Minister would have no argument with this.

Hon J.M. BERINSON: I accept the reasoning behind what Hon Gordon Masters is saying, but I suggest to him that in that case he should not pursue this amendment. If he looks at the clauses to which he is referring, and in particular clauses 24 and 25, he will note that I have listed amendments which, while not using the term "proportionate share", meet the aims that he has just expressed.

Mr Deputy Chairman, if you will allow me to anticipate, in order to make my point clear, my proposed amendment to clause 25 inserts a subclause (2) -

- (2) The Authority shall not, without the prior approval of the Treasurer, do anything under subsection (1) which will or may have the effect of increasing the Authority's direct or indirect share in the petrochemical project.

That meets the aim, and the amendment which I have listed to clause 10 is to the same effect.

Hon G.E. MASTERS: No; it does not meet the requirements of the Opposition. We see if we look at the amendments to clauses 24, 25 and 26 that the Opposition's amendments go further than what the Government is proposing. Our amendments hinge upon the definition of the words that are included in this amendment, so the words "proportionate share" must be defined in the legislation. We will get to the Government's amendment to clause 10 in due course, but I am sure the Leader of the House will agree that it does not cover it to the extent that the Opposition would wish; it leaves the door wide open to go much further than the 44 per cent. We need to identify the words "proportionate share", and surely, if the Leader of the House believes his amendment is as close as is the Opposition's, he could accept this definition and use the Opposition's proposed words.

Hon W.N. STRETCH: I believe that 44 per cent makes it a very generous limit indeed. If it were a fixed amount of so many million dollars, it would be a finite amount. There is much talk of doubling the size of this project immediately, due to the strong market for polyvinyl chloride and a weak market for the other major products, ethylene dichloride and vinyl chloride monomer. If the commitment were limited, as it is now, to 44 per cent at the whim of the Treasurer, and the size of the project doubled overnight, as it is foreshadowed could easily happen, we would be doubling the taxpayers' commitment in dollar terms via Government involvement.

Hon J.M. BERINSON: It is not a question of being generous or mean, but what will work.

Hon W.N. Stretch: It is the taxpayer.

Hon J.M. BERINSON: We seem to be agreed on one thing, and that is that decisions in these areas are properly for the Executive or the Treasurer rather than for parliamentary approval on each occasion. I have foreshadowed amendments which would indicate that any increase in the share at any time, direct or indirect, should require prior approval from the Treasurer. But members will have noted that Hon Gordon Masters has foreshadowed that he does not propose to proceed with his amendment to include a definition of the phrase, "total financial commitment." I do not want to put words into his mouth, but I suspect one of the reasons for that is the very great difficulty of defining a term like that with sufficient particularity to make it work.

The honourable member has said, "We will not define what total financial commitment is," but in his definition of proportionate share, which is now under discussion, the term "total financial commitment" appears. There is a risk of all sorts of difficulties in that case where we come to the substantive provisions later in the Bill and try to work out to what this term "total financial commitment" is supposed to apply. I accept the point being made - that there should not be an increase above this 44 per cent, and that is the starting point, without the sort of approval contemplated. But since the Opposition is interested in the State having less than 44 per cent, one other point ought to be made. If we proceed with this amendment - and if it were carried - it would mean that while an increase above 44 per cent would require special consideration under the later provisions of the Bill, that sort of consideration would not be required if at some stage the State's share were reduced below 44 per cent but there was a proposition to increase it.

We could have the position, for example, where the 44 per cent was sold down to 30 per cent and there was a proposition to increase it to 35 per cent. Under the amendments which I have tabled, that would require the special application of these provisions in clauses 10 and 25. But under this definition, which simply takes the 44 per cent and embeds that in concrete in the Bill, we could well have the situation where proposed increases from a base lower than 44 per cent do not have to have the consideration proposed.

Nothing is contemplated which would increase the share of the State in this project. I believe the Premier has quite clearly suggested from time to time that he would be happy to encourage other participants, and that could only be done by watering down all these shares under most of the circumstances which might be contemplated.

Nothing in what I am saying would suggest that we are looking at anything above 44 per

cent. What we are looking for is ordinary Executive flexibility, and that has been conceded by the Leader of the Opposition. We are saying that it should meet the aims which have been expressed to require that these special conditions should have to be met at any time it is proposed to increase the direct or indirect share of the State in the project.

I do not think there is a great deal between us, but in practical terms, especially referring to the difficulty of applying some reliable sort of meaning to a term like "total financial commitment", we would be far better served by rejecting this amendment and supporting some of the later ones of which notice has been given.

Hon W.N. STRETCH: I thank the Minister for the explanation he has given in reply to Hon Gordon Masters, but he did not address my difficulty at all. My difficulty, speaking on behalf of the PBT - the "poor bloody taxpayer" - is that if we double the size of this plant, and the Government doubles its financial equity without increasing its percentage - and there are already proposals to double the size of the plant for reasons I have outlined -

Hon J.M. Berinson: I do not believe there are.

Hon W.N. STRETCH: Many people do.

Hon J.M. Berinson: I think that is a mistake.

Hon W.N. STRETCH: The exposure of the taxpayer can double in dollar terms. There is strong talk that the plant will not be viable, or risks not being viable in the present overall market scene. I hate to bore the House, but the Minister obviously did not latch on to my point. The polyvinyl chloride market is strong, but the ethylene dichloride market is meant to be weak, as is the vinyl chloride monomer market. The plant would appear to rely on the caustic soda output and the polyvinyl chloride, which are the strong markets. If the output of those products must double to maintain the viability of the plant, the overall capital of the plant could be doubled. It probably would not double, because the basic structure would be there, but the capital would be significantly increased, which would mean that straightaway, without increasing the Government's percentage, the taxpayers' dollar exposure would be increased.

Under the spirit of accountability to which the Leader of the House paid great service before dinner, that is the issue we must address. We are talking about protecting in dollar terms the taxpayers' exposure. There were two famous pastoral brothers called Fractional Harry and Decimal Bill who converted everything to fractions and decimals. We are now doing the same thing here with percentages. In the long term it amounts to what we, the primary producers - the export producers - have to produce in order to underpin the flights of investment fancy Governments might have, and our duty is to the taxpayer, to limit his exposure in dollar terms.

Hon J.M. BERINSON: On the practical issue of cost, there is no intention to increase the size of the plant beyond the level of cost of about \$1 billion to which I referred before dinner. There is no intention, and I go further than that and say there is no prospect, of a doubling. There is a technical reason for that, apart from the financial one. The technical reason is there is not enough ethane to feed a plant of double the size. So from all points of view - from the point of view that there must be a financial limit, and that technically there is not the raw material for a plant double the size - there is no contemplation and no prospect of a double sized plant.

I move on to the financial reason, and I am sorry I neglected to deal with this in the first place. I said earlier that I do not believe Hon Gordon Masters needs his amendment to meet his requirements. In response to Hon W.N. Stretch, although there is no question of double costs, the amendments which Hon Gordon Masters is putting up would not help Hon W.N. Stretch out of that problem if there were such a prospect.

Hon W.N. Stretch: I am aware of that.

Hon J.M. BERINSON: Since the member is aware of it I will not elaborate; but the fact is that Hon Gordon Masters is looking only at a percentage of the total financial commitment, not a percentage of the total tonnage commitment, for example; so Fractional Harry -

Hon W.N. Stretch: We now have Percentage Gordon.

Hon J.M. BERINSON: So Percentage Gordon, I would suggest again, really would be better

off, even in his terms - if I may say so, Mr Deputy Chairman - to pursue the course I am urging the Committee to take.

Hon G.E. MASTERS: The Opposition, quite justifiably, is concerned with the Government's involvement in this project; and in the light of the experience over the past six years - justifiably, I think the Leader of the House would agree - it has some suspicion that under certain circumstances, bearing in mind the other participant involved in the project, the Government might be persuaded to increase its stake in the project. That is what we are saying. If the Government reduces the size of the stake, that is fine, and all credit to it, and that is what we hope it will do; but we would think it much more likely that Mr Bond, using his persuasive methods or being in financial difficulty himself - which is always possible with the vast interests he has - might do a deal with the Government to the extent that the Government would increase its stake beyond 44 per cent.

I have said before that I accept it would be unreasonable in the light of the Leader of the House's argument to say that Parliament should approve, and I guess the Leader of the House would say the Treasurer would be able to make a decision anyway, in view of the Government's policies. However, we would feel much happier if the figure of 44 per cent were set in concrete in this legislation. Then, if in Parliament at some subsequent time the Treasurer were questioned about the added involvement of the Government, he would be required to give an explanation as to why he exceeded 44 per cent, bearing in mind the Parliament had given a clear indication it would be unhappy to go beyond 44 per cent.

So, although I suppose to a certain extent we are playing with words, we would be keen and determined, if possible, to include the 44 per cent as a reference for any future debate, and certainly as a strong indication to the Government that we would be very upset if the stake were to exceed 44 per cent.

Hon J.M. BERINSON: Could I satisfy Hon Gordon Masters again on at least one of the new matters he has raised by referring him to proposed new clause 28(2) which Hon E.J. Charlton has on the Notice Paper. There would be no question of the Treasurer's not being required both to make public and to respond on any such increase, because proposed new clause 28 covers the areas of clauses 24, 25, and so on; and in proposed new clause 28(2) Hon E.J. Charlton is proposing that within one month after such a transaction the Treasurer shall table in both Houses a summary of that transaction, disclosing all material particulars thereof. So any such transaction would come to attention very quickly in the most open way possible and be open to all of the scrutiny that the honourable member requires.

In acknowledging Hon Gordon Masters' interest in a figure, I still come back to the point that the definition he has listed has the seeds of very great difficulty in its reference to the phrase "total financial commitment", which is not defined and which, with due respect, is almost incapable of definition. We are moving to a suggestion that there should be no increase in the direct or indirect share without these procedures being followed. I am indicating that it is acceptable to the Government to move to Hon E.J. Charlton's proposal for the tabling of the detail of any such transaction within a month. I do believe that this really meets the combined interests that have so far been expressed.

Hon E.J. CHARLTON: The National Party's view on the amendment moved by the Leader of the Opposition is probably not an unusual one; that is, we have taken a different tack altogether, right from the first clause. Our whole aim is for this Bill to set up a mechanism by which the Government, through the statutory authority, can get out of the proposed petrochemical project. Our investigations and discussions with accountants, legal people and the most knowledgeable people in the business were directed towards seeing the Government get out of the project. We did not want to see the Government in it in the first place because we believe the Government should not be involved; the project is something for private enterprise and that is the way it should go.

During the second reading debate I said I wanted to see a limit on the amount for which the taxpayers of this State would be committed. Having said that, we are left with two scenarios: First, if we state a dollar figure, the Government's partner, Mr Bond, knows the maximum to which he can encourage - for want of a more direct word - the Government to participate. That is not achieving what we are setting out to do. Secondly, if we tie it in to percentage terms we are doing virtually the same thing, as the Leader of the House has said.

Another point worth noting is that in a joint venture - or a partnership arrangement, as is applicable in this case - where one partner is setting it up and getting the ball rolling and the other partner is building the plant, how can we tie in, in percentage terms along the way, what the participants are doing? I did not think that up; that was put to me. If the Government goes down that path, it will restrict the operations of the authority and prevent it from doing some of the things we hope it will do. That is, see it - the fact that it is in there - get out of it and allow the company structure, whichever evolves from this, to get on and run the business. If we start playing around with this, it is the National Party's fear that while we might be trying to do the right and honourable thing, we could finish up putting the position of the authority, and therefore the taxpayers of Western Australia, in jeopardy because we have overstretched the market trying to safeguard what has already been done, which we again did not agree with.

Having been put into this situation, we do not want to have the authority then locked into a set up where no-one can confidently believe we are getting it out of this business. Most importantly, we, as members of Parliament, are expected, in a few days - among the other things we have to do - to grab hold of a set up which has evolved over a fair period. We are supposed to seek the expert advice, and put it all together in the form of legislation to safeguard the people of Western Australia. Sure, we could all walk away from here tomorrow saying, "Well, we've fixed that up; we've made sure the Government does not put any more money into it and so on." However, have we put in place a vehicle that will do the job in the long term? That is central to the line the National Party has taken in this matter. For that reason the National Party does not favour a set up whereby we have the ratios I mentioned. As the National Party understands it, one partner is getting the project up and going while the other one is coming in after that. We hope all that changes along the way; it might even get to that stage. The National Party hopes that takes place - that the Government or Bond is out - but the project continues, preferably in the Pilbara. We would not want to put in place a host of restrictions that create an authority which cannot do the job that Hon Gordon Masters and I hope it can.

Hon G.E. MASTERS: I will not argue the importance of the 44 per cent again. We have effectively covered that area and I am sure that the various parties have made their positions clear. I was interested - and I am canvassing rather ahead because it is important and relevant to the present debate - in the Minister's referral to the National Party's proposed new clause 28. I am not entirely satisfied with that. We are talking about accountability and I ask the Minister whether he is prepared to accept the Opposition's new clause 33 and so tie that in with new clause 28, which deals with the tabling of documents and, in the event that Parliament is not sitting, that those documents be made available to the Clerk and therefore the public at an earlier than usual time.

Hon J.M. Berinson: I think you are referring to new clause 34 and not 33.

Hon G.E. MASTERS: I have new clause 33 on my paper, so perhaps that is wrong.

Hon J.M. Berinson: No, you are right.

The DEPUTY CHAIRMAN (Hon John Williams): Order! It is on the third page of the Supplementary Notice Paper.

Hon G.E. MASTERS: I am sure the Minister understands my point.

Hon J.M. Berinson: You are talking about that item headed, "Tabling documents -"

Hon G.E. MASTERS: The Minister is right; it is to insert after clause 33 new clause 34. We are both right. Anyway, we know what we are talking about. If the Minister is indicating by the vigorous shaking of his head his support of this motion in favour of my proposed amendment, I would reconsider my position on this definition.

Hon J.M. BERINSON: I did not know how vigorously I was shaking my head, but the answer is yes.

Hon MAX EVANS: The percentage of 44 per cent, 46 per cent or 50 per cent is not as important as what that percentage is a proportion of. We were originally talking about 44 per cent of \$650 million, which is approximately \$286 million; now we are talking 44 per cent of \$1 billion, which is \$440 million. That is an increased exposure. If the Leader of the House guarantees, under the non-recourse finance, that there is absolutely no risk to the taxpayers -

all the money is there but no guarantees - it does not really matter whether the proportion is 44 per cent of \$650 million or 44 per cent of \$1 billion. If the percentage goes up by 50 per cent, the risk, or the exposure, goes up by 50 per cent, which is even more important than increasing equity by 1 per cent or 2 per cent. There is no problem if the Leader of the House can assure us that the Government will not enter into any liability under non-recourse finance, so the change in capital will not matter.

The DEPUTY CHAIRMAN: Order! I wish to correct one thing in the Committee. Where it says "New clause 33" it is a typographical error and it is new clause 34, not 33. Would the Committee please note that because some discussion has already taken place on it?

Hon J.M. BERINSON: There has been a lot of talk about guarantees in all sorts of respects. I am not in that business; I cannot give guarantees of that sort. Even as he asked the question, Hon Max Evans would have understood that.

Hon MAX EVANS: That puts a whole new perspective on the matter. What is even more important is that the growth of capital costs in toto - whether it is \$650 million or \$1 billion; the Government said it would not be holding \$1 billion - will cause a greater involvement of the Government's finances under whatever guarantees there are or putting capital on the total, not the 43 per cent. The Government is just increasing its total costs; therefore the Government's commitment is greater irrespective of the changing percentages. That is really what we want some control over.

Amendment, as altered, put and a division called for.

Bells rung and the Committee divided.

The DEPUTY CHAIRMAN (Hon John Williams): Before the tellers tell I cast my vote with the Ayes.

Division resulted as follows -

Ayes (11)			
Hon Max Evans	Hon P.H. Lockyer	Hon P.G. Pandal	Hon D.J. Wordsworth
Hon Barry House	Hon G.E. Masters	Hon W.N. Stretch	Hon Margaret McAleer
Hon A.A. Lewis	Hon N.F. Moore	Hon John Williams	(Teller)
Noes (18)			
Hon J.M. Berinson	Hon Graham Edwards	Hon Robert Hetherington	Hon Tom Stephens
Hon J.M. Brown	Hon H.W. Gayfer	Hon Garry Kelly	Hon Doug Wenn
Hon T.G. Butler	Hon John Halden	Hon Tom McNeil	Hon Fred McKenzie
Hon J.N. Caldwell	Hon Kay Hallahan	Hon Mark Nevill	(Teller)
Hon E.J. Charlton	Hon Tom Helm	Hon S.M. Piantadosi	
Pairs			
Ayes		Noes	
Hon C.J. Bell		Hon B.L. Jones	
Hon Neil Oliver		Hon D.K. Dans	

Amendment, as altered, thus negatived.

Hon W.N. STRETCH: Having lost that round, again I raise the question of the agreement between the Government and Bond Corporation on the size of the plant. I accept the Leader of the House's assurance that the plant will not be increased in size even if some participants believe this is necessary for the project to be viable under present market conditions. I believe that the Government agreed to guarantee the project even if this were done through adjustments to the price of raw materials; that is, power or gas from the Government.

Hon J.M. BERINSON: The larger part of the question again raises the broader consideration of the deed of undertaking. I have to repeat myself by saying I am not aware of the detail of the deed, nor would I be free to discuss it if I were aware. But again I indicate, because of those concerns about the size of the project, that the only real indication I can offer of the scale of it is the estimate in round figures of \$1 billion which the Treasurer has previously indicated.

Hon W.N. STRETCH: I think the Leader of the House has misunderstood me again. I am not asking for confidential information on whether the Government is prepared to give a discount on gas or electricity input. I am asking whether the Government has made a general agreement that, if necessary, it is prepared to make concessional rates available for the raw material input; that is, natural gas and electricity. I am not asking for confidential details; I do not want to know how many cents per unit. Was a general agreement worked out with Bond Corporation, and involved with the Rothwells rescue, that discounting would be an option?

