

Legislative Council

Thursday, 3 December 1987

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

LOCAL COURTS AMENDMENT BILL (No 2)

Second Reading

Debate resumed from 26 November.

HON JOHN WILLIAMS (Metropolitan) [11.03 am]: The House need not take long over this simple Bill, which leaves the present set-up of the Small Debts Division of the Local Courts intact and with the same limit of \$1 000 placed on it. The Bill changes the name from Small Debts Division to Small Disputes Division. Some people seem to think that this Bill is synchronised with the Residential Tenancies Bill, but that is not the absolute case; however, I believe it is partially true.

The point to be remembered is that if the Residential Tenancies Bill should fail, either in the other place or here -- and who knows the fate of any Bill? -- the Small Disputes Division will still come into operation. This is a worthwhile adjustment to the Local Courts, rather than setting up another tribunal which, as members know, I oppose because it would be another quango.

It is an observation rather than a criticism when I say that perhaps the limit of \$1 000 could have been extended to \$2 000 or \$3 000 so that many small disputes could be dealt with more quickly by this division. It could be that litigants could agree to take disputes to the Small Disputes Division rather than engaging in the sort of litigation that takes place when amounts involved are over the \$1 000 limit.

Hon J.M. Berinson: I think that figure is \$2 000 or \$3 000.

Hon JOHN WILLIAMS: My note shows \$1 000, but perhaps I have the wrong figure.

Hon J.M. Berinson: Perhaps that is a figure in my head rather than what appears in the regulations.

Hon JOHN WILLIAMS: I am sure that the Attorney General will clarify the situation, if not when replying to the second reading then at a later stage. The Opposition welcomes the provisions of this Bill and it may be that perhaps, in the fullness of time, it may be possible to expand this division to stop expensive litigation in relation to what can only be described nowadays as small debts; that is, amounts up to \$10 000.

The Opposition supports the Bill.

Question put and passed.

Bill read a second time

In Committee, etc

Bill passed through Committee without debate, reported without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon J.M. Berinson (Attorney General), and passed.

SILICON (PICKTON) AGREEMENT BILL

Second Reading

Debate resumed from 1 December.

HON J.M. BERINSON (North Central Metropolitan -- Leader of the House) [11.11 am]: I thank members who contributed to this debate, and I will take the opportunity to reply to the various detailed questions which were asked by Hon Sandy Lewis.

The honourable member asked in the first place whether it was the company's first choice to

site the plant at Picton. Members will recall that that question was in the context of a background where earlier plans had suggested that the plant would be built at Wundowie. I am advised that the sudden death of Sir Garrick Agnew precipitated a re-evaluation of the financial position of Agnew Clough and resulted in the sale of the silicon project to Barrack Mines Pty Ltd. Barrack Mines then conducted a study to combine the charcoal and silicon plants and re-evaluated the site for the combined plants. Picton was chosen by the company because of the proximity of a large city, and the fact that it was an area already earmarked for industrial use and had a more secure long-term power supply. I can also refer the honourable member to a comment by the responsible Minister on the same subject in which he advised the Legislative Assembly that the company had in fact informed him -- that is, the Minister -- that if the State Government insisted on the plant's being built at Wundowie the project would not proceed.

Mr Lewis also wondered whether the figures had been calculated over the 20-year period referred to in the second reading introduction or over the 42-year period which includes the extension period. In this respect I am advised that the project has an expected initial life span of 20 years. The agreement is due to expire on 31 December 2010 but may be extended for a further 21 years should the parties so wish.

Mr Lewis' third question related to the firewood figure of 124 000 tonnes, and his interest was in respect of the Government's comment that it could get sufficient firewood-quality timber based on the period of the contract. He asked whether that also was based on the 20-year or the 42-year period. The answer to that question is that the project will indeed require around 124 000 tonnes of firewood-quality timber per year. The Government's comment as to the adequacy of the resource is based on a period of 20 years, this being made up of 15 years with a right of extension of a further five years. If the company seeks an extension beyond that 20-year period or wishes to expand the capacity of the silicon plant, CALM will investigate its capacity to supply further quantities of firewood within the limits of good forest management.

I was also asked by Mr Lewis whether there would be a CALM inspector on site. In this respect I am advised a private timber haulage contractor will be contracting via CALM and will be under CALM's direct control; that is, CALM will be responsible for the supply of firewood-quality timber at the gate. Neither the haulage contractor nor the company would be involved in the selection of the firewood at its source.

A further question by Mr Lewis related to the amount of traffic to be provided to the railway system. He asked in particular how much of the 60 000 tonnes referred to is usable material and how much is backfill. The answer in this respect is that 60 000 tonnes of quartzite will be transported by rail from Moora to the Picton plant site each year.

Hon A.A. Lewis: You are learning about it.

Hon J.M. BERINSON: And I must say it is very instructive.

Hon A.A. Lewis: I am sure it is.

Hon J.M. BERINSON: The sixth question was: What is the capacity of the bore field and what will be its effect on the users of underground water? In response to that, I am advised that the company, in its public environmental report released last Monday, has indicated that two bores will be required to meet its expected demand of 3 600 cubic metres per day, which is well within the maximum safe extraction rate. The maximum safe extraction rate has been estimated in a 1968 preliminary hydrologic report as being 56 250 cubic metres per square kilometre per year. The relatively small ground water requirement is not expected to have any impact on other users of underground water.

Finally, Mr Lewis asked whether the need for 45 megawatts of power creates a need for a new power station at Collie. The position is that the contract between the company and the State Energy Commission for the supply of power will be based on interruptability of supply. In practical terms, the supply of power to the project will have no significant impact on the SECWA planning programme.

It will be obvious from the detailed and technical nature of some of these matters that it was necessary to adjourn our earlier considerations so that that advice could be collated, and I trust it meets the various points of concern advanced by the honourable member.

I commend the Bill to the House.

Question put and passed.

Bill read a second time.

In Committee

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

Clauses 1 to 3 put and passed.

Clause 4: Agreement ratified and implementation authorized --

Hon W.N. STRETCH: I raise a small point in relation to the definition of silicon on page 4 of the Bill. It also mentions the use of alternative reductants which are used in the process, and as well as charcoal there are listed coke and coal which are said to be suitable reductants. As a representative of the Collie coalfields area, I want to know what research has been done into this and what likelihood there is of coal being used as an alternative reductant in the event of suitable timber becoming unavailable or scarce. Perhaps I should have raised this matter in the second reading speech so that the Leader of the House could make some inquiries.

Hon J.M. BERINSON: I have this small problem that not only am I unable specifically to answer this question, but I do not really know what a reductant is. I am happy to undertake to have the member advised direct as to the position in relation to the prospects of those two materials.

Clause put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

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

ACTS AMENDMENT (BUILDING SOCIETIES AND CREDIT UNIONS) BILL

Returned

Bill returned from the Assembly with amendments.

STATE FORESTS: PARTIAL REVOCATION OF DEDICATION

Motion to Concur

Message from the Assembly requesting concurrence in the following resolution now considered --

That the proposal for the partial revocation of State forest Nos 41, 43, 55 and 59 by command of His Excellency the Governor laid on the Table of the Legislative Assembly on the Twenty Ninth day of October 1987 be carried out.

In Committee

The Deputy Chairman of Committees (Hon Robert Hetherington) in the Chair.

Hon KAY HALLAHAN: I move --

That the Legislative Council concur with the resolution passed by the Legislative Assembly.

It gives me pleasure to speak to this proposal. Earlier this year when the draft regional management plans for the three forest regions of the Department of Conservation and Land Management were released, the Minister for Conservation and Land Management announced that he hoped to initiate action in this parliamentary session to create a new national park in the karri forest. This motion is the first step in that process. The draft regional management plan for CALM's southern forest region included the proposal that the management priority

areas of Wattle, Johnston, O'Donnell, Mitchell, Crossing, Soho, and Mt Frankland in State forest Nos 41, 43, 55 and 59 become national park. The area is situated north of Walpole, is about 32 110 hectares in size, and extends generally in a south easterly direction for about 40 kilometres from its western boundary on the South West Highway. The area is an obvious choice for national park status. It includes some of the State's finest virgin karri forest as well as jarrah-marri open forest, jarrah open woodland, banksia and casuarina tall open scrubland, yellow tingle, and the rare Rate's tingle. Although Rate's tingle is represented in the Walpole-Nornalup National Park further to the south, the stand in the Soho block is the world's major occurrence of the species. Stands of the spectacular red flowering gum also occur in the proposed park. Landscape features of the area include the large outcrops of granite scattered through it, and impressive landmarks such as Mt Frankland, Mt Johnston, Mt Mitchell, and Granite Peak. The section of the Frankland River which flows through the area contains deep pools and some rapids, making it ideal for canoeing as well as other water-based activities.

Diversity of vegetation and landscape is a feature of many national parks. However, the diversity encountered in this proposed park is undoubtedly one of the most fascinating in the south west. The karri forest in Wattle block which adjoins the South West Highway is arguably the finest stand of karri in the region and is admired by the hundreds of thousands of tourists who travel that section of road.

The area's outstanding conservation and recreation values have been recognised for many years, with the majority of the area having been managed for its flora, fauna, and landscape values. The former forests department selected these areas and set them aside as conservation and recreation reserves in the mid-1970s. Even before then very popular recreation sites had been developed in several places along the Frankland River and at Mt Frankland. A popular walk trail has been constructed around the base of Mr Frankland. An additional feature is the linkage this new park will provide, via the Shannon National Park, from the coast to the hinterland -- a continuous conservation and recreation reserve across the southern forest.

I make it clear that since the decision taken in the mid-1970s to set aside these areas as conservation and recreation reserves, no commercial timber production has been conducted on them at all. The areas are not proposed for timber production in the Department of Conservation and Land Management's draft regional management plans and do not form part of the State's timber inventory. The further enhancement of the area by conferring on it national park status is a natural progression which will have no effect whatsoever on the State's timber industry or on employment within that industry. I am sure that all sectors of the community will endorse this initiative as a positive move to further enhance Western Australia's national parks system.

Hon A.A. LEWIS: The Opposition agrees with this decision. The Shannon River Basin has not been added to this revocation, although it was meant to be part of the one major system. One wonders whether the Government has its act together when these partial revocations come into this place one after the other. Perhaps the Government in its haste forgot this area. A recommendation of a Select Committee of this House was that a Joint Standing Committee of both Houses should be set up to look into these matters so that when these revocations are suggested agreement is reached on every aspect.

The Minister made the point that no commercial timber shall be taken from these areas. However, trees do age and become unsafe, creating a danger to vehicles travelling through the area -- whether a tourist bus or family car. Therefore, some trees in our national parks should be felled in the near future. National parks are for the people -- apart from the wilderness areas kept aside for scientific reasons -- and the safety of the people should be protected. The Minister and the Department of Conservation and Land Management should take this aspect into consideration before placing a complete ban on timber production in national parks. When trees are felled in national parks they should be used.

I support the motion.

Hon E.J. CHARLTON: The National Party agrees with this proposal. However, the Government should not continue to bring in partial revocations of State forests. We believe the need exists for a total ongoing plan so that members will be aware of planned activities over a 12-month period. I hope the Government will take on board those comments.

Hon W.N. STRETCH: I support the motion. The park encompasses one of the major traffic routes from my home to the south coast and to the seaside town of Walpole.

Hon Kay Hallahan: You are very lucky.

Hon W.N. STRETCH: I am very lucky as it is one of the most beautiful drives in my electorate, heading south past Lake Muir through the karri outcrops and valleys.

My first concern with this motion relates to fire control in the area close to the south boundary. The area has a very bad record of wildfires -- some are caused by man, others start in the rugged granite outcrops where lightning often strikes in that sort of terrain. Huge reserves such as this can encompass some very difficult countryside in which to manage fire outbreaks. The area is beautiful and rugged, and contains large tracts of low heath lands which also make fire-chasing difficult. Vehicles may become bogged in deep sand or swampy spots which stay wet throughout the summer.

The Government should be aware of the rapidly increasing cost of controlling fires in national parks. In setting aside these areas, the Government should also take into account the cost of fire management and ensure safety precautions in the area are of sufficient standard to protect not only the people living in the area but also the people travelling through.

As Hon A.A. Lewis said, a blanket ban on the removal of all timber is short-sighted as these bans usually result in our having to revoke those decisions in later years. Sensible management and utilisation of these resources should take place on a rotational basis, or on whatever basis brings about good management.

The road running north from Walpole traversing this park is one which will come under increasing usage in the future, not only by the local member of Parliament; it will become a major traffic route to the north. As people become more aware of the rugged and varied beauty of the area, tourist traffic also will increase. The Manjimup Shire Council is responsible for the upgrading of the road which runs down the eastern boundary of the shire, creating difficulties in maintenance. Shires control all roads in their areas but naturally tend to favour the roads which lead into the centre to keep the majority of ratepayers happy. I trust that the Government will set aside funds for the continued upgrading of these roads as part of the management plan for the area. As I have said, the North Walpole Road traverses low swampy country where the roadbase is built up three or four feet in some places. The roadways will require building up over greater distances in the future, and gravel supplies are required to carry out these works. I have raised the difficulty faced by local shires in getting gravel out of national parks any times since the creation of the Department of CALM.

In the early stages of planning for these parks, the opportunity should be taken to set aside areas where shires can take out the necessary resources for road building. It is pointless setting aside an area 50 kilometres away and then expecting shires to cart gravel. The costs are immense and borne by the ratepayers. Safe and well-constructed roads will be an ever-rising cost in future and should be taken into account during early planning. I ask the Minister to bring to the attention of the Minister for Conservation Land Management the concerns of the shires in the timbered areas of this State. They should ensure that sufficient reserves are set aside adjacent to these major roads, which will need a great deal of work and money spent on them in the near future. I support the establishment of this park; I wish it well and I trust that it will be excellently managed. It is a beautiful area, the beauty of which all visitors to this very fine electorate of ours should be able to share.

Hon KAY HALLAHAN: I am glad we are in agreement about protecting this very valuable area. I will pass to the responsible Minister the comments made by members in this Chamber. I feel sure that he will advise members that an overall plan is available and perhaps arrangements can be made for that information to be given to members to allay some of the concerns expressed.

Question put and passed.

Report

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

STATE FORESTS: PARTIAL REVOCATION OF DEDICATION

Motion to Concur

Message from the Assembly requesting concurrence in the following resolution now considered --

That the proposal for the partial revocation of State forest Nos 15 and 26 by command of His Excellency the Governor laid on the Table of the Legislative Assembly on the Twenty Ninth day of October 1987 be carried out.

In Committee

The Deputy Chairman of Committees (Hon Robert Hetherington) in the Chair.

Hon KAY HALLAHAN: I move --

That the Legislative Council concur with the resolution passed by the Legislative Assembly.

This motion proposes the excision of two valuable conservation areas from State forest, for subsequent reservation as "A"-class conservation reserves vested in the National Parks and Nature Conservation Authority.

The first area is of about 2 340 hectares and is situated approximately 12 kilometres south west of Quindanning. It forms part of State forest No 15 and is designated as the Stene management priority area. In accordance with the general working plan of the former forests department, this area was set aside and managed for the purpose of conserving its flora, fauna, and landscape values. The area contains wandoo and jarrah forests in undulating land. A particularly significant feature of the vegetation is the occurrence of rock she-oak.

The second area is of about 4 900 hectares and is situated approximately 10 kilometres north east of Noggerup. It forms part of State forest No 26 and comprises most of the land within the Goonac management priority area. In accordance with the general working plan of the former forests department, the area was set aside and managed for the purpose of conserving its flora, fauna and landscape values. Its vegetation includes jarrah, marri, wandoo, banksia, swamp banksia and paperbark forests. A declared rare species, the tammar, is known to have existed in the area. The dense scrub land and the moister gullies provide an ideal habitat for the marsupial.

Both these areas were the subject of recommendations in the System 6 report. Furthermore, both are proposed for special reservation in the draft regional management plan for CALM's central forest region, issued earlier this year. They came within the same category as the Lane-Poole, Dale, Monadnocks, and Serpentine reserves excised from State forest in January this year and given "A"-class status under the Land Act. Parts of both areas come within the areas of mineral leases held by Worsley Alumina and Alcoa. However, agreement has been reached with the companies not to mine these areas. In this respect I acknowledge the State's appreciation of the companies' cooperation and also thank the Reserves Advisory Committee for its efforts to negotiate these two proposed reserves and the four previous reserves.

In view of the value of these areas as conservation reserves, and their history of sympathetic management, I commend to the Chamber this motion to excise these two areas from State forest and secure them as conservation reserves.

Hon A.A. LEWIS: The Opposition agrees with this revocation. It was extremely interesting to recall the previous time I asked questions about tammar; I was told the last one had been sighted in 1897. I then asked when the last survey of tammar had been carried out and was told that one had not been done recently. On 12 November I asked when the last numbers survey of tammar had been done, and I was told that approximately 15 years ago a forests department research officer had sighted and recorded the presence of a tammar in the area. He had also recovered the carcass of a tammar which had been struck by a car. One wonders whether that was the same tammar. The reply also stated that no formal survey to establish the number of tammar in the area had been undertaken.

The Minister's original Press release stated that this great glorious land would be kept for the tammar, and one wonders whether we are having our legs pulled. I know of no local person who has seen a tammar in the area, which I know pretty well; one gentleman of 70 said that

he remembered his father telling him that he had seen a tamar or two when he was a boy. Yet we are reserving this land for the tamar.

Hon Kay Hallahan: Quite clearly they are pretty rare and need a habitat.

Hon A.A. LEWIS: If the Minister went to Garden Island, the navy probably would tell her that they are not rare. I am sure the Minister has seen them in abundance in that area. I worry that the systems reports are being used as a bible.

Hon Kay Hallahan: It was just a reference to it, nothing biblical.

Hon A.A. LEWIS: The systems reports give a set of recommendations that should in each case be followed through to ascertain whether they are accurate and whether the flora or fauna existing on those blocks are as the system report states. In many cases the statements made are inaccurate, and with the amount of money available to carry out the survey, how can they be otherwise?

I have two final points to make: Firstly, again no negotiations have been held with the local authority and it is in the dark with all these recommendations. That is a great pity. If CALM wants to get the sort of esprit de corps that existed with the previous forests department, by not consulting local government it is going about it in the wrong way. It is a great shame that a particular person could not contact the shire and say, "We are thinking of doing this or that."

