Legislative Council

Thursday, 7 November 1985

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

AUSTRALIA ACTS (REQUEST) BILL

Assent

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

COLLIE COAL (WESTERN COLLIERIES) AGREEMENT AMENDMENT BILL

Second Reading

Debate resumed from 5 November.

HON. A. A. LEWIS (Lower Central) [2.35 p.m]: It is very apt that today we will see the passage of two Bills that apply to Collie because as members may know tomorrow Muja C and D power stations are to be opened by the Premier, although he has not yet told me he is coming into my electorate. The extension to the power station was one of the great triumphs of the former Government because it made the decision and showed the people of Collie that it was to go on with coal-fired power stations; and to give due credit to this Government, it has also precipitators with the policy. The Attorney General will be pleased to know there has not been any discussion of precipitators and other matters he was interested in some time back.

The second thing that is happening is that Western Collieries is to open its Western No. 7 mine which will give the coal industry in Collie another boost.

I think it is unfortunate that this Government or its Ministers cannot ever have a second reading speech without a barb in the tail. I know the Attorney General did not write the second reading speech, but I challenge him to deny, as he should, the last line of the second reading speech about the future of Collie. I prefaced my remarks by talking about Muja C and D because the Government would have had to sign the agreement for Muja C and D, whatever its colour.

It appears to me there are some childish members and Ministers who try to score political points about a history-making occurrence in the State of Western Australia. It is rather sad that the Government or certain Ministers should take this sort of attitude. The agreement is one that we have all looked forward to. I remember the previous Government promising this agreement to be signed in three months, then six months, and then four months; and as the questions were asked in this and another place, this Government had the same sort of record, and it has taken much negotiation, especially with the problems that the SEC got into while dealing with the other mining company. I am not going into details of that because I think they are an embarrassment to the Government at the moment and I do not believe, on a happy day like tomorrow, and because the Minister is not really responsible for the Bill—

The PRESIDENT: Order! I have already called order and that meant that there was far too much audible conversation. I suggest honourable members cease that audible conversation.

Hon. A. A. LEWIS: I do not think the celebrations of tomorrow should be upset by a barney between the Attorney General and me because we always tend to see eye to eye on these matters. In the old Mining Act of 1904 there was provision for a coalmining lease; in the Act of 1979 no such provision was listed. The Bill before the House allows for a coal lease under the new mining Act to be allowed at a reduced amount of money. The amount paid by the company for rental is 80 per cent of what it would pay had it a full mining lease on all minerals. I believe this is a fair and appropriate way to attack this problem.

There is another matter which has to be noted. I could never understand why the Government allowed itself to be involved in this cost-plus situation. That is not in this Bill. Moreover, I could never understand why the State Energy Commission called in mining companies to provide plans for the planning stages of the Mining Act. I thought the SEC generated electricity, and did not regulate the mining of coal. This Bill, under guidelines developed by the SEC, provides for a five-yearly mine development plan. Currently mining plans that the contractors had to provide in the past have gone by the board. I believe that is a sensible amendment to the old Act. I have said that the rental rate is only 80 per cent, and I believe that that is about all that can be said in respect of this Bill. I hope that this agreement is one that continues on and continues to benefit the people of Collie and the mining companies. It would appear to me that Collie has an extremely bright future, and although it may not be like a shooting star and may not be spectacu-

lar in rapid growth rates, Collie will continue steadily to increase in coal production. We can only hope that things like aluminium smelters and so on will be able to get off the ground and continue to use Collie coal. There is no doubt that the Opposition will push for coal-fired electricity generation for this State for many years to come.

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.

COAL MINE WORKERS (PENSIONS) AMENDMENT BILL

Second Reading

Debate resumed from 5 November.

HON. A. A. LEWIS (Lower Central) [2.47 p.m.]: This Bill in the main is fairly straightforward. We have, over the years, passed through this place various coalminers' pension Bills. However, the Bill now before the House has some problems, which relate as much to the Federal Government as they do to the State Government.

Those people who set aside money and made provision for their retirement during their working life appear in some cases to be disadvantaged by this Bill. People who are probably in their mid-70s to 80s have fallen foul of the Commonwealth Government's assets test and they have been further caught up with this Bill. I spoke to a good friend of mine in Collie recently called Les McClosky and we were talking about this particuliar subject. I do not really think that Mr McClosky realised just how much the Commonwealth decision on the assets test will affect him. The beneficiaries who have elected to remain on the fortnightly pension will do so at a deemed rate—I am referring directly to the Minister's speech—which is the difference between the maximum Commonwealth miners' pension and the maximum Commonwealth social security pension. If the Hawke Government had not introduced an assets test, these people in their 70s and 80s could draw their full Commonwealth social security pension. They would not be in the same difficulty in that event as they are now.

These people have provided for their future, but now they are faced with a situation where they can either take a lump sum, and because they retired a long time ago that lump sum will not be very great, or they can take a fortnightly pension of which they will lose 12½ per cent immediately and then 12½ per cent every quarter until it comes down to the difference between the old age pension and the coalminers' pension. In other words, a married couple who have looked after their investments will have their pension reduced from $386 to $71 per fortnight.

Various suggestions could be made to remedy this situation. One suggestion is that the pension fund could carry these people until their death. I do not believe that any of the companies would be prepared to do that, although the original Bill stated that it was a pension to be paid until death.

The situation is that these people have protected themselves, but because of the assets test introduced by the Hawke Government they will now be denied the age pension.

Perhaps my friend, the Attorney General, can prevail on Mr Hawke's Government to pick up these amounts. They are very small amounts in Commonwealth terms. Perhaps the Attorney can persuade Mr Hawke to do the right thing by these elderly pensioners who will lose a certain amount of money.

Perhaps the Labor Party's philosophy is such that the Attorney will not accede to my request. As I understand it socialism means bringing everything down to the lowest common denominator.

Hon. P. G. Pendal: Mediocrity!

Hon. A. A. LEWIS: When everything is brought down to its lowest common denominator it is below mediocrity and that is what the Hawke Government and the socialists try to do all the time.

I have been investigating this matter over a period of time and in this place it is usually the numbers that count. I remember that only last night I had the heavy weight of numbers against myself and a couple of my colleagues at the rate of 20:3.

The tribunal has distributed a letter, with a tear-off slip, to be filled out by the receiver. The question on that slip asked whether he agreed with this suggestion. Last night Hon.

Fred McKenzie asked me a similar question about a referendum on the Lamb Marketing Board. These sorts of questions do not have any grey areas and there is no provision for people to say whether they will agree to certain things happening, but if those things do not happen and something else takes place they are not given the opportunity to comment. The question raised by the tribunal required a "Yes" or a "No" answer only.

This House consists of very aware politicians and I am sure they all realise that this sort of questionnaire is the greatest trap for young players. I am sure that members like Hon. Fred McKenzie and Hon. Robert Hetherington would shy away from these sorts of questionnaires as quickly as they can.