Hon J.M. BERINSON: I am advised that the SECWA prices are set on a commercial basis and that no special arrangement has been made by SECWA with Bond as one of the partners.

Hon W.N. STRETCH: The Cabinet or the Executive has made no general undertaking to ensure that the company will be obliged to drop prices. Is that correct? I am not against the project; I am against the unlimited involvement of taxpayers' money if my market sales projections are correct and the Government's are wrong.

Hon J.M. BERINSON: To the best of my knowledge, Cabinet has had no input into the question of prices being charged by SECWA. I repeat my earlier advice that the prices were established on a commercial basis.

Hon W.N. STRETCH: Is the Leader of the House in a position to say whether officers working on behalf of the Executive have made any agreement in those terms; that is, as negotiators on behalf of the Government?

Hon J.M. BERINSON: I am advised that all SECWA negotiations have been conducted by SECWA and it has approached the question on a commercial basis.

Clause put and passed.

Clause 4 put and passed.

Clause 5: Functions of the Authority -

Hon W.N. STRETCH: My query reverts to my question raised in the second reading debate with regard to salt supplies to the project which, I hasten to add, was slightly misrepresented in the *Daily News*. I have no objection to Mr Dempster's winning the contract; my point was that it is the job of this Parliament to insist that tendering be carried out on a fair and equal basis. My main concern relates to subclause (b)(ii). Does the function of the authority extend in this regard to bridging finance or financial assistance to any participant in the supply of raw material, such as salt?

Hon J.M. BERINSON: I am told that technically it could, but that nothing of the kind has ever been suggested. The honourable member has again raised the question about the supply of salt and he referred to his question during the second reading debate, but not to my reply. It was my intention to convey clearly that on the advice available to me the question of the salt supply will be dealt with by way of ordinary commercial tender.

Clause put and passed.

Clause 6: Transfer of Assets and Liabilities of Western Australian Government Holdings Ltd. -

Hon G.E. MASTERS: I move -

Page 5 - Insert after subclause (2) the following -

(3) The scheme shall not nor shall the mode of its carrying into effect, confer upon the Authority any greater property or right than that to which Western Australian Government Holdings Ltd was entitled nor remove or reduce any liability to which Western Australian Government Holdings Ltd was subject as at the date of commencement of the scheme.

The intent of proposed subclause (3) is very important. My understanding is that there is a move by at least one or perhaps two parties challenging the right of the people who sold their interests to the Government and to Mr Bond; they are Beltech Corporation Ltd and Mallina Holdings Ltd. There are matters which are before or may well come before the court challenging the right of Mr Connell and Mr Dempster to sell their shares to the Government through the holding company. If the legislation as it stands were passed it would

automatically prevent Beltech and Mallina Holdings from gaining any benefits if the court cases were to proceed.

I refer to an article which appeared in the *Daily News* of 2 February 1989 in which it was suggested that Mr Connell sold his interest in Petrochemical Industries Co Ltd for \$350 million when he did not in fact own an interest. It was also said that he had sold originally to Beltech. What I am saying is that he sold to Beltech and then to WA Government Holdings Ltd for \$350 million. To overcome that problem Mr Connell somehow or other effectively managed to pay \$5 000 to Beltech - I do not know how he did that - and then sold it to the Government for \$350 million. That is not a bad profit in anyone's book. Therefore, the sale between Beltech and Mr Connell would have been grossly undervalued.

My understanding is that Beltech is seeking to take the matter to court; and, if it is successful and Mr Connell is not the full owner, surely its interest should be protected. The same argument could apply to Mr Dempster and his sale. If Mallina Holdings were to take the matter to court and were successful, it would be entitled to compensation and it may still be the owner. The Leader of the House may enlighten the Chamber, but I am sure he understands my point.

Hon J.M. BERINSON: The first thing I want to make clear is that the Government opposes this amendment on two separate grounds. In the first place this amendment would have the effect of placing the authority in precisely the same position as is WA Government Holdings Ltd in respect of each and every right and obligation of WAGH. Again I quote the Treasurer when I refer to his comment in the other place; that is, that would only benefit Bond as the other partner in this joint venture. The way it would benefit Bond would be by preventing any favourable renegotiation by the State of existing arrangements.

The second point relates to the matters which Mr Masters' specified. The position is somewhat complicated because of the chain of shareholdings involved, but I will attempt to go through the relevant considerations. Again, this is a matter which was canvassed in the other place and the Opposition there argued it was concerned to see that the position of potential claimants upon Petrochemical Industries Co Ltd and, therefore, perhaps against the shareholders of PICL, were not prejudiced by this legislation. Similar reference was made in that place to the reference made by Mr Masters a moment ago; that is, to the claim apparently being made against Mallina Holdings by certain of its shareholders that its directors did not act properly in connection with the decision by Mallina Holdings in 1986 not to proceed with its involvement in the proposals for the petrochemical project, and to a claim being contemplated by Beltech against unnamed parties, but presumably including at least Connell and the provisional liquidators of Rothwells Ltd, that it may have been the beneficial owner of Connell's shares in PICL as a result of a transaction it alleges occurred in July 1987. This proposition is misconceived. WA Government Holdings Ltd does not hold shares in PICL; it holds shares in Petrochemical Holdings Ltd which, in turn, holds shares in Petrochemical Investments Pty Ltd, it being the holder of the issued shares in PICL. It is impossible to conceive of any circumstance in which a transfer of shares in Petrochemical Holdings Ltd by WAGH to the authority can affect rights which may or may not have accrued against PICL or against the former or present shareholders of PICL.

Amendment put and negatived.

Hon E.J. CHARLTON: I move -

Page 5, after line 17 - To insert the following subclause -

(3) The Authority shall, as soon as is practicable, divest itself of such of its assets and discharge such of its obligations as are not related to its functions under paragraph (a)(ii) or (b) of section 5(1) in such manner as the Minister may approve.

If this amendment is accepted, it will demonstrate to the authority that it is the wish of this Parliament that it be out of this project as soon as possible. The National Party does not agree that a time limit should be placed on this issue because that could jeopardise the position of the authority, the Government and hence the taxpayers of Western Australia. There must be a way of demonstrating that the Parliament has decided to direct the authority that as soon as practicable it should divest itself of this role. It is hoped that members will support this amendment.

Hon G.E. MASTERS: The expression "as soon as is practicable" could mean anything - even 20 to 25 years. Obviously, if the Liberal Party and the National Party were to win the next election in four years' time, their interpretation of this phrase would be different from the Labor Party's interpretation. The amendment is loose and, if I thought there was any chance of success, I would have moved that the phrase "within three years" be substituted. The Opposition will support this amendment, but I have no great hope for its success.

Hon J.M. BERINSON: I accept the sentiments that have been expressed, but on my understanding we are talking about the activities of WA Government Holdings Ltd other than the Western Australian Petrochemical Industries Authority. Hon Eric Charlton is saying that he would like the Western Australian Government out of these activities as soon as practicable. In fairness to him I should say that I do not believe it reads that way. Nonetheless his comments are taken on board.

Amendment put and passed.

Hon G.E. MASTERS: I move -

Page 5 - To insert after new subclause (3) the following -

(4) The Treasurer shall, at least 1 month prior to giving any approval or direction pursuant to subsection (2), publish in the *Gazette* the audited balance sheets of Western Australian Government Holdings Ltd showing its assets, liabilities, contingent liabilities and charges, the proposed scheme and any proposed directions.

The intent of this amendment is quite clear. If the Government is genuinely talking about accountability, it will have no objection to this requirement being included in the Bill, and to the Treasurer's acting accordingly. I ask the Government and the National Party to support the proposition.

Hon J.M. BERINSON: I oppose this amendment which proposes the publication in the *Government Gazette* of the audited balance sheets of WA Government Holdings Ltd at least one month prior to the approval of the WAGH transfer scheme. One difficulty relates to the delay which would inevitably result in transferring the interests of WAGH in the project to the authority and the consequential uncertainties that would cause for the project. It would almost certainly result in an extension of the time by which WAGH would have to provide interim funding for the project, as it would be unlikely that the proposed project finance would be put in place until the precise legal structure of the ownership of the project had been settled.

Most importantly, and at the risk of repeating my second reading comments, publication of the balance sheet of WA Government Holdings Ltd prior to implementation of the transfer scheme would serve no useful purpose. Whatever the balance of assets and liabilities, they are what they are, and all we are dealing with is the question of their appearing on the books of another entity. The authority will be required to account in due course in accordance with the Financial Administration and Audit Act and in its accounts will be required to disclose its assets, liabilities, contingent liabilities and charges. The effective implementation of the WAGH transfer scheme will be apparent from those accounts and any proposed directions given to the authority by the Minister will require also to be reported by virtue of clause 8(2) of the Bill. Whether through the statements that will go on the record from WAGH, or the statements that will go on the record from the authority or, as is most likely, on both, the details sought to be published by this amendment will be published. The only question is whether it is done a month earlier with the potential effect of delaying proceedings, or whether it is done some short time after. So far as the content of the report is concerned, nothing at all changes.

Hon W.N. STRETCH: No-one would buy an Easter egg under these provisions. I understand that there is a virtual three month freeze on contracts under present proceedings; is that correct?

Hon J.M. BERINSON: I am advised that there is no freezing of contracts and that planning work is proceeding.

Hon W.N. STRETCH: I understand that work on the contracts ceased for three months from 1 April. In view of that, I cannot believe that any responsible company, or WA Government

Holdings, could fail to produce a reasonable balance sheet to present to the Parliament, or to make public in that time. It is inconceivable that its financial records could be that far behind.

Hon J.M. BERINSON: I have conveyed the advice that I have, that Mr Stretch's premise is incorrect; there is no freeze. Whether there was or was not would hardly change the basic point that I am making, that the whole purpose of this Bill is to accept a transfer from the virtually non-accountable to the fully accountable framework of operations and the timing of publication of the details of assets and liabilities is simply irrelevant to that. They will emerge, and there is nothing to gain by potentially holding up that transfer by the need to make those details public a month ahead of its happening.

Amendment put and negatived.

Clause, as amended, put and passed.

Clause 7 put and passed.

Clause 8: Directions by Minister -

Hon W.N. STRETCH: Do the directions by the Minister referred to in clause 8 include any grant of time or indulgence to PICL that can be given by the Minister?

Hon J.M. Berinson: I do not grasp the honourable member's point.

Hon W.N. STRETCH: The grant of time, or indulgence, is a term with which the Minister is obviously familiar. Would the Minister be in a position to grant "time or indulgence" to PICL as part of his ministerial power under this clause?

Hon J.M. BERINSON: I have difficulty with that question, because as I understand it clause 8, in dealing with directions by the Minister, relates only to the Minister's ability to give directions to the authority, not to PICL.

Hon E.J. CHARLTON: I move -

Page 5, line 31 - To delete "and powers".

Amendment put and passed.

Clause, as amended, put and passed.

Clause 9 put and passed.

Clause 10: Powers of the Authority -

Hon G.E. MASTERS: The Leader of the House said earlier that he thought the words involved here were virtually the same. The key words so far as the Opposition is concerned are, "proportionate share" because that is reflected not only in the amendment to clause 8 but also in the amendments to clauses 24, 25 and 26. The Committee would realise that the Opposition lost that definition amendment. I note that the Minister uses the words, "direct or indirect share" in his amendment. Therefore, I give notice that in relation to clauses 24, 25 and 26 I shall seek to amend the Opposition's words in its amendment from "proportionate share" to the Minister's words, "direct or indirect share", in the hope that he will support the amendment as a result of that. I support the amendment.

The DEPUTY CHAIRMAN: No amendment has been put. I put to the Committee that the amendment of the Leader of the House to clause 10 has precedence, according to parliamentary procedure, over that of the Leader of the Opposition to whom I gave the call first as he was entitled to speak to the clause. Had he then moved his amendment he would have been ruled out of order because the amendment of the Leader of the House has precedence over his amendment.

Hon J.M. BERINSON: I move -

Page 8, after line 25 - To insert the following subclause -

(3) The Authority shall not, without the prior approval of the Treasurer, do anything under this section which will or may have the effect of increasing the Authority's direct or indirect share in the petrochemical project.

Amendment put and passed.

Clause, as amended, put and passed.

Clause 11 put and passed.

Clause 12: Board of directors -

Hon E.J. CHARLTON: I move -

Page 8, line 37 - To insert after "Minister" -

at least one of whom shall be a person who is not a permanent officer for the purposes of the *Public Service Act 1978*.

Page 9, line 7 - To delete "Subject to section 13(b), a" and substitute -

A

The thrust of the first amendment is to ensure that at least one of the members appointed to the board has a background other than that of a public servant. This would add to the operations of the authority, and give it a greater ability to fill the role to which I referred earlier. I am not saying that it shall be only one person; it should be at least one person.

The second amendment is consequential upon the first.

Hon J.M. BERINSON: The amendments are acceptable to the Government.

Amendments put and passed.

Clause, as amended, put and passed.

Clause 13: Chairman to be chief executive -

Hon E.J. CHARLTON: I ask that the Committee vote against this clause and agree to my proposed new clause 13.

Clause put and negatived.

The DEPUTY CHAIRMAN: The Committee must give leave to proceed with the new clause in this order, otherwise it will have to be dealt with at the end of the Committee stage.

Leave granted.

New clause 13 -

Hon E.J. CHARLTON: I move -

Page 9 - Add after clause 12 the following new clause to stand as clause 13 -

Chief Executive Officer

13. (1) The Authority shall, with the approval of the Minister, appoint a person to be the chief executive officer of the Authority.

(2) The chief executive officer shall -

- (a) subject to the control of the board, administer the day to day activities of the Authority; and
- (b) be paid such remuneration and allowances, and have such conditions of service, as are determined by the Minister.

(3) A person may at the same time hold office as chairman and chief executive officer, and in that case section 12 (5) does not apply to him.

It was the case under the original clause 13, which we have just deleted, that the chief executive officer was also to be the chairman. The National Party is seeking to give the opportunity to a person who is not the chief executive officer to be the chairman. That is in the best interests of the authority so that it will be able to draw on the most appropriate person for the job.

New clause put and passed.

Clauses 14 to 18 put and passed.

Clause 19: Application of the *Financial Administration and Audit Act 1985* -

Hon G.E. MASTERS: I move -

Page 12, line 20 - To add after "Authority"-
and any subsidiary

Page 12, line 21 - To delete "its" and substitute "their".

Clause 5 provides that subsidiaries can be set up under the functions of this authority, and we suggest that the Financial Administration and Audit Act should therefore apply to the authority and its subsidiaries.

Amendments put and passed.

Clause, as amended, put and passed.

Clauses 20 to 23 put and passed.

Clause 24: General borrowing etc., and debt paper

Hon J.M. BERINSON: This amendment only affects the first line of clause 24(1). I am moving this amendment in anticipation of the Opposition's amendment to clause 25 being carried.

Hon G.E. Masters: Things are improving.

Hon J.M. BERINSON: The honourable member was complaining a few minutes ago that all the National Party's amendments were being carried. We are approaching this in our usual ecumenical manner in which we approach these questions. Seriously, the effect of the first amendment proposed by the Opposition to clause 25 is to adopt the introductory phrase, "Without limitation."

Hon G.E. Masters: You are not bracketing the two amendments are you?

Hon J.M. BERINSON: I am doing the one amendment. I am referring to the Leader of the Opposition's amendment (I) on clause 25.

The DEPUTY CHAIRMAN: Do not let us sour the milk of human kindness which is flowing between members at the moment, but please include the Committee in your conversations.

Hon J.M. BERINSON: My only point in referring to clause 25 is to indicate that I will be supporting Mr Masters' first amendment to clause 25 and that my own amendment to clause 24 would result in an identical form of words being adopted here. In the terms of the coverage of those proposals, it seems to me to make sense to be consistent in approach. That is the purpose of the amendment and I commend it to the Committee.

Hon G.E. MASTERS: The Opposition puts forward an alternative amendment to clause 24 that is on the Notice Paper. The Leader of the House has coupled his amendment to the amendment to clause 10, which has the effect of limiting the increase in the direct or indirect share in the petrochemical project without the prior approval of the Treasurer. I point out that this clause is very important. In fact it is crucial as far as the Liberal Party is concerned. We are dealing with general borrowings on debt paper. My understanding of the whole project is that it would be non-recourse finance. We have a big question mark about that possibility, but the Leader of the House has assured us that negotiations are being undertaken which, in fact, will be providing non-recourse finance.

Hon J.M. Berinson: I am sorry to interrupt you, but could I ask which amendment you are referring to with your present comments?

The DEPUTY CHAIRMAN: It would be helpful if the Leader of the House moved his amendment and then debate could continue.

Hon J.M. BERINSON: I move -

Page 14, line 18 - To delete "The Authority may for the purposes of this Act" and substitute the following -

Without limiting section 10, the Authority may for the purposes of the performance of its functions

Having moved the amendment I do not need to elaborate. The reason for my interjection a moment ago was that it seems to me that the only matter relating to my amendment on Mr Masters' list of amendments is his amendment (G). I was inviting him to consider restricting his comments on my amendment, and then deal with his amendment (G) separately.

Amendment put and passed.

Hon G.E. MASTERS: I move -

Page 14 - To insert after subclause (1) the following new subclauses -

(2) Any arrangement made by the Authority to borrow money shall be subject to the express term that the lender's security is limited to the Authority's proportionate share in the petrochemical project and the lender shall not have recourse beyond that proportionate share.

(3) The Authority shall not borrow for the benefit of or for a purpose in any way related to any other participant in the petrochemical project.

I seek the Committee's permission to alter my amendment by replacing the word "proportionate" with the words "direct and indirect", thus making it consistent with the wording of clause 10.

Leave granted.

Hon G.E. MASTERS: I will repeat some of my earlier comments. We have been talking in this debate about the possibility of recourse and non-recourse finance. The Opposition has expressed its doubts and views and the Government has given some indication that negotiations are taking place which will indeed secure non-recourse finance. I think it is tied to the debate on this clause. We are talking about general borrowing and one has to understand that this clause seems to certainly allow an increase in the amount borrowed beyond the authority's direct or indirect share.