Finally, in this partial revocation of State forest No 26 and apportionment in State forest No 29 we have a land swap. Mr Steve Quain, the former Assistant Conservator of Forests, and then, I think, the Operations Manager of CALM, recommended on his last day in office that some pieces of land be swapped. That was over 12 months ago, because I walked over that land with Mr Quain when the recommendation was made. A letter was written by the landowner to CALM. It was a highly productive land exchange for the department and for the owner: It saved a lot of fencing; it squared off areas; and it was basically just commonsense. The Department of Conservation and Land Management wrote to the Water Authority, and the Water Authority replied on 30 April 1987 and said, "No, you cannot do that because it is in the Wellington catchment area." I do not know how the Water Authority has become the key manager of our land, but what hurts me --

Hon Kay Hallahan: Water?

Hon A.A. LEWIS: Who provides the water for the Water Authority if it is not CALM and the forests department? They manage the land, yet the Water Authority wrote to CALM and said, "We do not think you ought to have it." It is a disgrace. I grant that when I spoke to the Minister for Water Resources he said he would have something done about that. I have praised that gentleman in this place before.

Hon Kay Hallahan: Let us praise him again.

Hon A.A. LEWIS: I will praise him as long as he does his job. As I said, the Water Authority wrote to CALM on 30 April. I rang CALM when these plans were tabled, and received a letter from CALM on 6 November. That was the first I had heard of it because I thought the land swap was going ahead, so I did not interfere any more. Mr Harley had not heard at all about it. If that is the way we are going to administer and run our departments, it is shocking. Mr Quain's recommendation about the land swap was unequivocal, yet the matter was mucked around by so-called experts and there were no replies to either the member -- and I do not matter very much because I am only the little man in between.

Hon Kay Hallahan: I think you are very important.

Hon A.A. LEWIS: Hon Fred McKenzie will remember from the days of Select Committees and Honorary Royal Commissions that both of those bodies have made the point time and time again that before we declare an area a national park, we should get the boundaries as near to perfect as we can so that we can go straight ahead and not bring little bits of revocation to Parliament year by year.

Hon Fred McKenzie: I am right on side with what you are saying. I think the Water Authority needs a good shake-up. The Water Authority was mentioned in this Chamber in respect of another matter -- not paying its accounts. I agree with you that it does have a good Minister.

Hon A.A. LEWIS: It is not as though this subject is new to members. The Opposition agrees with the revocation, and I hope the Minister can pass my comments on to her colleague in the other place and that in future we will get better service.

Hon KAY HALLAHAN: It is good that, in spite of some concern by the honourable member about the events associated with this partial revocation, it will be passed. I will draw to the attention of the Minister the honourable member's expressions of concern and attempts to effectively represent his constituent. I am pleased to support this very important motion.

Question put and passed.

Report

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

FREMANTLE PORT AUTHORITY AMENDMENT BILL

Second Reading: Defeated

Debate resumed from 1 December.

HON G.E. MASTERS (West -- Leader of the Opposition) [11.57 am]: There is no way I would support this legislation. What the Minister and the Government are asking this Parliament to do is to perpetuate and endorse a system of labour employment, manipulation and control on our waterfront. This whole situation is shameful, and it could almost be termed a soap opera if it were not for the seriousness of the matter.

We have 35 men, give or take a few -- 35 is the official figure -- who can and often do use their industrial muscle to control and to devastate shipping on our waterfront. We have all seen the situation where at critical times -- and it is always at critical times -- ships are held at anchor outside the Port of Fremantle, waiting to get in, simply because of the operations of this small group of people. We are being asked to endorse 35 men who play the system and who are involved in one gigantic rort. We have already heard from Hon David Wordsworth about the total employment time of these men. As I understand it, they are employed for little more than 20 per cent of the time -- sometimes more, sometimes less.

Hon Garry Kelly: Why is that?

Hon E.J. Charlton: It is because of the cost.

Hon G.E. MASTERS: It is because of the cost of their operations, and because there is no need for them anyway. Most of the time only 20 per cent of those people are employed. The cost of funding the operation, apart from normal wages, is between \$300 000 and \$400 000 a year. There is an hourly levy to meet that cost. This operation is protected by an industrial award which allows every opportunity to manipulate and play that system.

Hon Kay Hallahan: That is not so. They have to work when the ships are there.

Hon G.E. MASTERS: Let me finish my speech. Hon Kay Hallahan will have the opportunity to answer --

Hon Kay Hallahan: I certainly will.

Hon G.E. MASTERS: I know, and the Minister must know very well, that there are other options, but the industrial muscle, if you like, is so great --

Hon Kay Hallahan: The good sense, if you like.

Hon G.E. MASTERS: The strength of the unions on the waterfront is so great that the Minister dances to a tune like a puppet on a string.

Hon Kay Hallahan: I wish somebody would pull my string more often.

Hon Garry Kelly interjected.

Hon G.E. MASTERS: The Minister knows as well as I do that there are options which would be far more efficient and more cost effective, and far better for labour employment and the State. I can understand Hon Garry Kelly having something to say; he is one of the members whose endorsement is controlled by those sorts of people. We should be looking

not at the ports that are going on, but at freeing the port and shipping system, bearing in mind that Australia has the worst reputation for waterside industrial disputes in the world.

Hon Kay Hallahan: That is rubbish.

Hon G.E. MASTERS: That is absolutely right. Two or three years ago, and it may still be the case, 40 per cent of the claims lodged against insurance companies for industrial stoppages in the world came from Australian ports. Insurance companies have, for a long time, loaded their policies because of the strong possibility -- indeed, the likelihood -- that there will be hold-ups in shipping in this country.

Hon Garry Kelly: The insurance companies --

Hon G.E. MASTERS: Hon Garry Kelly can tell me where I am wrong. That is the official figure.

Hon Kay Hallahan: You prove to me that you are right.

Hon G.E. MASTERS: There are new concepts in handling and controlling ports in Europe. In the United Kingdom, because of the difficulties on the waterfront and the bad industrial record, the Government of the day decided to privatise some ports; that is a word which the Labor Party is using nowadays. Privatisation has revolutionised shipping in the United Kingdom and Europe. A number of ports are handling a vast tonnage of goods and cargo at half the cost in half the time. They are generating activity, and the whole community gains as a result. One of the reasons why the coal strike in the United Kingdom foundered was that the dock workers refused to stop work and continued to handle cargo.

We ought to at least consider a trial period in one or two ports. Private enterprise should be allowed to control labour and get rid of the scandalous situation which we have now, with a very small number of painters and dockers being able, at the drop of a hat, to control our ports, stop our products being exported, and imports coming in.

Hon Garry Kelly: You are confused, Mr Masters.

Hon G.E. MASTERS: I am not. I will quote some figures in a moment. It is not surprising that Hon D. K. Dans supports this Bill; I would be surprised if he did not. He was quite right when he said I am biased; I am biased.

Hon Kay Hallahan: You sure are.

Hon G.E. MASTERS: I am biased against corruption --

Hon Garry Kelly: You are not.

Hon G.E. MASTERS: -- manipulation, extortion, and people who hold this nation to ransom. I am biased against people who damage our trade. There is no argument about that, and I have no fear about admitting it. I am also biased against the people who have given our ports the worst reputation in the world.

Hon Kay Hallahan: Eastern States companies are pulling your strings.

Hon G.E. MASTERS: I will not change my attitude. Hon D.K. Dans -- I am sorry he is not here -- has much to be blamed for. He was heavily involved in the waterfront for many years, and he knows what is going on. One can see from his speeches that he has changed, but in those early days he was as responsible as anyone else for some of the difficulties on the waterfront. He knows that as well as I do. He has got nothing to be proud of --

Hon Garry Kelly: What about employment --

Hon G.E. MASTERS: -- this Government has nothing to be proud of, and Hon Garry Kelly has nothing to be proud of, although I understand his allegiance.

We are being asked to support a Bill which encourages 35 men to make a laughing-stock of our industrial system. As I understand the figures quoted by Hon D.J. Wordsworth, which have not been disputed by members on the other side, those men are effectively working no more than seven or eight hours a week. If members have any doubt about the operation of the painters and dockers throughout Australia, I ask them to look at the Costigan report.

Hon Kay Hallahan: Western Australia was not in it.

Hon G.E. MASTERS: It was proved that criminal elements controlled painters and dockers in Australia, and those criminal elements had a terrible reputation for murder and extortion.

Hon Kay Hallahan: You really are extraordinary.

Hon Garry Kelly: Mr Masters, that union does not operate in this State. Don't you know that?

Hon G.E. MASTERS: Hon Garry Kelly should try to tell the Maritime Workers Union the difference between it and the painters and dockers.

The PRESIDENT: Order!

Hon G.E. MASTERS: I will base my comments on a report which I have, and perhaps that will encourage Government members to take my remarks more seriously. We know that the Maritime Workers Union advocates the tonnage levy system.

Hon Garry Kelly: It is now the Seamen's Union, Mr Masters.

Hon G.E. MASTERS: I do not mind what it is. We still return to the 35 painters and dockers. This proposition calls upon part of the shipping community, which has never had to pay a levy before, to contribute, by way of a tonnage rate, to the painters and dockers' labour -- to subsidise that labour for the time when it is not employed. Some of those people may never have used the painters and dockers, and will never want to. A bulk carrier coming in for the first time, with a big tonnage, may not be interested in the painters and dockers but will still be levied.

Hon Kay Hallahan interjected.

Hon G.E. MASTERS: I am saying, if the Minister would listen, that a bulk carrier with a heavy tonnage may come here once, it may not wish to come again, so why should that carrier be levied? It seems grossly unfair. What about a shipowner who is a regular caller here, and never uses painters and dockers? Why on earth should he have to pay a tonnage levy to help to keep these 35 people in their seven hours' work a week?

Hon Garry Kelly: Insurance policy.

Hon G.E. MASTERS: That is dead right. It is an insurance policy. Those ships are told that if they do not pay the tonnage levy they will not be unloaded, or get in or out of the port.

Hon P.G. Pendal: It is an extortion policy.

Hon G.E. MASTERS: That is dead right. It is a standover in the extreme. Hon Garry Kelly may think of it as being an insurance policy, but it is a different insurance policy from what other members and I understand to be an insurance policy. It is a policy which guarantees that if shipowners pay the money they will be dealt with; if they do not pay the money they have no hope at all. They have got Buckley's. That member represents these people and is endorsing the proposition before this House. It is no wonder that I, and people like me, resent and reject this legislation.

Hon Kay Hallahan: People like you, sure.

Hon G.E. MASTERS: Painters and dockers do not do anything which cannot be done by other people.

In general terms, the painters and dockers' work, which is done by threat of industrial action could easily be done by the crews of the ships. There is not one job that could not be done by the crews rather than by the painters and dockers. Shippers tell me that.

Hon Kay Hallahan: Shippers don't tell other people that.

Hon G.E. MASTERS: Shippers are very careful to whom they speak; if I quoted from a document containing the shippers' names, their ships would be lined up on the waterfront tomorrow and their cargo would be left to rot. They know that and the Minister knows that. It is a disgraceful situation, which has given our ports a terrible reputation. The shippers know that if they could get rid of the people we are discussing now -- and they are prepared to make redundancy payments because they know these people are not needed -- they would do so. What is the purpose of keeping people on who average only seven or eight hours' work a week?

The port authority itself has the means to employ casual labour at any time; here is no question about that. The Minister cannot tell me that if an arrangement were made and a contractor taken on, he could not meet the demands of the shipping at any time. He could do

it very easily because he would gear his operations to do it rather than let 35 men languish for 30 hours a week, at times doing nothing at all. I am talking about an average; some weeks they are busy, but other weeks they do virtually nothing.

Hon Kay Hallahan: It is very good of you to concede that.

Hon G.E. MASTERS: I am only going by what has been discussed in this House. Neither the Minister nor Hon Garry Kelly argued about the low level of work; Hon Garry Kelly simply said, "I agree with you, but they are needed in case something happens." Contractors could do it very easily and at half the price. I have a whole page of listed levies and charges to be paid by shippers when their ships come into the port. It is unbelievable; it goes on and on. I could table it if the Minister wishes. I am sure the Minister has a copy --

Hon Kay Hallahan: I should have.

Hon G.E. MASTERS: Is the Minister going to read it?

Hon Kay Hallahan: No, I do not think I will.

Hon G.E. MASTERS: I am sure the Minister will not do so because it will be a great embarrassment to her.

There was an article in *The Advertiser*, the Adelaide paper, dealing with extortion in the port there. The article gave details of some of the problems of the ports in this country. It referred to Adelaide, but nevertheless the problem exists across Australia. In this case, a charge of \$5 000 was levied against a shipowner for two hours' work by a group of workers. This took into account the overtime and the minimum number of people to be employed. It cost \$144 per hour for the shippers to get the work done; \$5 000 for two hours' work by a gang of men who were forced on shippers, despite being not needed.

I will give the House two or three examples of what else is happening on the waterfront. I have before me a document from the Association of Employers of Waterside Labour, dated 21 October and signed by Mr G.G. Schott, the general manager of operations. As a result of looking at this document I spoke to other people, and these statements are not those of Mr Schott but rather reflect the views of other people on the problems which exist. The document is headed, "Removal of Restrictions on Saturday Working". I wondered what that meant so I rang them up and was told that the unions will not now work on Saturday afternoons and evenings, but they will work after midnight. One thinks that is strange at first, until one works out that after midnight they are paid three times the normal rate. That is ridiculous.

Another part of the document is headed "Duration of Shifts". My informant explained that at the moment day and evening shifts work this way: There is a smoko of 15 minutes, two per shift; there is a meal break of 30 minutes, one per shift; and they receive walking time to and from the amenities building. Allowing for washing up time and completion of the shift, the actual times are smoko, 30 minutes; and meal times, 60 minutes; with the result that the actual working time in the shift averages five to five and a half hours. That is ridiculous, and it is no wonder that the ports are in difficulties.

Hon T.G. Butler: From where did you receive this information?

Hon G.E. MASTERS: The document I referred to was brought out by the Association of Employers of Waterside Labour. The document has a lot of headings on it so I rang up to get some more background because I could not understand it fully.

Hon Garry Kelly: Did you get some background from the union side as well?

Hon G.E. MASTERS: If the member wants to refute me, he should stand up and do so. He should stand up and tell me why there is no work on Saturday afternoon. He should give me a good reason for that. I know, and so does the member.

Another section of the document is headed "Replacements". When there is a gang, there needs to be a person on stand-by; he is called a "ghost man" and is used if one of the workers needs to go to the toilet or whatever. If one of these people is not put on the payroll, work constantly stops for all sorts of things like toilet breaks and band-aids. This is the sort of rot that goes on. This situation cannot be allowed to continue. Members of Parliament cannot be expected -- certainly on our side -- to condone the sort of operation I am talking about now. There is no way we can be asked to support a proposition which will impose a tonnage

levy on people who may never wish -- and would not if they could help it -- to employ painters and dockers. It would not be reasonable for us to support a proposition which allowed for the continued operation of these people at the port, if it could be avoided.

It could be avoided very easily by giving them a redundancy payment. I suggest that many of these men would like to be paid off; there would be a number who would not, but the 35 men who are down there are convenient for a certain purpose, which is to bring shipping to a stop when certain political parties want that to happen.

Hon E.J. Charlton: You would not have to give them redundancy payments; they all have two jobs.

Hon Kay Hallahan: You have two jobs. You farm and you have this job.

The DEPUTY PRESIDENT (Hon Robert Hetherington): Order! There are far too many interjections.

Hon G.E. MASTERS: It is not reasonable for the Government to ask us to condone the sort of activity involved in this legislation. It is not reasonable for the Government to expect us to support the continuation of this system. Those people should be made redundant; the work they do could easily be done with the greatest of ease by local people under a contract system. There would be fewer disputes; it would be far cheaper; shipping would be handled much more efficiently and quickly; and our reputation as a trading nation would be greatly improved.

I ask members to oppose the Bill.

HON W.N. STRETCH (Lower Central) [12.19 pm]: I have worked at most things in my life and I really thought I was beyond being surprised, but when I was confronted by the proposition put up in the second reading speech of this Bill, I honestly believe I have landed on another planet.

Australia, as we have consistently tried to tell this Government, is an exporting nation. We live, and we attained the standards of living we have, because of the efficiency and efforts of our exporting industries, primarily the farming and mining industries. We sell our products overseas and we are efficient producers because we work to get our products onto the market at the lowest possible cost. It may not have sunk in to the members of the Labor Government that when a nation is an exporting nation, it has to send its products overseas. It is a fairly simple fact but it does not seem to sink in. The only way to get our exports out is to sail them out by ship, fly them out by plane, or swim out with them strapped to our backs.

Hon Kay Hallahan: Give up thoughts about swimming out with them strapped to your back.

Hon J.M. Brown: Is that why we had a record wheat harvest? Did you swim out with it on your back?

Hon W.N. STRETCH: The fact is that exports have to go overseas by ship in the main.

Hon J.M. Brown: It was a record harvest.

Hon W.N. STRETCH: This is where Government members put their blinkers on and look no further. They suggest we stop because it was a record. Maybe it could have been 25 per cent higher if we were able to keep our costs down.

Hon E.J. Charlton: It costs \$7 a tonne more than it should.

Hon W.N. STRETCH: That is right. I have worked in an exporting industry for most of my life. We have to try to keep our costs down and increase our efficiency per man-hour worked and per dollar of capital invested. The painters and dockers have admitted that the normal utilisation of their labour is only 13 per cent to 17 per cent. In September, 98 per cent of the labour pool was unemployed. Yet those workers were maintaining a minimum wage of \$359 a week, according to last Thursday's *Daily News*.

Hon E.J. Charlton: Not bad!

Hon W.N. STRETCH: Hon Eric Charlton has said consistently that they have other jobs, but I do not know about that.

Hon Kay Hallahan: You would not be opposed to that, with your other interests, would you?

Hon W.N. STRETCH: I do not know what that has to do with this matter. I guess the

Minister will tell me later. I do not know as much about the waterfront as Hon Garry Kelly does. However, I do know a bit about exporting, running a business, and keeping costs down. I also know that any industry that operates with only a two per cent utilisation of its work force will fail.

The DEPUTY PRESIDENT (Hon Robert Hetherington): Order! There is too much cross-Chamber conversation. Hon W.N. Stretch seems to be making an adequate speech and needs no help.

Hon W.N. STRETCH: Thank you, Mr Deputy President. No other business with which I have been associated can operate with a two per cent utilisation rate of the work force as happened on the waterfront in September. I do not believe it could operate with a 13 per cent utilisation rate of the work force, or even, as Hon Gordon Masters said, with a 20 per cent utilisation rate.