Hon. P. G. Pendal: Hon. Fred McKenzie will not say any more about them.

Hon. A. A. LEWIS: He cannot say anything about them at the moment. He is doing another job and I will not have him stirred up in that way.

The DEPUTY PRESIDENT (Hon. John Williams): Order! Hon. Phil Pendal is out of order interjecting in that way. I know Mr McKenzie's situation and it does not mean that my attention should be drawn to it.

Hon. A. A. LEWIS: It has become a habit of the tribunal to include questionnaires at the bottom of letters that it sends to pensioners. The pensioners are required to tear off the questionnaire and part of the letter is lost. I am sure a better job can be done for the ex-coalmine workers. Perhaps the Minister for Budget Management could come to the party by providing the necessary paper and the typing facilities to contact pensioners in a different way.

I am told that the result of the survey undertaken by the tribunal was that 80.4 per cent of the pensioners agreed with the proposal and 19.6 per cent were against it. There appears to be some debate about these figures and some people have said that they are not right and that the minority group comprised 87 out of the total of 429 retired miners or their widows. I can only go by the figures that have been given to me. It is very unfortunate that these people should have to put up with what they think is an unfair distribution of moneys because they felt, rightly or wrongly, that they had a coalminers' pension until death. At the time, the tribunal thought it was doing the right thing and we must remember that there was no assets test at that stage.

I believe the Bill is incapable of amendment in practical terms. People talk about amendments to these things, but in order to have an amendment there must be an agreement between the people represented by the tribunal and the companies and I do not think that could be done.

I thought I had better give a lengthy explanation of the problems facing these people. It does not make me feel very happy to be heard saying that the Opposition will support the Bill when just a fraction under 20 per cent of pensioners have been dealt with in a cruel way.

Many people in Collie feel as I do. I can only go on the actual figures and a fairly good assurance that the mining companies will not proceed with the proposition if it is altered in any way. I am not blaming the mining companies because they have to work out their figures and discuss those figures with the administrators of the pension fund. That has been done.

Apart from that, this Bill represents a step forward for 80 per cent of the participants and I hope that the Minister will convey my remarks to the Minister in another place.

HON. P. H. WELLS (North Metropolitan) [3.01 p.m.]: Mr Lewis seems to have made a plea which relates to my electorate in terms of people in my area who will be disadvantaged by the proposals in this Bill. I am not a specialist in this area and I am sure Mr Lewis knows more about it than I do, but I understand that we are talking about those pensioners in Collie who participated in the scheme before 1979. I understand that from that date a fixed pay-out figure has been set. Those people who entered that scheme before 1979 were given an undertaking that no-one would be disadvantaged by any changes to the scheme. However, members should be made aware that—and I believe the Minister should give consideration to this—those people to whom Mr Lewis has referred will be dealt a cruel blow by this legislation. For example, I am aware of one person who spent some time in the Collie mines and believed that on retirement he would be covered by superannuation and would receive a pension for the remainder of his life. If this Bill is passed, that person will be offered a pay-out figure of $13 870. In terms of the money he is receiving from the fund, that represents 1½ years' payment. Those people who are receiving full social security benefits will probably be offered 7¾ years' payment from the fund. Let us surmise that an aged person is offered an option of receiving a lump

sum payment equal to the next 1½ years' pension or one that would equal the pension for eight years. If that person is 70 or 80 years of age and eligible for the second category, he will probably take it. However, if the pay-out figure represented six or 12 months' payment—or, as in the example to which I have referred 1½ years—obviously as that person would expect to live at least 1½ years, he would therefore be seriously disadvantaged.

If we consider the figures and the pay-outs within the minority group of less than 20 per cent, the majority would fall within the category of the person who has made the representation to me. In other words, the appalling pay-out figure would cover less than 1½ years' of their expected pension. These people will be seriously disadvantaged and I ask the Minister to take note of this and to give some undertaking. They entered into a contract and were given an undertaking, yet now the Labor Government is disadvantaging them. I do not think it intends to do so but it will happen in any event.

I acknowledge the problems that have been presented by the amendment but I ask the Minister to take up this matter with his department and to give some assurance to these people. Of course, it will apply not only to people who live in Collie but also to aged people who are now living in the metropolitan area, following their retirement. They will find that their lifestyles will be changed by the provisions of this Bill. All of a sudden the Labor Government proposes to cut off their source of funds, despite the fact that they paid into this scheme. They will be told that they have no security and that the Government is changing the ground rules. It is not right for the Government to make that change and the Minister should consider this aspect. The short notice given by the Government will not allow those people who are affected sufficient time to adjust their lifestyles.

Hon. Kay Hallahan interjected.

Hon. P. H. WELLS: I have found on many occasions that when the facts are put before the Attorney General he gives consideration to them because he is a humane man. I am pleading on behalf of these people. One could put forward a number of examples but I cite one in which the fortnightly payment will be $172 less. In that case the pay-out figure offered is $15 000. The person will lose almost $4 000 a year and in the first case I mentioned the loss will be close to $9 000 a year.

I do make my plea not so much on the basis of those losses but rather on the total change in contract that will mean these people must change their lifestyles and accept a lower income. In the words of Mr Lewis, they will be dealt a cruel blow.

I would appreciate the Attorney General's consideration of how to handle the plight of these pensioners, some of whom may also live in his electorate.

HON. J. M. BERINSON (North Central Metropolitan—Attorney General) [3.08 p.m.]: The House will be aware that I am managing this Bill in a representative capacity and I am not in a position to respond in detail to the cases which have been brought to my attention. Certainly I am not in a position to give any undertakings as to the nature of any further consideration.

As I understand it, this Bill is the result of an agreement finalised on the basis of extensive earlier considerations. Beyond that all I can indicate to the House is that I will certainly ensure that the comments by Mr Lewis and Mr Wells are brought to the attention of the responsible Minister.

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.

OFFENDERS PROBATION AND PAROLE AMENDMENT BILL (No. 2)

In Committee

The Chairman of Committees (Hon. D. J. Wordsworth) in the Chair; Hon. J. M. Berinson (Attorney General) in charge of the Bill.

Clause 1: Short title and principal Act—

Hon. I. G. MEDCALF: I take this opportunity to emphasise briefly the concern I have about the question I raised during the second reading debate which I believe should receive continuing attention by the Government, and I sincerely hope the Government will give this question the necessary attention. I refer to the question of ensuring that there is set out in the new Offenders Probation and Parole Act which the Attorney may well be considering bringing

in, or in whatever amendments he is considering, some reference to laying down a principle for the guidance of those who are associated with the release of prisoners on parole. I do not refer only to the officers of the Parole Board but also to all the other people engaged in the parole and prison services. This is an important step which needs to be taken.