If the Treasurer decides that the authority can increase its share, it may well do so. Even if the share was not increased, I do not see that any brake is placed on the amount of general borrowings. But it goes beyond that. The other major participant in the project is a person who is well known for his ability to persuade this Government to take certain actions. It may be that the Bond Corporation, in dealing with the development, might find itself short of funds. Even if that were not the position, this company has a tendency not to use its own funds but to persuade this Labor Government to generate funds in the interests of the Bond Corporation. This clause, as I read it, would allow the authority, through the Treasurer, to borrow substantial funds to support the development of the project. It could borrow in excess of its share, direct or indirect, and it could borrow on behalf of the Bond Corporation.

We are proposing that the authority should not borrow for the benefit of or for a purpose in any way related to any other participant. In other words, we are trying to limit the borrowings of the authority to its share of the project. If \$200 million needed to be raised to progress the project a little further, and \$100 million was borrowed, the authority would be able to borrow no more than its share, which in this case is 43.75 per cent. The authority, in borrowing \$100 million in total, would borrow only \$44 million, and the Bond Corporation would be required to borrow the rest itself. That is a reasonable proposition. It is not reasonable that the authority should go beyond its share, direct or indirect.

Hon J.M. BERINSON: The proposed subclauses (2) and (3) are in the one amendment and they are linked. I shall therefore refer to the combination of issues which they raise.

These proposed subclauses would have two effects. Firstly, they would limit the type of security able to be given by the authority in respect of its borrowings for its proportionate share in the petrochemical project. Secondly, they would prevent the authority from borrowing for the benefit of or for a purpose in any way related to any other participant in the petrochemical project.

The first additional suggested clause is framed so widely that it would preclude the authority charging its income stemming from the project as security for its own borrowings. These sorts of constraints on the ability of the authority to conduct its financial affairs as its board, and ultimately the Treasurer, believe appropriate may well place it at a serious disadvantage in its efforts to enhance the State's position in the project.

The second additional clause is also drawn so widely that it could arguably prohibit the authority from borrowing entirely on a proportionate basis. It cannot be said that funds contributed to the petrochemical project by a particular party to that project would be applied solely for the benefit of that particular party. Those funds would be applied to the benefit of the project as a whole.

Apart from the obvious commercial difficulties these provisions would cause, it also needs to be said that they are inconsistent with the Government's policy in relation to the report of the Burt Commission on Accountability. As I have not mentioned that report for at least the last half hour I thought I should remind members of it.

Hon G.E. MASTERS: I do not accept the Leader of the House's argument; he is drawing a long bow in his interpretation of the second part of the amendment. I shall proceed to put the amendment forward and support it.

This clause is important as far as the Liberal Party is concerned. Conditions should be applied to the capacity of the authority to borrow in the general borrowing area and in the debt paper program. We have debated at some length whether the Government should exceed its share in any way, whether by borrowing or guarantees or whatever. I do not propose to canvas the argument again - the Committee is quite capable of making up its own mind - but I ask the National Party to give very serious consideration to this very important clause. We are talking about general borrowings, which could mean anything and everything in a climate where this Government has gone beyond any reasonable requirements in its money dealings, and we are fearful that the Government, having another four years to run, might continue on its merry way.

Hon D.J. WORDSWORTH: These amendments are the crux of the whole matter and they must be supported. The intention is to have a partner in this business. It is quite ridiculous that the name of the Government should be used to borrow money for that organisation as well as our own share in it. It is time for the Committee to look at what this is all about. Up until now we have been more or less led along this merry path by this Government. This is the deciding factor. What share are we taking? Like any other business, we must take our own share of the borrowings; we do not borrow for someone else. Those should be the terms and conditions of this whole development.

Hon E.J. CHARLTON: Hon David Wordsworth has come in with a very strong approach on this point. Unfortunately I do not think we can portray the stage this has reached in that sort of terminology, or simplify it in that way. We have been stating the situation that we think the Government has reached, and where the people of Western Australia are. If we go into the roads and lanes of this State and ask the people whether they think the Government should have involved them, the quick answer will be no. But the fact is that they are involved. We all are. We all believe we should not be, but we did not have the chance of any input into that decision. Where do we go from here?

It is not easy to grasp all the parameters surrounding this authority and understand what has taken place; how the Government has taken the taxpayers' money, hopefully without losing too much of it, in order to make something out of it. If we say to the public of Western Australia, "We could put some limitations on this operation so that the authority cannot borrow money, or do certain other things," we might lock this authority into some tightly regulated setup. That will sound good, and I suggest people will agree with that 100 per cent. But when the final day of reckoning comes, if by doing that we create a situation whereby the authority cannot do what we want it to do, will Hon David Wordsworth and everybody else who takes that view say, "We were trying to do the right thing but we locked the authority into that restrictive position"? No, neither he nor I will own up to that; neither will anyone else. We will say that it was doomed from the start and that there was never a hope in hell it would get out of that trouble.

I do not disagree that that might happen, but for the sake of being taken to the cleaners - and it is not unusual for the National Party to be taken to the cleaners publicity-wise, media-wise and every other way - we are trying to put in place something that will benefit the people of Western Australia, even though we will get no thanks for it and will probably be damned for it; I hope this will be the rare occasion on which we are not. We want the authority to have the opportunity for its board to comprise people who will not be of the same type we have seen in a few other operations. Because of the Burt Commission on Accountability we are now trying as best we can to put in place an authority which will be able to do a job. If we hamstring it to a point where it cannot operate or where it has difficulty operating, at the end of the day we can say, "I told you so." Perhaps I am a super optimist; in the National Party we have to be at times. However, most importantly, I look forward to the day when the Western Australian public will benefit from this project. I say that even though I believe

they do not consider it all that important because at the last election they were bought off with the Government's promise the day before the children returned to school that parents would receive \$50 per child, which to the public overshadowed the \$275 million lost through this project. That is the reason we do not want to restrict the role of the authority.

I repeat that, while in essence and on the surface it sounds a really responsible position to take, we do not think from the advice we have received over the last few days that that is really what it will be. I say to Hon David Wordsworth that, like everybody else, if we had had a chance to vote ay or nay to the Government's involvement in the project we would have said nay.

Hon D.J. WORDSWORTH: Perhaps the Leader of the House could explain to us how the profits or the losses would be distributed if the Government put forward a disproportionate amount of borrowings. After all, we are changing the whole capital structure of the business if the Government is to go guarantor for all of the money that is raised, and it looks as though it will. In Mr Bond we may have a partner who cannot pay his fair share of the money.

Hon G.E. MASTERS: I support Hon David Wordsworth's comments. Unless we bring in this clause and support it we will allow the authority to borrow any amount of money. For goodness sake, over the last six years various Government agencies and the Government itself have put at risk and lost millions upon millions of public dollars. We are talking about a massive possible liability here. We are saying that in extreme circumstances, with the permission of the Treasurer - and therefore the Government is standing behind it; it is a direct loading on the public purse - the authority and the Government could borrow, let us say, \$500 million. Fifty-six per cent of that would be borrowed on behalf of and for the benefit of Mr Bond and his interests. We all know that the Government owes Mr Bond a lot. He has the capacity to persuade the Government of the day to do things that we do not think should be done, and to become involved in areas in which we do not think the public and the Government should be involved. I say "the public" because the Government is putting at risk or guaranteeing that public money, and of course the Government is at times in a better position to borrow than is Bond Corporation, or any other corporation. It has the Treasury behind it, and the Government does not go broke - or if it does, we are all in serious trouble.

So it is a very good area for Mr Bond to apply pressure in and to use the Government's undoubted resources and bargaining strength to borrow a great deal of money. We think it is wrong. The putting at risk, and loss, of public money should now come to an end. If we are talking about accountability, we in this Chamber, the Legislative Councillors, are accountable to the public. We are dealing with guidelines for the authority. I know the authority is finally answerable to the Treasurer but I am sure the Committee ought to be saying now, "Enough is enough." If the Government and the authority are going to borrow money to put into the project it should be limited to its direct and indirect share. If we do not support this amendment I think we are being fairly slack in accepting our responsibilities and I do not intend to do that after the experience of the last six years.

Hon MAX EVANS: My colleagues have done a good job in speaking to this clause, but I want to allude to a side issue. This situation is very much like the Leader of the National Party in this Chamber entering into a million dollar joint venture farming operation with a reputedly very wealthy Tammin farmer who could borrow \$1 million without any equity because of his substantial standing. Hon Eric Charlton might not have much money, but might go into the deal because it seems that his partner has plenty. The partner takes a 56 per cent share in the venture and Hon Eric Charlton has 44 per cent, and they borrow \$1 million. Two or three years later the venture fails and the wealthy farmer has a bad season and loses all of his money - he does not have the backing it was thought he had, and Hon Eric Charlton is now liable for his partner's debts as well as his own. Perhaps the partner now has only \$250 000 while Hon Eric Charlton has to find \$750 000; he is not limited to his \$440 000 equity.

That is exactly the case we have here. The Government will have to carry its partner's share of the loss if something goes wrong, just as Hon Eric Charlton would have to do if the same thing happened to his hypothetical wealthy farming partner. As another example, in a joint venture in mining there is several, not joint, liability. All of the documentation says each partner is responsible only for his percentage share and everybody knows how much liability each has. With the petrochemical deal, at the moment the Government is putting

\$100 million into this venture. WA Government Holdings Ltd is taking full responsibility for that and on-lending it to Petrochemical Industries Co Ltd.

We are talking about this \$1 billion of non-recourse finance. Will the Leader of the House now tell us: Will the \$1 billion be loaned direct to PICL or will it be loaned through the petrochemical authority on to PICL? I hope it is going the other way, but there was a misunderstanding before and I thought PICL was borrowing the money with the guarantee from WAGH; however, that is not the case. The Leader of the House has said the non-recourse loan will be raised soon and the \$100 million paid back very soon. The total borrowings will be in the name of PICL. We then come to the next clause, concerning the guarantee. The principle is still the same as for borrowing. The Government should not guarantee any more than our share - a several share, not a joint share. I would like the Leader of the House to tell the Chamber about the majority borrowing. Will it be all in the name of PICL or partly in the name of WA Government Holdings Ltd?

Hon J.M. BERINSON: The first thing I would like to say is that I believe Hon Eric Charlton has contributed a proper element of practical consideration to the questions we have to deal with. There is no doubt that to attempt to implement some of the amendments Hon Gordon Masters is moving would not only be difficult but could well be crippling to the project proceeding. That seems to me to follow clearly enough from the terms of the proposed new subclause (2). I tried to indicate the reasons for that earlier. Proposed new subclause (2) reads as follows -

(2) Any arrangement made by the Authority to borrow money shall be subject to the express term that the lender's security is limited to the Authority's proportionate share in the petrochemical project and the lender shall not have recourse beyond that proportionate share.

Let us say we are talking about the 44 per cent; the authority would be limited by this provision to offering as security 44 per cent of the project. Before the tea suspension we were talking about bridging finance and the fact that that was being raised by WA Government Holdings Ltd and being lent out. If WAGH were limited to offering as security 44 per cent of this project at its current planning stage and without any other support behind it, there would obviously be serious difficulties in the way of anything like reasonable terms being achievable. That is the position that will apply for some time and certainly in the interim stage. If I can jump to the very last question which was whether the borrowing is intended by the authority or by PICL, the answer is it is intended to be by PICL but that package is not in place. That is what is expected to be put in place. That is the subject of current negotiations and of course, all being well in respect of those arrangements, this present clause will have much less area of operation. At the moment it does have an area of operation and it is not simply offering its interest in the project, but it has the support of the Treasurer in securing those funds. That is the plain fact of the matter and to limit it in any way is simply to place unrealistic restrictions and burdens on it.

As to the second question, while I appreciate everybody's concern that there should not be a disproportionate bearing of the burden, nonetheless the fact remains that to attempt to talk about not borrowing for a purpose in any way related to any other participant in the petrochemical project is to ignore the reality that the contribution by a participant is to the project and when the project is assisted, all participants are assisted. That is the point I tried to make initially. I have not heard it answered; all I have heard are concerns, which I can understand, about disproportionate burdens, but the basic consideration does not appear to me to have been answered. I am prepared to rely on the approach Hon Eric Charlton has taken. I think it reflects the reality and practicalities of the situation. For those reasons it supports the view that those amendments by Hon Gordon Masters should not be adopted.

Hon D.J. WORDSWORTH: The Leader of the House has not answered my question of how the distribution of profits will change if the burden of raising extra funds is changed out of proportion to the interest of its partners.

Hon J.M. BERINSON: If I can give the actual case of what is transpiring at the moment, I refer again to the arrangements for bridging finance. In that case WAGH is borrowing and on-lending the funds, and in return it is entitled to interest on those funds from the project. The question as to future developments draws in two matters, which I am unable to respond to in detail because, on the one hand, it relates to the deed of undertaking, which is a matter

that we canvassed earlier and, on the other hand, it relates to the financial package, which has not been finalised. I am therefore unable to provide the details of arrangements that are still in important respects in the process of negotiation.

Hon D.J. WORDSWORTH: As I read it, we are looking at a proposition where the Government is responsible for putting in half the money and it is going to borrow it. Presumably it is entitled to half the profits. I cannot find that in the agreement. It says what the Government is going to do with the profits, but it does not say how much the Government is entitled to; presuming that there is a profit. If the Government has to find all the money, then I gather the Government does not get any more profits out of it; all the Government gets is the interest on the money. However, the Government still only gets half of the profits; it is taking all the risks, but the profit ratio has not changed. It sounds like an odd deal to me.

Hon J.M. BERINSON: Could I add to my earlier comment by saying that in general the approach is any disproportionate advance of funds by way of the participants should be subject to the payment of interest. That is simply to round out the comment that I made earlier, and I am unable to take it beyond that point for the reasons I indicated earlier.

Hon MAX EVANS: The Leader of the House said he appreciated the support of Hon Eric Charlton, but to me only a Government would just go along and give open handed support to its partners for the full 100 per cent. It seems to me to be irresponsible and I wanted to put that on the record; I think it is the craziest thing I have ever heard. If the Leader of the House asked his adviser if he were advising private companies to do this, he would find that each one would take its own share. One would not take 100 per cent of the other's share, particularly if the other were a less financially strong institution. It seems to be unique to this Government. Only the State Superannuation Board has done a similar deal over the David Jones site, where it bought a half interest in that for \$11.557 million, and was prepared to contribute the full cost to build on the site, to give Mr Bond - the same name again - one quarter interest with no capital required whatsoever. It seems that patterns of life follow on. The Government is doing the same thing now as it did with the David Jones site, where Mr Bond received a quarter of the capital and had to find no money. Now we find that Bond Corporation has 56 per cent; the Government has 44, and is the smaller partner. Can the Leader of the House convince us that this is good and prudent business? I am certain his adviser would not advise one private company to do a similar sort of deal with another company. It just happens to be a deal similar to the one done with Bond Corporation over the David Jones site. Does the Leader of the House believe this is good business for the Government?

Hon G.E. MASTERS: I want to add one more point. It is a good deal for the Bond Corporation, if it is involved in this sort of arrangement. It is not the first arrangement, as Hon Max Evans has said. If the Bond Corporation can persuade the authority and the Government to enter into large borrowings at the risk of the authority and of the public, that releases Bond Corporation to raise its borrowings to progress other business interests at the expense of the public without any risk to the corporation. The Government is giving Bond Corporation a tremendously unfair advantage. In normal business circumstances the corporation would be required to borrow and to take responsibility for its fair share. To get off the hook and allow Bond Corporation, or any other group, to be released from a commitment to borrow funds for this project, or for any other project it may be developing, is something the Bond Corporation would encourage and look forward to in the future. This is totally wrong, as Hon Max Evans has said; it is not a good business arrangement, it is a bad business arrangement. I suggest all members support the amendments. I do not accept the Leader of the House's suggestion that the amendments will not achieve what we are seeking and will in fact endanger the project. I do not think that is the case at all.

Hon E.J. CHARLTON: Referring to the hypothetical venture put forward by Hon Max Evans, does the Leader of the House accept that scenario? Partners in any project invest a proportion of the capital and they both benefit - the shares are not always equal - and interest is paid on the same ratio as the input, as the Leader of the House has said. Would it be correct to say that the partners' input is recorded and at the sale of any partners' share - in this case, in the petrochemical project - this is taken into account? If this is not the case in this situation I would question the partnership arrangement as well.

Hon J.M. BERINSON: I will approach the answer by reference to the existing arrangements with the bridging finance. I indicated in reply to the second reading debate that WA Government Holdings Ltd's assistance was secured over all the assets of the project and any such disproportion of distribution would also be the aim in the case of any further disproportionate contribution, if that were to arise, also to be secured appropriately proportionately to the excess contribution that was involved. Again, it is difficult to take this question too far while we are dealing to a great extent in hypotheticals, and while the analogy of a farm might be helpful to some extent it is a limited extent when we are dealing with an arrangement as huge and complex as is this one.

Hon MAX EVANS: On the question of disproportionate amounts and the security for the \$100 million spent, if the door closes the Government would not get back a fraction of that amount. The land involved is worth about \$11 million, but the value of land is decreasing rapidly with the arsenic being found there. Works are in progress but the Government would only get back a proportion of the value.

When talking about further borrowings, it is one thing to have a partnership with each partner putting in a proportion of the capital but we are talking about a situation where a partner has put in no capital. The Government has paid \$175 million for goodwill; and Bond Corporation paid an amount for goodwill, but not one cent went into the project. The project is funded 100 per cent from outside. We are talking about two partners going in with nothing. The amount of \$400 million has been paid out for blue sky - and we can read in *The Age* about that but it has nothing to do with the project. At the moment we are talking about an amount of \$1 billion for funding; that is, the Government acting as a fairy godmother to the Bond Corporation which is not at risk. Bond Corporation has paid for goodwill and so has the Government. Why should the Government carry the project the whole way? If the State of Western Australia is to carry the project it should have full equity and receive all the profits. Bond Corporation got its money out of Rothwells, the Government did not. The Government's money was left in to be recirculated to Bell Resources and into the Bond media organisation.