Hon Garry Kelly: That is what this Bill is trying to address — increased utilisation.

Hon W.N. STRETCH: I will get to that. I have heard the two or three speeches Hon Garry Kelly has made since he has been here, and the 20 million interjections.

Hon Garry Kelly: People are so thick they can't get the import of what I am trying to say.

The DEPUTY PRESIDENT: Order! I suggest that the member speak to me and ignore the interjection.

Hon W.N. STRETCH: Thank you, Mr Deputy President, I will. I fully support Hon Garry Kelly's right to put forward a point of view on what happens in Fremantle because it is his electorate. It is a pity that he does it in such a disorderly fashion. I hope that what he says is for the edification and information of the House.

The painters and dockers' work record on the waterfront is abysmal. I accept, what Hon Jim Brown said, that the wheat harvest this year may have been a record. The record of the workers on this waterfront may also be the best in the world. If that is the case, God help the rest of the world if they cannot get better than a two per cent or 22 per cent work utilisation rate. I know of no industry in the private sector that operates under this system and survives.

Earlier, Hon Garry Kelly asked whether we thought the shipowners were lilywhite. I have lived long enough to know that very few people in this world are lilywhite. I accept that shipowners may be slightly tinged as I believe painters and dockers may be tinged. Some people may be tinged with other colours of the spectrum. However, I am debating this matter on a business basis. The facts are simple: If all of those people are employed at the rate these figures indicate, there are two alternatives available to the Government. The first is to either reduce the numbers of the pool --

Hon Garry Kelly: Which the Minister is doing.

Hon W.N. STRETCH: Which the Minister has suggested should be done, but he has done nothing in this Bill. He has given an indication that he will look at it and might do something about it. The pool should be reduced but he is not prepared to say to the workers, "Fellows, there is not enough work for you."

Hon Kay Hallahan: They should be there; everybody seems to agree.

Hon W.N. STRETCH: The pool should not be there. When the Minister makes another speech I look forward to hearing her tell us the last time the entire pool was fully employed. I want to know for how many days it was fully employed.

Hon Kay Hallahan: Put your questions on notice.

Hon W.N. STRETCH: The Minister is handling the matter and she should have the answers. This matter has been around the House for four or five days, and was dealt with previously by the Legislative Assembly.

Hon E.J. Charlton: I think it will sink.

Hon W.N. STRETCH: I think it might, too; it deserves to, because it is a bad proposition.

Hon T.G. Butler: Don't you take any notice of Mr Charlton's interjections.

Hon W.N. STRETCH: Mr Charlton knows about this matter because he has worked in business. Most of this work force on the Fremantle waterfront which is idle most of the time

is unable to be paid because there is no money in the cooperative pool. A levy was introduced on ships to pay them. I will get to that later. Government members are confusing the issue, and I am doing my best not to allow them to confuse me.

Hon S.M. Piantadosi: What about the rust buckets they work on?

Hon W.N. STRETCH: I will talk about that later. I do not think that the rust buckets have anything to do with this argument.

Hon S.M. Piantadosi: Of course they do. We are talking about conditions.

Hon W.N. STRETCH: I suspect that if there are rust buckets, the pool would be fully employed. If it is as bad as the member says it is, contract steam-cleaning businesses would have to be employed to help out the workers at the waterfront.

Hon E.J. Charlton: I think you should take them harvesting oats.

Hon W.N. STRETCH: Yes, a handful of Avon oats in the appropriate piece of clothing would certainly stop their interjections.

Hon G.E. Masters: They do not know what you are talking about.

Hon W.N. STRETCH: Oats are the stuff that underline our standard of living.

Hon Kay Hallahan: I would not claim too much, if I were you. Say "part of the standard of living". Be a little modest.

Hon W.N. STRETCH: I think we will have to leave what maintains our standard of living to another speech. Let me get back to the Bill before the House.

As I said, there are two alternatives: reduce the work force or find a way to pay it. The Government is not prepared to reduce the work force because it has too many mates on the waterfront. It should not come into this place with these measures and attempt to tell us that this is a better alternative, and that alternative is to spread the load over more ships. The only rational businesslike approach is to scrap the whole outfit and allow those men to work on a contract basis on a user-needs-user-pays basis. A ship comes into the port, as I understand it, and needs some work done, so painters and dockers are employed to do it. They take it on at an hourly rate; but that is only the start. The hourly rate is then built up by a figure well in excess of 100 per cent; I think it is about 120 per cent. It is certainly higher than the hourly rate. It then becomes, in effect, the hourly rate.

Hon Garry Kelly: The total charge-out rate.

Hon W.N. STRETCH: The total charge-out rate is virtually double the hourly rate. It is misleading to talk about the Fremantle hourly rate on the waterfront being the cheapest in Australia, because the hourly rate is totally outside the argument. The hourly rate is only the initial basis which somebody has talked about. It is nowhere near the actual amount. I accept that we look after our mates, and that is why it was put in. Hon Garry Kelly is about to make his 101st interjection.

Hon Garry Kelly: That is the reason, because the charge-out rate is prohibitively expensive.

Hon W.N. STRETCH: Spot on! The charge-out rate is too dear. The charge-out rate is made up of the hourly rate which is applicable to nothing. It has absolutely no relevance to the debate. The charge-out rate is too high, because it is the hourly rate plus in the vicinity of 120 per cent. In other words it is a bit over double the hourly rate. The shipowners, who are having their battles too, have trouble keeping their businesses going. We know how competitive transport is generally. The shipowners say that the hourly rate at Fremantle is too high, so they will not employ painters and dockers to do the work.

Hon Garry Kelly: They are not employing them.

Hon W.N. STRETCH: That is right; they are not employing them. Earlier, in defence of his electorate, Hon Garry Kelly said the shipowners are not lilywhite. Whether they are lilywhite or not, they have the right to make the decision whether the Fremantle repair or cleaning rates are too high for them to afford, or whether they will put up with them and either get it done by these people at an exorbitant rate, or get a contract cleaning service in.

Hon Garry Kelly: I said that in the context of Mr Masters' extravagant claims about the activities of painters and dockers around Australia, not in respect of this charge.

Hon W.N. STRETCH: I am not talking about other unions; I am talking about the Bill in front of us which refers to the Fremantle Port Authority. The argument in Fremantle stands on its own merits. I do not know enough about the activities of the painters and dockers in the other States and the comparison with Adelaide, but this does not detract from or add to the argument on Fremantle. I do not mind what they do overseas or elsewhere; whether they are guilty of murder and all sorts of other horrendous crimes does not affect this Bill. This Bill should fail because it totally denies commonsense business principles. It is as simple as that.

Getting back to how the charge-out rate is arrived at, shippers decide they cannot afford to use this pool of labour -- it is too expensive -- so they make other arrangements. That is their right. It does not mean they are not lilywhite; it is just a business decision. That is every businessman's right. Hon Garry Kelly can go to the supermarket and decide a product is too dear, he will not buy it. That is his right. In the same way shipowners have the right to say a service is too dear, they will not make use of it. Now we have the amazing proposition in this Bill, which says, "We accept the charge-out rate is too high, we will spread it over more shippers." In other words, we are to subsidise the service, not through the ships which use the service, not through those ships which come in to have their holds cleaned or whatever service they may require, but those which, on a historical basis, have shown a need for this service.

From experience of running my own business, if I had had previous experience of coming to Fremantle and finding it too dear, I would make alternative arrangements. I would have my ship cleaned in a different port, or cleaned by my own people at sea. I would move heaven and earth within the confines of commonsense to avoid having to have that work done in Fremantle at this exorbitant price. Our union mates say, "There is an easy way around that; we will clobber them for the charge-out rate, whether they use the service or not." That sounds very fine if one is not an unfortunate shipper who has made other arrangements. The Government has refused to move against a sector of its own supporters when all the dictates of commonsense and business practice say that there is one clear way to go, and that is to abolish this workforce and to have those men absorbed into a contract service, or set up their own.

If these people are so good and indispensable, the 13 per cent or perhaps 20 per cent who do work should make up their own contract pool. If members will pardon the phrase, perhaps they could privatise their services. Perhaps they could get together and get this business going amongst themselves. We have been told by the Government that the service is indispensable to the waterfront. Let these guys get out and prove it. If their mates are as generous to them as the working ones have obviously been in the past, contributing to their non-work fund, perhaps they could be given the kitty to start with.

Hon S.M. Piantadosi: Are you saying they do not provide a good service?

Hon W.N. STRETCH: I am not saying that. I accept the work must be done.

Hon S.M. Piantadosi: Do they provide a good service?

Hon W.N. STRETCH: I am not the member for Fremantle; I do not know. I believe that they provide a good service; most Australian working people do provide a good service! What I am saying is that I do not believe the ones who provide a good service should be subsidised at the shipper's expense for the 70 to 98 per cent of mates who are not working.

There are other ways of getting around that and solving this problem with which the Government is confronted.

Hon John Halden: We thought they were subsidised from time to time.

Hon W.N. STRETCH: I think the member will stir himself up another argument. I have always felt the need for the leaders of the major parties in this place to have a cupboard somewhere behind them where they could shove people who make inane interjections like that. The door should be open wide now and some of these Government people should be put in it!

The DEPUTY PRESIDENT (Hon Robert Hetherington): The honourable member should get back to the Bill and get on with his speech.

Hon W.N. STRETCH: I was merely suggesting a method by which we might be allowed to

stick to the Bill by removing some of these inane interjections, or at least restricting those that make them.

Hon Garry Kelly: They are all out of order, of course.

The DEPUTY PRESIDENT: And they remain out of order.

Hon W.N. STRETCH: The need for that "out of order" cupboard is becoming greater and greater.

I refer to the question of how to raise the extra money. What is the justification for spreading this charge amongst shipowners and shipping which comes into the port but does not use, has not used, and never intends to use that pool of labour? They make other arrangements. They can arrange their steam cleaning and other services they may require through agents, or by employing this new privatised painters and dockers organisation which has been set up with the surrendered funds of all their mates on the waterfront.

It may have escaped the notice of Hon Garry Kelly that ships no longer semaphore with flags to indicate that they want a pilot as they have a thing called radio, or radio telephone; and a week or 10 days before they arrive they can radio Fremantle saying that they want so many holds cleaned, giving the cubic capacity of those holds and the type of produce that they have been carrying. They then leave it to the experienced cleaning people to say that they will be on the waterfront to start work at such and such a time. All the member's mates presently get their divvy from their other mates on the job. I maintain that charge-out rates must be kept to a figure that ship owners can afford. If the service and the price is right, the ship owner will use it. We have found in the agricultural and mining industries that the thing that puts service and production out of reach is the incredible demands made by labour. Everyone is entitled to a fair day's pay for a fair day's work.

I accept all of the things that have been said about the working conditions of painters and dockers, which often are not pleasant. I have had to clean mouldy grain out of silos, which is horrible work, so I know what it is like. I agree that painters and dockers have to perform unpleasant tasks and that they should be rewarded fairly for doing so by way of suitable margins for any danger, dirt, or unpleasant conditions that they have to confront; no-one argues about that. However, I argue strongly against the proposition that puts forward the sort of claptrap that, "We need more money; the shippers have plenty of money, we will tear it off them. They do not use the service, but that does not matter; we will get it off them anyway." If we contribute to this pool we will keep these people in unemployment, not in employment. There are other adequate methods of maintaining people who cannot get work. If, as Hon Sam Piantadosi has said, they are so skilled, then they will not be unemployed for long. The only reason they are unemployed now is that their services have become too expensive for people to use them. The solution is with the people themselves -- the work force.

The Government is taking the easy way out in this matter and saying, "We will not sack these people -- we will keep them on. We cannot afford to keep them on because it will require more money, and the taxpayers will not wear it. The painters and dockers are saying that they have the ship owners to ransom, so we will take the money from them." That is not a fair go.

This is a nonsensical Bill and is an illustration of the sorts of things that are keeping Australia unproductive and uncompetitive on overseas markets. The only reason the export and agricultural industries are surviving is devaluation, which is not a healthy way to go in the long term. It has benefits from which we are all obtaining personal gain at present, but it cannot go on forever. One of these days Australia will have to get back to trading parity; however, it can never get back to trading parity while there is this nonsensical approach to costing our services at levels that nobody can afford to pay.

Sitting suspended from 12.45 to 2.30 pm

HON KAY HALLAHAN (South East Metropolitan -- Minister for Community Services) [2.30 pm]: This Bill seeks to improve the utilisation of our labour force at Fremantle and to do that by making it much more attractive for that work force to be used for optional work which undoubtedly is available but which at present is not a viable option for shipowners. We have heard a lot of scurrilous and uninformed debate from the Opposition. It has been quite anti-labour, anti-work force and quite predictable and very conservative anti-working man and woman of Western Australia --

Hon G.E. Masters: What a load of rot. She is putting on a performance.

Hon KAY HALLAHAN: I thought it was a terrible performance from the Opposition. It was a very disappointing level of debate.

Hon W.N. Stretch: I especially paid tribute to the work they have to do now.

Hon KAY HALLAHAN: I am glad of that, but many members did not do so, and they are discredited by the level of their remarks on this issue. They argued in a most deplorable way against the work force of our port city.

We need a skilled work force, and there were areas of consensus among the working party which brought out this document. I do not challenge members opposite who spoke in the way they did on whether they read this document, but there was consensus in it about the fact that there needed to be a skilled work force at the port. That is because the demand for labour is variable and over the years that demand has reduced as shipping has become more technologically advanced. We are now faced with a situation where there is not the demand which existed in the past for a labour force at Fremantle. However, they have been agreeable to a reduction in their rostered numbers and negotiations are going on now over a further reduction from 35 men to 19. That is really knocking out an entire gang. Again there was no recognition of that negotiated position of the work force which is facing the fact that times are changing for them and their work, and in spite of that they are prepared to negotiate with the Government.

I guess this will inflame members opposite again, but the work force there has been a very good labour force in the last few years. Nobody says other than that it has been reliable and responsible. I see Hon Norman Moore is smiling.

Hon N.F. Moore: It is not hard to be reliable when you are working seven hours a week.

Hon KAY HALLAHAN: We have just had the most extraordinary experience with the America's Cup when Fremantle was the hub of activity, and there was not one disruption at the port by the work force. It facilitated all the shipping traffic in the harbour, and it should be put on record that we acknowledge all their work in the circumstances surrounding the America's Cup. The America's Cup period was a great tribute to everybody in Western Australia, but particularly the people who were directly affected by it.

I want to put the costs into perspective. I understand that members opposite oppose the Bill, and that being the case we could be looking at the defeat of this Bill in the next few minutes. The proposal is to have a different levy for different types of ships. For bulk grain carriers and tankers, it is proposed that a levy of 1.2c per gross registered tonne be charged. It is 0.075c for container ships -- that is less than one-tenth of one cent per gross registered tonne. For mixed container cargo and other containers it is 0.65c, for general cargo ships 0.16c, and for tuna boats 0.4c per gross registered tonne. It may be boring to look at figures, but if one compares those with the 65c per gross registered tonne that is paid for other charges which are standard, like wharfage, tonnage, pilotage, and mooring, one can put things in perspective and see that this levy is much lower. There should be a recognition of that fact.

Some erroneous things have been said, one of which was that some members seem to think there would be extra charges in relation to this formula. That is not so; the same amount of money would be collected, but it would be collected differently.

Hon W.N. Stretch: You are proposing to charge ships which were not charged before.

Hon KAY HALLAHAN: Those ships would have a very low levy placed on them. It may be that in shifting the levy in the way proposed and making the charges for labour hour costs lower than even those ships which did not previously use the labour force could use it for some optional jobs. If this Bill is defeated we will be turning away an opportunity to have a much more flexible and lower-cost work force with greater utilisation.

Hon W.N. Stretch: By optional work, do you mean work outside what they usually do?

Hon KAY HALLAHAN: Exactly. People choose not to have certain things done at present because it is too costly. No-one denies that is a fact, and that is why the Bill is before the House. We have changing circumstances and a legacy from our history of a cost that is entrenched. It could be rectified by this Bill. If more use was made of the work force there would be fewer idle days and the levy could be reviewed and dramatically reduced. That is the Government's belief in bringing this Bill forward.

I am disappointed with the level of debate from members opposite inasmuch as it seems clear that the system operating in Western Australia is working very well compared with the Eastern States, and yet this lot who like States rights and all those arguments about decentralisation --

Hon P.G. Pandal: You sound like an old grandma, saying "this lot". What sort of behaviour is that?

Hon KAY HALLAHAN: This lot; this silly lot.

The PRESIDENT: Order! The Minister will ignore that.

Hon W.N. Stretch: We will ignore being called a silly lot.

Hon KAY HALLAHAN: I am sure members opposite do not like being called that, and I do not like them being a silly lot.

Hon D.J. Wordsworth: What we have now is what I introduced, so don't call me a silly clot.

Hon KAY HALLAHAN: I didn't call members opposite silly clots, but it will do. I did give credit to the previous Government for introducing the existing legislation.

Hon P.G. Pandal: A very innovative Government.

Several members interjected.

Hon KAY HALLAHAN: What will happen to this Bill? The Opposition is sitting on Opposition benches and is likely to stay there for a long time until it catches up again.

Several members interjected.

Hon KAY HALLAHAN: The fact is that Western Australia is having its strings pulled by head offices of shipping firms in the Eastern States. Members opposite buy that, and they do not acknowledge that we have a unique situation in Western Australia which is working well.

A member from the Opposition mentioned the Costigan Royal Commission. The fact is that under that Royal Commission there was no evidence of corruption and crime on the waterfront in Western Australia. If we go to a system which the Opposition is proposing, that is the risk we will take. In the last day or two there has been a proposal to have another look at the painters and dockers in Victoria because some reference has been made to narcotics and armaments. Is that what members opposite want in Western Australia?

Several members interjected.

Hon KAY HALLAHAN: We have a system before the House which takes out crime; and while crime has been a factor in other ports, it has not been a factor in Fremantle -- and that is because it has been regulated. I take my hat off to Hon David Wordsworth if he is responsible for the system which has kept out crime and the motivation for crime. He is to be commended, but he is not to be commended for not supporting this sound Bill and the changes which need to be made.

The other point which has been overlooked is that we have some system of dragging in people to work on the ships when they arrive in port. I ask members opposite to tell me what will happen when the ships arrive all at once and the people who are to work on them do not have any skills. We would risk losing a cargo; and do members opposite want that to happen? They talk about exports. Do they want export cargoes ruined? Do they think that there are not any skills associated with these jobs?