I fully appreciate that it is possibly tied in with other actions which the Government may take in relation to whatever policy it finally adopts on parole. I do not necessarily expect this Government to have the same policy as the last Government and it is for that reason I have not sought to interpose an amendment to this Bill although during the second reading stage I did indicate the nature of an amendment which I believe to be quite relevant. I commend to the Government of the day that it take advantage of the experience which is already available to it in respect of this proposition; that is, to lay down a guiding set of principles for all those associated with the release of prisoners, and I do not refer only to the Parole Board. I have noted, and I accept in good faith, the Attorney's statement that he is considering further changes to the Offenders Probation and Parole Act, although the fact that these changes have not come to light yet disappoints me. The next Government, of whatever political complexion, must clean up this area. I strongly commend to the Attorney the need to take a fairly revolutionary view of this matter in the sense that he may have to change things somewhat from the way they have been over the last 20 or 30 years, because clearly the present situation is unsatisfactory.

I have talked with people who are said to be experts in this field who come from other parts of the world and I have read articles on parole and so on, and it is quite clear that they all make excuses and take the view, "How can we possibly know that someone we release is not going to re-offend?" That is the standard answer but it does not satisfy me at all. I fully appreciate that we cannot know anything for certain with most human affairs, particularly with the release of former criminals, but I believe we must have a far stricter view of this matter. If we go to the trouble of incarcerating someone because he has committed a serious anti-social crime and we are not satisfied that he will not do it again, I do not believe we should allow him to be released. We need to be satisfied beyond reasonable doubt in cases of dangerous criminals. That ought to be an article of faith and that kind of principle ought to be embodied in the Act.

I will not be making this point again, which I am sure the Attorney will be pleased to hear, but I believe it should be placed on record. While it is said that *Hansard* is not widely read, I am not putting it on the record in case it might be read in *Hansard*; I am putting this view on the record because I believe it should be there and should be committed to memory, because it is my experience—which is reasonably considerable in this area—that this principle is quite essential. No matter how much goodwill parole officers, the parole service, judges and members of the Parole Board have, they must necessarily be influenced by the material placed before them and at times they perhaps forget about the fact that an individual in the community may well have his or her future health imperilled as a result of their action in taking a slight risk in releasing a criminal. No risk is justified. Where someone has been proved to have committed a dangerous or vicious offence I do not believe we should take the risk of allowing him loose in the community a second time. I am not saying we should never release such a person, but we should do so only with the greatest possible care and bearing in mind the overriding principle of public safety.

Clause put and passed.

Clauses 2 to 5 put and passed.

Clause 6: Section 37 amended—

Hon. J. M. BERINSON: I move an amendment—

> Page 5, lines 11 to 14—To delete "of less than an aggregate of 12 months and the circumstances are such that subsection (4) applies," and substitute the following—
>
> and the circumstances are such that subsection (4) applies to empower the court in its discretion to fix a minimum term,

This amendment is of a technical nature and is moved with a view to avoiding a possible unintended effect created by the original terms incorporated in the Bill. The position at the moment is that a minimum sentence cannot be imposed in respect of a head sentence of less than 12 months.

In the case of sentences imposed by Courts of Petty Sessions which are in excess of 12 months, the current position is that unless the court endorses the record to the contrary by indicating that the court positively does not

wish a minimum sentence to apply, a minimum sentence of 50 per cent of the head sentence automatically applies. On one reading of the Bill as originally drafted the availability of a 50 per cent reduction of head sentence would also apply to sentences of less than 12 months. That was not intended, and this amendment is to overcome that possible effect. In short, the purpose of the amendment is to preserve the status quo in respect of sentences by Courts of Petty Sessions of less than 12 months.

Amendment put and passed.

Clause, as amended, put and passed.

Clauses 7 and 8 put and passed.

Title put and passed.

Report

Bill reported, with an amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon. J. M. Berinson (Attorney General), and transmitted to the Assembly.

SUPERANNUATION AND FAMILY BENEFITS AMENDMENT BILL

Second Reading

Debate resumed from 31 October.

HON. G. E. MASTERS (West—Leader of the Opposition) [3.24 p.m.]: The Opposition does not oppose this Bill, but I want to make some comments about it. It deals with the State Superannuation Fund and the Bill proposes four amendments. One of the important ones deals with widows' pensions. I understand they will be increased from 62 per cent to 66 per cent. There will also be an increase in the child allowance, and those increases will be geared to the CPI. Perhaps the Minister can correct me if I am wrong in that understanding. Pensions will be indexed twice yearly whereas at the moment indexation is carried out once a year. That is on 1 January; that is when the calculations are made.

I ask the Minister whether it is correct that the increase does not flow on immediately. I am led to believe that some people—I think teachers passed this matter on to one of my colleagues earlier today, and I assume that if it applies to teachers it applies to all others—are awarded an increase on an annual basis and that although the increase is calculated on 1 January it is not received until March. So there is a delay of two or three months before those people receive the benefits calculated from 1 January. The increases are certainly not backdated, so although the calculation is made from 1 January the benefits are not received until about March.

That seems a little odd. I am not suggesting there should be any retrospectivity; I am simply raising the question. It is a genuine complaint from a group of people who have been affected, namely teachers. There is a delay of two or three months on each occasion. If teachers receive that sort of treatment I guess it applies across the board.

Hon. J. M. Berinson: Before you go on, can I clarify one point? Are you saying there is a delay of two months before the higher rate applies or that payment of the higher rate is delayed for two months?

Hon. G. E. MASTERS: I am informed it is the latter case. The calculations are based on 1 January and are related to the CPI, but the benefits are not received until two or three months later. The increase is not backdated so those people do not receive the benefits even though the payment is delayed. The improved rates are paid from March.

The next amendment provides that widows under 60 are to have access to larger lump sum payments than presently is the case. The Minister pointed out in his second reading speech that the situation has remained static over a number of years and there is a need to update the arrangements. I am not arguing about those matters, and certainly in relation to widows' pensions and child allowances there is a need to review on occasions and make sure they are updated.

It is interesting to note that the Consolidated Revenue Fund faces increased demands; in other words, there is an added cost on the public as a result of these changes to widows' pensions and child allowance payments. It is estimated a sum of $478 000 will be required for the remainder of this year to meet the increased payments provided in this Bill. It is estimated that in a full year the extra cost burden for the public will be in the region of $1.146 million.

The Minister pointed out at some length that significant changes are needed and that a review committee has been engaged in considering and reviewing the Act over a long period of time. No report or recommendations have come forward yet. The Minister said these were interim measures because some people may be disadvantaged as a result of a lack of action.

We would expect the Government of the day next year to act on the report and that a major piece of legislation will come forward. That is my understanding of the subject. The Civil Service Association has expressed strong views over a period of time about the management, handling, and investment of the Superannuation Fund. I am sure the responsible Minister is aware of those views and that he is looking for significant changes to the Act.

For example, the CSA wants police superannuation removed from the general fund. I imagine the reason for that is that the police are now able, as a special concession, to retire at age 55. It seems, from the CSA arguments, that because the police are able to retire earlier on full entitlements than other CSA members, they will be taking more out of the fund than other contributors. It is therefore seen as unfair. That is an important point. The CSA has therefore called for the withdrawal of the police fund.