We are talking about how the \$1 billion financing and borrowings and guarantees are to take place - the Government is putting up the total security. The Government has guaranteed the PICL loan and this is all wrapped up in the point that the fairy godmother will look after everything, and the Bond Corporation does not. If the Leader of the House believes that free enterprise companies should and would do the same sort of thing, he will be laughed out of town.

Hon J.M. BERINSON: Governments have different considerations when it comes to investments and that applies in many ways. I was browsing through Hon Eric Charlton's proposed amendment to clause 28 in the course of our debate on this section. I notice the requirement that he looks to there, which is to ensure that the Treasurer ensures that the revenue of the State is not exposed to risks which are not commensurate with the benefits expected to accrue to the State from the proposed transaction. It is a very heavy responsibility on the Treasurer and on the Government. It will certainly guide whatever future actions are taken on this project.

It is not in the Government's interest to be in the business of fairy godmothers. That is not its concern. It is in the Government's interest to try to ensure that an industry of enormous potential value to the State goes ahead, and to do that on the best basis that it can secure. I have said that work on the shape of that basis is still proceeding at this very stage. It will continue to what we hope and what has been expressed with some confidence by the Treasurer should be achievable as a satisfactory result. At the end of the day we must come back to this question: Could this project and, indeed, could many other projects, work under the restrictions sought to be imposed under proposed subclauses (2) and (3)? Could we really proceed on the basis that if a person were buying a farm he would be able to offer the security of the farm and not of his house, shares or any other property? Could he restrict himself in that way and be sure he could secure a good result?

These propositions have to be considered in the context of the real position that we face at the moment. We know the basic structure is already there through WA Government Holdings Ltd and we must surely be aware that the basic aim of this Bill is not to allow the authority to do anything that WA Government Holdings Ltd cannot do.

Hon Max Evans interjected.

Hon J.M. BERINSON: It is certainly not extending those; it is limiting those. It is not only limiting those in respect of the accountability provisions which have been emphasised throughout and which are at the heart of this legislation, but also it is restricting what WAGH is already doing. Is the argument really being advanced that we should stay with the WAGH type of freedom. The Burt commission said that we should not, and the Government accepts that we should not. This Bill is to ensure that we do not.

Hon E.J. CHARLTON: I totally support the comments made by Hon Max Evans about what he would do if he were entering into an arrangement, a deal or a project. He is a businessman - an accountant - and he is spot on.

The facts are that the Government has got itself into trouble for the reasons which have already been outlined. Bearing in mind the way that the Government has got itself into trouble, we must determine where we go from here. In doing so we must acknowledge the partner. If I were in business with a partner like that I would ask myself whether I should continue in the partnership if it were found that the other partner could not contribute financially to the partnership. I would be left with two options. I could sit back and continue in the partnership, bearing in mind that I was the only partner contributing to it, or I could proceed on my own and put myself in a situation where I could get out of it if I put more money into the deal. I would have to make up my mind which path I wished to pursue.

The Government stands to lose more money and it is really in a no win situation. It cannot get back its \$275 million if it has nothing to sell. It has entered into an arrangement of which I am critical.

We must not forget how Bond came to be a shareholder in this project. It should never have happened. We should also not forget how the Government became involved in the project and, again, that should not have happened.

Hon Max Evans: Bond got his money out of it.

Hon E.J. CHARLTON: That is right and he used a couple of other people who were not very happy about the way they were rejected.

While we deplore the situation, we have reached a stage where the Government, through an authority, has to bite the bullet and, therefore, the taxpayers of Western Australia have to bite the bullet, because at least \$275 million will be lost. The alternative is to establish an authority knowing full well that it will be the only body providing money for the project in the short term and probably the long term.

I do not know whether the Government will get out of this deal, but I do not want to be a party to locking the authority into an unholy alliance with an individual about whom we have expressed the same feelings. If we say that the authority cannot do anything that is to the benefit of the other partner we will be locking the authority in with someone who we all agree should not be involved.

I totally agree with the comments made by members on this side of the Chamber, but at the same time we are being hypocritical by saying that the Government has entered into a partnership with a terrible individual but we will from now on travel down that path with him. If I found myself in a similar position I would be of the opinion that the sooner I got out of the deal, the better. I would put myself in a position where I could get out of it as soon as possible with as much credibility as possible and with as much money in my pocket as possible.

Hon D.J. WORDSWORTH: Hon Eric Charlton was making a comparison and said there were two options, but I am of the opinion that there is a third option; that is, to have another partner. The Government has a 44 per cent interest in the project and Bond has a 56 per cent interest. The main purpose of the project is to produce caustic soda and the main users of that product will be Alcoa Australia Ltd and Worsley Alumina Pty Ltd. I am sure they would be interested in entering into this partnership. I am suggesting that the Government does not have to raise the money. There are other potential partners who could be interested in the project and the Government could remain locked into a 44 per cent interest. If Mr Bond cannot raise the money he has to look for other partners and he may even lose his equity in the goodwill. That is the way business works.

Hon E.J. Charlton interjected.

Hon D.J. WORDSWORTH: He could and that is one of the business risks he runs. The frightening thing is - it has been pointed out by the Leader of the House - that the person lending the money will not be satisfied only with the collateral in the plant. The Leader of the House gave an example of a businessman who puts up his house and shares as collateral; the difference is we are putting up the State of Western Australia as our collateral.

The collateral of this State includes 78 per cent of the land of Western Australia which is not freehold. According to the newspapers our partner in this project is already overcommitted financially. From a banker's point of view, through whom is it most likely that the money would be borrowed? I do not know what the rating of this Government is as a borrower, but I am sure that it is better than Bond's rating. Consequently, the Government will have to accept a very high share of the responsibility unless this matter is tied down so that the Government is responsible for only 44 per cent of the borrowings and private enterprise will look after the remaining 56 per cent.

Hon MAX EVANS: If this industry is to rely solely on the sale of caustic soda, can the Minister advise whether Alcoa and Worsley will accept 100 per cent of the production of caustic soda from this plant? I understand that those companies will not take the full production because world prices vary enormously.

Hon J.M. BERINSON: That is a matter for future negotiations. We are talking about production three years down the track, and it is not possible to say what the outcome of those negotiations will be. By this time our own industry would have important advantages which will be maximised.

Hon MAX EVANS: I would like to put on record my understanding that this industry has many highs and lows on world markets, and caustic soda is often dumped and sold at low prices. I understand those companies are reluctant to lock themselves into one supplier as world prices are often very low. I do not think this plant should rely on caustic soda sales as its main income producer.

Hon D.J. WORDSWORTH: This must be the first business venture entered into without the completion of negotiations for selling the product. It is truly ridiculous to do business on that basis.

Hon J.M. BERINSON: It is only Hon David Wordsworth who has said that caustic soda will be the main product of this plant. My advice is that the main products will be EDC and VCM, and there are contracts in relation to these products with Mitsubishi.

Hon D.J. WORDSWORTH: Can the Leader of the House give the proportions of expected income from each of those products?

Hon J.M. BERINSON: Of course I cannot.

Hon D.J. WORDSWORTH: The Leader of the House must have some idea of the figure, even if it is within 20 per cent.

Hon J.M. BERINSON: With due respect, a parameter within 20 per cent is of no value. I have already indicated that the contracts for caustic soda are still to be negotiated. It is only at that point that one can start to speak in even approximate terms.

Hon W.N. STRETCH: The Leader of the House said that a contract exists for some of these products with Mitsubishi. Is he in a position to give some indication of that contract and also the estimated output of PVC which appears to be the only readily negotiable product at this stage?

Hon J.M. BERINSON: I have received further advice while the later comments were being made. I am told that roughly the proportion of value between EDC and VCM on the one hand and caustic soda on the other hand is 80 to 20.

Hon D.J. WORDSWORTH: What is the attitude of the Federal Government to a State Government entering into an open ended agreement such as this in which it could find itself fully responsible for borrowing \$1 billion? The Government will have to apply to the Premiers' Conference to borrow the money and the Commonwealth Government must agree to that borrowing.

Hon J.M. BERINSON: I cannot take that further. In the first place, Hon David Wordsworth is making certain assumptions about the nature of arrangements which I have said on a number of occasions are still subject to further negotiations. As to the attitude of the Federal Government to this matter, I am not sure whether it has expressed one.

Hon D.J. WORDSWORTH: One has only to read the newspapers to know that Mr Hawke is concerned about the States and their borrowings, and the effect those borrowings are having on the overall Australian economy. He has claimed that he will tighten up on the States' borrowings. If one wanted to spend \$1 million on the Esperance Port Authority, the borrowings would have to be approved by the Commonwealth Government. However, the Government is proposing to enter a commitment in which it will have to borrow \$1 billion, yet the Leader of the House does not know what the Federal Government's attitude is, nor does he know whether the Federal Government is aware of the project.

Hon J.M. BERINSON: I am sure the Federal Government knows about it, but depending on the nature of the arrangements, this should not necessarily concern it.

Hon MAX EVANS: The Leader of the House assumes that the Federal Government knows about it. If the Commonwealth Treasurer were living in Western Australia he probably would not know what was going on in this State, but as he lives in Victoria he will probably know a great deal because those newspapers publish a great deal more about what is happening in Western Australia than do the local newspapers. I am a little concerned on one aspect: The Burt Commission on Accountability stated that a guarantee by an authority is the same as an appropriation of money because if it is called upon it will come from Consolidated Revenue, in the same way that \$125 million was used for Teachers Credit Society and \$15 million for the Swan Building Society. Has the Government considered the potential impact of that guarantee on the revenue of Western Australia? If there is a big shortfall in the project, there will be very limited assets to sell and I query how the Government will face up to that problem if it arises. The amount of money required could not be taken from the Consolidated Revenue Fund because the Government only raises about \$1.2 billion and the remainder comes from Commonwealth grants.

Hon J.M. BERINSON: Of course, a project of this kind is considered in the context of the State's capacity to meet any claims on it which may arise. That goes without saying; it certainly applies in the case of a project as large as this one.

Hon W.N. STRETCH: Can the Minister say whether the Treasurer of Western Australia is a "person" in terms of line 39 of page 15? I indicate in passing that I cannot find a clause (5), but that could be because of a typographical error.

Hon J.M. BERINSON: The term "person" in line 39 does not refer to the Treasurer, who is specified throughout where the exercise of his office is contemplated.

The DEPUTY CHAIRMAN: There is an error in the Bill. Members will see what is obviously a typographical error on page 15 where there are subclauses (3) and (4) but no (5). Unless I hear anything to the contrary, I will ask that subclause (6) become (5), otherwise there is no semblance of order to clause 24.

Hon W.N. STRETCH: Does this reference mean that the Treasurer and the Government cannot put their money into this project without asking any questions, which is what I understand subclause (5) states?

Hon J.M. BERINSON: That would follow from the fact that I am saying that the "person" mentioned in clause 24(5) does not refer to the Treasurer.

Hon W.N. STRETCH: This seems an extraordinary clause to have in the Bill when it is tied back because the Minister is virtually saying that if one borrows from the Treasurer he is allowed to inquire into the purposes and responsibilities related to that application or misapplication, whereas no other financial institution need ask those questions. If the Minister can find such a naive institution, I would like its name and address.

Hon J.M. BERINSON: That appears for the protection of lenders and is an almost invariable requirement of lending institutions such as banks - that they should not be responsible for ensuring that the funds they are lending are put to a proper and authorised use. That does not in any way reduce the responsibility imposed on the Treasurer at many points in this Bill.

Amendment, as altered, put and a division called for.

Bells rung and the Committee divided.

The DEPUTY CHAIRMAN (Hon John Williams): Before the tellers tell, I cast my vote with the Ayes.

Division resulted as follows -

Ayes (11)

Hon Max Evans	Hon P.H. Lockyer	Hon P.G. Pandal	Hon D.J. Wordsworth
Hon Barry House	Hon G.E. Masters	Hon W.N. Stretch	Hon Margaret McAleer
Hon A.A. Lewis	Hon N.F. Moore	Hon John Williams	(Teller)

Noes (18)

Hon J.M. Berinson	Hon Graham Edwards	Hon Robert Hetherington	Hon Tom Stephens
Hon J.M. Brown	Hon H.W. Gayfer	Hon Garry Kelly	Hon Doug Wenn
Hon T.G. Butler	Hon John Halden	Hon Tom McNeil	Hon Fred McKenzie
Hon J.N. Caldwell	Hon Kay Hallahan	Hon Mark Nevill	(Teller)
Hon E.J. Charlton	Hon Tom Helm	Hon S.M. Piantadosi	

Pairs

Ayes	Noes
Hon C.J. Bell	Hon B.L. Jones
Hon Neil Oliver	Hon D.K. Dans

Amendment, as altered, thus negatived.

Clause, as amended, put and passed.

Progress

Progress reported and leave given to sit again at a later stage of the sitting, on motion by Hon J.M. Berinson (Leader of the House).

[Continued on p 1074.]

SITTINGS OF THE HOUSE

Beyond 11.00 pm

HON J.M. BERINSON (North Central Metropolitan - Leader of the House) [10.28 pm]: I move -

That the House continue to sit and transact business beyond 11.00 pm.

I will indicate what I have in mind in relation to the sitting of the House, which is certainly not to stay here until breakfast. At the risk of being a victim of famous last words, it appears to me that it may be possible to conclude our consideration of the Western Australian Petrochemical Industries Authority Bill in time to allow debate on the Acts Amendment (Accountability) Bill to proceed tonight. I understand that that will not necessarily be an extended debate.

Other than that Bill, the only business that I am anxious to dispose of is Mr Pandal's second reading speech on a Bill about which many people are agog and which has not been brought up for its second reading because of an oversight on my part, and Mr Lewis's motion for the tabling of certain material.

I also propose, given the agreement of the House, that we have a short break at about 11.00 pm, or at the completion of the Western Australian Petrochemical Industries Authority Bill, whichever comes first, to see whether it is possible to conclude the remaining business during this sitting. I am not looking to a very late evening, and I will undertake, with the agreement of the House, to consult with Mr Masters and Mr Charlton as we proceed about whether we think it is practical to get through the program I have outlined.

The PRESIDENT: I point out to the Leader of the House that the Address-in-Reply has not been dealt with; leave has been granted to do Order of the Day No 2, and we must get an adjournment of the Address-in-Reply.

Hon J.M. BERINSON: Mr President, thank you for that reminder. However, after discussion with potential speakers to the Address-in-Reply, I am in a position to indicate that I will be moving to close that debate, and it will take only a couple of minutes to do so.

Question put and passed.

WESTERN AUSTRALIAN PETROCHEMICAL INDUSTRIES AUTHORITY BILL

Committee

Resumed from an earlier stage of the sitting. The Deputy Chairman of Committees (Hon John Williams) in the Chair; Hon J.M. Berinson (Leader of the House) in charge of the Bill.

Progress was reported after clause 24 had been agreed to.

Clause 25: Guarantees etc. by the Authority -

Hon G.E. MASTERS: I move -

Page 16 - To delete in subclause (1) "in connection with" and substitute "for the purposes of".

Amendment put and passed.

Hon J.M. BERINSON: I move -

Page 16, after line 15 - To insert the following subclause -

(2) The Authority shall not, without the prior approval of the Treasurer, do anything under subsection (1) which will or may have the effect of increasing the Authority's direct or indirect share in the petrochemical project.

These words are identical to the amendment which the Committee has previously carried to clause 10, and the arguments in support of this amendment will be precisely the same.

Amendment put and passed.

Hon G.E. MASTERS: I had intended to move -

Page 16 - Insert after subclause (1) the following-

(2) The Authority, without the prior approval of the Treasurer, shall not do anything pursuant to subsection (1)(a), (b) and (c) which will, or may, have the effect of increasing the Authority's proportionate share in the petrochemical project.

In view of the previous amendment, I do not propose to proceed with this amendment.

Clause, as amended, put and passed.

Clause 26: Borrowing from Treasurer -

Hon G.E. MASTERS: I move -

Page 17 - To add to the clause the following-

(2) The Authority shall not borrow any amount in excess of the aggregate of its proportionate share together with any borrowing under section 24.

(3) The Authority shall not borrow for the benefit of or for a purpose in any way related to any other participant in the petrochemical project.

The Treasurer could borrow on behalf of the authority, and then funnel back that money to the authority. It is on record that the Liberal Party has moved an amendment to this clause.

The DEPUTY CHAIRMAN (Hon John Williams): I point out to the Acting Leader of the Opposition that in this clause, for consistency's sake, he was going to delete "proportionate share" and add the words "direct and indirect share".

Hon G.E. MASTERS: Mr Deputy Chairman, I thank you for your guidance. I seek leave to alter my amendment by deleting the word "proportionate" and substituting the words "direct and indirect".

Leave granted.

Hon J.M. BERINSON: The Acting Leader of the Opposition has clearly put the position, namely that this amendment is on all fours with the earlier amendment which was debated exhaustively. In terms of consistency, the Chamber having rejected that earlier identical amendment, it should also reject this.

Amendment, as altered, put and negatived.

Clause put and passed.

Clauses 27 and 28 put and passed.

The DEPUTY CHAIRMAN: At the end of the debate on the Bill, Mr Charlton will be entitled to move new clause 28. If that clause passes, the Clerks at the Table will amend all the relevant clauses to show the correct numbering, with new clause 28 being added.

Clause 29: Notice of trusts, etc. -

Hon E.J. CHARLTON: I move -

Page 18, line 22 - To delete "be" and substitute the following -
is

This amendment will result in better English, and it carries out the intention of the clause.

Amendment put and passed.

Clause, as amended, put and passed.

Clauses 30 to 33 put and passed.

New clause 28 -

Hon E.J. CHARLTON: I move -

Page 17, after line 35 - To insert after clause 27 the following new clause to stand as clause 28 -

Matter for Treasurer's consideration

28. (1) In considering any application by the Authority for his approval of a proposed transaction under section 10, 23, 24, 25, 26 or 27, the Treasurer shall have due regard to the desirability of ensuring that the revenue of the State is not exposed, either actually or contingently, to risks which are not commensurate with the benefits expected to accrue to the State from the proposed transaction or the undertaking to which the proposed transaction relates.