Several members interjected.

Hon KAY HALLAHAN: There is great potential for serious crime and corruption, and I do not want that introduced into this State. If we ever have the misfortune of having the Opposition introduce its system and that is a consequence, I will hound it and Hon Eric Charlton to the end of their days.

Hon P.G. Pandal: One out of 10 for this.

Hon KAY HALLAHAN: I am not interested in Hon Phil Pandal's marking system, because it is not very good and it does not recommend itself to me.

It seems to me that there is some global issue associated with this legislation and that the Opposition is very reluctant to acknowledge that we are looking at a situation of a work force

with a variable work demand for it. Everyone acknowledges that. It is a costly system to provide a minimum wage, and in providing that I link that to the question of non-motivation for bidding for labour. People go to the pubs and auction jobs, and if members do not have any imagination to work out the corruption which goes with that they should read about it and learn about the undesirable things that happen in that case.

Hon E.J. Charlton: We know all about that.

Hon KAY HALLAHAN: The problem is that the Government is not living in the past. Times have changed, and that is the reason the Bill is before the House.

Hon N.F. Moore: Your attitude towards the union movement is living in the past.

Hon KAY HALLAHAN: My attitude towards the union movement is that work is an area of people's skills, their contribution to the community and their need for economic independence. If members opposite do not recognise that and the whole principle of unionisation, I do not know where they think they are living -- it is certainly not in the present.

Hon N.F. Moore interjected.

Hon KAY HALLAHAN: I did not hear the member.

The PRESIDENT: Order! The Minister is not supposed to hear the member. We are supposed to be hearing the Minister.

Hon KAY HALLAHAN: I reiterate the good work done by the labour force at our port. It has served us well. There may be some negative images and overtones from past years, but that is certainly not the case in the last few years. I also reiterate that it is the Eastern State's shipping companies which are influencing the shipowners in this State and who have had the ear of some members opposite and caused them to make extraordinary speeches in this House today and on another occasion.

At the time of the America's Cup there was no disruption at our port. We heard a member say that they usually go on strike at peak times, but it was not the case at that time.

Hon D.J. Wordsworth: What is happening in Kwinana?

Hon KAY HALLAHAN: I will bring members back to the fact that we are talking about the Fremantle Port Authority; and if this Bill is voted out at its second reading I will be disappointed. It will nevertheless be a good indication to the labour forces of Western Australia just how conservative, non-sympathetic, reactionary, and unrealistic are the conservative parties in this State. Members opposite are doing them a favour at least in that, if in no other way.

Question put and a division taken with the following result --

Ayes (12)			
Hon J.M. Berinson	Hon Robert Hetherington	Hon Tom Stephens	
Hon T.G. Butler	Hon B.L. Jones	Hon Fred McKenzie	
Hon John Halden	Hon Garry Kelly	(Teller)	
Hon Kay Hallahan	Hon Mark Nevill		
Hon Tom Helm	Hon S.M. Piantadosi		
Noes (13)			
Hon E.J. Charlton	Hon P.H. Lockyer	Hon P.G. Pental	Hon Margaret McAleer
Hon Max Evans	Hon G.E. Masters	Hon W.N. Stretch	(Teller)
Hon Barry House	Hon N.F. Moore	Hon John Williams	
Hon A.A. Lewis	Hon Neil Oliver	Hon D.J. Wordsworth	

Pairs	
Ayes	Noes
Hon Graham Edwards	Hon Tom McNeil
Hon J.M. Brown	Hon J.N. Caldwell
Hon Doug Wenn	Hon H.W. Gayfer
Hon D.K. Dans	Hon C.J. Bell

Question thus negatived.

Bill defeated.

GOLD BANKING CORPORATION BILL

Assembly's Message

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

DOOR TO DOOR TRADING AMENDMENT BILL

Second Reading

Debate resumed from 1 December.

HON N.F. MOORE (Lower North) [2.51 pm]: This Bill is quite simple, and a very short piece of legislation. Members will be aware that earlier this year we adopted the Door to Door Trading Bill, which included a clause dealing with the hours during which a door to door salesman could call at somebody's door. I understand, due to a drafting error, it did not bring in the uniformity desired. It said that except by prior appointment, no dealer shall call on a person at any time on a public holiday or on any other day between midnight and 9.00 am, or between 8.00 pm and midnight.

This Bill changes that so that no door to door trader can call on any person on a Sunday, a public holiday, or on a Saturday up to 9.00 am or after 5.00 pm. On Saturdays they can now call up to 9.00 pm.

We are not unhappy with this legislation, which represents a further restriction on the activities of door to door salesmen, which was the subject of the previous Bill, but in the absence of any complaint by the industry the Opposition supports the Bill.

HON E.J. CHARLTON (Central) [2.53 pm]: The National Party supports the Bill for the reasons which have just been outlined. I want to comment briefly about the door to door salesmen and their responsibilities, but even more importantly, the care which the general public must take about entering into any agreements, arrangements or decisions regarding transactions. These sorts of things come to the fore with increased regularity. People have been conned into entering into deals for which ultimately they feel very sorry.

I am not talking about every sale. It is accepted that most of these people are genuine individuals who are enterprising enough to try to make a life for themselves as well as offering a service. However, some people try to take advantage of the situation, particularly with people who may be vulnerable to high pressure salesmanship. People need to be on their guard about these things, but in the final analysis they must be responsible for their own actions and decisions, whether in this or in so many other activities where society calls on the protection of regulations.

We must take every opportunity, through the media and other means, to warn people to be alert and on their guard about signing anything. That is probably the most important aspect of all. People should not put their names to something unless they are absolutely sure what they are entering into. Having done that, they should not call on other people to bail them out.

The National Party supports the new amendments.

HON KAY HALLAHAN (South East Metropolitan – Minister for Community Services) [2.56 pm]: I am pleased with the support that this Bill has attracted from the Opposition. It is to do with the hours during which people can call at private residences. I am interested that Hon Norman Moore has had no complaints from the industry. Nevertheless, I have received a number of complaints from private residents who clearly resent people calling at their doors.

Hon N.F. Moore: I did not have any complaints from them either.

Hon KAY HALLAHAN: I had many telephone complaints from them.

Hon E.J. Charlton: I have not had any.

Hon KAY HALLAHAN: I am sure the honourable member would have no-one calling at his door. I commend the Bill to the House.

Question put and passed.

Bill read a second time.

In Committee, etc

Bill passed through Committee without debate, reported without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon Kay Hallahan (Minister for Community Services), and passed.

TRANSPORT CO-ORDINATION AMENDMENT BILL (No 2)

Second Reading

Debate resumed from 1 December.

HON N.F. MOORE (Lower North) [2.58 pm]: When I first came into this place I was told to be very wary of pieces of legislation which were very tiny, and in some cases consisted of one clause only. The reason is that very often these small packages contained very significant changes. Often very long and wordy pieces of legislation, such as those making regulations for the sale of pet food, would occupy several volumes.

This Bill contains only one clause of any substance, but it is a very important piece of legislation. It is also relatively difficult for a person such as myself to make a judgment about, because it seeks to allow Australian Airlines to operate intrastate services in Western Australia. From that point of view one could argue that the introduction of Australian Airlines into Western Australia will produce a competitive environment, and I support a competitive environment --

Hon Kay Hallahan: Alleluia!

Hon N.F. MOORE: -- in certain circumstances. Earlier today Hon Sam Piantadosi supported the interests of certain of his constituents. In a moment I shall support the interests of some of my constituents with the same sort of motivation which affected him.

On the other hand I have serious reservations about Government enterprises, even if the use of that Government enterprise will introduce a degree of competition. I am heartened by the support which has been given by the Prime Minister and the Premier to the privatisation of Australian Airlines. By the time Australian Airlines starts operating in Western Australia it will be at least partially privatised so some of my philosophical problems will have disappeared. That will depend on the decisions of the Labor Party as a result of the Prime Minister's invitation to look sensibly at the better use of Government assets. It is generally accepted in the community that for Australian Airlines and Qantas to fulfil their ultimate objectives and to provide greater investment it is necessary for them to be partially privatised. This will allow them to raise further capital to extend their fleets and become more competitive with Ansett, in this case, and other international carriers, in Qantas' case. Some of my views on this legislation are, to a certain extent, coloured by my belief that it will not be very long before Australian Airlines is a partially private airline, if not totally.

The Bill involves a change to the rules which would allow Australian Airlines to apply for intrastate routes in Western Australia. Certain constitutional matters were explained in the second reading speech, and discussed at some length in another place. I do not propose to go into detail on those points.

This Bill provides for the Commonwealth to allow Australian Airlines to become involved in Western Australia. Debate has taken place for many years on this subject. Ansett Airlines has for many years been vigorously opposed to any competition from Australian Airlines within Western Australia. The only time that changed was when TAA was given landing rights into Port Hedland to pick up and drop off passengers.

Hon Neil Oliver: And Skywest.

Hon N.F. MOORE: I am talking about Australian Airlines; I will get to Skywest later.

TAA would fly from Darwin to Port Hedland and then to Perth and provided a passenger service out of Port Hedland; that was brought in during the Tonkin Government days, if I remember correctly. In recent times Australian Airlines has withdrawn from that service because it was found to be an uneconomical service for the people in Port Hedland.

As I said, over the years Ansett has vigorously opposed Australian Airlines coming in. Various Governments have also opposed that because they were against the creation of a two-airline policy within Western Australia and all the associated difficulties that would bring. Another reason for that opposition related to the way in which intrastate air services have operated over the years. Members need to be aware that within this State a number of ports are very profitable and a number of others are very unprofitable. MMA operated with a system of cross-subsidisation: The profits made on popular routes were used to subsidise the less populous ports where losses were incurred, or where costs were simply being recovered. At that time towns such as Port Hedland and Karratha, Kalgoorlie and probably Broome were providing sufficient cream to enable MMA then -- now Ansett WA -- to provide a jet service to Geraldton, Carnarvon, Learmonth, Derby and Kununurra, which were by themselves probably very unprofitable.

When I first came to this place representing Carnarvon and Learmonth, Ansett made clear to me it did not want competition introduced which would upset the cross-subsidisation scheme. I argued ad nauseam that no competition should be introduced into Western Australia which would upset that arrangement. The reason I argued -- against my philosophy -- was that the smaller towns in this State, being a long way from the capital city, were receiving a pure jet service and, in many cases, once every day -- the service which I believe is crucial to the development and lifestyle of the people in those towns. I felt it was more important people should have this service than for me to have a philosophical victory and allow competition to be introduced.

The situation remained until about 1982 when the then Minister for Transport, Cyril Rushton, instigated a report into internal air services in Western Australia. The report said in effect that Ansett was making too much money and that the time had come for competition, particularly on the more populous routes. Before the results of that inquiry were introduced a change of Government took place. However, the Labor Government decided to proceed with the recommendations of the report, allowing Skywest to operate on the Geraldton to Kalgoorlie run. Subsequently, East-West was allowed to operate F28s to Port Hedland and Karratha. So competition was introduced on the more profitable runs.

Skywest used a propeller Jetstream aircraft to Kalgoorlie and Geraldton, initially operating a scheduling system quite different from the timetable of Ansett. Initially it was possible to have a wide variety of choice of times to fly to and from Geraldton and Kalgoorlie. Regrettably, parallel scheduling developed creating little difference between the times to fly, little difference in the price, and in effect a two-airline policy was established, a la Ansett and Australian Airlines, within Western Australia. Similarly, with the services between Port Hedland and Karratha there were little differences in scheduling and fares.

As a result of the competition, Ansett lifted its game. It is fair to say, since the introduction of competition, the quality of service has improved. Ansett WA's service is second to none. The quality of the aircraft and the way in which they are fitted out; the quality of meals and service; the way in which flights are almost always on time, and the excellent ground staff, all indicate to me that it is a first-class airline.

Hon Kay Hallahan: Except when they give our seats away.

Hon N.F. MOORE: We all have problems. We can have the same problems on any other airline. Considering the size of Western Australia and the distances travelled, a pure jet service to the main outlying ports of the State with the service and quality described, is something we should be very pleased with and proud of.

I compliment Ansett WA for what it has done in this State. I suggest to people who argue that it is very expensive to fly with Ansett WA that they look at what it costs to fly within Europe with British Airways, or any other European airline, and they will find that we are not that badly off at all, and Ansett is probably cheaper per kilometre than some of the European airlines.

The situation which has developed in Western Australia has been complicated further by the decision of East-West and Skywest to sell out to TNT/News Ltd, which in effect is Ansett Airlines. The Trade Practices Commission required that Ansett divest itself of East-West and Skywest, and that is the reason for this legislation. It seems to me that if this Bill is passed, it will enable another buyer to take over the East-West and Skywest operation, which the Trade Practices Commission decided is surplus to Ansett's requirements. I guess that is one of the reasons why Ansett WA decided to support the legislation, after being for all these years opposed to allowing Australian Airlines into Western Australia.

One would expect when the Bill is passed that Australian Airlines will move into the market and bid for those routes which currently are being operated by East-West and Skywest. I am happy to accept that situation, provided that eventually the purchaser of East-West and Skywest -- whether it is Australian Airlines or any other airline -- is given rights only to the routes that currently are being operated by East-West and Skywest. If this Bill means that Australian Airlines can move into Western Australia and be given authority by the Minister to operate on all routes in the State, I fear we will see a removal of the benefits of cross-subsidisation and effectively a decrease in the services provided to the smaller ports.

It has been suggested to me that Australian Airlines would be only interested in the F28 services to Port Hedland and Karratha. I would not be unhappy if it was to acquire those routes, but I suggest they should be the only routes that should be available to Australian Airlines with the use of F28 aircraft, although I would not be unhappy if they were able to use F28 aircraft to fly to Kalgoorlie instead of the Skywest Jetstream aircraft that operate at the present time. As the Deputy President (Hon John Williams) would know, the market into Kalgoorlie is saturated and there is room for additional flights to that port. As a general rule, however, if Australian Airlines simply wanted the jet services, I would hope the Minister does not give it access to any other ports apart from those to which East-West currently has access.

Skywest is involved in two aspects of aviation. One aspect is a service to Geraldton and Kalgoorlie in competition with Ansett; the other is a service to places in the Murchison and the south west. I am told that Australian Airlines would not be interested in that part of Skywest's and East-West's operations, which could be sold off to a separate company and continue to operate profitably in the way that it now does. I would not want to see any changes to that system because the service provided by Skywest to other parts of my electorate -- the Murchison and the north eastern goldfields -- is a very good service. The quality of the aircraft is considerably better than it used to be, and the reliability of the service is better than it has been for many years. I would not be interested in seeing many changes made to that operation.

Hon P.H. Lockyer: You can see that the Minister is giving close attention to what you are saying.

Hon N.F. MOORE: I can see she is contemplating the commitment that she is about to make when I request her to do so and that by closing her eyes she is giving great consideration to the intricacies of the problem. I expect that with her knowledge of transport matters, particularly air transport, she will appreciate the point I am trying to make is in the best interests of people who use this State's air services.

Hon Tom Stephens: What is your attitude to the opportunity for competition in towns in the Kimberley?

Hon N.F. MOORE: If we allow Australian Airlines to introduce jet services in competition with Ansett WA into Broome, Derby, and Kununurra, we will finish up with a reduction in the service that is now being provided. I believe the cross-subsidisation that now goes on is necessary to enable a continuation of jet services. I may be wrong about that, and I can only go on what I am told by people in the business because Ansett WA does not willingly disclose how much money it is making in different ports and how much it is losing. I do not know how much Ansett WA is making in the overall Ansett scheme. I do not know how much Australian Airlines loses or whether it is prepared to use Government subsidies to operate in particular ports.

My initial reaction -- which is based on the only knowledge I have -- is that to allow any further competition to the ports that are serviced by jet aircraft could have the effect of

reducing the number of jet services to the smaller ports. Similarly, if we allow considerably more jet service competition into the major ports, that will have the effect of reducing the profitability of Ansett WA and by so doing will reduce the likelihood of it flying into ports which currently are unprofitable. I would like the Minister to give some indication, before we approve this Bill, of the Government's attitude towards the sorts of routes which are likely to be made available to Australian Airlines. If I had my way I would want a guarantee from the Government that Australian Airlines, if given the right to operate in Western Australia, will be given the routes that are currently operated by East-West and Skywest; or if it does not want the Skywest routes, it will be given the East-West jet services.

Hon Tom Stephens: There is a chance that your fears to some extent may not be correct and that there may be the opportunity for towns in the Kimberley, such as Kununurra and Broome, to become ports where competition could be introduced.

Hon N.F. MOORE: I had several reservations about Skywest coming in in the first place, and I also had reservations about East-West coming in, but I know that when East-West came into Port Hedland and Karratha the member's constituents in Newman ended up losing a service they wanted. Ansett provides an excellent service to Newman, considering the size of that town, but it took away a service that people wanted, and there was severe consternation about that.

Hon Tom Stephens: If I was operating Ansett WA, that is the sort of lever I would use with the Government to protect myself.

Hon N.F. MOORE: That may be so, but all companies endeavour to protect themselves and they will use tactics -- and I do not agree with the member in this case -- that may influence the Government towards their way of thinking. However, the fact remains that it has not reinstated that flight to Newman and it is considering very seriously its west coast operations between Geraldton, Carnarvon and Learmonth. There are just not enough passengers to sustain the sort of operation it is running now. If some of the profitability is lost on other routes, it increases the potential for a reduction in those services up the coast. That is where my constituents live, and that is why I am asking for some guarantees here. We in the north have become accustomed to being able to get on a jet plane practically every day, and be in Perth in a couple of hours. It is an excellent service, and any diminution of it should be resisted.

Hon Tom Stephens: Particularly after you get your new electorate.

Hon N.F. MOORE: I agree entirely. I remember only too well Hon Bill Withers, who was here before Hon Tom Stephens, talking about how many hours he had to fly. I tried to imagine what it would be like if we had only propeller driven planes to fly in.

Hon P.H. Lockyer: Which you will ultimately get.

Hon N.F. MOORE: I fear the honourable member is right. While we are prepared to support the Bill on the basis that we expect Australian Airlines to be privatised in due course, we want some undertakings to be given by the Minister for Transport. I am pleased to see that the Minister for Community Services is seeking some assurances for us. It is important that we do not allow things to go too fast so that people who live in the bigger towns are advantaged by the introduction of more competition, but people who live in smaller towns are severely disadvantaged because they end up with a diminished service.