Perhaps I should ask the Minister at this time, in view of those comments and the fact that the police are able to retire earlier, for very good reason, whether that will be allowed to occur. I know that this House supported the early retirement of police. However, is the Government considering the possibility of early retirement for other members of the civil service? I am not suggesting that that is a good idea. In view of the comments made about the unfairness of the police fund arrangements, maybe the Government should look at the other areas where, for one reason or another, early retirements could be approved.

The CSA wants an increase in return to members to at least the Government bond rate. My understanding is that CSA members of the scheme receive a fixed return of between four and five per cent, probably about 4½ per cent. The Superannuation Fund, however, invests at a much higher rate today. The CSA is asking for a rate that is at least equal to the Government bond rate, which is 13½ per cent at this time. In other words, it is saying that it receives a fixed return at about four or five per cent although it should receive at least 13½ per cent. It is fair to say that investors ought to be able to expect between 15 per cent and 20 per cent on today's market. I know that is not good as far as interest rates are concerned for the public generally. Nevertheless, organisations with considerable funds to invest are able to arrange very good terms and receive great benefits from their investments.

I think we ought to look towards the performance of the fund and ensure that investors should be able to expect a fair return on their investment. I understand from previous debates, that this fund costs the public a great deal of money; in other words, it is underwritten by public funds which the Government raises by way of taxes and charges. If I recall the debate a year or two ago, there was an argument about whether there should be a return to CSA members of more than four or five per cent and it was pointed out by the Minister handling the Bill today that there should be some return to the Government that would assist in offsetting the charges and costs from the public purse. I know that some of these arrangements are very good for the people involved.

The CSA has made the point that the Western Australian fund needs a major review. I have said the Government has been carrying out a review for a long time. That review could have begun in our time in Government and has been continuing since then. However, I do think that these sorts of reviews should be completed in 18 months. When they go on for three years people have a right to become restless and to think that they are being fobbed off or that the Government of the day is not prepared to bite the bullet.

I think I should raise some questions about Superannuation Fund investments. I know that some of these matters were raised in another place. No doubt the Minister has been made aware of those debates. However, it is interesting to see that the board has invested in the Ascot, the Princes Hotel, and the David Jones site. We also know about the development of the Perth Technical College which will cost in the region of $320 million. It is a significant development. The board has invested in that project. I do not know whether the Minister, after studying the debate in the other place, has been advised of the sort of interest the board has in that development. If he has I would be interested to know of that interest and I am sure the public have a right to know. The office/hotel development of the David Jones site will total $150 million. The board has taken an interest in that site's development and is investing in that project. The Perth Technical College Development and the development of the David Jones site will cost in the vicinity of $470 million with the board taking an interest. During this debate we would like to be advised how many dollars of contributors' funds are being invested in those projects.

It is interesting to note that each of those projects includes a five-star hotel, across the road from each other. I guess the investors who are investing huge sums of money in the development know what they are doing. However, one must wonder whether they have taken into account the difficulties that may arise. I guess they have.

I understand that the investment or commitment of funds to projects like the two I have just mentioned totalling $470 million requires the Premier's approval. If that is so, the Minister for Budget Management would, without a shadow of a doubt, be consulted on the matter and surely ought to be able to give an indication of the amount of funds being invested and risked in those projects. I do not use the word "risk" unfairly. All of these investments and projects contain an element of risk. The investment of these funds has been made with great care. However, there must be a question mark against some of the investments where funds have been used in areas about which there is some doubt about the percentage return on invested capital. I raise that matter because the investment terms and conditions for cash today are so good that to invest in risk areas is a little hard to work out. Maybe the Minister will say that the investments of the board are not designed and directed to attract the maximum in the first two or three years, but rather are long-term investments, that over a period, will provide a good return and a hedge against long-term risks.

I would like to know whether the Premier is able to instruct or direct the Superannuation Board on its investment. Is it the Superannuation Board that makes a decision and then seeks the authority of the Premier, or is it that the Premier could simply, after consultation, pick up the phone or write to the Superannuation Board and say, "Look, I have X million of dollars to invest, I want you to invest it in the Perth Technical College development", for example, or "the David Jones development"?

I am not criticising those developments. I think they are very good indeed. Can the Premier for any reason direct the Superannuation Board as to its investments? Perhaps I could go further and say if he cannot direct, would it be possible for the Premier and therefore the Government to at least make suggestions that would certainly apply enough pressure on it to make the investments I have been talking about? Again, I point out that I understand that some of the investments will be directed to long-term stability rather than a quick return at very high interest at this particular time.

I again point out that the Opposition is not opposed to this Bill. It thinks that there is a need for a complete review of the Bill and it knows that review has been taking place for a long time and has not come to the stage where the Government has been able to accept the recommendations and bring in a major piece of legislation.

I raised questions which did not necessarily relate to the exact substance of the Bill, but which are inter-related because we are dealing with significant funds administered by the Superannuation Board.

HON. J. M. BERINSON (North Central Metropolitan—Attorney General) [3.42 p.m.]: I thank the Opposition for its indication of support for this measure.

In introducing this Bill, I not only conceded but stressed that its ambit was extremely limited. I indicated at the same time that the reason for bringing forward these limited measures was because it was felt that a certain degree of urgency attached to them and they should not wait on the more extensive review of the superannuation scheme then under way. It hardly needs stressing that the Superannuation Fund has extremely important implications for the finances of the State. To paraphrase what has been said in other contexts, if the Superannuation Fund sneezes the State Treasury gets a cold.

Enormous amounts are involved and the burden of State finances can only increase as the population ages and as the Public Service itself grows. The result of all that is that the acknowledged need for a thorough review of the superannuation system must be combined with the utmost care and caution to see that any major amendments which emerge are not only acceptable to the beneficiaries but are also within the State's financial capacity to bear.

Because the major review could not be completed this year, this Bill is limited to four main areas. In the first case, provision is being made to increase widow benefits. Secondly, child allowance payments are to be increased. Thirdly, indexation is to be introduced twice yearly instead of the current annual updating, and fourthly, widows under the age of 60 will have access to larger lump sum payments. That is the limited ambit of this Bill.

Sitting suspended from 3.45 to 4.00 p.m.

Hon. J. M. BERINSON: Before the afternoon tea suspension I was referring to the limited scope of this Bill. I suggest to the House it would be preferable to restrict our present discussion to that. In particular, I have to say directly to Mr Masters that I am not in a position to answer or indeed discuss a number of questions which he raised. Such questions as early retirement, basic changes to returns on member payments, and so on go precisely to the basic questions which the full review of the system involves. They even go beyond that to an expression of future Government policy on matters which are only partly related to the superannuation system.

I did note in the *Hansard* of the Legislative Assembly debate that a number of questions were asked, and indeed some discussion ensued, on individual investment proposals or decisions by the Superannuation Board. With respect, those questions are also outside the scope of this Bill and it is not possible to deal with them in a debate of this nature, given the detailed information which they seek. In many respects the questions which Mr Masters has sought to raise on individual projects are of a nature which would be more suited to questions on notice, provided that matters such as commercial confidentiality and so on allowed them to be answered even then.