(2) Within one month after he is satisfied that any transaction of the kind referred to in subsection (1) has been concluded, the Treasurer shall table in both Houses of Parliament a summary of that transaction disclosing all material particulars thereof.

As far as the National Party is concerned, I must reiterate what has been said before, particularly in regard to the debate leading up to this stage. This is absolutely central to the position we have taken and the advice that we have sought. It is the only way to put safeguards into this authority. During the second reading debate I said that what I wanted to see in this Bill was a safeguard to protect all those things that members spoke about with some force a few moments ago. How could we allow this authority to leave the taxpayers and the Government of this State with a totally unacceptable funding commitment? I came to the conclusion that we could put an upper limit in dollar terms which would tie the authority to a mechanism and publicly establish how this authority would operate, but that would play into the hands of the other partner, which was exactly what I was trying to get away from. That has been echoed very loudly tonight by Hon Max Evans in particular, and by Hon David Wordsworth and Hon Gordon Masters. We must not allow the new authority to get into a worse position than that in which WA Government Holdings Ltd currently finds itself. As far as the National Party is concerned, if we are to have an authority, it is absolutely imperative to set it up in such a way as to give it the best possible chance of being successful. It should be able to come to the Parliament of this State to report and keep everybody up to date with what is taking place. This new clause requires the Treasurer to come into the Parliament and answer questions. As is stated in the Burt report, this is a very

important part of the operations of the Parliament, and I quote from page 5 of that report, paragraph (i) -

Whether the responsible Minister recognises that he is under a duty which he owes to Parliament - a political but not a legally enforceable duty - to answer proper Parliamentary questions which relate to the information which he has or which he has the authority to obtain.

While a Minister is always expected to answer questions in the Parliament, he obviously does not have to. The fact that Ministers do not always answer questions is often referred to. However, we are moving a step further here. Not only is he expected to answer questions; there is now provision in this Bill to force the Treasurer to answer questions. Further, in proposed subclause (2) he is not only expected to answer questions, but also "Within one month after he is satisfied that any transaction of the kind referred to in subsection (1) has been concluded, the Treasurer shall table in both Houses of Parliament a summary of that transaction disclosing all material particulars thereof."

I share this great concern of members, and I hope that they can accept that this new clause will not lock the authority into a position where it is hamstrung, but will address those questions members raised earlier. Those questions are: Is the authority going down this path, or has the Treasurer imposed certain directions which will create a situation detrimental to the authority and therefore to the taxpayers, and will they be in jeopardy?

What other mechanism can we have in setting up this authority which will ensure the safest possible means by which, firstly, the Parliament has the opportunity to question the Treasurer; and secondly, all the relevant material will be required to be laid on the Tables of both Houses of Parliament? If we accept proposed new clause 28, while obviously it will not meet with the agreement of some members of the Liberal Party because there is still a great chance that the authority could commit the taxpayers of the State and do their dough because the other partner will not do the right thing, it will go a long way towards ensuring this security.

Without repeating what has been said before, while that is relevant and a very real factor, it appears from comments made during this debate that we are getting back to the stage of "either we are in it or we are not". I will say it once more: That option is not open to us. We, the people of Western Australia, are already committed. To put restrictions on the workings of the authority would simply give the Government the opportunity not to proceed with the authority. We can howl as loudly as we like from the highest building in the Terrace; the fact is that we never had the opportunity some months ago to totally oppose the project. We would have done so, as I have said repeatedly. We were never given the option, and we do not have it now, to place restrictions on the proposed authority to which the Government of the day may or may not agree.

Therefore, we on this side of the House are left with only one alternative. We can put in place an authority whose membership comprises a range of people, with a chairman who is not necessarily the chief executive officer but who, under this clause, most importantly, is required to report to the Parliament; and the Treasurer himself is expected to answer questions in the Parliament. With this sort of package surely we can have, if not some confidence, then at least some chance of having the best possible scenario so that the people of Western Australia can look forward to a bit of credibility coming back into the transactions surrounding the petrochemical project.

Hon G.E. MASTERS: I just need to ask some questions about this amendment. I support the first amendment; after all, it is just motherhood stuff. When Hon Eric Charlton says the Treasurer shall have due regard to the desirability of ensuring that the revenue of the State is not exposed to risks, and so on, one would hope that the Treasurer always has that view in whatever he or she does. Therefore, although obviously we support it, it is motherhood stuff and simply reiterates everything we hope the Treasurer would do in carrying out his task.

The second part of the amendment commences -

(2) Within one month after he is satisfied that any transaction of the kind referred to in subsection (1) has been concluded, . . .

I emphasise the word "concluded". I would have thought a better word would be "initiated" or "commenced". After all, "concluded" can mean fairly well down the track. I would have thought that once a transaction had been initiated it would be fair enough for the Treasurer to

table a summary of it. Therefore I will, subject to some response from the Leader of the National Party or the Leader of the House, foreshadow an amendment to that effect.

I have a second question on proposed new subclause 28(2). Members will note that the Liberal Party proposes a new clause 34 which deals with the tabling of documents. I would hope that proposed new clause 28 is tied in with proposed new clause 34. I understood the Leader of the House would indicate his support of proposed new clause 34. If in response to these two matters I receive some sort of acceptable answer I would be much more inclined to greet the amendment with some enthusiasm.

Hon E.J. CHARLTON: I neglected to say that in considering proposed new clause 28 the National Party certainly does look forward to the Liberal Party's moving the amendment to which Hon Gordon Masters has referred. It is one which ties in with proposed new clause 28 and makes the package a little more efficient in arriving at our goal.

Hon Gordon Masters referred to the use of the word "concluded" in proposed new subclause 28(2). I always think it best to put myself in the position of the individual in the circumstances of the particular case. For instance, if I were in the process of carrying out a transaction I would not come to the Parliament and make a statement or report part way through a transaction; I would do that when I had completed it. Otherwise, I might come in and say, "I am in the process of initiating such and such," and then have to rearrange it and change tack part way through. It would be doing the Parliament and therefore the public a disservice to report something we were in the process of doing, because if it were decided not to proceed or to take a different course we could misguide or misinform the very people we are seeking to keep informed on a regular basis, remembering that proposed new subclause 28(2) provides that the Treasurer report within one month of conclusion of the transaction.

I understand Hon Gordon Masters' point that a transaction could be initiated and then go on and on, in which case there would be no requirement under this proposed new clause for the Treasurer to tell us what had taken place because it would not be completed. However, if we take that attitude, if nothing is ever completed, what is the point? We will never get anywhere anyway. Therefore my answer to Hon Gordon Masters is that he should try to put himself in the Treasurer's position. If he or I were Treasurer we would want to report within a month on what had taken place, when we knew that the transaction we had initiated had been completed.

Hon J.M. BERINSON: I indicated earlier that the Government would support this amendment and I confirm that. I also confirm the indication I gave earlier that we would also be looking to support proposed new clause 34 -

Hon G.E. Masters: Thank you.

Hon J.M. BERINSON: - for precisely the same reasons that Mr Charlton has indicated. I do not think it is either desirable or practicable to amend the word "concluded" to the word "initiated", and I would oppose that amendment. It is really only after a proposal has been concluded that the Treasurer is in a position to report on anything definite.

New clause put and passed.

New clause 34 -

Hon G.E. MASTERS: I move -

Page 21 - To insert after clause 33 the following new clause to stand as clause 34 -

Tabling documents

34. (1) Where in this Act there is an obligation to table any document in both Houses if, within or on the expiration of the period within which that is to occur, either House is not sitting so that the obligation cannot be complied with, the Minister shall immediately on the expiration of that period -

(a) transmit copies of the documents to the Clerks of the Legislative Council and Legislative Assembly; and

(b) make the document available to the public.

(2) Where the Minister in accordance with subsection (1) has transmitted copies to the Clerks the document, for the purposes of satisfying the time limit imposed, shall be deemed to have been tabled in both Houses.

(3) Notwithstanding subsection (2), such document shall be tabled in each House so soon as Parliament next sits.

I thank the Leader of the House and the Leader of the National Party for indicating their support for the Liberal Party's proposed amendments dealing with the tabling of documents. It is probably one of the most important areas as far as we are concerned. It will require the tabling of documents within a certain time, and if the Parliament is not in session it will require those documents to be delivered to the Clerks and the Clerks can then make those documents public before the Parliament sits. That is an unusual situation, but this is an unusual piece of legislation dealing with a most unusual project in which the Government is involved. We are pleased that we have gained the support of the Leader of the House and the Leader of the National Party.

I commend the amendment to the House.

The DEPUTY CHAIRMAN (Hon John Williams): Order! It has just been pointed out to me by the Clerks that now new clause 28 has been passed, this clause will actually become new clause 35, because of the additional clause.

New clause put and passed.

Schedule 1 -

Hon G.E. MASTERS: I move -

Page 22, line 42 - To add after "implementation" the following -

, provided that no such indemnity shall be granted nor guarantees given -

- (a) unless such indemnities or guarantees are limited as to amount;
- (b) until the proposal for indemnity or guarantee has been tabled in both Houses and if Parliament is not then in session, within or on the expiration of such period, such proposals shall be delivered to the Clerk of the Legislative Council and Clerk of the Legislative Assembly and made available to the public; and
- (c) no such indemnity or guarantee will or may have the effect of increasing the Authority's proportionate interest in the petrochemical project.

Schedule 1 deals with provisions relating to the WA Government Holdings Ltd transferral scheme. Paragraph 13 of schedule 1 reads as follows -

The Scheme may, so far as is expedient, provide for the granting of indemnities or the giving of guarantees in connection with its implementation.

All through this debate the Opposition has been concerned about the giving of guarantees and the granting of indemnities. For that reason the Liberal Party has put forward the proposed amendment to schedule 1.

The first part of the amendment is self explanatory; however, I seek leave to alter the amendment by deleting the word "proportionate" and substituting the words "direct and indirect".

Leave granted.

Hon J.M. BERINSON: I oppose this amendment and I will be brief because the arguments in relation to it have already been canvassed on previous items, particularly amendments [H], [K] and [L]. I think I could add nothing useful to what has already been said.

Amendment, as altered, put and negatived.

Schedule put and passed.

Schedule 2 -

Hon E.J. CHARLTON: I move -

Page 25, line 4 - To delete "his functions" and substitute the following -
any functions he may have

This is a simple matter which has been brought to the attention of the National Party. This amendment makes this paragraph a great deal clearer by referring to "functions he may have".

Amendment put and passed.

Schedule, as amended, put and passed.

Title put and passed.

Report

Hon J.M. BERINSON: I move -

That the Deputy Chairman of Committees do now report the Bill to the House.

The DEPUTY CHAIRMAN (Hon John Williams): Before the President comes in, I asked permission this evening of the Chairman of Committees to take this Bill. I did so for a specific purpose and that is to thank the members of this Chamber who have put up with me as Deputy Chairman of Committees for 14 years. I have only ever had the utmost cooperation from members. I now wish to announce that this will be the last Bill I take in Committee. I thank Hon David Wordsworth for the courtesy advanced to me in allowing me to do this in order to thank each and every one of you.

Members: Hear, hear!

Question put and passed.

Bill reported, with amendments, and the report adopted.

As to Third Reading

HON J.M. BERINSON (North Central Metropolitan - Leader of the House) [11.09 pm]: I move -

That the third reading of this Bill be made an Order of the Day for the next sitting of the House.

Mr President, if I can have your indulgence to indicate to members that since I last discussed the schedule of this sitting it has been indicated to me that members opposite would prefer to have the Acts Amendment (Accountability) Bill dealt with tomorrow, and that is the way I will arrange to do it.

Question put and passed.

Sitting suspended from 11.10 to 11.30 pm

ADDRESS-IN-REPLY - EIGHTH DAY

Motion

Debate resumed from 13 April.

HON J.M. BERINSON (North Central Metropolitan - Leader of the House) [11.30 pm]: I take this opportunity to close the Address-in-Reply and I thank all members who have contributed to the debate. In keeping with our normal practice, relevant Ministers have been informed of the comments which have been made; also in keeping with normal practice, at least in recent years, I will not attempt at this stage to comment on the very wide range of issues which were raised for discussion. I commend this motion to the House and will subsequently take the necessary action to ensure that the Address-in-Reply is presented to His Excellency.

Question put and passed; the Address-in-Reply thus adopted.

Presentation to Governor

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

That the Address-in-Reply be presented to His Excellency the Governor by the President and such members as may desire to accompany him.

MOTION - SELECT COMMITTEE ON STATE ENERGY COMMISSION ADVANCE COAL PURCHASE

Tabling of Evidence

Debate resumed from 11 April.

Amendment to Motion

HON J.M. BROWN (South East) [11.32 pm]: Hon A.A. Lewis' motion reads -

That the Clerk of the Legislative Council be, and is hereby, ordered to lay on the Table at the next sitting all evidence, including transcripts, taken or received by the Select Committee appointed in the previous session to inquire into an advance coal purchase by SECWA from Western Collieries Ltd with the exception of any evidence which, in the Clerk's opinion, is commercially-sensitive.

I now move an amendment -

To add the following words -

Provided that in reaching his opinion, the Clerk shall:

- (a) consult the principal witnesses who gave evidence to the committee; and
- (b) confer with the Leader of the House, the Leader of the Opposition and the Leader of the National Party,

as to their opinion of that evidence they consider ought not to be tabled.

I remind members that the Select Committee inquiring into the purchase of coal sat for only 15 or 16 days as it had only limited time in which to seek evidence. Despite the limitations on time, the committee fulfilled its function in accordance with the resolution passed by the House and acknowledgment contained in the second reading speech. Without any direction on the terms of reference and following the support of the National Party, in particular Hon H.W. Gayfer who laid down some reasons why the National Party would support the Select Committee in its inquiry, the provisos were that it would comprise four members, that the committee would meet in camera and that it would confer with the National Companies and Securities Commission. In *Hansard* for 29 November Hon H.W. Gayfer is reported as follows-

In other words, the National Party will agree with the motion provided there is full consultation between the company and the NCSC, that committee meetings are held in camera and that four members be appointed to serve on the committee - the two members I have named and two members from the Government.

That was the intention and, despite the fact that there was no direction, the committee certainly observed those requirements.

The reason for my moving the amendment to the original motion is that I believe the responsibility we place on the Clerk is not an onerous one; the responsibility is put in place because the Clerk is the custodian of the papers; therefore, he is the only person who can table them. Secondly, it is unfair for this House to place that responsibility on the Clerk without some conditions being met. The Clerk is responsible even if the House supports my amendment. The fact is that the Select Committee interviewed only two witnesses; we did that within the time constraints but we also did that with the support of the Deputy Premier.

An informal meeting took place between the Deputy Premier, Hon A.A. Lewis - the Chairman of the Select Committee - and me. I arranged that meeting with the Deputy Premier rather than go through the office of the Clerk and have him issue an order to the State Energy Commission to give evidence as we are entitled to under the privileges of the House. I consulted with the Deputy Premier and told him that we were observing the principles of the debate in relation to the motion. I also stated that we were meeting in camera so there was confidentiality of evidence received. So in good faith, Hon A.A. Lewis and I had an informal meeting with the Deputy Premier and discussed the proposition. Subsequently the Select Committee received a submission from State Energy Commission which was debated. This was done in the strictest confidence.

I cannot speak for Western Collieries Ltd, but I can say that that company would be more than mindful of the terms and conditions of the motion and the operations of the Select

Committee. It is suggested that with the exception of the evidence which is considered commercially sensitive, what other members and I might consider commercially sensitive may not reflect the view of sensitivity as would be applied by the managing director of Western Collieries, who gave evidence, or the commissioner of SECWA. Therefore my amendment asks the House to allow the Clerk to consult with the two witnesses in order to ensure he gives to the House the response that it requires. The other part of my resolution is to ensure that there is consultation with all parties concerned. This includes the Leader of the House, as the Government member, the Leader of the Opposition and the Leader of the National Party.

Those are the reasons why I have put forward this proposition to the House. The committee met in camera in accordance with the debate that ensued on its formation and this was received and accepted. Because of commercial sensitivity, as indicated by the mover of the motion, and the fact that the National Companies and Securities Commission was involved, I believe that there should be some consultation. Therefore, without delaying the House and utilising my unlimited time, I will be specific in what I suggest to the House. I say that it is not unreasonable for the House to support my amendment to make the motion complete.

My final comments are in relation to the meetings of the committee that were carried out in such a short time with limited opportunity to expand any further evidence that may have been available. The fact is that Hon A.A. Lewis sees the commercial sensitivity in the evidence received and I, and I believe other members of the committee, believe likewise that the sensitivity is in existence. For my part I do not see a great deal of problem with the evidence that could be laid before the House, but the faith that we expect from the community to the Parliament, and from the Parliament to the community, could be jeopardised. I suggest that it is not unreasonable that we assist the Clerk in this matter of tabling the papers. Therefore I commend my motion to the House.

Hon FRED McKENZIE: I second the motion.

HON J.N. CALDWELL (South) [11.43 pm]: I rise to assure members that I am not speaking on my own behalf but for all members of the National Party, and in particular for Hon H.W. Gayfer who led this debate last year in the formation of the committee. I would like to quote from the formation debate in which Mr Gayfer stated the following -

... the National Party will agree to support the motion in its totality only if the Select Committee meets in camera. If the committee is set up Hon Sandy Lewis must give an assurance to the House that no information will be released from the committee until it has reached a resolution.

I say from the outset that I had a lot of reservations about supporting this motion, particularly because the evidence was given totally in camera. I guess that witnesses who came along were told by the chairman of that fact before they started to give evidence, but I doubt very much whether the chairman mentioned that the evidence they gave in camera would be totally held under security until such time as the committee reached a resolution; I am not sure whether that comment, "until the committee reached a resolution" was told to them.

The PRESIDENT: Order! I remind the honourable member that he is not speaking to the motion; he is speaking to the amendment moved by Hon J.M. Brown as to whether those additional words should be added. The member should not be speaking to Mr Lewis' motion.