I would be happy if the Minister simply indicated that the Government will allow Australian Airlines to operate the East-West routes as it does now, and would only be given additional routes after a properly constituted inquiry, as happened in 1982, rather than being given additional routes without an inquiry. I look forward with interest to the Minister's response to find out whether she can give these guarantees. If she cannot, I have to admit that I have severe reservations about what this Bill might do.

HON E.J. CHARLTON (Central) [3.23 pm]: On behalf of the National Party, I reinforce the points made by Hon Norman Moore. Obviously, most of us in the National Party only use that airline system in certain circumstances, but we understand that the system will be put under a great deal of pressure by the introduction of further flights and companies in Western Australia.

It is a matter of commonsense, when one considers the distances involved and the small

number of people who need to use the airline, that the system has to be closely monitored and finely tuned to allow a balance between operating costs and the need for profitability to encourage the provision of such services. We have seen in Australia and throughout the world that although, on the face of it, competition is a good thing, very often it forces companies to run at a loss and then cease to operate. The Parliament should be aware of how the situation develops, in cases where other companies come in and there is a bit of price cutting, and eventually only one company remains. I am not saying that will happen, but it is a situation of which we should be aware. Sometimes that leads to improvements, sometimes not.

I align myself with the comments of the previous speaker. I will not delay the Parliament with repetition. While the National Party will support this Bill, we too recognise the problems that may be forthcoming. If there is to be genuine competition, it must be monitored. We have all seen the situation in recent years where there is supposed to be competition, but that has not eventuated.

The people who live in the isolated north west of this State undoubtedly appreciate the service they now have. It is worth flying in to the airstrips in the north to see just how much they are appreciated. The National Party does not wish to be part of any new implementation which would detract from the service which those people now have.

We support the Bill.

HON P.H. LOCKYER (Lower North) [3.27 pm]: My brief contribution to this debate is to say that while I support what the previous speakers have said, I forecast some dangers down the line. I refer Parliament back to when we allowed East-West Airlines to go into competition with Ansett WA between Port Hedland, Karratha, and Perth. I forecast then that it would be a disaster and, quite frankly, it was. I thought at the time that the proprietor of East-West Airlines, Rick Stowe, had a snout on his money, and I was proved right. If one were to ask him today about that -- I have not done so -- he would say it is one of the most disastrous things that has ever happened in the aviation business. The aviation industry is littered with people who think it is a licence to print money when, in fact, it certainly is not.

I forecast that in the next three or four years in Western Australia the main airline, Ansett WA, will have great difficulty keeping services to these parts of the north. There are a couple of reasons why I say that. First of all, it is no secret that the two most lucrative ports are Port Hedland and Karratha, and they have been for a number of years. That is mainly because of the construction era in the iron ore industry and, lately, the construction of the offshore gas centred around Karratha. I understand that the drop in passenger loads at Port Hedland is alarming, and that will be of concern to Ansett WA at the moment. It is also quite clear that the construction phase at Karratha is at its peak at the present time, and when the construction is completed the population there will drop off considerably, and so will the traffic on the airline.

All East-West Airlines did was take some of the market away from Ansett WA so that instead of one company making a loss, two companies made a loss. If Australian Airlines wants to buy East-West, I can only say I am amazed that the board would even consider it. I would be very surprised -- even though we will pass this legislation which will enable it to do so -- if the board of Australian Airlines even considers the purchase of the East-West Airlines portion of the West Australian operation.

They may look at the Skywest operation because that is a smaller operation which flies to places which have virtually no competition. The point it boils down to is one of making a profit. If Ansett WA is not making a profit, it will chop off sections of routes that are not making a dollar and cease flying them. There are simply not enough people in Western Australia. The north of Western Australia is unique as far as airline services are concerned. We are light years ahead of places in Europe and America with the jet services we receive.

I have no doubt that Hon Tom Stephens will agree that the extra development at Broome has assisted Ansett, but that the passenger numbers into Kununurra, Derby, Learmonth, Carnarvon, and even Geraldton would make Ansett a little nervous about making a profit.

Hon Tom Stephens: I think that Kununurra combined with Argyle would be a very attractive proposition.

Hon P.H. LOCKYER: That is serviced on a contract basis that is renewed every couple of years. It is a total charter arrangement.

Hon Tom Stephens: And the combining of the two would be a very attractive proposition.

Hon P.H. LOCKYER: Kununurra certainly would be. However, when Derby and other places are put into the route, there is only one thing that can happen — fewer services to the north. I honestly believe that the introduction of East-West Airlines into the operations in Western Australia will not work. While competition is a wonderful thing, as Hon Eric Charlton said, it has caused two companies to make substantial losses and in my view that is a disaster. These airlines could probably do something about it on the east coast.

While I feel indifference about the legislation, it will enable Australian Airlines to look at the situation. I would be amazed if it purchased the company. I support the Bill.

HON TOM STEPHENS (North) [3.35 pm]: I suppose this debate proves one thing, that none of us is completely pure in our motives. I suppose that is as true for speakers from the other side of the House who have contributed to this debate as it is for us.

In this issue we are attracted to the notion of deregulation, or at least to moving in that direction. I have always understood that members opposite have been very keen to see deregulation of this industry. Mr Moore has endeavoured to present the difficulties of pursuing that philosophical conviction, and I understand that. Nonetheless, it proves that no-one is pure.

Let us remember that, in the context of the northern ports, we are told by the operating company, Ansett WA — which seems to be run these days more and more by my friends — that a large number of passengers are not paying for their own fares. Approximately five per cent of the travelling public into and out of the northern ports on Ansett pay their own fares, with 95 per cent of the fares being picked up by the Government or by companies.

Hon P.H. Lockyer: That is a very big percentage.

Hon TOM STEPHENS: It is an interesting statistic which goes to show that not an enormous amount of focus is being placed on the cost of travel by that airline. The prohibitive cost of fares means that very few people have the opportunity to travel around the north west of this State. The cost of flying into Kununurra is astronomical. I am biased in that I believe the most interesting part of the State starts at the Tropic of Capricorn. On the weekend, I took a couple of English visitors to Broome and the Dampier Peninsula. They were extremely excited by what they saw. However, the cost of getting there was absolutely prohibitive.

The prospect of leaving air fares to soar in the hands of one operator without being able to test competition with another airline to some of those ports is terribly unattractive to me, and I suspect very unattractive to Hon Phil Lockyer.

Hon N.F. Moore: Having no service is even more unattractive.

Hon TOM STEPHENS: We are all basically of one mind on this legislation. We want to see a balance between an excellent service and ensuring that the service is provided at a price that people can afford.

Hon N.F. Moore: I think East-West proved that you can't operate a no-frills airline into the Pilbara and expect to make money.

Hon TOM STEPHENS: I fear that what it proved was that it needs to look at the total package of ports for an airline in the north. Maybe Broome is ready not just to take charter operations into the town at various times of the year, but to be linked with a competitive airline route. I hope my few words on this Bill do not mean I will be robbed of the delightful service provided to regular passengers to the north.

Hon N.F. Moore: The companies provide a public transport system, and no public transport system that I know of makes any money.

Hon TOM STEPHENS: The member can be confident that Ansett is making a profit out of its operations to the north of the State.

Hon N.F. Moore: I am not sure. If you can tell me they are and be certain about it, I would be interested in your views.

Hon TOM STEPHENS: I am certain the Government needs to explore a balance between opening up and deregulating and, at the same time, protecting the interests of the people of

the State, particularly of the north west, in the provision of airline services. The Government has to walk that tightrope. I believe that we are lucky in this State to have a Government which is imaginative and creative in its response to the circumstances of the State. No doubt it will continue a dialogue with Ansett as we explore the proposition of competition and increasing the market as circumstances allow.

Obviously I am pleased to see this Bill before the House, and I support it.

HON KAY HALLAHAN (South East Metropolitan – Minister for Community Services) [3.39 pm]: I am pleased that members generally support the Bill because it is sensible. The Trade Practices Commission has ordered that Ansett Airlines of Australia must divest itself of its Skywest Airlines Pty Ltd and East-West Airlines operations in New South Wales and Western Australia. The fact that we pass this Bill and allow Australian Airlines to make application for the licence will not mean that we are obliged to grant that licence.

Hon N.F. Moore: You would not do that if you were not intending to give them a licence.

Hon KAY HALLAHAN: There is a problem that Ansett has to divest itself of these services on the Perth-Karratha and Perth-Port Hedland runs.

Hon N.F. Moore: If you are not going to give those to Australian Airlines, why has the Bill been introduced?

Hon KAY HALLAHAN: It allows them to come into the marketplace; it is up to them to make an application and the Government can decide whether to grant it.

Hon N.F. Moore: The Government will grant it, otherwise it would not have introduced this Bill.

Hon KAY HALLAHAN: I do not believe any guarantees have been given. It is possible, but it is not an option under the current legislation.

Hon N.F. Moore: You would not introduce the Bill for any other reason.

Hon KAY HALLAHAN: The Bill will open up opportunities; it certainly is not a possibility without the Bill.

The Government is acutely aware of the problems of granting licences which in effect cause a subsequent reduction in services, such as the instance Hon Norman Moore referred to. I do not know the case but I am sure that the Government would not want that to be a consequence of another operator entering this industry in Western Australia. The Minister has made it clear that it is in the public interest that services not be diminished, but that they are at least maintained, if not increased. That is the underlying principle on which the whole position of the Government is based. The concerns that have been expressed are without foundation.

Hon N.F. Moore: They are not.

Hon KAY HALLAHAN: There is nothing to be gained for the Government in granting a licence to another operator which will result in the loss of a service to the community.

Hon N.F. Moore: You admitted that you knew very little about it. There is cause for concern, as the people in Newman will tell you.

Hon KAY HALLAHAN: I have acknowledged that. However, if that is a factor no doubt the Minister for Transport and his department will be acutely aware of it and they are not likely to take actions which would be against the community's interest. Clearly the Government would not grant a licence to people who will withdraw the service at a later stage, particularly if the introduction of that operator to the industry would cause other people to leave it. That would be quite crazy, bearing in mind that these services would be withdrawn if no action were taken, given the ruling of the Trade Practices Commission.

I take on board the concerns expressed by Hon Norman Moore and I will convey them to the Minister. I suspect that they will not be new to the Minister. I express my appreciation of the support for the Bill as it stands and commend it to the House.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (Hon Robert Hetherington) in the Chair; Hon Kay Hallahan (Minister for Community Services) in charge of the Bill.

Clauses 1 and 2 put and passed.

Clause 3: Section 43AA inserted --

Hon N.F. MOORE: I thank the Minister for her expression of appreciation of the point I have been trying to put. The point was put much better by Hon Phil Lockyer. The Minister seems only to appreciate the problem, and is not giving me the assurances I think are important. In recent times only a very small amount of competition has been introduced into the Western Australian airline industry. Even when things were not going too badly, it resulted in a reduction of services to at least one port and the threat of a reduction in services to others.

As Hon Phil Lockyer so clearly pointed out, the current position of the airline industry in Western Australia is based upon boom times in Kalgoorlie, boom times in Karratha, and a period of transition in Broome. I hope that these boom times will continue forever but I know that it will not continue in Karratha because the North West Shelf construction is peaking; in Port Hedland there is a serious reduction in the number of passengers; and with gold one never knows what will happen.

Hon Kay Hallahan: We must be flexible.

Hon N.F. MOORE: I know that. By introducing competition -- I take on board the Minister's enthusiasm for it -- the Government may enable a system of competition to operate during the good times but when the screws go on and the bad times come, as they inevitably will, we will face real problems. The State may have two intrastate airlines which make a loss.

Sitting suspended from 3.45 to 4.00 pm

[Questions taken.]

Hon N.F. MOORE: Prior to the suspension, I was explaining that even under relative boom conditions there has been at least one example of a reduction in services to the north because of the introduction of competition into the intrastate airline industry. If that level of demand diminished and Ansett Airlines and Australian Airlines are in competition, something will have to give. In Newman this resulted in a reduction in services. Hon Tom Stephens said that as far as he was concerned Ansett was making a lot of money. I do not know whether or not that is so. I have no brief for Ansett, and am not a great fan of Sir Peter Abeles, but I admire his acumen as a businessman; I suppose he is making money, but I do not know whether it is huge quantities of money.

If Australian Airlines is able to compete on many of the intrastate routes, I do not believe the capacity exists for both airlines to operate successfully, which is something that thought will have to be given to.

Hon Tom Stephens: It does not allow for any more.

Hon N.F. MOORE: It allows something to happen that cannot happen now. Australian Airlines cannot presently apply, but it could under this Bill. I am interested to know the Minister's views on the future of Australian Airlines because what we are doing is letting Australian Airlines into Western Australia -- if the Government sees fit to do so -- and it is important for us to know whether this Government supports Australian Airlines remaining a Government airline or whether it sees some future for it as a privatised operation.

The Government's attitude towards that will have some impact on my attitude towards the Bill. What worries me is that if the bottom falls out of the intrastate airline business and Ansett and Australian Airlines are in competition, the first one to go to the wall will not be the Government-owned airline. The one that is likely to be assisted by the Government is its own airline. That is another aspect of my concern and why I ask the Minister to indicate whether she is prepared to give an undertaking that if Australian Airlines, or any other airline, is allowed to come into Western Australia, an inquiry will be held before any services or routes currently operated by Skywest or East-West are allocated.

I would like an inquiry which proves that any extension of current competition will not have a disadvantageous effect on the small ports that I am trying to look after. The Minister's second reading response did not go far enough towards those sorts of assurances, so I suggest that she reconsider this matter and give a more detailed response before we finish the Committee stage of this Bill.

Hon KAY HALLAHAN: I have a feeling that on this item the member is going to be difficult to reassure.

Hon N.F. Moore: I am not difficult to get along with.

Hon KAY HALLAHAN: I did not say the member was difficult to get along with, I said he would be difficult to reassure.

Hon N.F. Moore: I am talking on behalf of a lot of people and want you to reassure them, not me.

Hon KAY HALLAHAN: We can reassure them by saying that this Act -- the Transport Co-ordination Act 1966 -- provides for precisely the sort of thing the member is raising as an anxiety that he and other people may experience. Section 45 makes it clear what is to be taken into account.

Hon N.F. Moore: Would you quote that? Just read it out.

Hon KAY HALLAHAN: Very well. It reads --

(1) The Minister may, before granting or refusing a licence for an aircraft, . . .

Hon N.F. Moore: Yes, the Minister "may".

Hon KAY HALLAHAN: That is right.

Hon N.F. Moore: He does not have to.

Hon KAY HALLAHAN: But it is in the interests of a sensible Minister to do precisely that and he is doing that and will continue to do it.

Hon N.F. Moore: I realise the current Minister is very sensible and will make sensible decisions, but his position could be usurped by someone not so sensible as he.

Hon Tom Stephens: The reason is that you might get back into office and do something stupid.

Hon N.F. Moore: There is no chance of that when it comes to the north, as you know.

Hon KAY HALLAHAN: Let us not inflame the debate.

Hon N.F. Moore: Talking of making a mess of the north, you know the north is going because of us.

Hon KAY HALLAHAN: The member can take pride in something he has achieved, and we do not want to take that away from him.

Under the Bill the Minister has the capacity to set up strategy committees, if in fact there is a need to do so, on certain lines. The member has a couple of strands running through his argument which are a little inconsistent. One is the argument about Newman. That happened because competition was brought into certain ports. What we are saying now is that in recognition of a situation we are putting this Bill before the Parliament as the Trades Practices Commission has said Ansett must divest itself of those airline routes of Skywest and East-West. That is why we are faced with a changed situation and want to open it up. If Australian Airlines wants to apply -- and I know probably nearly as much about it now as the member does -- and if it does apply and does get a licence for the two, it is simply maintaining the status quo. So the point the member raised about the effects on other ports does not arise in this instance.

Hon N.F. Moore: The Minister is getting there.

Hon KAY HALLAHAN: Let me go further. The member worries then about their applying to go onto other routes.

Hon N.F. Moore: Or about any extension of it.

Hon KAY HALLAHAN: That is when the Minister would refer to section 45.

Hon N.F. Moore: May refer.

Hon KAY HALLAHAN: He could also set up an ad hoc strategy committee to consider a particular proposal and that is when the whole market would be fully and thoroughly investigated to see the effects of bringing an extra airline or schedule onto a new route. Beyond that, it is very difficult to say. The Minister in another place gave an undertaking about the whole business when he said, "I will give the public a guarantee here and now that we will pursue the Act in full." He was referring to section 45 which lays down the processes by which such decisions are made. I am advised by officers of the department that they regard those processes as extremely important and do not go outside them. It does demand that they look very thoroughly at the whole question of the demand for the service and its likely effects on the services of other aircraft.

Hon N.F. Moore: That is the section you read out a minute ago, saying that the Minister may do something.

Hon KAY HALLAHAN: Yes, but that was enacted in 1966. It is part of a process now in that department to lay down procedures for doing just that. It is very difficult for me to give the member assurances because I do not know precisely what he wants. When he starts talking about downturns in economic activity, we would then have to look at market forces. I guess the member will not argue that we should insist on leaving airline flights on routes that are losing money. I cannot understand the member's leap to that argument on this clause.

Hon N.F. MOORE: When I was talking about the economic circumstances I was simply saying that under current economic circumstances, which are buoyant in the north, we still have a situation where increased competition has brought about a reduction in the existing services; in other words, the services provided by Ansett WA.

Hon Tom Stephens: Or the increased competition you used as the excuse for it.

Hon N.F. MOORE: The member can accept whatever he likes but the reality of the situation is that that is what happened. There is one flight less to Newman than there used to be because of the changed circumstances. But if we bring in another operator and give him more access than we give East-West, it may work under the current circumstances -- it may not, either -- but in the event that there is an economic downturn both airlines cannot continue to function.

What I was saying to the Minister was that at the moment we have a sensitive, understanding, pragmatic, centre-of-the-road Minister who would make a sensible decision; but that is not to say that he would not be replaced in the future by someone like Gerry Hand, with the same philosophical views of the world that Gerry Hand has, who may say that in the event that something has to go, the private airline has to go and the Government airline is the one that will stay. What I am seeking from the Minister is for her to say that instead of the words being "the Minister may", they should read "the Minister will".

Hon Kay Hallahan: Done.

Hon N.F. MOORE: The Minister will do it? Will those sorts of instructions be given when there is any increase in competition? That is essentially what I am asking.