Hon. Gordon Masters raised a question about the current system for the payment of updated pensions. As I understood this concern, it was based on a position where it was said that past updating due on 1 January in each year was paid only as from March. I can only say that my understanding has been that some delay is necessarily involved in applying the new CPI since the CPI figures to the end of December are themselves normally available only about the third week of January. Then, I suppose, substantial work would be involved in recording them. That could well account for payments not being available till the beginning of March. But I was not aware that the new level of payments was payable only from March. I had always been under the impression that payments actually ran from January, even though they might not be received till March.

I shall ask the honourable member to give me some latitude in this respect, as I was unable to clarify this during the break. I would be happy to provide him with written details in due course.

Hon. G. E. Masters: I would be happy with that.

Hon. J. M. BERINSON: It is clear that this Bill does attract the support of both sides of the House. It is limited in its scope in all respects, because it goes to improve the current conditions for superannuants or their dependants.

Hon. G. E. Masters: Before you sit down, did you answer whether the Premier is able to direct the investment of funds? I may have missed that.

Hon. J. M. BERINSON: I thought I was answering that with my general comment about the inappropriateness of this debate for general questions on investment decisions, investment powers, and investment policies. None of those questions is raised by the provisions of this Bill. Again it would be more appropriate to raise questions of this sort in that context, or even to make inquiry by correspondence if the questions lend themselves to that treatment.

Question put and passed.

Bill read a second time.

In Committee

The Chairman of Committees (Hon. D. J. Wordsworth) in the Chair; Hon. J. M. Berinson (Attorney General) in charge of the Bill.

Clause 1: Short title and principal Act—

Hon. G. E. MASTERS: I wish to raise the point referred to in my interjection on the Minister when he was replying to the second reading debate. I raised the question of the investment by the board of superannuation funds and the ability of the board to invest funds in significant developments, whether they be hotel constructions or whatever.

We are dealing with superannuation funds and although this is just a small Bill which only touches the fringes, nevertheless I raised the question of the investment of those funds for a good reason. If in fact the Treasurer of the day is able to direct the Superannuation Board to invest funds, then I suggest that the Treasurer of the day could easily direct the board to invest those funds in areas where there would be some political advantage. It is conceivable that the Treasurer of the day might think it a good idea to boost employment in a town or city with a marginal seat by directing that a substantial development take place there, or that sufficient support be brought forward to encourage that development as soon as possible. The Treasurer of the day could easily use this facility to good political advantage.

I do not know whether in fact the investments made by the board at the moment are directed to that purpose, but they do have an effect. I was particularly interested to note just how much power the Treasurer had in respect of what the Attorney General himself said were considerable sums of money. By that, I would assume it means hundreds and hundreds of millions of dollars—a significant amount of money that could be used for the purposes I have mentioned. If there are hotels or projects going bust or under some financial difficulties in areas that are politically sensitive, then it is possible that the Treasurer could direct the Superannuation Board to rescue them, and then get credit for it.

I know this point does not touch directly on any of the clauses in the Bill, but we are talking about the use of superannuation funds and that allows us to canvass the whole area. I ask the Attorney General whether he can give me some indication of what the Treasurer can do, because he would obviously seek advice from people like the Attorney General; and what sort of powers he has in the use and investment of those funds.

Hon. J. M. BERINSON: I am very reluctant to respond in any way to this question for fear of going wrong. The fact is that I could not be expected to be briefed in advance on a question which is unrelated to this Bill. The fact that superannuation funds are involved in the payment of increased benefits to widows, for example, really gives no basis for an expectation that the debate should involve a discussion of such matters as that raised by Mr Masters.

My understanding—and I must qualify this heavily by saying it is subject to correction—is that the Treasurer does not direct and cannot direct investments, and that these are primarily a matter for the judgment and discretion of the board.

Hon. G. E. Masters: Any Treasurer could request, of course.

Hon. J. M. BERINSON: Well, I could request, or the Leader of the Opposition could request.

Hon. G. E. Masters: It makes a difference when the Treasurer requests, as you well know, Mr Attorney.

Hon. J. M. BERINSON: I would have thought the main issue involved is the area where the responsibility lies. My understanding is that the responsibility for such initiatives rests with the board. There are provisions—and I think section 25 is the main relevant provision for investment powers—where the Treasurer could well be involved by way of a need for his approval for an investment. That is a different matter, though, from an ability of the Treasurer to direct an investment.

I repeat that, even going to the limited extent I have in this matter by reference to section 25 and my understanding of it, it is subject to correction. I will ensure that my comments in this respect are checked and if they do require any correction I will write to Hon. Gordon Masters direct.

Hon. G. E. MASTERS: I thank the Attorney General for his indication that he will provide me with further information. I ask if it would be possible for him to also advise me whether the Treasurer has, over recent times, refused support or authority to the Superannuation Board to invest funds. In other words, has he refused the board's request and thereby perhaps persuaded it to direct its investments in other areas? Perhaps the Attorney General could take that on board, and anything he can give me in reply will be appreciated.

Hon. J. M. BERINSON: I am prepared to convey that request for information to the Treasurer but I give no undertaking that a reply will be provided along the lines that Mr Masters requests. I am not aware, for example, of the conditions of confidentiality which may attach to proposals and which would prevent answers to this sort of question being provided. However, I will convey the question to the Treasurer for such response as he believes appropriate.

Clause put and passed.

Clauses 2 and 3 put and passed.

Clause 4: Section 46C amended—

Hon. I. G. PRATT: This clause includes the reference about which Hon. Gordon Masters asked the Attorney General relating to the delay in payment. Subclause (1)(a) provides—

> (a) in subsection (2), by deleting "each year" and substituting the following—
>
> " the period of 6 months ending on 31 December 1985 and thereafter in each period of 6 months ending on 30 June or 31 December, ";

Subclause (5)(b) provides for the adjustment of a pension in any period to be made—

so as to operate from and including the first pay-day occurring not less than 3 months after the commencement of that period.

It is relevant for me to make brief reference to the fact that it is mentioned in clause 9(c)(i) of the schedule to the Bill that—

> The amounts prescribed . . . shall be adjusted on 1 October 1986 and thereafter on 1 April and 1 October in each year, . . .

These three provisions show very clearly that there will be a three-month delay in payment. The Minister has undertaken to Hon. Gordon Masters that he will make inquiries. We need an undertaking from the Minister to seek consideration to alter this. I know we cannot alter this Bill and that we are stuck with it, but the Attorney General should seek advice as to whether there is a good reason for this provision. If there is not a good reason, other than a clerical one, then the Government should give consideration to amending the provision in another future Bill.