Hon J.N. CALDWELL: Thank you, Mr President. I was giving a lead-up speech to the amendment and giving the National Party's point of view as to why it should or should not support this amendment.

In the long run we thought that we could support Hon Sandy Lewis' motion, but then we had some reservations about it. Until this amendment was brought up by Hon Jim Brown, and he has already indicated what it is, the National Party felt that it must safeguard that evidence to some degree. Undoubtedly, the Clerk would be the correct person to give some judgment on the matter, but it is only right that we should give some other people a say, particularly those people who gave evidence on those days; they should be given some safeguards because they probably did not know that their evidence was going to be released to the public. So, the National Party agrees with the amendment of Hon Jim Brown as it gives safeguards to the evidence given on those days.

HON A.A. LEWIS (Lower Central) [11.47 pm]: I oppose the amendment and I will give some reasons for my attitude. The use of the expression "in camera" is the one that should be looked at the most. Having guided this matter through this place to the stage that the committee was formed, the whole House agreed that the Press should not be allowed in while the witnesses were being interviewed. In my view "in camera" means that nobody is allowed into the room. We passed a motion that the Press were not to be allowed, but under our Standing Orders any member of this House could have been there at those meetings while evidence was being taken. In my humble opinion "in camera" means that not one person in this House, apart from the committee members, could be there. I could be wrong, but I am sure that the Leader of the House will point out to me that I am wrong if I am wrong. In my opinion "in camera" and "no Press" are totally different things. Certainly, my attitude to "in camera" evidence as a chairman means that nobody comes in except the committee members, its secretary and the witnesses. So, there is a little difference of opinion there.

Both Mr Caldwell and Mr Brown talked about "in camera", but the motion that was passed by the House stated that no Press would be present. Hon Jim Brown was correct when he said that the Select Committee agreed to cooperate fully with the Corporate Affairs Department and the National Companies and Securities Commission. We were in daily contact with them and at no time did we have any conflict with them - we made sure we did not.

I would like to put straight the matter concerning the informal visit by the committee to the Deputy Premier. The visit was primarily a matter of courtesy because somebody looked like getting himself into trouble and members of the committee did not wish for that person to get into trouble so they visited the Deputy Premier and assured him we did not want a fight on that issue and he agreed with us and he agreed to do certain things. That was the main reason for the committee's visit to the Deputy Premier. I will not divulge what evidence was given because I do not believe that should be done until the House makes its determination on both Hon Jim Brown's amendment and my motion.

I do believe that Hon Mick Gayfer said, "Until resolution of the committee" and Hon J.N. Caldwell said, "Nothing should be tabled until resolution." We have a resolution and there was no doubt in the minds of the witnesses that the entire report would be published when the report was brought down. In certain cases I, as Chairman of the Select Committee, asked witnesses whether certain commercial information would be an embarrassment to them if it were published and I obtained answers from them.

I oppose the amendment because it is proposing a rerun of the Select Committee. The Clerk is responsible for the papers, not the Leader of the House, the Leader of the Opposition, the Leader of the National Party or the witnesses. The total evidence is in the Clerk's hands. This House employs very good Clerks, at great expense, with some legal knowledge and I am sure that the Clerk has a better knowledge of what should be tabled than all the other gentlemen put together. It is his responsibility to know what to table and for those reasons I oppose the amendment.

HON J.M. BERINSON (North Central Metropolitan - Leader of the House) [11.54 pm]: I will be brief, but I want to indicate my support for the amendment. In most cases it is true that the material presented to a Select Committee is tabled. This committee was set up under rather different circumstances and with calls from all quarters for confidentiality expressed in one way or another to be preserved.

Hon Mick Gayfer is not in the House and I cannot ask him, but I suspect that his reference to matters being held confidential until a resolution of the committee did not relate to a resolution of the committee in terms of its findings on the terms of reference, but may well have been directed to some consideration and resolution by the committee on what material put to it should subsequently be released. Given the emphasis on the question of confidentiality I think that at the time the committee was set up it would have been desirable for its members to have made some decision on that in the course of bringing down its report. If circumstances were different I would say the committee should decide it now, but the committee no longer exists and cannot make a recommendation of that kind. In these circumstances it is either a matter of not tabling the material at all, or trying to protect what the intention of the House was in respect of confidentiality when the Select Committee was set up. It is not really open to us now to go back and decide what we had in mind.

Hon A.A. Lewis: Do you not agree that we should leave it to the Clerk to decide?

Hon J.M. BERINSON: I have very grave reservations about that. It is putting a serious burden onto the Clerk and it is a decision which the committee should have made. It is not a satisfactory solution to the problem simply to leave it to the Clerk's discretion. It is not satisfactory and I do not think it is fair on the Clerk.

Hon Jim Brown has come up with an amendment in the nature of a halfway house. It still leaves the end decision to the Clerk, but it gives him the opportunity to consult with the leaders of the three parties in this House and that should be of some assistance to him in his eventual conclusion. I do not know how he will approach it. I do not know what is in the material so I do not know how I would approach it. I am quite happy to leave it to his discretion on this occasion, at least, with the proviso that he have available to him the comments, to the extent he wishes to take their guidance, of the leaders.

As this issue has arisen in this way, I would strongly suggest that on any similar occasion members of Select Committees faced with material of this kind should make it part of their report to the House as to what parts of the evidence should be tabled.

Amendment put and a division taken with the following result -

Ayes (14)

Hon J.M. Berinson	Hon E.J. Charlton	Hon Tom Helm	Hon Doug Wenn
Hon J.M. Brown	Hon Graham Edwards	Hon Mark Nevill	Hon Fred McKenzie
Hon T.G. Butler	Hon John Halden	Hon S.M. Piantadosi	(Teller)
Hon J.N. Caldwell	Hon Kay Hallahan	Hon Tom Stephens	

Noes (11)

Hon Max Evans	Hon P.H. Lockyer	Hon P.G. Pental	Hon D.J. Wordsworth
Hon Barry House	Hon G.E. Masters	Hon W.N. Stretch	Hon Margaret McAleer
Hon A.A. Lewis	Hon N.F. Moore	Hon John Williams	(Teller)

Pairs

Ayes	Noes
Hon B.L. Jones	Hon C.J. Bell
Hon D.K. Dans	Hon Neil Oliver
Hon Garry Kelly	Hon H.W. Gayfer
Hon Robert Hetherington	Hon Tom McNeil

Amendment thus passed.

Motion - as Amended

HON A.A. LEWIS (Lower Central) [12.01 am]: I did not have the opportunity to answer the comments made by the Leader of the House and, in case my ability as chairman of certain committees is in any doubt, I advise him that as a committee we understood certain things would happen which did not happen. I accept the ruling of the House on the amendment, but the suggestion made by the Leader of the House that these sorts of things should be looked into before the committee sits warrants some comments. In future I ask the House to please not tie down committees too much or the effect on its Select Committees may not be that which is sought.

For the information of the Leader of the House, I do know what is in the transcript and I would have thought all that was needed to ensure confidentiality was the deletion of two lines. That is my opinion, but that of the Clerks and the Leader of the House may be different. When the statement referred to was made, I asked the witness whether or not he would like that information made public.

Question (motion, as amended) put and passed.

ADJOURNMENT OF THE HOUSE - SPECIAL

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

That the House at its rising adjourn until 10.30 am today (Wednesday).

ADJOURNMENT OF THE HOUSE - ORDINARY

HON J.M. BERINSON (North Central Metropolitan - Leader of the House) [12.04 am]: I move -

That the House do now adjourn.

Adjournment Debate - Tree Trust

HON A.A. LEWIS (Lower Central) [12.05 am]: It seems mighty queer that I put a question on the Notice Paper on 29 March regarding the State Government's Tree Trust, and received an answer today stating that I will be replied to in writing in due course, yet Hon W.N. Stretch gave notice of questions without notice this morning or yesterday on the same subject and received an answer today. I hope the Leader of the House will contact the Minister concerned and make sure that the reply in writing is sent to me before 21 May, because after that date I will no longer be a member and in that event he may not feel obliged to reply to my question.

Adjournment Debate - South West Development Authority

HON BARRY HOUSE (South West) [12.06 am]: I want to clarify a couple of points in relation to the many comments made about the South West Development Authority and its 1987-88 annual report. A couple of matters have arisen since I first voiced concern over operational and accounting aspects of the South West Development Authority. The original concerns were raised after the tabling last Tuesday of the Auditor General's interim report which stated that he was unable to complete his audit of that financial statement within the required three months of receiving it. These concerns were expressed because the Minister had admitted publicly that there were problems with the preparation of the annual report and possible cost overruns. In addition, the previous annual report for 1986-87 was not tabled until August 1988 - 10 months late - and the present situation seemed to continue that trend.

In view of the Government's new-found commitment to accountability, which I welcome provided there is substance to back up the rhetoric, I thought it would welcome the opportunity to explain this situation more fully. My initial queries seemed to provoke a flurry of activity within the Minister's office and the 1987-88 annual report was tabled the following day, Wednesday. The Government was so keen to head off any comment that the media received a Press release announcing the tabling of that report approximately three hours before it was tabled in this House and in another place. I understand there were some red faces associated with that situation. The annual report invited further questions and I was anxious to have those answered while the Parliament was still in session. I posed questions relating to the failure of the annual report to carry the handwritten signature of the Auditor General, which was highly unusual, and the reasons for the qualification of the report for the second year by the Auditor General which related to private borrowings by the South West Development Authority, loan arrangements involving Bunbury City Transit, the sale of the old Bunbury marshalling yards for \$3.5 million, miscellaneous projects totals, details of the sale of motor vehicles, the accumulated deficit of \$997 636, and the legal status of the enlarged board of management of the South West Development Authority.

These questions were given to the office of the Minister for South-West last Friday to obtain some answers via the Minister for Sport and Recreation in this Chamber during question time today. This strategy is often used by members seeking information. I adopted it to obtain answers before the Parliament rises this session, bearing in mind that it will not sit again until mid August or later. In view of the many words spoken on accountability in this Parliament and in the community since the election, I was surprised and disappointed that my questions failed to attract an answer earlier today in question time. The Government has clearly failed its first test on accountability.

It seems that the Minister for South-West is content to resort to personal attacks via the media on the member for Warren, Mr Omodei, and me in an attempt to lay at the feet of someone else the blame for his failure to introduce legislation to legitimise the expansion of the board of the South West Development Authority from three to seven.

Several members interjected.

The PRESIDENT: Order!

Hon BARRY HOUSE: It is clearly his responsibility and the legislation could have, and should have, been introduced during this session of Parliament.

Hon Mark Nevill: Would you have supported it?

Hon BARRY HOUSE: If the honourable member listens he will hear that the Liberal Party's policy on the south west, which was introduced in July last year, clearly states -

Hon Doug Wenn: You have been on this matter all the time since you got in - "Do away with it."

The PRESIDENT: Order!

Hon BARRY HOUSE: Our policy clearly states that we would expand the board to include regional representation from outside Bunbury; therefore, it is a fair assumption that we would have supported the legislation if it were introduced. I make it clear that we have the highest possible regard for the individuals working on the board and within the authority. I share their ambition for sensible development of the south west. I reiterate that our concerns are about the sloppy organisation and accounting procedures of the South West Development Authority which are clearly the Government's responsibility. To blame two Opposition members for the reduction in the number of board members from seven to three is absolutely absurd.

Question put and passed.

House adjourned at 12.12 am (Wednesday)

QUESTIONS ON NOTICE

ROTTNEST ISLAND - PHOTOGRAPHERS

Sanctions - Regulations

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

- (1) Will the Minister indicate those Statutes or regulations which, like previous regulation 54 under the Rottnest Island Authority Act, make any demands of or impose sanctions against the news media, or commercial photographers, that they either seek permission to take photographs or make requests for payment of a premium for such a privilege?
- (2) Are there any guidelines and/or regulations in place, or in a draft form, which require news media or other photographers to avoid taking pictures of objects or scenes which may put the department, the agency, or the Government in a bad light?

Hon GRAHAM EDWARDS replied:

See answer to question 5.

FORESTRY - TREE TRUST

Future

30. Hon A.A. LEWIS to the Minister for Racing and Gaming representing the Minister for Conservation and Land Management:

With regard to the Federal Government's environmental guidelines and the failure of the Tasmanian pulp mill to get off the ground -

- (1) What is the future of the WA Tree Trust?
- (2) If the Government intends to continue with the Tree Trust, how does the Department of Conservation and Land Management intend to comply with the Burt commission's accountability suggestions?
- (3) Is the produce to be used for woodchip export only?
- (4) Is it intended to grow only eucalypts under the trust or is it intended to grow pines as well?
- (5) What staff and/or labour is it intended will be contributed from CALM resources?
- (6) What is the estimated cost to CALM of the resources mentioned in (5)?
- (7) Is it intended that another woodchip export licence will be applied for on behalf of the Tree Trust?

Hon GRAHAM EDWARDS replied:

The member will be replied to in writing in due course.

NESTER PTY LTD - GOVERNMENT CONTRACTS

Kingair Aircraft - Flying Hours

48. Hon G.E. MASTERS to the Minister for Racing and Gaming representing the Minister for Police and Emergency Services:

- (1) How many hours on a weekly basis has the Kingair aircraft which is under contract to the Government flown on Government business since the contract between the Government and Nester Pty Ltd was entered into?
- (2) What is the monthly amount payable to the company for provision of services?
- (3) What is the hourly charge for the aircraft over and above the fixed monthly fee?

Hon GRAHAM EDWARDS replied:

The member will be replied to in writing in due course

GOVERNMENT DEPARTMENTS - MOORA OFFICES

Status

74. Hon MARGARET McALEER to the Leader of the House representing the Premier:

- (1) What is the status - that is, regional or other - of each of the following departmental establishments in Moora -
 - (a) WA Water Authority;
 - (b) Department for Community Services;
 - (c) Moora office of the Bush Fires Board;
 - (d) Homeswest;
 - (e) Community Health;
 - (f) Department of Conservation and Land Management; and
 - (g) Moora office of the Ministry of Education?
- (2) What are the boundaries of the regions which they serve or in which they are located?
- (3) What are the staff numbers in each office?
- (4) What additional facilities, besides staff accommodations, are required by any of the offices?
- (5) How many Government Employees Housing Authority houses are provided to accommodate the staff of each of these offices?

Hon J.M. BERINSON replied:

- (1)
 - (a) District office;
 - (b) district office;
 - (c) regional office;
 - (d) branch office under Merredin regional office;
 - (e) subbranch office of the Northam community health centre;
 - (f) regional office; and
 - (g) district office.
- (2)
 - (a) Water Authority - Shires of Dandaragan, Moora, Victoria Plains, Chittering, and Gingin;
 - (b) Community Services - Shires of Dandaragan, Moora, Victoria Plains, Wongan Hills, and Ballidu;
 - (c) Bush Fires Board - Shires of Coorow, Dandaragan, Moora, Gingin, Koorda, Victoria Plains, Chittering, Wongan Hills, Ballidu, Dalwallinu, Mt Marshall, and Mukinbudin;
 - (d) Homeswest - an area approximately bordered by Toodyay in the south to Buntine in the north and from Lancelin in the west to Wongan Hills in the east;
 - (e) Community Health - see map.
[See paper No 184.]
 - (f) Conservation and Land Management - Shires of Carnamah, Coorow, Dandaragan, Gingin (part), Irwin, Moora, Three Springs, and Victoria Plains; and
 - (g) Education - an area bordered by Gingin in the south to Wubin in the north and from Lancelin in the west to Koorda in the east.

- (3)
 - (a) Water Authority - three;
 - (b) Community Services - three full time, four part time;
 - (c) Bush Fires Board - two;
 - (d) Homeswest - two;
 - (e) Community Health - five;
 - (f) Conservation and Land Management - three full time, one part time; and
 - (g) Education - eight.
- (4)
 - (a) Water Authority - nil;
 - (b) Community Services - nil;
 - (c) Bush Fires Board - an alternative office is being sought, and two houses are required;
 - (d) Homeswest - nil;
 - (e) Community Health - nil;
 - (f) Conservation and Land Management - nil; and
 - (g) Education - increased staff accommodation within Moora. A resource centre and seminar area are regarded as desirable.
- (5)
 - (a) Water Authority - two;
 - (b) Community Services - two;
 - (c) Bush Fires Board - nil;
 - (d) Homeswest - one;
 - (e) Community Health - nil;
 - (f) Conservation and Land Management - two. These houses were previously departmental houses; however, they are in the process of being transferred to GEHA; and
 - (g) Education - one house is reserved for the district superintendent. Other staff have access to GEHA accommodation on the same basis as teachers. Three district office staff are currently in GEHA accommodation.

STATE FINANCE - BUDGET ALLOCATIONS

West Australian Ballet Co Inc - Western Australian Opera Co Inc

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

- (1) Will the Minister list all State Government funds which have been allocated in the past 10 years to -
 - (a) the WA Ballet Company;
 - (b) the WA Opera Company;
 - (c) the Fremantle Arts Centre Press; and
 - (d) the Festival of Perth?
- (2) Will he specify which amounts have been for -
 - (a) salaries; and
 - (b) productions or publications.

Hon J.M. BERINSON replied:

The member will be advised in writing in due course.

GOVERNMENT EMPLOYEES - DEPARTMENTAL HEADS

Extra Positions - Payments

107. Hon A.A. LEWIS to the Leader of the House representing the Premier:

With the revelation of the Western Australian Development Corporation's payments to Mr Horgan -

- (1) Do other heads of department in the State Government get paid for extra positions they hold because of their position as the head of a department?
- (2) If so, who are the officers and what is the remuneration paid in each case?

Hon J.M. BERINSON replied:

- (1) Chief executive officers of departments are not paid for ex officio positions as these are considered part of the normal duties of officers at this level.
- (2) Not applicable.

POLICE - SHARK BAY

Police Station and Residence Construction

110. Hon G.E. MASTERS to the Minister for Racing and Gaming representing the Minister for Police and Emergency Services:

- (1) Is it intended to construct a new police station and police residence at Shark Bay and, if so, have the plans been completed?
- (2) Where are the new police station and police resident to be located?
- (3) Have funds been set aside in the past for this project and, if so, why did the project not proceed?
- (4) When is it expected that the police station and new residence will be commenced?