I also asked a question about this Government's attitude towards Australian Airlines because that in itself is important in this whole argument. Does the Government support the argument that Australian Airlines ought not to remain a Government-owned airline? Does it support the view of, say, the Prime Minister that it should be partially or wholly privatised? That would assist me in understanding whether we ought to allow that company to be the competitor. That is what this Bill is about.

There are plenty of other private companies that operate airlines. What worries me is that by bringing in this legislation the Government is saying that its preferred option is Australian Airlines. Therefore I want to know what the Government thinks ought to happen to Australian Airlines in the future. If by bringing it under this legislation the Government is going to give it preferential treatment and support its continuation as a nationalised operation, that would influence my views as to whether or not I support the Bill.

Hon TOM STEPHENS: What we should make sure of in this debate is that we do not introduce red herrings; that, in fact, is what Hon Norman Moore is doing.

Hon N.F. Moore: I am worried about the reds, not just the red herrings.

Hon TOM STEPHENS: We are focusing on the herrings at the moment.

Hon N.F. Moore: They are still alive and well. In fact Gerry Hand is in Perth today.

Hon TOM STEPHENS: The member should not try to take the Chamber down a track that is really irrelevant in this debate.

Hon N.F. Moore: It is not irrelevant to this debate at all.

Hon TOM STEPHENS: What members opposite must realise is that the Government has made clear in the assurances it has already given that it is not as if Australian Airlines will be the preferred operator. We are not saying that. All we are doing is opening up the marketplace so it could be one of the prospective candidates if it wanted to put in a bid for the operation of a competitive airline in the Pilbara. We are not saying it should be given to that company on a platter, we are just removing the legislative barrier that would prevent it doing that if it wanted to put in a bid and if in turn, after inquiries were made, we wanted to give it to that company.

Our party's attitude to the privatisation of Australian Airlines is irrelevant to this area, particularly in the context of Sir Peter Abeles' operation. If one tries to pretend for a moment that in a slump Australian Airlines might go out of business more quickly than Sir Peter Abeles' international operations --

Hon N.F. Moore: I said it the other way round.

Hon TOM STEPHENS: Even the other way round. Sir Peter Abeles' operation is such a huge one that it is able to sustain the ups and downs of the market situation in Port Hedland or the gold price in Nullagine.

Hon Tom Helm: What about free enterprise?

Hon TOM STEPHENS: Precisely. Earlier Hon Norman Moore said that in this situation he supported the protection and regulation put in place to keep the monopoly situation in some of these ports. The gymnastics we are seeing from members opposite are extraordinary.

Hon N.F. Moore: It is a pity that as you become more excited, you become less rational, because you were prepared to accept there were certain difficulties for certain people --

Hon TOM STEPHENS: I have admitted that I am not pure, but the member constantly promenades as someone who is pure on some of these philosophical viewpoints. The member has consistently argued against government and regulations; suddenly he has turned around in defence. I suggest that he does not take his colleagues off down the wrong path. The issue of privatisation has nothing to do with this matter and it is wrong to suggest that the Government favours Australian Airlines. It does not; it is opening up opportunities for it to have a bid along with any other operation.

Hon N.F. Moore: I am asking the Minister what the Government's attitude is.

Hon TOM STEPHENS: That has nothing to do with the debate. I am confident that there is nothing to fear in this Bill.

Hon KAY HALLAHAN: I wanted to make a couple of points in order to clarify this amazing and unexpected debate --

Hon N.F. Moore: What do you mean by "unexpected"?

Hon KAY HALLAHAN: The turn it has taken was unexpected.

Hon N.F. Moore: The debate about Australian Airlines has been going on for 30 years.

Hon KAY HALLAHAN: Members opposite like competition, and if we wanted to have competitive forces operating in this State, we need all the options available to us. The legislation mentions Australian Airlines because that organisation is governed by legislation; other private carriers are not and can come in and apply. Australian Airlines is one of this nation's major carriers and it is precluded from applying. I am not accusing the member of this, but he certainly would not want to put the proposition that we do not want Australian Airlines to be in a position to apply --

Hon N.F. Moore: We have not wanted that for a long time.

Hon KAY HALLAHAN: If one is serious about competitive forces, one must look at the organisation which can provide the best quality service; there must be a range of organisations from which to choose. That is the Government's position; that is all this legislation is about. It does not mean that Australian Airlines is being viewed preferentially. We must have this legislation because Australian Airlines is controlled by the present legislation and private carriers are not, so there is nothing to preclude them from making application to run on these routes. I think it is sensible to allow Australian Airlines the opportunity to apply should it choose. Hon Phil Lockyer made the point that the Board of Australian Airlines may not take up the option to apply. However, I certainly think that option ought to be available. If the board does apply, we shall be in a position to select from the widest possible range of applicants.

Attitudes towards Australian Airlines are quite irrelevant to the Bill. The Government does not have a position; we have not thrashed it out in Cabinet and come up with a fixed position, so such a position is not available because it does not exist.

That is another reality which exists; it is an abstract but a factor.

Hon N.F. MOORE: The Minister said that the Government has no attitude towards the future of Australian Airlines. In other words, the Minister is saying she is quite happy to have a Government-owned airline operating in Western Australia, otherwise she would not be introducing this Bill.

Hon Kay Hallahan: I have no problem about considering them as an applicant on certain routes.

Hon N.F. MOORE: The Minister is prepared to have a set of circumstances which would allow Australian Airlines to operate within Western Australia?

Hon Tom Stephens: They were already operating in Port Hedland.

Hon N.F. MOORE: We all know what a great success that was.

Hon Tom Stephens: It did not succeed last time, but who is to say it will not succeed this time? You are out of step with your own colleagues in the Lower House.

The DEPUTY CHAIRMAN (Hon Robert Hetherington): Order! I am prepared to put up with some interjections but I am not prepared to put up with speeches in the form of interjections. I will give the member the call in a moment.

Hon N.F. MOORE: I do not really care whether I am out of step with anyone on this issue. A large number of people in Western Australia rely heavily on airline services. For them, such services are like public transport. The Government does not mind subsidising public transport in the city, or how much it costs to run Transperth and Westrail. I ask the Government to consider seriously the fact that many people who live in remote areas of this State regard the airline services as their public transport. I ask the Government to consider my view, which is that we should bend our philosophical views sometimes to ensure that these people receive the best possible service.

I am worried that if the Government allows Australian Airlines to operate in Western Australia and allows it to compete too widely, a number of small ports will be disadvantaged. I will not argue about it any more; I am sorry the Government will not say what it thinks about Australian Airlines or what it thinks about the changes mooted about the future of Government-owned organisations. I would be much more enthusiastic about this Bill if the Government were to say, "We, as a Government, have decided to support the Prime Minister, and we will support Australian Airlines being privatised. When they become privatised, we will look at their application very closely to allow them to operate on the existing East-West routes in the State." However, the Government is saying, "We are going to allow Australian Airlines, a fully-funded Government operation, to come in and operate in this State to provide the competition."

Hon Garry Kelly: What is wrong with that?

Hon N.F. MOORE: I do not happen to think the Government should run airlines. I am not the only one -- the Prime Minister agrees with me. That is the sort of thing the Government should get out of. Even the Premier agrees with me, while members opposite do not. Some of the members opposite are behind the times. Both the Premier and the Prime Minister

know what is going on; they can see the light on the hill and they know the way we should go, but people like Hon Garry Kelly -- who might eventually become the Minister for Transport, heaven help us -- may be in charge of the decision-making involved in this Bill.

If Hon Garry Kelly were in charge of deciding an internal airline in Western Australia, he would sack Ansett WA. The current Minister would not because he is not stupid, but that is what Hon Garry Kelly and some of his other colleagues who share his heavy lean to the left would do. That is why I am worried. That is why I want more assurances.

Several members interjected.

Hon N.F. MOORE: He may not be here forever; we are all fallible. We do not live forever, and nor do Governments stay around forever, as members opposite will find out in due course.

The Government is prepared, as I read the Minister's responses to my questions, to allow a Government airline into Western Australia. It does not really care if it remains a Government airline. The Government has given an assurance that it will look at implementing section 45 of the Act in respect of any additional routes being made available to whoever takes over from East-West. I accept that as a sensible proposition. However, I ask the Government to be very serious and to take into account the needs of people in the smaller ports when it is tempted to go along the line that Hon Tom Stephens suggests -- that is, that it would be very advantageous to have more and more competition. If people in Port Hedland and Karratha scream for more services and believe that competition will fix it, it will be very easy to hop on the band wagon. That could have a detrimental effect on people in other situations.

Hon KAY HALLAHAN: The member's concern for people in remote areas is no greater than ours. I believe that question would confront any major political party. It is certainly a challenge to this Government and I believe we have responded very responsibly. The Act lays down the parameters for considering such matters. Even if Mr Moore's party were in power, I would expect that section 45 would be the parameter for it to operate under.

Hon N.F. Moore: They were the parameters.

Hon KAY HALLAHAN: Okay! Let us learn from experience and not get stuck in a rut. We are endeavouring not to make the same errors. While I heard Mr Moore going along the protectionist line, which surprised me a little, services and meals have improved and, in fact, the whole range of things have improved.

Hon N.F. Moore: I acknowledge all that.

Hon KAY HALLAHAN: I understand the member's concern for people who depend on those services. As I said, his concerns are the same as ours.

Clause put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon Kay Hallahan (Minister for Community Services), and passed.

PAY-ROLL TAX ASSESSMENT AMENDMENT BILL

Second Reading

Debate resumed from 1 December.

HON MAX EVANS (Metropolitan) [4.35 pm]: I support the legislation. The Bill alters the threshold at which payroll tax is paid lifting it by 10 per cent to \$275 000.

In her speech, the Minister for Community Services referred to 300 employers who would be relieved of paying payroll tax because of the lifting of the threshold. I make it clear that 300 employers will not be exempted because most of them were exempted before and those

which were brought in last year below the threshold will now also be exempted. They would have gone above the amount because of increases in staff and wages. The Bill does not provide much relief. I make it clear again that 300 extra employers will not be given relief.

Hon J.M. Berinson: At the very least you can say that we were dealing with 300 who would be paying payroll tax.

Hon MAX EVANS: Yes.

Hon J.M. Berinson: That is the least that can be said.

Hon MAX EVANS: Earlier the Minister mentioned a maximum rate of 5.75 per cent. The rate in the Eastern States is five per cent plus one per cent, making it six per cent; so we are not the worst in Australia.

I was pleased when I read one part of the speech. I thought it was marvellous when the Minister said that the rate had been cut by one per cent. The Minister said --

Taxpayers who fall within the payroll range of \$1.1 million to \$1.98 million per annum will also benefit to the extent of between \$2 250 and \$19 800.

That figure is completely wrong. It should be \$1 800 because it is one per cent of the increase. The increase has been \$1.8 million and one per cent of that, as I said, is \$1 800. The Government has not saved \$19 800 per annum. It is a one per cent saving over the total wages for the year. I presume most of the Minister's other figures are wrong as well.

Hon J.M. Berinson: I understand the first point, and there seems to be something to it. However, the rest of the member's assumption seems to be excessively unkind.

Hon MAX EVANS: I have not done calculations on the other figures, but the savings mentioned in the speech are not as stated, particularly at that level and the next level. The Government has taken the credit for the loss of income of \$2.6 million in a full year. It knows very well that, with the increase in collections last year and this year, it will not be down in overall revenue by that much. The increases have totalled that much.

Hon J.M. Berinson: That was because of a growth in the economy.

Hon MAX EVANS: There has been an increase in rates of pay, and the figure has been affected by the eight per cent increase in the inflation rate. More wages have been paid and more staff put on. The Government cannot claim that the saving has been caused by a growth in the economy.

Question put and passed.

Bill read a second time.

In Committee, etc

Bill passed through Committee without debate, reported without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon J.M. Berinson (Minister for Budget Management), and passed.

PAY-ROLL TAX AMENDMENT BILL

Second Reading

Debate resumed from 1 December.

HON MAX EVANS (Metropolitan) [4.42 pm]: I will be brief as this Bill follows on from the previous Bill. The Opposition supports the legislation.

Question put and passed.

Bill read a second time.

In Committee, etc

Bill passed through Committee without debate, reported without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon J.M. Berinson (Minister for Budget Management), and passed.

ACTS AMENDMENT (PORT AUTHORITIES) BILL*Second Reading*

Debate resumed from 2 December.

HON D.J. WORDSWORTH (South) [4.44 pm]: The object of this Bill is to change the direction of the outports and the Port of Fremantle so that they become more commercially oriented.

I will go back a little in history to outline how our ports developed, and I will quote from the commission of inquiry into the maritime industry. The report was titled, "Report on adequacy of Australia's ports", and it was presented to His Excellency, Hon Sir John Kerr in 1976. With regard to the various ports of Western Australia and under the heading of, "Administration of Port Authority Ports", the report quoted from a speech given on 28 April 1970 in the Legislative Assembly by Sir Ross Hutchinson DFC, MLA, who was the then Minister for Works and Water Supplies. He said --

... it has been the Government's plan and policy to pass over control into local hands when the ports have reached a sufficiently advanced stage of development".

Six ports are controlled by their respective port authorities under legislation as follows:

Fremantle 1902

Bunbury 1909

Albany 1926

Geraldton 1968

Esperance 1968

Port Hedland 1970

The Acts (which are similar in general terms) establish port authorities to provide for the control and management of the ports and each port authority consists of five persons. Members are appointed by the Governor for three year terms and can be re-appointed. The Governor may, upon the recommendation of the appropriate Port Authority, grant leases of land up to 21 years.

Necessary funds may be obtained from:

- (a) moneys appropriated by Parliament;
- (b) income from all dues, charges, rents and other levies;
- (c) moneys borrowed by the Port Authority.

Port Authorities need State Government agreement before they may undertake large works to develop the ports, the State Government being concerned, among other things, with the financial arrangements of the proposal and the long-term development aspects of the plans.

A Port Authority may borrow to defray expenditure from an approved Bank or from the State Treasurer at a rate of interest determined by him. Money may also be borrowed (subject to approval by the Minister and the Governor) by the issue and sales of debentures or inscribed stock.

I will not continue with the speech, but it illustrates the general philosophy of the day; that is, that the port authorities were to look after their ports in a similar manner to that in which local government authorities look after their designated areas. In other words each port authority was to develop a port for its region. Members will note that there was little reference, if any, to paying a dividend, but rather to borrowing according to the principles laid down.

Nevertheless, balance sheets have always been kept of the ports. The report of the Royal Commission to which I have referred shows, in relation to Esperance, table 123 which is the comparative financial table for the financial years 1968-69 to 1973-74. It shows the revenue from working expenses, depreciation, the interest charges, expenditure and the net surplus. The net surplus at Esperance in 1968-69 was \$34 783. In 1969-70 it was \$80 000 and in 1970-71 it lost \$3 000; in 1971-72 it lost \$189 000; in 1972-73 it lost \$214 000; and in 1973-74 it lost \$258 000. The final figure in that table shows the interest charges as a percentage of the revenue. That would seem to be the comparison of the day. Nevertheless, one can ascertain from that that comparisons were made at that time between the ports.

The Minister's second reading speech quotes that in 1977 the responsibility for port matters was transferred to the Minister for Transport. The change brought with it an economic efficiency drive and commercial orientation for the supply and operation of the important element of the State's infrastructure.

I was Minister for Transport at that time and I took over the responsibility for the ports. Perhaps it is a poor reflection upon the Public Service that when I took over that responsibility there was not one record or file available. The Public Works Department was responsible for the building of the ports and it had kept the files. If it had not been for the Acts of Parliament I would not have known where the ports were. No officer knew about them and everything was thrown into my lap. It is interesting how a Government department cannot be helpful when it comes to supplying information. John Knox was the Director General of Transport, and he took to it with a vengeance. Anyone who knew the Act at the time would realise that he was not able to take any part in the running of the ports; his role was more to advise the Minister on the future growth and that type of thing.

Another problem with the ports in those years was that the only person who could be contacted was the Minister, so I enjoyed a close contact with the port authorities at that time. As has been said, we wanted to make the ports more economically efficient. They had been built by the Public Works Department, and as every member would know, when the PWD builds anything it spends twice as much money as is required, and everything is twice as strong as it needs to be. The result is probably uneconomic.

On the philosophy of the 1970s, certainly when Sir David Brand was Premier and when Sir Charles Court was Minister for Industrial Development and later Premier, we built ports -- I was going to say at any cost, but I will not put it that way. The object was first of all to build the ports, even if there was no demand for them, and the exports came afterwards. One cannot export without a port, but exports cannot be developed, whether they are iron ore, grain or anything else, without a good port.

Until the late 1960s, Esperance had a wooden jetty, and the grain had to be carried out by bag. I do not think there were any bulk imports; only general goods. When the Esperance sand plain was expanded, all the phosphate came in by rail from Bassendean at a cost of \$17 a ton, and in 1960 that was a lot of money.

Hon W.N. Stretch: The transport was far more than the cost of the super.

Hon D.J. WORDSWORTH: Far more, yes. It was not until the port was built at Esperance that a superphosphate works could be established there which imported its raw materials. Little thought was given to the economic consequence of that investment from the point of view of the port paying. If, after charging levies on ships and the like, there was a loss, then that was an up-front cost which ensured the development of the region, and it was a very good principle.

However, as has been pointed out today, something like \$200 million has been invested in ports. Without doubt that sort of money cannot be left uncontrolled; one must look at it from the economic point of view. With the aid of the Federal Government, in 1977 we set about making a study of all our Western Australian ports. I have here a document called "A study of Western Australian ports", which was prepared by our Director General of Transport, together with the Bureau of Transport Economics, the Federal Government department which helped to finance the report.

That report was orientated very much towards not only reporting on what facilities were available but more particularly trying to coordinate the activities between the ports so that they would complement each other. There was also an effort to make those ports attract

more traffic. However, the added income from any additional traffic going through the ports was not to be out of kilter with the revenue it brought in.

I quote from the section on port finances on page 23 of that study, where this is said --

Port operations in Western Australia have exhibited substantial losses in recent years. In 1978/79, only Fremantle and Port Hedland port authorities completed the year with surplus returns. For the rest, losses ranged between \$63 000 for the Bunbury Port Authority and \$466 000 for the Geraldton Port Authority.