It is being judged that on 1 January there has been a sufficient increase in the cost of living to justify indexation; and again on 1 July it is considered there has been a sufficient increase to justify indexation; but in fact the recipients are having to wait three months before they receive the increase. The Government is saying that the people are entitled to have an increase on 1 January, but they will not get it for three months. The Government should change that to do justice to those people.

Hon. J. M. BERINSON: The comment by Hon. Ian Pratt probably suggests that the earlier understanding which I expressed as to the current situation may well be wrong and that payments from 1 March do indeed implement the increased rate from that date and not from 1 January. That would seem to be consistent with the provisions in this Bill.

I would have to say in response to Hon. Ian Pratt that although there can be no objection to taking any matter into consideration in the course of the comprehensive review to which I have referred, it is not all that unusual, having thought about it for another moment, to have a provision of this kind. There are many occasions—and I do not want be too specific about them in case I make another mistake—on which CPI updating is taken up to one date and then applied from some date a little later. The provision in the Bill does seem to fall very much into a pattern with that. I do not know what the financial implications would be of attempting a change in this matter. I imagine considerable administrative complications could be involved in it in that at the very least, two levels of new payments would have to be set up; that is, one for the first month of payment involving an element of backdating and then from the second month, the new standard rate. What all of that means in these days of modern technology, I do not know, but I am quite happy to forward that point for the attention of the review bodies.

Hon. I. G. PRATT: I thank the Attorney for his undertaking to list that matter for review. I make the point that there is no great administrative problem involved. In most of our Government departments reclassifications happen periodically, and what happens in this situation is that the payment is backdated from the time of the reclassification, so a person is paid under the normal system until the date of the change. The first payment after that date takes into account that back pay and the new rate continues on. There is no real problem in that.

I want to point out that the reason I have raised this matter today, although our leader is handling the Bill, is that I was approached today by some people who are greatly affected by this legislation. Those people are in the twilight of their lives, and to them a delay of three months is a very significant time in regard to what they see as their future lifespan. They pointed out that matter to me very clearly. I ask the Government to take that matter into consideration. The situation of a three-month delay is not the same when dealing with somebody aged 70 or 75 as it is when dealing with a person in his early 20's

Clause put and passed.

Clauses 5 to 9 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 (Attorney General), and passed.

ACTS AMENDMENT (EDUCATIONAL INSTITUTIONS SUPERANNUATION) BILL

Second Reading

Debate resumed from 6 November.

HON. I. G. PRATT (Lower West) [4.26 p.m.]: This Bill confers on the Western Australian Institute of Technology and the Western Australian College of Advanced Education the ability to join in the national superannuation scheme for Australian universities, an ability which is already possessed by the University of Western Australia and Murdoch University.

It is a move which the Opposition supports and we wish this Bill a speedy passage through 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. J. M. Berinson (Attorney General), and passed.

WESTERN MINING CORPORATION LIMITED (THROSSELL RANGE) AGREEMENT BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon. D. K. Dans (Leader of the House), read a first time.

Second Reading

HON. D. K. DANS (South Metropolitan—Leader of the House) [4.30 p.m.]: I move—

That the Bill be now read a second time.

The purpose of the Bill is to ratify the agreement entered into between the State and Western Mining Corporation Limited on the 29 October 1985.

The agreement establishes the respective rights and obligations of the State and Western Mining Corporation Limited in respect of—

> The company's mineral exploration activity in the Throssell Range area of the Pilbara Region; and the future development of a mining project arising out of that exploration.

With regard to the Bill itself, honourable members will note that clause 5 provides the Governor with the power to make by-laws for the purposes of, and in accordance with, the agreement. This provision of the Bill is necessary as under clause 23 of the agreement, the company has the right to recommend the making of by-laws for certain purposes associated with its activities under the agreement.

However, before dealing in detail with that and the other provisions of the agreement, I will briefly outline the events leading to its negotiation.

Throssell Range is currently Western Mining's largest mineral exploration project in Australia. It involves 34 Mining Act exploration licences—ELs—covering an area of 5 685 square kilometres, or 568 500 hectares, located approximately 200 kilometres south-east of Marble Bar. The terrain is sandy desert with any prospective base metal targets generally lying below 70 to 100 metres of transported overburden. The notable exception to the norm is the rock outcrop which contains the Nifty copper deposit. This deposit was first discovered by our colleague, Hon. Mark Nevill, MLC, when he was a geologist employed by the Western Mining Corporation. In fact, the deposit is named after him.

The company has defined five million tonnes of oxidised copper at Nifty, but the combination of the remote location of the discovery and the weakness in world copper markets renders the prospect currently unviable for economic development.

Despite this, the company has been encouraged by the results of its regional exploration programme. The results indicate a potential for associated silver, lead, zinc mineralisation within characteristic shale host rocks, similar in many respects to Mt Isa.

I now table plans A and B, which are respectively referred to in clause 1 (definition of "exploration areas") and clause 5, subclauses (4)(a) and (4)(b)(i) of the agreement. Plan A outlines the 34 ELs which comprise the exploration areas, while plan B shows the Nifty copper project within that area.

(See paper No. 279.)

Over $8 million has been spent spent by the company since 1979 on Nifty itself, and regional exploration in the Throssell Range, but even at that rate and level of expenditure the company has been unable to comply strictly with the provisions of the Mining Act by spreading the expenditure over all the ELs. On the other hand, the company's annual expenditure has been in excess of the annual sum required for the total area under that Act.

The company's inability to spread its exploration expenditure as required by the Mining Act arises from the enormous logistical problems associated with exploration in the area.

A further difficulty is faced by Western Mining with regard to the requirements of the Mining Act. The mandatory area drop off provisions applicable to exploration licences under that Act require the company to relinquish a substantial proportion of the prospective area it holds under its Throssell Range ELs prior to the completion of the company's regional exploration programme.

For the reasons just stated, Western Mining approached the Minister for Minerals and Energy early this year expressing concern about its ability to fully evaluate the area prior to the commencement of the mandatory drop off provisions of the Mining Act 1978.

In view of the high prospectivity of the area, and bearing in mind the circumstances of Western Mining's exploration programme to date, the Minister for Minerals and Energy was satisfied that there were sound reasons for the Government to provide the company with extended tenure over the areas in question.

The PRESIDENT: Order! The Minister is introducing a piece of legislation and there is too much audible conversation.

Hon. D. K. DANS: Negotiations then proceeded towards a State agreement incorporating a special exploration licence with the following terms and conditions—

(1) The period of the special exploration licence to be five years with a once only opportunity, subject to the Minister's approval, for a one-year extension. Should the company wish to proceed to development then a formal development proposal must be submitted within the term of the special exploration licence.

(2) No mandatory drop off provisions.

(3) Expenditure Covenants as per the following table—

Year	$sq/k	$mill/ Annum	Prog. Expenditure Total (no drop-off)
	$		$/m
1	600	3.4	3.4
2	900	5.2	8.6
3	1 200	6.8	15.4
4	1 200	6.8	22.2
5	1 200	6.8	29.0
6*	1 200	6.8	35.8

(* Extension for year six only at Minister's discretion.)