Hon GRAHAM EDWARDS replied:

The member will be replied to in writing in due course.

AIDS - ADVERTISEMENT

"X-Press" Magazine - AIDS Council's Esteem Express Workshops

111. Hon P.G. PENDAL to the Minister for Local Government representing the Minister for Health:

I refer to an advertisement that appeared in the "X-Press" magazine on 6 April 1989 regarding the Western Australian AIDS Council's "The Esteem Express Workshops and Sessions" and ask -

- (1) Was this advertisement inserted in the magazine by the AIDS Council?
- (2) If so, was the advertisement paid for by the council?
- (3) If (2) is yes, what is the rationale for holding such workshops?
- (4) How do these workshops fit into the role of the AIDS Council?
- (5) Is the council wholly or partially funded by the Government?
- (6) Is it correct that constituent concern of the content of these advertisements is less an emphasis on the AIDS campaign and more an invitation to anal sex?

Hon KAY HALLAHAN replied:

The WA AIDS Council is part funded by Commonwealth-State cost shared funds on the basis of criteria and conditions established by the Commonwealth. The AIDS Council is an independent organisation and the State Government has no direct management input to or responsibility for it. These questions should therefore be directed to the WA AIDS Council. I am

also concerned at the content of this advertisement, and will take this into account in consideration of both funding allocations and conditions for such allocations in the coming year.

FIRE BRIGADE - ADMINISTRATION REVIEW

Committee Members - Meetings

118. Hon G.E. MASTERS to the Minister for Racing and Gaming representing the Minister for Police and Emergency Services:

In February 1987, the Minister announced a review of the WA Fire Brigade administration.

- (1) Will the Minister advise on the members who were appointed to the Fire Brigade committee and the number of times that this committee has met since its incorporation?
- (2) What conclusions has the committee reached?
- (3) What is the current status of the committee that was set up to investigate changes to Fire Brigade funding?

Hon GRAHAM EDWARDS replied:

The member will be replied to in writing in due course.

STATE PLANNING COMMISSION - BROWN STREET 151-153, EAST PERTH

Property Purchase

119. Hon G.E. MASTERS to the Leader of the House representing the Minister for Planning:

- (1) Did the Metropolitan Region Planning Authority or the State Planning Commission acquire or resume the property at 151-153 Brown Street, East Perth and, if so, will she advise -
 - (a) when the property was acquired;
 - (b) the purchase price; and
 - (c) the purpose for which the property was acquired?
- (2) Is the original purpose for acquiring this property still valid or have circumstances changed whereby the Government may consider disposing of this property?
- (3) If yes to (2), will she provide particulars of the method of disposal and likely disposal date?

Hon J.M. BERINSON replied:

- (1) Yes.
 - (a) 13 February 1975 by way of contract of sale;
 - (b) \$110 450; and
 - (c) City Inner Ring Road - now City Northern Bypass Road.

(2)-(3)

The land is still reserved under the metropolitan region scheme for city northern bypass.

BUSH FIRES BOARD OFFICE - NORTH BOYANUP ROAD

Entertainment Area - Construction

121. Hon BARRY HOUSE to the Minister for Racing and Gaming representing the Minister for Police and Emergency Services:

- (1) Is an entertainment area being built at the Bush Fires Board office situated in North Boyanup Road?
- (2) If so, is the BMA building this entertainment area?
- (3) Where are the funds from this building coming from?

Hon GRAHAM EDWARDS replied:

- (1) There is no "entertainment" area being built at BFB, Bunbury. The structure is a 4m x 9m pergola of which 4m x 4m is to be covered with Malcenite - fibreglass - sheeting and 5m x 4m with shade cloth. Flooring - brick paving.
- (2) The BMA is calling tenders for the pergola.
- (3) Consolidated Revenue Fund - minor works program.

LLOYD, MR TONY - EDWARDS, MR KEVIN

Government Contracts

122. Hon P.G. PENDAL to the Leader of the House representing the Premier:

- (1) Have Messrs Lloyd and Edwards, since leaving the Government's employment, been awarded contracts with Government departments/agencies?
- (2) If so, will the Premier give full details?

Hon J.M. BERINSON replied:

- (1) Not to my knowledge.
- (2) Not applicable.

POLICE - MADDINGTON

New Complex

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

- (1) Is a new police complex proposed for Maddington?
- (2) If so, where will this complex be located?
- (3) When is it expected the complex will be completed?
- (4) How many police officers is it proposed will be located at the complex?

Hon GRAHAM EDWARDS replied:

- (1) Yes.
- (2) Lot 40, Antfield Street, Maddington.
- (3) The Maddington complex is listed in capital works proposals. A completion date is not known and will depend on available funding.
- (4) Staff allocation will be the subject of a review of area needs when funding has been approved for construction of the complex.

MOTOR VEHICLES - GOVERNMENT

Registration Number 60G 568 - Government Agency

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

- (1) To which Government agency is vehicle registration number 60G 568 allocated?
- (2) To what use is that vehicle put within that agency?

Hon GRAHAM EDWARDS replied:

- (1) This vehicle is not registered in the name of a Government agency.
- (2) Not applicable.

CRIME - SOUTH PERTH

Vehicle Thefts - House Break-ins

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

- (1) What number of vehicle thefts have been reported in the suburb of South Perth in each of the last three years, including the current financial year?

- (2) What number of house break-ins have been reported in the suburb of South Perth in each of the last three years, including the current financial year?

Hon GRAHAM EDWARDS replied:

- (1) 1985-86 - 112
1986-87 - 180
1987-88 - 166
1988-89 (to 16 April) - 154

Motor vehicle theft statistics are maintained in an independent data base. The search has to be conducted by post code 6151 which includes South Perth/Kensington.

- (2) 1985-86 - 268
1986-87 - 287
1987-88 - 238
1988-89 (to 12 April) - 95

House break figures are for the suburb of South Perth only.

EDUCATION - GEOGRAPHY

"New Wave Geography, Parts 1 and 2" - Government Schools

126. Hon N.F. MOORE to the Minister for Local Government representing the Minister for Education:

- (1) Are the publications "New Wave Geography, Parts 1 and 2", edited by R. Stowell and L. Bentley, in use in West Australian Government schools?
- (2) If so, is the Minister satisfied that the contents of the books reflect a view of geography consistent with the geography courses taught in Government schools?
- (3) If not, is it intended that the publications will be used in Government schools and, if so, when?

Hon KAY HALLAHAN replied:

- (1) Since these are commercial publications, stocked by large commercial book distributors, they may have been purchased by individual schools. However, they are not on any ministry-developed list of recommended resources for social studies or geography courses in Government schools.
- (2) The fact that they have not been considered for inclusion on the resource lists in the SEA syllabus manuals for year 11 or year 12 geography indicates that they do not reflect the emphasis of these courses.
- (3) There is no intention that these books will be placed on any ministry-written reference list in the future.

QUESTIONS WITHOUT NOTICE

ROTHWELLS LTD - COLLAPSE

Secret Report - Newspaper Articles

84. Hon G.E. MASTERS to the Attorney General:

- (1) Has the Attorney General seen the reports in the newspapers, both national and State, dealing with supposed details of the secret report into the collapse of Rothwells?
- (2) Are the reported comments correct?
- (3) If so, where mention is made of a Cabinet Minister and a Government bureaucrat being involved in certain aspects of the Rothwells collapse, would he be prepared, now that the report is public, to name those two people?

Hon J.M. BERINSON replied:

(1)-(3)

I have seen the reports but, although this may surprise Hon Gordon Masters, I have not read them. I have an indication of what is there; it is just that the pressure of the day has prevented me from reading all of them.

Could I say, preliminary to any further comment, that the report of the National Companies and Securities Commission, despite part of its apparently having been leaked - and I think no-one would suggest that today's report is just a fabrication - remains a confidential document and one that is subject to redrafting, for very good reasons.

Hon G.E. Masters: I can imagine.

Hon J.M. BERINSON: Those reasons have previously persuaded seven of the eight Attorneys General in Australia that the document should be redrafted, and that is currently under way. I am not prepared, pending the presentation of the eventual document, to engage in speculation about what is or is not in it. If the member wishes to be more specific in the question that he is asking, and he may be able to do so without reference to that report, I am happy to consider it.

PRISONS - CASUARINA PRISON
Psychiatric Wing - Phrase Name, Concern

85. Hon JOHN WILLIAMS to the Minister for Corrective Services:

It has been reported that when the new Casuarina Prison is opened there will be a wing for a certain category of prisoner. Would the Minister ensure that that wing is nominated as "the psychiatric wing" and not given that stupid phrase that lies around in legislation and the media, "for the criminally insane"? A person is either insane or he is not; the criminality or religiousness of it does not enter into the matter. Would the Minister please ensure that it is not called "the wing for the criminally insane"?

Hon J.M. BERINSON replied:

All of the material that has so far come to me in the course of planning the prison does in fact refer to that facility as "the psychiatric wing" and I expect that to continue. In any event, I will take the member's comment on board to ensure that that is the case.

Hon John Williams: Thank you.

WESTERN COLLIERIES LTD - ACCOUNT WITHDRAWAL

86. Hon P.G. PENDAL to the Attorney General:

- (1) Does he recall my reference in the debate of a week ago that a \$6 million withdrawal was made from the Western Collieries Ltd account on 27 October without the knowledge of Western Collieries and that such a withdrawal occurred after an R & I Bank manager at Collie refused to permit such an unprecedented action?
- (2) Has he at any time instituted a Corporate Affairs Department inquiry into the circumstances of this withdrawal, which was possibly made at the request of a Government officer?
- (3) If not, is he aware that this \$6 million raid on a private company's account is now the subject of a report in today's issue of *The Age*?
- (4) Is he aware that a senior Government Minister, Hon Julian Grill, is named as the person who was approached to clinch the deal?
- (5) Will he say why no action was taken by him or by the Corporate Affairs Department when this matter was first raised by me five and a half months ago?

Hon J.M. BERINSON replied:

(1)-(5)

I do remember the honourable member's raising this question last week. I think I said then that it was not a matter that I could recall as having previously come to my attention. If he says that he raised it five months ago I am prepared to accept it, but I did not recall it then and I do not recall it now.

Hon P.G. PENDAL: It was raised then.

Hon J.M. BERINSON: I have not taken any action since last week on the basis of the honourable member's questions and I am not aware of any report in today's paper dealing with that question. Again, I have to say that simply may be because I have not read all of the reports.

O'CONNOR, MR RORY - ABORIGINAL SITES

Interim Report

87. Hon P.G. PENDAL to the Leader of the House representing the Premier:

Notice of this question has been given.

- (1) Is he or the State Government aware of the existence of a report by a Mr Rory O'Connor entitled "The Interim Report on Aboriginal Areas of Significance in the Perth and Murray River Regions"?
- (2) Was this report commissioned by the State or Federal Government?
- (3) When was it completed and submitted to Government?
- (4) Has it ever been released; and if not, why not?
- (5) Why has it not been given to the State public library system?
- (6) Does the report contain, amongst other things, a map of such sites identified as 1/40 which has been lodged with the sites department of either the Western Australian Museum or a Federal department or body?
- (7) Does this map and the report identify all or part of the Swan Brewery site, including the proposed car park, as being a site of significance?
- (8) If so, why in the three years since this report has been in the Government's hands has it permitted work on the site to proceed?
- (9) Does his refusal to intervene, given the contents of this report, indicate a complete contempt for the sacred beliefs of Aboriginal people?
- (10) Does not his action in failing to release the report put him completely at odds with his commitment to the cause of Aboriginal sites shown during the Noonkanbah dispute?
- (11) Will he arrange for the immediate tabling of the report and the accompanying map?
- (12) Does Mr R. O'Connor work with or for a Government department or agency; and if so, which one?

Hon J.M. BERINSON replied:

I am advised as follows -

- (1) A report entitled "Preliminary Report on the Survey of Aboriginal areas of significance in the Perth Metropolitan and Murray River Regions" was prepared in 1985 by an anthropologist, Mr Rory O'Connor, and two Aboriginal people, Mr Corrie Bodney and Mrs Lorna Little.
- (2) The report was not commissioned by either the State or the Federal Government. The report was commissioned by the Centre for Prehistory at the University of Western Australia on behalf of the Department of Aboriginal Sites, Western Australian Museum under a grant from the Australian Heritage Commission.

- (3) The report was completed in July 1985 and lodged with the Museum at that time. The report was not forwarded to the State Government; it is an internal working document and such documents are not automatically forwarded to the State Government.
- (4) See (3).
- (5) It is not the usual practice to provide internal working documents to the State Library.
- (6) The report contains a map of sites, including site No 40.
- (7) Site No 40 is identified in the report as extending from the Swan River shoreline across "level ground now occupied by barbecue facilities adjacent to and to the West of the spring, and by the now abandoned Swan Brewery Stables". However, that description is qualified by the statement that "in view of the great changes that have taken place in this area its accuracy cannot be guaranteed". It is also identified as "the old camping ground" which, in terms of section 5 of the Aboriginal Heritage Act, would not necessarily cause it to be considered a site of significance. The report makes no mention of the Wagyl in relation to this site.
- (8) During the construction planning phase, negotiations took place between Mr Ken Colbung, representing the Aboriginal community, and LandCorp, which was in charge of the construction. These discussions produced a proposal which would not interfere with any areas of possible Aboriginal significance and the development proceeded. Several months after work had commenced Mr Robert Bropho objected to the work taking place, despite having previously indicated in a letter to the Museum that the area for which he speaks does not include the brewery site.
- (9) Clearly not.
- (10) See (3).
- (11) Given that the report is an internal working document that has not been forwarded to the Government, it is not proposed that it be tabled.
- (12) Mr O'Connor is an independent anthropological consultant who has from time to time undertaken consultancy work for Government bodies, including the Museum.

ABORIGINAL HERITAGE ACT - NOONKANBAH STATION

Sacred Land - Urgency Motion

88. Hon P.G. PENDAL to the Leader of the House representing the Premier:

- (1) Does the Premier remember as a backbencher in the upper House in 1980 moving an urgency motion condemning the then Government over its refusal to register as a protected area within the meaning of the Aboriginal Heritage Act land at Noonkanbah Station, which was considered sacred to Aborigines?
- (2) Can he say what difference he sees between the Noonkanbah land, which Aborigines consider sacred, and the Swan Brewery land, which Aborigines also consider sacred?
- (3) Does he recall condemning the then Government for allegedly ignoring a memorandum of 8 June 1979 by the Director of the WA Museum in which it was explicitly stated that the site was significant?
- (4) In view of this, can the Premier say why today, nine years after his urgency motion, he and his Government have refused to act on the advice of a noted anthropologist, Rory O'Connor, whose interim report lists the Swan Brewery site as being significant to Aborigines?
- (5) Does he recall saying that the Government should sack its Museum trustees and anthropologists if it were not prepared to heed their advice?

- (6) Does the Premier intend taking any action against the trustees or anthropologists in the case of the brewery site?
- (7) Does he recall saying that the then Government's actions were attracting international attention and that the whole world was witnessing the tragic racist behaviour of the then Government?
- (8) Does he not concede that precisely the same criticism can be, and is being, levelled at his own Government in remarkably similar circumstances?

Hon J.M. BERINSON replied:

(1)-(8)

I acknowledge that there has been some notice given of this question, but I have been unable to obtain a reply in the time available. I ask the honourable member to place the question on notice.

ABORIGINAL AFFAIRS - CLONTARF
Aboriginal Community - Lease Negotiations

89. Hon P.G. PENDAL to the Minister for Lands representing Minister for Aboriginal Affairs:

- (1) Has the Government entered into negotiations with the owners of Clontarf with a view to this property being made available to the Aboriginal community?
- (2) If so, will the Minister give details?

Hon KAY HALLAHAN replied:

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

SWAN BREWERY SITE - GROUND FLOOR LEVEL
Flood Level - Elevation

90. Hon P.G. PENDAL to the Leader of the House representing Minister for Planning:

- (1) Is it correct that funds are to be spent raising the ground floor level of the old Swan Brewery building to place it above flood level?
- (2) If so, how much has been allocated to this task?
- (3) Can the Leader of the House also confirm that proposals to allow the Swan River Trust, or the Waterways Commission, to use the old brewery building as its headquarters are being considered?
- (4) If so, can the Leader of the House give details?

Hon J.M. BERINSON replied:

- (1) Yes.
- (2) Approximately \$40 000.
- (3)-(4)

Yes. The options for the office space available to be let are now being explored.

ABORIGINAL AFFAIRS - O'CONNOR, MR RORY
Sacred Sites Report - Release Restriction

91. Hon P.G. PENDAL to the Minister for Lands representing the Minister for Aboriginal Affairs:

- (1) Is the Minister correctly reported as saying that it is not usual to release reports such as that prepared by Mr Rory O'Connor, which purportedly lists sites in Western Australia of significance to Aborigines?
- (2) When did such a practice commence?
- (3) If such a report is to be kept secret, how are other Western Australians to know that such sites are significant and thereby avoid them?

- (4) Was the decision not to release this report taken on the advice of the Director of the Museum, its trustees or any other recognised Government body or agency?
- (5) If not, on whose advice has the report been suppressed?
- (6) Does the Minister not agree that the suppression of this report runs counter to the Government's professed desire to be open and accountable for all its actions?

Hon KAY HALLAHAN replied:

- (1) Yes.
- (2) This has always been the practice of the Western Australian Museum.
- (3) People wishing to avoid sites can seek advice from the Department of Aboriginal Sites.
- (4) This report and other reports are not released as a matter of policy.
- (5) The report has not been suppressed.
- (6) No.

SWAN BREWERY SITE - ABORIGINAL PROTESTERS

Removal

92. Hon E.J. CHARLTON to the Leader of the House:

Has the Government any plans to ensure the removal of people occupying land opposite the old Swan Brewery?

Hon J.M. BERINSON replied:

I have to say that there are no such plans within my own departments, but they are not really relevant to them. I am sorry I cannot answer for other Ministers; I do not know.