Together with the port authorities, we set up various standards by which they could judge themselves and ensure that they were orientated towards expenditure and revenue rather than towards capital structure and the building of facilities, as had been the position in the past. Nevertheless, a change has occurred once again. We have gone from first of all building the ports to encouraging development and growth of the area. The ports are now going out to seek trade. I show members this very colourful document put out by a port authority called "Esperance Port Strategy". This was sent out to any company or country which looked like importing through Esperance. It points out the bulk handling facilities for minerals, salt and the like. It was generally designed to encourage trade through the port, and it was quite successful. Now we see a further change to make sure that these ports are economic.

I am a little concerned that this could be taken too far. It is very good to set targets for port authorities, because they can at times appear to be very wasteful in the way in which they spend their money. The Esperance Port Authority has just completed a mini-golf course. I wonder if that is in the best interests of the port, but I am sure it will show up when Esperance is compared with other ports and their returns.

Nevertheless, different ports require different amounts of capital to develop, and one wonders who should have to pay the difference in the cost. Esperance fortunately has a sandy bottom to its harbour, which is relatively easy to dredge and deepen and therefore build a port. Albany had difficulty with the entrance to its port. When I was Minister in 1979, \$4 million was spent in blasting so that bigger ships could come in. The port could never charge enough to cover that \$4 million. That was recognised by the Government because it has forgone the debt incurred by that deepening, so in theory it ought to be easier for the Albany Port Authority to balance its budget. The port of Geraldton about the same time needed to deepen its harbour, and I think it spent \$3 million; cracked half of the buildings in Geraldton; and got down an additional depth of six inches, which was a great failure. It was essential that an effort was made to deepen that port because at that stage there were opportunities to export iron ore as well as the usual traffic in grain, fertiliser and mineral sands.

We now see that port authorities are required to assess a return on the moneys invested. The Leader of the House said during the second reading speech that --

... the Bill defines clearly the financial target as being the --

real return after current cost depreciation, but before interest;
divided by the written down current cost of assets.

Each element in the target definition is intended to play a major part in achieving the overall objectives of --

providing efficient resource utilisation;
providing a clear commercial orientation.

And, perhaps more importantly --

providing the Government with strategic control over the State's port authorities while maintaining the Government's clear preference for the retention of current decentralised management style.

It is obvious that the Minister felt he had not enough control over what the port authorities were doing. This is particularly highlighted in the commercial orientation of the port authorities.

I wish to quote from a newsletter put out by Co-operative Bulk Handling, *CBH Topics*, in August 1987, under the headlines, "Harbour Deepening Questioned" as follows --

CBH and the WA Farmers Federation are strongly opposed to the expenditure of about \$4 million to deepen the Esperance harbour.

The proposal will involve the Esperance Port Authority in levying ships 40 cents a tonne and increasing wharfage by 40 cents a tonne for 14 years to finance the loan.

CBH General Manager, Mr Ray Delmenico, said the Company believed the existing shipping arrangements were satisfactory at present and within the financial constraints of the industry.

"We do not believe the extra expenditure could be justified," he said.

The Esperance Port Authority has applied to the State Government for loan funds to dredge the harbour to 12.8m during the current financial year to give the port an effective draft of about 11.5m.

The overall port plan indicates the grain will ultimately be shipped from No 2 berth instead of No 1 as at present.

However, it is likely that when this occurs, No 2 berth will be a dedicated grain berth and the problem of setting a new gallery behind the wharf, as at Albany, will not arise.

I read that to show there is a possibility of conflict between a port authority and its users, and this has been brought about by the new objectives which are written into this Bill. I am sure that CBH would have been happy for that port to be deepened under the previous standards laid down for port authorities, but CBH is aware that it will have to pay the full costs because it is the major user of the port, and it feels the structure that is there currently is suitable. I am fairly sure the port of Esperance will be deepened in spite of that, but if it is so deepened, CBH and the farmers will be paying more to get the grain out, and the returns to farmers will be less.

We need a balance between demanding and setting on ports a return which has to be made on the money spent on them, and spending money in a region to encourage the growth of Western Australia. We need to have growth, and at times that is not necessarily economic. It is interesting that having spent that money and allowing all the opportunities for development to take place, often these facilities do become economic.

I want to make a final quote from this report on the study of Western Australian ports which has a bearing on the matter of port pricing --

The effect on port operations of the price of that port's services is not always apparent. Ultimately, the price of port services will be reflected in the consumer price of the commodity being handled or in the return to the producer where prices are established in competitive world markets. The extent to which such an inclusion has an effect on the sales or production of that commodity -- and so in the final instance, on the port operation itself -- depends on both the significance of the cost within the final price and the elasticities of demand and supply for the commodity. However, the effect on port operations appears to be small, although there is some evidence that elasticities with respect to total shipping fleet costs may be greater than unity...In general, port costs are only a small proportion of total shipping costs, which implies a proportionately lower elasticity.

Of rather more immediate consequence is the effect of the port pricing policy on the ships using the port. There has not been any definitive study of this question, and as a result there is a large measure of disagreement on it. On the one hand, some researchers suggest that the level of charges can affect the behaviour of ship operators...whilst on the other hand, some ship operators have suggested that port levies account for as little as 4 per cent of their operating costs...and so presumably have little bearing on ship owners' behaviour.

We are obviously working in an area which has not been closely defined, and we have been given two arguments about what is going to happen when port prices have to rise to reflect the expenditure which has been made on these ports. It will be interesting to see whether different prices will be given by CBH to cart grain out of Esperance than out of Albany or Geraldton and, if that is accepted, whether the prices paid to farmers in those areas will reflect the construction costs of the port.

The Opposition supports this Bill. We cannot see how the Bill could be changed, but care should be taken in its implementation.

HON E.J. CHARLTON (Central) [5.10 pm]: The National Party is opposed to this legislation. We acknowledge that changes have taken place to make these ports more efficient and update them to the point where they work well. I am talking about regional ports which exist to service the export of very important products which are so vital to this nation's financial security, bearing that in mind we are of the opinion that it is not in the interests of the port authorities or the State to have them come under the Minister's control to such an extent and for the financial aspects of these authorities to be centralised.

I refer to clause 7 of the Bill which provides for the Government and the Minister of the day to place a number of constraints and directions on the authorities. The Bill provides that the Minister will set a target for a port authority's income, but what happens if it falls short? We all know that in relation to primary production there can be tremendous variations in the amount that is produced. We have seen that in the last few years in relation to the total tonnages that have gone through the ports. What will be the reaction of the Government if the Minister sets a target and it is not reached? Will the Government say it has to curtail the operations of the port authority, or will it increase the rate charged by that port because it has not come up to expectations?

There really is no need for this legislation. My colleague in another place, Monty House, the member for Katanning-Roe, has illustrated this very effectively in the comments he made during the debate there. I am speaking in support of the point of view he expressed. If one looks around the nation, one sees that in a number of instances in the past it has been suggested that the user should pay. That is fair enough from one point of view, but we are talking about industries and commodities on which the State and the nation depend. We have to be careful about changes to an Act which may create some detrimental financial results and have a bad effect on the people in those industries which use the ports.

As Mr Wordsworth stated, changes have taken place recently in relation to the products going through the ports -- I am referring to the ports servicing agriculture -- from Esperance in the south to Geraldton. It appears from reading the clauses in the Bill that the Minister, with the approval of the Treasurer, has some very broad and wide-ranging authority. I do not support the idea that ports have to be subsidised and the taxpayer has to pick up the tab. The most important aspect of this Bill is that only one of the ports ran at a loss last year -- Fremantle lost about \$1 million. Despite that, the administration of all the other ports is being changed from the point of view that finances will go into a centralised fund. That is proposed when the port we should be looking at is Fremantle.

I am not saying the Government is not doing anything to overcome that problem. If the Minister of the day sets a target rate for a particular port authority and it runs at a profit, the revenue goes into a centralised fund and it is used to make up the loss incurred at Fremantle. One can understand the reaction of the people involved who create the economic wealth which enables other port authorities to operate.

There may be some new ports developed in the north to service a particular industry and to get its commodities onto the export market. We have seen that the waterfronts around the nation are not as efficient as any Government or any person would like them to be. We debated this aspect earlier today. There have been restrictions and regulations, and they still exist, and to my limited knowledge they exist more in Fremantle than anywhere else because of work practices and so forth. It is doing no-one any good. No individual is better off because with overheads and inefficiencies people will lose their jobs in the long term. It may be all right in the short term, but eventually the chickens come home to roost and action has to be taken.

After considering the comments made in another place and the Bill as presented to us here, we are unable to agree to it. If it can be shown in future that there is a valid need for this type of legislation, by all means bring it in and we will make changes. However, we have a situation where the port authorities have improved their efficiency and are running well. There are times in any business when one has to say that things need to be done and improvements must take place. In this instance, we are talking about port authorities which exist primarily to export commodities such as grain and iron ore and others. Hopefully those exports will increase. One of the reasons they are so efficient and running well, other than

Fremantle, is the facilities which have been put there to enable a quick turnaround. This encourages shipping to go there. I travelled to South Australia this year, and members will know that the tonnage of grain exported from South Australia is a lot less than that leaving Western Australia. However, there is a whole series of ports along the coastline in that State, and that is why farmers there pay lower freight costs than in Western Australia.

It is important to give incentives to port authorities to run their own initiatives. The Government should not be implementing these proposed changes. Surely changes to improve efficiency would be better made in other areas. I believe the Government's move to increase the target rate is an unfair one. The Opposition calls on members to reject this legislation.

HON KAY HALLAHAN (South East Metropolitan -- Minister for Community Services) [5.21 pm]: Having listened to Hon Eric Charlton, I am not sure whether he misunderstands the provisions of this Bill. Given the background of Hon David Wordsworth, I am pleased that he sees fit to recommend support for this Bill.

To clarify the situation I refer Hon Eric Charlton to the relevant material contained in the second reading speech which reads --

Each element in the target definition is intended to play a major part in achieving the overall objectives of --

providing efficient resource utilisation;

providing a clear commercial orientation.

These would be aspects with which we could agree. The speech continues --

And, perhaps more importantly --

providing the Government with strategic control over the State's port authorities while maintaining the Government's clear preference for the retention of current decentralised management style.

Ports constitute a major infrastructure in our State and some Government responsibility in that regard is critical. In the second reading speech it is said that financial targets will be set on an authority by authority basis, so this will not be a blanket provision.

Hon E.J. Charlton: I am listening intently.

Hon KAY HALLAHAN: I thought that the member would be. I know how seriously he takes these issues. He has taken such a strong stand that I thought he would also take good counsel on this Bill.

The intention is that financial targets will be set on an authority by authority basis in consultation with each port authority and recognising the differences in trade and historic development and circumstances. The targets will not be unrealistic.

Another important area for clarification is covered in the second reading speech as follows --

The Government's overall financial policy to which this Bill relates is that our port authorities should be pursuing financial self-sufficiency.

Again, this is something we are striving for so that we keep out of the public purse and away from taxation escalation. The speech continues --

The Bill embraces this policy by requiring each port authority to manage its financial resources and perform its functions such that it aims to --

meet all of its liabilities;

pay any dividend on State equity as required by the State;

fund all or part of future capital expenditure.

In giving substance to this policy, it has also been recognised that each of the port authority Acts currently allows the Treasurer to appropriate any end of year profit, generated by a port authority's endeavours, to the public account. This existing provision is inconsistent with the new direction being given to port authority financial administration by this Bill and hence is to be repealed. The objective here, of course, is to provide clear motivation to our high calibre port authority managements, --

And we think the management committees of the port authorities are of a very good standard. The speech continues --

-- whereby they may generate and appropriate profits in a commercial manner, rather than being subject to a non-commercial external appropriation.

I agree with the point Hon Eric Charlton made, and I would have thought this Bill supports his position. The speech continues --

The Financial Administration and Audit Act also provides for the Treasurer to appropriate any surpluses to the Consolidated Revenue Fund or to the General Loan and Capital Works Fund.

Again, this Bill exempts the commercial port authorities from this provision. I do not know whether this explanation reassures the member. I would have thought the Bill is travelling in the direction in which the member wishes to see the authorities operating. Further on the speech reads --

As with many other commercial enterprises, the dividend recommendations made by the port authority boards will be considered by the Government, representing the owners -- the people of Western Australia -- with a view to either accepting or varying the dividend payable, but always in relation to the level of State equity in the authority concerned.

It is difficult for me to reassure members any further. I would have thought these were areas which would have met with members' approval. I recommend that the Bill be read a second time and ask members to support that.

Hon E.J. Charlton: The Government has increased charges in the past without too much justification.

Hon KAY HALLAHAN: I take the member's point; history has taught him an unpleasant lesson. Good management committees will be put in place, targets will be set on an authority by authority basis, and the factors surrounding each authority will be taken into account. The Government will not disregard the sensible judgment and consultation of each management committee. The authorities are part of the State's infrastructure and the need for accountability exists. Nevertheless, the committees will operate well and their being responsible for the management of their own port authority is an excellent provision.

The Government urges members to support the Bill.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (Hon Garry Kelly) in the Chair; Hon Kay Hallahan (Minister for Community Services) in charge of the Bill.

Clauses 1 to 20 put and passed.

Clause 21: Principal Act --

Hon D.J. WORDSWORTH: Clause 21 refers to a change in the Fremantle Port Authority Act. This authority must look closely at its financial situation as it is probably the most uneconomical of all authorities. Perhaps this situation justifies not passing the previous legislation. At that time we disagreed with the Fremantle Port Authority's having jurisdiction over the painters and dockers which added to costs and to its inability to compete.

Hon E.J. CHARLTON: I have frequently brought to the notice of this Chamber the problems associated with the operations of the Fremantle Port Authority and the effect on primary production. Improvements have been made, but accountants around the State have commented on the inefficiencies in operations at the port which, coupled with cutbacks within the industry, create difficulties for the survival of the industry.

While that has been done, there are still some work practices at the Port of Fremantle that are absolutely unacceptable. I am not saying that it does not apply to other ports.

Hon Tom Helm: The accountancy system?

Hon E.J. CHARLTON: Hon Tom Helm did not hear what I said. It has been publicly stated in reports of accountants who handle the affairs of people in the primary industries who have cut to the bone their operations and have saved a lot of money, that they do not want to suffer severe cutbacks. As a result of the cutbacks we have seen machinery dealers and the like in the service industries being severely hurt. It has occurred because of economic necessity. Another group of people in the service industry are being paid to do a job and they have not suffered the same cutbacks as other sectors of the industry.

I will give the Chamber an example: When live sheep are being loaded it is not uncommon for a partly unloaded truck to be stopped from completing its loading onto a boat because of a change in the work shift. Commonsense does not prevail and a little more understanding and logic should come into it. We should encourage the workers to do their job properly. I am not arguing about their pay and their working conditions. I am just talking about their job. I am sure that anyone loading cargo, whether it be containers or live sheep, would want it loaded as quickly as possible so that they could take advantage of the market. As a result, the costs will be kept to a minimum and they would be in a position to employ more staff.

The agricultural industry has tried to work out a way in which it would not have to involve itself in these matters. We are talking about people, efficiencies and economies, and it is no good saying that a person is doing very well because he drives a certain make of car and so forth. They are statements that we make from time to time, but the fact is that the economic cutbacks have been horrendous in the agricultural industry relating to the products about which we are talking. Production has not decreased, but the number of people involved in the industry has decreased by 20 per cent in the last three years. When those people working at the port take advantage of the situation it is not in anyone's interest. While the Government is putting through this piece of legislation which upgrades the ports around the State, most of the commodities are being handled by self-funding operations and I suggest that the Government have a better look at the Port of Fremantle.

Clause put and passed.

Clauses 22 to 32 put and passed.

Clause 33: Principal Act --

Hon D.J. WORDSWORTH: This clause amends the Port Hedland Port Authority Act. It perhaps highlights the reason the legislation is in this Parliament. I do not want to make the Minister's speech for her, but Port Hedland is an iron ore port. Originally it was a port where Stateships called and it was used for the development of the Pilbara pastoral industry and for a small amount of minerals. I think it was in the 1960s when iron ore was first mooted to be exported out of the Pilbara. At that time there was a choice of building a new port or using the Port Hedland port. It was a matter of lengthy debate whether a port should be built three kilometres from the existing port, but because of the cyclone risk it was decided that it remain at Port Hedland. Two iron ore companies have based their operations in Port Hedland and no longer does any general cargo go through that port.

Hon Tom Helm: A little. Heavy machinery and goods for the North West Shelf project pass through that port.

Hon D.J. WORDSWORTH: Generally speaking Port Hedland is used extensively by the two companies which export iron ore and salt and pay a dividend on how well they do it. Another competing iron ore company has its own port and has to pay all the costs applicable to it. It is not fair that Port Hedland should run at a loss because it is competing with a company which built its own port. I must admit that when I was Minister for Transport I was concerned that the Port Hedland port was running at a loss to the benefit of those two companies. They had representatives on the port authority and, indeed, ran the port. I felt they should be contributing more towards the port. I saw at the time a need to make the Port Hedland port economical. I could not quite put it on the same footing as some of the other outports.

The Minister, in her second reading speech, said that a seventh port authority at Dampier is currently in the embryo stage and is expected to become operational in 1989. Of course, it is not the port that is in the embryo stage, but the port authority. The Port of Dampier was a private port until two companies wanted to use it and, therefore, a port authority is necessary to look after the lights and generally govern the use of the port, etc. Once again two

companies will be using the port and I believe it should be economic. The Government should monitor the general economies of the port once the authority becomes functional. Until now it has been entirely a private port and it has not been used for general cargo except for heavy machinery and goods required for the North West Shelf project.

It is because of the proposed new port authority that the Government has had to look at all the port authorities in order to put them on an equal footing.

Clause put and passed.

Clauses 34 to 38 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon Kay Hallahan (Minister for Community Services), 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 2.30 pm on Tuesday, 8 December.

ADJOURNMENT OF THE HOUSE: ORDINARY

HON J.M. BERINSON (North Central Metropolitan -- Leader of the House) [5.42 pm]: I move --

That the House do now adjourn.

Sex Shops: Proliferation

HON E.J. CHARLTON (Central) [5.43 pm]: Before we adjourn I want to bring to the attention of members of this House and the Government, the growing concern within large sections of the community at the increase in the number of so-called sex shops. We all know that there are a lot of these premises around, and have been for a long time. However, when a company is floated on the Stock Exchange, and retail outlets are scattered around the shopping centres of the metropolitan area of this State facilitating easier access for people within the community, it is a cause for concern.