I think that is touching on the area and the millions of dollars that are expended in the area. My colleague Hon. Mark Nevill assures me this is correct. To continue—

(4) A requirement that the company spend its expenditure commitment on exploration spread over the entire licence area.

(5) A provision that certain information available as a result of the company's exploration activities in the special exploration licence area may be made public by the Minister for Minerals and Energy.

(6) A requirement for the company to submit proposals for the development of the project based on copper and associated minerals, in conjunction with the provision of infrastructure.

(7) Subject to the consent of the Minister—currently the Minister for Minerals and Energy—the proposals may relate to minerals other than copper and associated minerals.

(8) On approval of the proposals the company can apply for a mining lease over a small proportion of the area.

(9) Other than in the above conditions and the standard State resource development agreement exemption from normal expenditure conditions, the conditions of the Mining Act apply.

In more detail, the agreement departs from the provisions of the Mining Act in the following areas—

(1) The ministerial discretion to allow extension of the term of the special exploration licence by a maximum of one year over the standard five-year term, with no mandatory relinquishment requirements at the end of years 3 and 4.

(2) Expenditure covenants exceed the Mining Act requirements by twice in year one, three times in year two and four times in years three, four, five and six.

(3) There is tight definition within the agreement as to what would comprise exploration expenditure, with a mechanism to ensure that the exploration programme is spread over the entire lease area.

In addition to these special provisions, the agreement embraces the normal provisions of a development agreement. For example, the requirement for the company to provide and submit proposals covering the following matters for approval by the State—

(a) The establishment of mining and treatment operations in respect of copper and associated minerals, or, if the Minister approves, for other minerals—other than iron ore;

(b) roads;

(c) accommodation including housing, provision of utilities and services and associated facilities for the company's work force associated with its mining operations carried on pursuant to the agreement, and for any other of the company's work force engaged in the shipment of minerals from ports in the Pilbara and for the processing of minerals pursuant to this agreement;

(d) water supply;

(e) power supply;

(f) port facilities;

(g) airstrip in or adjacent to the exploration areas and other airport facilities and service;

(h) any other works, services or facilities desired by the company;

(i) use of local labour, professional services, manufacturers, suppliers, contractors and materials and measures to be taken with respect to the engagement and training of employees by the company, its agents and contractors;

(j) any leases—other than mining leases—licences or other tenures of land required from the State; and

(k) an environmental management programme as to measures to be taken, in respect of the company's activities under this agreement, for the protection and management of the environment.

This Government believes this arrangement has the potential to yield substantial benefits to the State, through both the high level of expenditure on exploration to which the company is committed, and the likelihood that any major deposits will be discovered and proceed to development considerably earlier than would be the case if the company is required to comply with all of the provisions of the Mining Act.

I will now proceed with an outline of the actual clauses of the agreement, with specific comment on the more important clauses. Clauses 1, 2, 3 and 4 are in the current form of State resource development agreement opening clauses dealing with—

the definition of terms used in the agreement;

certain interpretations of references and powers contained therein;

the initial obligations of the State with regard to the ratification of the Bill and to allow entry upon Crown lands for the purposes of the agreement; and

the coming into operation of the agreement.

Clause 5 establishes the specific terms and conditions relating to the special exploration licence to be granted to the company, including the specific expenditure requirements which were mentioned earlier.

It is important to note that under subclause (4)(b)(i), the company is barred from applying any portion of the expenditure to which it is committed under subclause (4)(a), to further exploration of the Nifty copper deposit. That is the area outlined on plan B referred to in subclause (4)(a) of clause 5.

A breach by the company of its expenditure obligations will constitute a breach of the agreement.

It should be noted also that although there is no provision for the automatic drop off of portions of the area of the licence at the end of year three and year four—as would apply to an exploration licence under the Mining Act—the Minister has the right to seek an amendment to the proposed exploration programme for any year after year three if he is not satisfied with the spread of exploration activity. The Minister also has the right to require the surrender of areas which are not proposed to be explored by the company during any of those latter years.

The ministerial right just mentioned is contained in subclause (4)(b)(ii) of clause 5.

Subclause (8) is a special inclusion which provides for the automatic termination of the agreement in the event that the company should fail to submit all of the proposals required pursuant to clause 7, during the term of the special exploration licence.

The proposals necessary have already been touched upon in this address, but there is an important feature of the agreement, included as subclause (2) of clause 32, which has great relevance here also.

That subclause ensures that the *force majeure* provisions of subclause (1) of clause 32 cannot be applied by either party to extend the term of the special exploration licence beyond that provided for in clause 5.

Clause 6 of the agreement requires the company to carry out various studies and to report the results of its investigations as a preliminary to the submission of the proposals required under clause 7.

Clause 7 has already been identified as the proposals clause. Its content was listed earlier, following the outline of those aspects of the agreement which depart from the provisions of the Mining Act. I would, however, make special reference to subclauses (2) and (6) of clause 7. Under subclause (2) the company may seek approval for the proposal required under subclause (i)(c) to address alternative arrangements to the establishment of a mine town for the accommodation of its work force and support facilities. Subclause (6) requires both the submission of supporting financial information and a commitment to proceed by the company.

Clauses 8 and 9 are standard State resource development agreement clauses, respectively providing the proposals approval mechanism and the procedure to be followed should the company wish to significantly modify, expand or otherwise vary its activities under the agreement beyond those in the approved proposals. Clauses 10 (protection and management of the environment), 11 (use of local labour and materials) and 12 (roads) are also in keeping with the relevant provisions of recent State resource development agreements. Clause 13 sets out in full detail the maximum area, term and other conditions applicable to the mining lease to be applied for by and granted to the company, subject to the prior approval or determination, by arbitration, of all of the proposals, and the company's submission of the financial and other information required under subclause 6 of clause 7.

The surrender of the special exploration licence is a prerequisite—under subclause (1) of clause 13—to the grant of the mining lease.

Clauses 14 (electricity), 15 and 16 (water), 18 (sewerage facilities) and 19 (lands) are also in the normal form of comparable provisions in recent State resource development agreements.

Clause 17 (townsite) departs from the standard form in that whilst it commits the company—subject to subclause (2) of clause 7—to the provision of townsite facilities, including housing, in keeping with current Government policy, there is ministerial discretion in subclauses (1)(a), (3), and (4) to agree to alternative arrangements.

The provision of such ministerial discretion is designed to allow a degree of flexibility to future requirements, bearing in mind the five to six-year exploration period which will elapse before the exact nature, location and extent of likely mining development projects can be determined.

Clause 20 provides that royalties on all minerals produced from the special exploration licence area or the mining lease are to be at the rates prescribed from time to time under the Mining Act. There is, however, a provision for the State to agree to alternative rates of royalty should this prove to be justified.

Clauses 21 and 22 define the State-company arrangements to apply in the event that any wharf, port facilities and services are required to be established for the purposes of the agreement.