SWAN BREWERY SITE - FUTURE DEVELOPMENT

Reappraisal

93. Hon E.J. CHARLTON to the Leader of the House:

In relation to the same subject, has the Government come to any decisions about reappraising the future development of the old brewery?

Hon J.M. BERINSON replied:

Again I have to say that this project comes within the portfolio of the Minister for Planning and I am not in a position to answer a question without notice on it. If the honourable member cares to put it on notice, I will ensure that an answer is provided.

**ROTHWELLS LTD - NATIONAL COMPANIES AND SECURITIES COMMISSION
REPORT**

Inquiry - Corporate Affairs Employees

94. Hon MAX EVANS to the Minister for Budget Management:

I refer to the report on Rothwells, which mentions that the National Companies and Securities Commission was investigating Rothwells as far back as March 1987.

- (1) Was the investigation by the NCSC in Western Australia carried out by staff of the Corporate Affairs Department, or did the NCSC use its own staff?
- (2) If the Corporate Affairs Department was used, was the Minister made aware of the fact that an investigation was going on?

Hon J.M. BERINSON replied:

(1)-(2)

I have previously explained to the House that the NCSC sometimes engages in investigations directly and on other occasions acts through the Corporate

Affairs Department. Whatever was the position in early 1987, I can only say at this point that I cannot recall any discussions of that matter; I am really being asked to go back two years and into an area where a great many matters are discussed, so I would not want to be too definitive about it. I can say I have no recollection of any such discussions.

ROTHWELLS LTD - RESCUE

Second Proposal

95. Hon MAX EVANS to the Minister for Budget Management:

In *The Age* of 18 April, the lead article reads in part as follows -

In October 1988, there was a \$75 million proposal for a second rescue of Rothwells involving the Western Australian Labor Government, the Bond group and the Sydney-based Spedley group . . .

Was the Minister for Budget Management aware of that \$75 million rescue, and was he consulted on that matter?

Hon J.M. BERINSON replied:

I was not involved in any discussions on that matter. I think it is a matter of public record that a number of proposals were considered around that time and that the Premier eventually determined that there should be no further support by the State. I really cannot go beyond what is on the record.

ROTHWELLS LTD - RESCUE

Second Proposal

96. Hon MAX EVANS to the Minister for Budget Management:

I was actually talking about a specific proposal, in which the Government's lawyers were involved. They specifically went to the Eastern States to put together a proposal for \$75 million. Was the Minister for Budget Management aware of that? If the Minister says he was not, I will accept his answer.

Hon J.M. BERINSON replied:

Could I elaborate by saying that somewhere along the line I became generally aware that proposals were being considered which would require the Government to participate with others if a further rescue package were to be put together. My earlier question was really directed to pointing out that in any formulation of those possibilities it was not with my involvement.

ROTHWELLS LTD - RESCUE

Second Proposal - Yuill, Mr Brian

97. Hon MAX EVANS to the Leader of the House:

The article says that the proposal was backed by the Government and included Brian Yuill, the chief executive officer of the Spedley group. Is the Minister relieved that Mr Yuill was not representing Rothwells at this stage?

The PRESIDENT: Do members have any further questions?

ROTHWELLS LTD - RESCUE

Budget Committee Meeting - Leader of the House, Attendance

98. Hon MAX EVANS to the Leader of the House:

In the summary of the story on the Rothwells rescue in October 1987, it was mentioned that the Budget Committee met to discuss Rothwells. Did the discussions involve the Leader of the House or Treasury persons on the Sunday night? The book I refer to is *Burkie*.

Hon J.M. Berinson: Would the member please repeat the question?

Hon MAX EVANS: When the story came out about the Rothwells rescue, and mention was made that Wardleys was involved, at the time of the Budget Committee meeting to discuss certain proposals was the Leader of the House involved in those discussions on the Sunday night?

Hon J.M. BERINSON replied:

I did not memorise the book *Burkie* so I am not exactly sure about -

Hon P.G. Pental: That is understandable.

Hon A.A. Lewis: It would be a highlight in his life.

Hon P.G. Pental: A low point.

Hon J.M. BERINSON: - the detail referred to. Again I am invited to remember the relatively small detail - and I am only talking about the timing of this, obviously not my presence - of something that happened a long time ago. My memory is that the meeting in which I was involved was during the afternoon and reference to a night meeting, I think, does not match my recollection of my participation.

ROTHWELLS LTD - NATIONAL COMPANIES AND SECURITIES COMMISSION REPORT

Legal Charges - Sufficient Funds

99. Hon MAX EVANS to the Leader of the House:

Regarding the investigation into the National Companies and Securities Commission report, can the Leader of the House assure us that sufficient funds will be made available to Corporate Affairs and Crown Law to carry some of the legal charges to ensure that everyone who should be brought to justice is brought to justice?

Hon J.M. BERINSON replied:

Absolutely. As further action proceeds, I think it will emerge that no special investigation in Australia has had the support of both the facilities and manpower which we have provided in this case.

SOUTH WEST DEVELOPMENT AUTHORITY - ANNUAL REPORT 1987-88

Auditor General's Report - Signature

100. Hon BARRY HOUSE to the Minister for Sport and Recreation representing the Minister for South-West:

- (1) Why is the report of the Auditor General in the annual report for the South West Development Authority 1987-1988 not signed with the Auditor General's handwritten signature?
- (2) What were the extent of private borrowings detailed in the 1987-1988 report?
- (3) Where were the private borrowings made from?
- (4) Where were the private borrowings extended?
- (5) What are the arrangements in respect of the loan to Bunbury City Transit?
- (6) What are the interest repayments on this loan?
- (7) What are the total loan repayments?
- (8) On what date was the property known as "the old Bunbury marshalling yards" sold to Rampant Holdings or one of the Tilli companies?
- (9) When did the South West Development Authority receive payment for the property of \$3.5 million?
- (10) If the \$3.5 million cost was not paid at the date of the sale was interest paid on this money?
- (11) If so, how much and at what rate of interest?
- (12) Has the \$3.5 million from the sale of the property been paid to the Consolidated Revenue Fund?
- (13) If so, on what date was it paid?
- (14) Was any interest paid to the Consolidated Revenue Fund on the \$3.5 million?

- (15) What was the breakdown of the distribution of funds grouped under the miscellaneous projects total?
- (16) Could the Minister advise details of the sale of motor vehicles as indicated in the annual report; that is, to whom were the vehicles sold?
- (17) Is the Minister aware that the SWDA overspent by \$738 753 in 1987-1988 for an accumulated deficit of \$997 636?
- (18) Is the current board of management of seven members of the SWDA operating illegally given that the legislation says under section 5(1): The Authority shall have a board of management comprising a chairman, a deputy chairman, and one other member?
- (19) If so, when will legislation be introduced to correct the anomaly?

Hon GRAHAM EDWARDS replied:

(1)-(19)

I thank the member for prior notice of the question. Since the question involves lengthy and detailed information, the answer will be provided in writing directly to the member.

Hon Barry House: So much for accountability.

FOOTBALL COMMISSION - INQUIRY

Completion

101. Hon E.J. CHARLTON to the Minister for Sport and Recreation:

Can the Minister advise the House whether the inquiry by the football commission is any closer to finality, particularly in view of the events which took place in Sydney on Sunday?

Hon GRAHAM EDWARDS replied:

No, I cannot provide that information.

WESTERN COLLIERIES LTD - ACCOUNT WITHDRAWAL

Corporate Affairs Department - Inquiry

102. Hon P.G. PENDAL to the Attorney General:

My question is supplementary to that which I asked earlier in which I mentioned Mr Grill's reference in today's *The Age* in Melbourne.

- (1) Will the Minister ask the Corporate Affairs Department if it commenced an inquiry into allegations surrounding the \$6 million withdrawal at the time those allegations were raised?
- (2) If the Corporate Affairs Department did not begin such an inquiry, will the Minister discover why it failed to do so?

Hon J.M. BERINSON replied:

(1)-(2)

I am prepared to make that inquiry but I should remind the House of my general position in relation to investigations; that is, that unless they lead to something by way of action or official report, I do not comment on them.

GREAT SOUTHERN DEVELOPMENT AUTHORITY - DIRECTOR APPOINTMENT

Vacancy

103. Hon BARRY HOUSE to the Minister for Racing and Gaming representing the Minister for Regional Development :

- (1) Is the substantive position of Director of the Great Southern Development Authority still vacant?
- (2) Have applications been called to fill the vacancy?
- (3) When do applications close?
- (4) Is it a fact that Mr Rick Grounds, who is currently an adviser to the Premier, has been promised the job, even before the closure of applications?

Hon GRAHAM EDWARDS replied:

- (1) Yes.
- (2) Yes. The position has been widely advertised, including in a national newspaper.
- (3) 5.00 pm on Thursday, 20 April 1989.
- (4) No. As I said in my answer to (2), the position has been widely advertised. The filling of the position will be handled by the Department of Executive Personnel in accordance with established Public Service procedures.

ROTHWELLS LTD - LIQUIDATION

Connell, Mr Laurie - Personal Effects

104. Hon D.J. WORDSWORTH to the Leader of the House:

In view of the National Companies and Securities Commission report, could the Minister inform the House what action is being taken to ensure that the proceeds of the sale in Melbourne of the works of art owned by Mr Connell - and the silver and other household effects which went to Great Britain to be sold - go towards the liquidation of Rothwells and not privately towards Mr Connell?

Hon J.M. BERINSON replied:

That question assumes a number of conclusions which I think are undesirable at this stage. In any event, I have no role in any such matter. That is the function of our various regulatory authorities.

ROTHWELLS LTD - LIQUIDATION

Personal Effects - Funds Direction

105. Hon D.J. WORDSWORTH to the Leader of the House:

Whose role is it to ensure that such funds are directed in the right manner and kept within the overall moneys available for liquidation of that company?

Hon J.M. BERINSON replied:

I prefaced my earlier answer by saying that the honourable member was making certain assumptions. One of the assumptions he appears to be making is that the property being sold is the property of the company in liquidation. I am not in a position to comment on that. I do not know whether it is or is not. It is not helpful to get into areas where that is not known and, frankly, I cannot be expected to know.

ROTHWELLS LTD - LIQUIDATION

Connell, Mr Laurie - Personal Effects

106. Hon D.J. WORDSWORTH to the Leader of the House:

I have asked these questions because the Minister announced to this House that in negotiations with Mr Connell the Government received his assurance that his personal wealth would go towards covering any debts found on winding up the companies.

Hon J.M. BERINSON replied:

The honourable member is referring to undertakings given by Mr Connell in October 1987. Those undertakings were to be met at that time in cash. Therefore, they do not appear to have any direct relationship to the questions which the member has been asking.

WESTERN COLLIERIES LTD - ACCOUNT WITHDRAWAL

Grill, Hon Julian - Inquiry

107. Hon P.G. PENDAL to the Attorney General:

My question is supplementary to a previous question relating to the \$6 million withdrawal and the alleged connection with Hon Julian Grill: If his inquiries meet the conditions he outlined a few minutes ago, will he report the outcome of his inquiries to the House tomorrow?

Hon J.M. BERINSON replied:

At this stage I cannot go beyond saying that I will make the inquiries. It is on a matter I know nothing at all about. I similarly have no indication as to whether an answer would be immediately available. I have said I will make an inquiry and that is what I will do.

ROTHWELLS LTD - LIQUIDATION

Connell, Mr Laurie - Personal Effects Guarantee

108. Hon D.J. WORDSWORTH to the Leader of the House:

The Minister claimed that the guarantee given to the State by Mr Connell concerning his personal effects - house and whatever - was to cover \$75 million loaned to Rothwells by the Government. It is now reported that the \$75 million was then borrowed from Rothwells by Mr Connell and probably amounted to well over \$100 million. Surely the responsibility is still there?

The PRESIDENT: Order! The honourable member should know better than most members that the question is out of order. Members cannot make statements during question time.

Hon D.J. Wordsworth: The question is still there.

The PRESIDENT: The question may still be there, but the member did not ask it.

ROTHWELLS LTD - RESCUE

Sunday Afternoon Meeting - Attendance

109. Hon MAX EVANS to the Attorney General:

For the very first time we have received an acknowledgment from the Minister that he was involved in the Rothwells rescue on that weekend.

Hon J.M. Berinson: It is not the first time at all.

Hon MAX EVANS: Who was at the meeting on that Sunday afternoon and what was decided?

Hon J.M. BERINSON replied:

It would be most undesirable to get into that sort of discussion precisely at a time when, on the one hand, we are waiting on a report from the National Companies and Securities Commission to be published and, on the other hand, we have a special investigator only recently appointed to consider all matters related to the Rothwells collapse.

ROTHWELLS LTD - COLLAPSE

Special Investigator - Powers

110. Hon MAX EVANS to the Attorney General:

Do the powers of the special investigator allow him to investigate the decisions made by the Government on that Sunday?

Hon J.M. BERINSON replied:

The terms of reference of the special investigator have been published in *Hansard*. I believe he has an open reference to consider all matters going to the Rothwells failure.

FORESTRY - WOODCHIPPING

Native Forests - Phase Out

111. Hon W.N. STRETCH to the Minister for Racing and Gaming:

- (1) In the light of conflicting statements before the State election by the Premier and the then Minister for Conservation and Land Management, does the Government intend to phase out woodchipping of native forests before the year 2000 or after the year 2000?
- (2) (a) How many trees does the Government intend to plant to combat the Greenhouse Effect;

- (b) how much land is involved in this proposal;
- (c) what is the location of this land; and
- (d) what effect will these plantings have on agricultural production?

Hon GRAHAM EDWARDS replied:

I thank the member for advance notice of this question.

- (1) The Government intends to commence phasing out woodchipping from old growth native forest in the year 2000.
- (2) (a) One hundred and five million trees to be planted by the Tree Trust in the high rainfall parts of the south west for commercial purposes. One hundred million trees in the wheatbelt on a non commercial basis;
- (b) the Tree Trust will plant 105 000 hectares by sharefarming agreements with farmers. The non commercial planting will be spread widely over the wheatbelt and it is not practicable to state the amount of land;
- (c) answered by 2(a); and
- (d) it could reduce agriculture production in the short term, but will increase it in the long term by reducing erosion and salinity.

SWIMMING POOLS - LOCAL AUTHORITIES

Building Location - Subsidies

112. Hon D.J. WORDSWORTH to the Minister for Budget Management:

Would he outline to the House the rationale of a local authority building a swimming pool on its own land receiving a subsidy, but if building it on Crown land not receiving one?

Hon J.M. BERINSON replied:

I am not sure which department grants swimming pool subsidies, but I do not believe they are part of the miscellaneous division of the Budget, which would be the only possible category which would involve my having this sort of information. I suggest to the honourable member that he puts that question on notice if he wishes to pursue it further.

SWIMMING POOLS - NEWDEGATE

Under Treasurer - Responsibility

113. Hon D.J. WORDSWORTH to the Minister for Budget Management:

I remind the Minister that he did write to the great southern ward about the Newdegate swimming pool and the Under Treasurer has said that he is responsible for it. I only presume that the Under Treasurer is right.

The PRESIDENT: Order! Hon David Wordsworth is doing the same thing again. An honourable member is not permitted to give that sort of information. The honourable member is on the side of the House where he is making inquiries, not giving information. That is the sort of thing he asks in a letter to the Minister.

LAND - CLEARING CONDITIONS

Agricultural and Reforestation Purposes

114. Hon W.N. STRETCH to the Minister for Racing and Gaming:

- (1) What are the current conditions which apply to the clearing of land for -
 - (a) agricultural purposes; and
 - (b) reforestation purposes?
- (2) Does the requirement for the retention of 20 per cent for flora and fauna still exist?

- (3) If yes, on what basis does this requirement exist?
- (4) Will the Government continue this imposition on farmers in the high rainfall areas of this State?
- (5) Why are there different standards for the Government compared with farmers?
- (6) Is there a requirement for the Government to seek permission from the Commissioner for Soil Conservation before clearing commences?
- (7) What are the ramifications of the imposition of a 20 per cent retention of land for native forest on blocks which are surveyed in their current size as viable agricultural units?

Hon GRAHAM EDWARDS replied:

(1)-(7)

I thank the member for prior notice of this question and advise that the department will respond directly to the member in writing.

LAND - WESTRAIL

Disposal Responsibility - Land Administration Department

115. Hon W.N. STRETCH to the Minister for Lands:

Is the Minister's department responsible for the disposal of land previously used by Westrail?

Hon KAY HALLAHAN replied:

I will have to check on that question and I will advise the member in due course.

MAGISTRATE, RESIDENT - NARROGIN

Appointment

116. Hon A.A. LEWIS to the Leader of the House:

Is it envisaged that a resident magistrate will be appointed to Narrogin in the near future?

Hon J.M. BERINSON replied:

There is no current proposal to do so.

QUESTIONS WITHOUT NOTICE

Minister's Responsibility

The PRESIDENT: Before proceeding I have some comments to make with regard to questions without notice and a matter which appears to be escaping some members. It is a very complex question. I point out to honourable members that when they ask a question in this House of a Minister in this House in his capacity of representing a Minister in another place, they are not asking the question of the Minister in the other place, they are asking the question of the Minister in this place. When the answer is received, it is not the answer of a Minister in another place, it is the answer of the Minister in this place who takes the responsibility for that answer. I ruled some years ago that it was out of order to ask questions without notice of a Minister in this place in his capacity of having ministerial responsibility for the Minister in another place without giving prior notice, and it is quite obvious that the reason I did so was that members cannot expect the Minister in this place to have detailed information to hand with regard to the other Minister's responsibility. However, it is the responsibility of Ministers in this Chamber to get the information and when providing that information, they take responsibility for it.

The reason I raise this matter today is that some of the earlier questions were worded in such a way as to indicate that the questions were being directed to

the Minister in another place, and no member in this House has the right to ask a question of a member in another place. I suggest that honourable members be careful when writing out their questions. The question is quite properly to a Minister in this House and the answer is from a Minister in this House. I point that out, not because Ministers have transgressed today, but because a couple of questions seemed to imply that the members thought they were asking the questions of Ministers in another place, and they can not.