We have had a number of Bills in this House dealing with the welfare of children. The Minister for Community Services has told us about the problems concerning children and their families in this State. We are all aware of these problems and have our own ideas of what to do about them. Obviously, in the short-term, taxpayers' money has to be used to assist families in need. We have probably all visited premises like these --

Hon Tom Helm: Speak for yourself.

Hon E.J. CHARLTON: I have been in several in this and other States, and in a few other countries. Everyone has a different reaction to what they see; some are totally disgusted by it, and others laugh and describe it as unbelievable. The bottom line is, as far as I am concerned, that these shops do no good at all for anyone in the nation. They are absolutely detrimental. We saw the Minister for Racing and Gaming take action regarding some of the activities in hotels. We now see consideration being given to legalising prostitution. I am not speaking for or against that at this stage. As I said to the Press, when I was asked, it is not a question of a straight yes or no. That is the problem with many of these things. They cannot be locked away; they will always be there.

We have a committee which vets publications coming into the State. Even if we ban all those publications some will still get in. Therefore, it is better to have a situation where at least the people who are bringing such things into the State are known, and it can be monitored and kept under wraps as much as possible. That is as much as we can hope for in our society. However, these shops warp people's minds and incite and encourage the sort of

behaviour, and attacks on individuals, about which Hon Kay Hallahan can tell us. We must face up to the fact that these shops, and what they sell, can have that effect on some people. They are a breeding ground for violence and nothing good comes from them.

I have spoken to people who are trying, as responsible citizens in this community, to do something about it. They must be encouraged and assisted in every possible way to encourage common sense, and rid this State of those undesirable individuals. They are nothing more than undesirables. They are in it for the dollar they can make out of it, and nothing else. They do not care about the violence that is caused to the innocent individuals who are often the victims of their activities.

I urge members of the Government in this House to involve themselves in bringing pressure to bear to take some action. I am not saying these shops should be closed down overnight, because the people concerned would wander off somewhere else. We must, as a society, deplore this sort of thing and take whatever action is needed to approach these problems. If we stand back, do nothing, and encourage these places to get a foothold in increasing proportions as the sex shop owners obviously want to do, we are not doing our job.

Teachers Credit Society: Staff Redundancies

HON P.H. LOCKYER (Lower North) [5.47 pm]: I will not detain the House long, but I wish to bring an important matter to the House and call on the Government to do something swiftly about it. It is clear from reading the Press last night and seeing the electronic media today that the problem between the Teachers Credit Society and the R & I Bank has found its way into the public arena, where it has been said that a number of staff who work for the Teachers Credit Society will be made redundant.

I have just returned from Camarvon where there is a branch of the Teachers Credit Society, and its offshoot, Security Travel. There was a considerable run on that society up there. A number of people withdrew their funds from that branch because they have obviously become disturbed about the Press report. It is important for the R & I Bank to state the true position regarding the staff in branches of the Teachers Credit Society. I understand from both the electronic media and the newspapers today that some 27 branches are apparently to close down. This has caused some concern, particularly in my home town of Camarvon, to the local people who work in the branches. It is an enormous concern for depositors whose funds are with that society.

The time has come for a statement to be made by the Premier, in his position as Treasurer, to allay the fears of the employees and the depositors. This needs to be done very quickly before there are further runs on these branches. I ask the Minister in charge of the House at the moment if she would pass this on to the appropriate sources.

Hon Kay Hallahan: Certainly.

Question put and passed.

House adjourned at 5.50 pm

QUESTIONS ON NOTICE
COMMUNICATIONS: RADIO
Marine Licence Fees

483. Hon J.N. CALDWELL, to the Leader of the House representing the Minister for Communications:

- (1) Is the Minister aware that a marine radio licence fee is \$33 per annum?
- (2) Would the Minister provide the amount of revenue raised by this fee in WA?
- (3) Is any of this revenue used to support sea rescue clubs?
- (4) Including the cost of administration, what other uses is this revenue put to?

Hon J.M. BERINSON replied:

- (1) Yes. The Federal radiocommunication licence tax for a ship station, class B, is \$33 per annum. Class B applies to Department of Marine and Harbours registered fishing or other commercial vessels engaged in intrastate activity and whose radiocommunication licence covers the passage of public correspondence via the Overseas Telecommunication Commission (Australia) coast stations.
- (2) As this is a Federal tax, details of revenue collected are not within my ministerial jurisdiction. I have asked the Department of Computing and Information Technology to ascertain this information from the Federal Department of Transport and Communications and advise the member in writing.
- (3) I am advised by the Federal Department of Transport and Communications that this revenue is not used to support sea rescue clubs.
- (4) I am advised by the Federal Department of Transport and Communications that the total revenue from all radiocommunication licence taxes covers the cost to the Federal Government of effective management of the radio frequency spectrum, plus a royalty on the use of this scarce resource. Federal funds from all sources, including radiocommunication licence taxes, support sea safety in several ways including provision of the Federal Sea Safety and Surveillance Centre and by subsidising the Overseas Telecommunication Commission (Australia) to provide safety of life at sea services, including coastal radio stations.

EDUCATION: PRIMARY SCHOOL
Darlington: Class Sizes

491. Hon NEIL OLIVER, to the Minister for Community Services representing the Minister for Education:

In view of grade 5 classes numbering 37 and 38 students respectively in the Darlington Primary School --

- (1) Will an additional transportable and further teacher be programmed in 1988 for grade 6?
- (2) Has a replacement permanent headmaster been appointed to replace the impending retirement in early April 1988 of the present incumbent?
- (3) As no permanent headmaster has been appointed since 1983, can the Minister endeavour to provide some continuity with the impending replacement?

Hon KAY HALLAHAN replied:

- (1) No. The school is currently staffed in accordance with the staffing formula. It is possible for the school to reduce these class sizes in the same way that other schools do.

- (2) No. It is the established policy of the ministry that when a teacher in a promotional position retires during a school year, the position is filled in an acting capacity for the remainder of the year with a new substantive appointee taking up duties at the commencement of the following year.
- (3) No. The present principal is a permanent appointee. Barring unforeseen circumstances, the procedure outlined in (2) should provide continuity from the commencement of 1989.

ROTTNEST ISLAND BOARD

Capital Works

493. Hon D.J. WORDSWORTH, to the Minister for Community Services representing the Minister for Lands:

With respect to the Rottnest Island Board, during each of the last ten financial years --

- (a) what loss was written off under Consolidated Revenue;
- (b) what moneys were borrowed for capital works;
- (c) what capital works were carried out;
- (d) what was the cost of those capital works?

Hon KAY HALLAHAN replied:

- | | | |
|-----|---------|--|
| (a) | Nil; | |
| (b) | 1985-86 | \$325 000 |
| | 1984-85 | \$526 000 |
| | 1983-84 | \$700 000 |
| | 1982-83 | \$540 000 |
| | 1981-82 | \$1 200 000 |
| | 1980-81 | \$500 000 |
| | 1979-80 | \$500 000 |
| | 1978-79 | \$1 000 000 |
| | 1977-78 | \$800 000 |
| | 1976-77 | \$800 000 |
| (c) | 1985-86 | purchase of bikes and buses |
| | 1984-85 | major upgrade of units, new bakery, ablution block |
| | 1983-84 | new bores, purchase of bike hire, upgrading and renovation of board premises |
| | 1982-83 | new tennis courts, units Thomson Bay, units Geordie Bay, roads Geordie Bay |
| | 1981-82 | units Geordie Bay, units Thomson Bay, power house |
| | 1980-81 | Geordie Bay store, units Geordie Bay, museum |
| | 1979-80 | Geordie Bay store, units Geordie Bay, museum |
| | 1978-79 | units Geordie Bay, sewerage treatment plant, new toilet block |
| | 1977-78 | units Geordie Bay, tearooms extensions, sewerage treatment plant |
| | 1976-77 | Geordie Bay roads, water supply-sewerage, workshop, lodge staff quarters |
| (d) | 1985-86 | \$325 000 |
| | 1984-85 | \$526 000 |
| | 1983-84 | \$700 000 |
| | 1982-83 | \$540 000 |
| | 1981-82 | \$1 200 000 |
| | 1980-81 | \$500 000 |
| | 1979-80 | \$500 000 |
| | 1978-79 | \$1 000 000 |
| | 1977-78 | \$800 000 |
| | 1976-77 | \$800 000 |

AGRICULTURE: PESTICIDES

Properties Quarantined

497. Hon C.J. BELL, to the Minister for Sport and Recreation representing the Minister for Agriculture:

- (1) How many properties are currently in quarantine for pesticide problems?
- (2) How many have been released from quarantine since the programme started?

- (3) How many properties have had pesticide residue levels detected which have not been high enough to trigger quarantine?
- (4) How many properties were quarantined because of declaration of contamination of land by the owner?

Hon GRAHAM EDWARDS replied:

- (1) 186*
- (2) 39*
- (3) 144*
- (4) Five properties have been quarantined after on-farm fat sampling, carried out as a result of a report by owner of suspected contaminated land.

* As at 27 November 1987.

TRANSPORT: RAILWAY STATION

Moora

499. Hon MARGARET McALEER, to the Minister for Sport and Recreation representing the Minister for Transport:

What use is intended for the Moora railway station after the station master is withdrawn?

Hon GRAHAM EDWARDS replied:

In accordance with Westrail's usual practice, areas surplus to operating requirements will be made available for commercial leasing.

EDUCATION DEPARTMENT

Staff: Retirement Packages

501. Hon N.F. MOORE, to the Minister for Community Services representing the Minister for Education:

- (1) Will the Minister provide the House with the details of the redundancy-early retirement packages being offered to head office personnel in the Ministry of Education?
- (2) Which categories of personnel have been offered the package, and how many have accepted?

Hon KAY HALLAHAN replied:

- (1) The redundancy-early retirement package offered is in accordance with the Government's standard policies concerning the overall management of redundancy, the full details of which were published in the *Public Service Notices* of 2 July 1986.
- (2) In accordance with Government policy, the package has been offered to the category of employee for whom suitable alternative employment is not available, specifically those at superintendent level and above and over 50 years of age. Thirty five employees have so far elected to take severance.

EDUCATION DEPARTMENT

Staff: Early Retirement

502. Hon N.F. MOORE, to the Minister for Community Services representing the Minister for Education:

- (1) Is it the policy of the Ministry of Education that personnel aged 55 or over should take early retirement?
- (2) If so, what is the rationale behind this policy?
- (3) If not, what is the Ministry's policy on early retirement?
- (4) Is it correct that all Ministry of Education personnel are required to retire at age 65?

Hon KAY HALLAHAN replied:

- (1) It is not Ministry of Education policy to require personnel aged 55 years or over to take early retirement.
- (2) Not applicable.
- (3) The Ministry of Education's policy on early retirement allows personnel to exercise the right to retire voluntarily, having attained the age of 55 years.
- (4) Ministry of Education personnel employed under the Education Act are required to retire at age 65 years, subject to Education Act Regulation 86 (3) --

Upon reaching the age of sixty-five years a teacher or employee by force of this regulation, vacates his appointment unless, due to the exigencies of the Department, the Minister approves of the teacher or employee continuing in his position for any period until, but not longer than, the end of the school year in which that teacher or employee attains the age of sixty-five years;

Ministry of Education personnel employed under the Public Service Act are required to retire immediately on attaining the age of 65 years, subject to Public Service Act Regulation 15 (6) --

Where the Board certifies that in the interests of the Public Service it is desirable that an officer should continue in office in the Public Service after attaining the age of 65 years and the officer is able and willing to do so, the Governor may approve of that officer continuing in the Public Service for such time as the Governor directs and the officer may continue in office accordingly.

EDUCATION DEPARTMENT

Staff: Early Retirement

503. Hon N.F. MOORE, to the Minister for Community Services representing the Minister for Education:

How many Education Ministry personnel have opted for early retirement at the end of this school year in --

- (a) head office;
- (b) schools?

Hon KAY HALLAHAN replied:

- (a) 34;
- (b) 52 teachers who are over 55 but under 65 have opted for retirement at the end of the school year.

EDUCATION: SCHOOLS

Computers: Funding

504. Hon N.F. MOORE, to the Minister for Community Services representing the Minister for Education:

- (1) What funding has been included in the State Budget to finance the provision of computer hardware and software for use by schools for administration purposes?
- (2) What is the Education Ministry's recommendation to schools regarding the type of hardware and software to be purchased?
- (3) Are the recommended products readily available, and if so, from whom?

Hon KAY HALLAHAN replied:

- (1) \$2.7 million in the 1987-88 Budget to cover the first stage of computer systems for administrative purposes and associated implementation and training costs.

- (2) Specification of a school-based computerised administrative support system is in the final stage of preparation and will be lodged at the State Tender Board within a week.
- (3) It is anticipated that products satisfying the tender requirements will be readily available. This will allow a phased implementation of systems into schools to commence early in 1988.

EDUCATION DEPARTMENT

Appointments: Panel

505. Hon N.F. MOORE, to the Minister for Community Services representing the Minister for Education:

- (1) Who were the members of the panel which made the appointments to the positions of the Ministry of Education?
- (2) When will the remaining head office appointments be announced, and who are the members of the panel or panels set up to make these appointments?

Hon KAY HALLAHAN replied:

- (1) Five selection panels were convened to consider appointments to the 10 director positions within the ministry. Membership of the panels differed in each case. Their membership and operating procedures complied with standard practice with Public Service Board appointments. The members were the Executive Director (Schools), the Executive Director (Policy and Resources), senior public servants, or members of the academic community.
- (2) Appointments to the district superintendent and central office manager positions are expected to be made before 25 December. The membership of the 16 panels established for these positions is currently being finalised and will comply with Public Service requirements.

SHEPPERTON ROAD

Median Strip

509. Hon P.G. PENDAL, to the Minister for Sport and Recreation representing the Minister for Transport:

I refer to the median strip in Shepperton Road, Victoria Park, outside St Joachim's and opposite the Heart-of-the-Park.

- (1) Is the Minister or his department aware of concern among shopkeepers that the existence of the median strip prevents south-bound traffic from entering the car park on the eastern side of the lot?
- (2) Will he examine the prospect of opening up the strip to allow traffic to cross over?
- (3) If so, will his officers consult shopkeepers on the matter?

Hon GRAHAM EDWARDS replied:

(1)-(3)

I understand that the provision of a continuous median was an integral part of the planning and development of the Heart-of-the-Park Shopping Centre. The purpose of the median is to prevent any hazard and restriction to through traffic that could be occasioned by direct right-turn access to and from the off-street parking area in question.

Alternative provision for southbound traffic was provided to coincide with development of the shopping centre. A protected right-turn storage lane in Shepperton Road at the Duncan Street traffic signals enables southbound right-turners to access the Heart-of-the-Park Shopping Centre via safe, efficient traffic signal control. The action proposed would introduce an unnecessary traffic hazard.

HEALTH: DISABLED PERSONS
Lip-reading Classes

510. Hon P.G. PENDAL, to the Minister for Community Services representing the Minister for Education:

- (1) Are the lip-reading classes, conducted at the Legacy premises in South Perth, as well as other places in the metropolitan area, Government funded?
- (2) If so, is it correct that these classes will not be conducted in 1988 if enrolments consist of more than one third of pensioners?
- (3) If yes to (2), will he have this situation re-examined in light of the fact that lip-reading classes are vital to stroke victims, a large number of whom are pensioners?

Hon KAY HALLAHAN replied:

- (1) Not by the Education Department.
- (2)-(3) Not applicable.

TOURISM COMMISSION
Computer: Reservations System

516. Hon P.G. PENDAL, to the Minister for Sport and Recreation representing the Minister for Tourism:

- (1) Has the WA Tourism Commission withdrawn from the ATLAS system for information and reservation?
- (2) If so, why was this decision taken?
- (3) What impact can be expected on the commission's operations as a result of this decision?

Hon GRAHAM EDWARDS replied:

- (1) Yes.
- (2) The system did not meet the needs of the commission's changing information technology requirements.
- (3) Details are outlined in the commission's information technology plan, which can be made available if required.

QUESTIONS WITHOUT NOTICE

MULLEWA LOCAL COURT
Closure

466. Hon MARGARET McALEER, to the Attorney General:

Is the Attorney General now in a position to tell me what is the situation in relation to the Local Court at Mullewa?

Hon J.M. BERINSON replied:

It is correct that the fixed Local Court facility at Mullewa is to be discontinued as from 31 December 1987. All Local Courts serviced by police officers will be discontinued with effect from that date, and the records transferred to an appropriate court operated by a Crown Law officer. Courts of Petty Sessions and Children's Courts will continue to be serviced by police officers in those centres.

Police officers are not equipped to apply the same degree of professional expertise to Local Court work as Crown Law officers, and consequently the quality of service available to the public has not always been consistent throughout the State. The pending introduction of pre-trial conferences

and other new initiatives proposed for the Local Court render a continuing role by police officers even more inappropriate.

In order to provide and maintain a high standard of work, all Local Court registry activities will be confined to 28 full-time Clerks of Court and eight full time Mining Registrars. Documents can be lodged as necessary through the post, and the Local Courts Act, as from 1 January 1988, will allow the court to sit at any location convenient to the parties in an action. That, of course, will include Mullewa.

As far as Mullewa is concerned, it is one of only two places where clerical assistance has been provided by Crown Law Department to a police officer who acts as Clerk of the Court. Many of the duties performed by those officers related to police functions such as motor vehicle licensing, and it will be for the Police Force to decide whether the retention of the clerical assistant in Mullewa is justified.

Local Court activity in Mullewa has been limited in recent years. In all of the calendar year 1985, there were only 86 Local Court summonses issued. That is less than two per week. There was not a single Local Court trial in Mullewa in that year. In 1986, 71 Local Court summonses were issued; so far in 1987, until today, only 81 Local Court summonses have been issued; effectively, no more than in 1985. Therefore, the rate of usage of that facility is no greater than in 1985.

LOCAL COURTS: SMALL DISPUTES DIVISION

Jurisdiction

467. Hon JOHN WILLIAMS, to the Attorney General:

Following the debate in relation to the Local Courts Amendment Bill (No 2) earlier today, is the Attorney General now in a position to clarify the jurisdiction question in relation to the intended Small Disputes Division?

Hon J.M. BERINSON replied:

I think that I indicated by way of interjection that my memory was that the jurisdiction of the Small Disputes Division, which is carried over from the Small Debts Division, was \$2 000 or \$3 000. I was half right and half wrong in both respects. The position is that the current limited jurisdiction of the Small Debts Division is \$2 000, but that will increase to \$3 000 as at 1 January.