Clause 23 contains by-laws making provisions which could become necessary to enable the company to fulfil its obligations in respect of clauses 17 (townsite) and 22 (company wharf).

Clause 24 establishes the obligations on the company with regard to the secondary processing within the State, of minerals mined from the mining lease.

Clauses 25 to 29, with clauses 31, 33 to 40 and 42 to 45, all inclusive, are all standard clauses as incorporated in State resource development agreements of recent years.

Clause 30 is an updated form of the provisions relating to the company's rights to assign its interests, or part thereof, in the agreement. The new format requires the consent of the Minister in all instances, whereas in previous agreements of this nature there was an ability to assign such interests to certain nominated parties as of right, without ministerial consent.

Clause 32 incorporates in subclause (1) the usual *force majeure* provisions, but as mentioned earlier, subclause (2) excludes the application of those provisions from the special exploration licence to be granted under the provisions of clause 5.

Clause 41 grants the company an exemption from any stamp duty otherwise chargeable on the agreement or specified relevant documents, for seven years from the date of execution of the agreement—29 October 1985. If it is borne in mind that the exploration phase will have a life of five to six years maximum, it will be patent that the exemption is not as generous as it would first appear.

The first and second schedules to the Bill set out the respective forms of the special exploration licence and the mining lease to issue therefrom. As I made mention earlier, the mining lease cannot be issued prior to the termination of the special exploration licence.

This concludes the outline of the agreement clauses.

This agreement represents a breakthrough in the achievement of a substantial, long-term strategic exploration programme in a highly prospective, yet relatively unexplored area of the State.

The commitment by Western Mining—which many in the industry regard as not only Australia's, but the world's best exploration company—to a huge level of expenditure far exceeding anything else that it is doing, is a major vote of confidence in the future of the State and a considerable achievement for this Government.

The Government is confident that the project the subject of the agreement to be ratified by this Bill will yield substantial benefits to the State in both the short and the longer term.

I commend the Bill to the House.

Debate adjourned, on motion by Hon. Margaret McAleer.

ACTS AMENDMENT (POTATO INDUSTRY) BILL

In Committee

The Chairman of Committees (Hon. D. J. Wordsworth) in the Chair; Hon. D. K. Dans (Leader of the House) in charge of the Bill.

Clause 1: Short title—

Hon. W. N. STRETCH: I would be grateful if the Minister in charge of the Bill could clarify a conversation I had with the Minister in another place. When I spoke to Mr Evans the other morning, he assured me that there was an appeal provision in this Bill by virtue of the Ombudsman legislation. We now find that that does not seem to be the case. We understand that there may be provision for appeal in the Ombudsman legislation. I make the inquiry now as it has an effect on the amendments I may move later. I would like the Minister to clarify whether the Parliamentary Commissioner comes into this.

Hon. D. K. DANS: My adviser tells me that there is no reference to the Parliamentary Commissioner in the Bill. I do not know why there would be any reference to the Parliamentary Commissioner in a Bill on potatoes.

Hon. W. N. STRETCH: I thank the Minister for his reply. That was entirely my understanding of the Bill, but the Minister for Agriculture assured me that there is an appeal in the Ombudsman Act that could refer back to happenings in this legislation.

Hon. D. K. DANS: I do not have the Parliamentary Commissioner Act with me. Perhaps there are provisions in the Parliamentary Commissioner Act to allow us to do certain things, but that is not the Act we are dealing with. We are dealing with an Act to amend the Marketing of Potatoes Act 1946 and the Potato Growing Industry Trust Fund Act 1947.

Hon. W. N. STRETCH: I fully understand that, but the Minister told me that there was such an appeal provision. I understood that he was going to discuss it with somebody in his office. When I heard that it was possible to make an appeal to the Ombudsman, my fears about this Bill were somewhat allayed. If the Minister for Agriculture has not discussed it with his advisers and the Minister is not in receipt of the information, perhaps I should pursue the matter privately.

The CHAIRMAN: I remind Hon. W. N. Stretch that this Parliament makes its own decisions. It does not depend on private agreements between officers and members, Ministers and others outside the Chamber.

Clause put and passed.

Clauses 2 to 5 put and passed.

Clause 6: Section 7 amended—

Hon. H. W. GAYFER: During the second reading debate, I made the point that I was strongly of the belief that grower statutory boards should have a majority of grower representatives. I am very firm on this point. Under the Marketing of Potatoes Act there is constituted a six-member board, three of whom are producers and three of whom are not. The amendments contained in clause 6 would delete the provision for three grower members on that board. Under clause 6, the board would

consist of two grower members and four who are not. I am not happy at all with this provision, and accordingly I move an amendment—

Page 3, lines 32 to 36—To delete paragraph (b).

Hon. D. K. DANS: I am going to ask this Committee to vote against Mr Gayfer's amendment for the simple reason that the potato growers themselves do not want it. As long as the Minister confers with the industry they would be happy with that. I see no point in debating it beyond that explanation.

Hon. C. J. BELL: I also cannot support the amendment. My contact with senior grower personnel on the Potato Growers Association has led me to believe that they do not wish to see the amendment pursued. A little time ago I made reference to the point referred to by Mr Gayfer. Nevertheless when I raised it with the growers they said they did not wish to pursue it. I have great difficulty in disregarding their request to me.

Hon. E. J. CHARLTON: While I am not fully aware of the background of the preparation of this Bill, particularly from the growers' point of view, there are some times when growers are told they should agree, otherwise the Bill may not proceed. In this case that may well have been said.

There is no question in my mind or in anybody else's mind that the growers—or any other section of the industry—want other aspects of this Bill to go through the House swiftly. It is easy for many people to gain the impression that all the growers are not too concerned about whether they have grower representatives on the board. Perhaps other areas of the Bill concern them more.

Hon. D. K. Dans: I can assure you this is not a "take it or leave it" Bill.

Hon. E. J. CHARLTON: I am pleased to hear that. I would be interested to see what happens if this Bill is enacted in this way and the grower representatives are in the minority on this board. My experience of all organisations connected with the agricultural industry is that growers and consumers are both essential. One must start at one end before there is a chance of anything happening along the way.

I would like to register my concern at the lessening of grower representation which does nothing positive for this legislation or any other Act where growers are concerned.

Hon. TOM KNIGHT: I intend to support the amendment, because in discussions I had recently with the potato growers in my area, I found they were concerned that growers were not having enough say in their industry. When a board in any industry is dominated by people from outside, a dangerous situation is reached. I realise this is a marketing board and people with marketing expertise must be on it. But the industry is the potato growers' industry. They have been knocked about for too long. The reason for the introduction of this Bill is hopefully to give the potato growers a better deal, more involvement in their industry and a better return than they have been receiving over the past few years.

Concern was expressed to me that if anything there should be an additional representative on the board rather than a cut back of one. The growers were not very happy with their previous representation. I shall be supporting the amendment.

Hon. V. J. FERRY: The whole thrust of the Bill is to improve the marketing performance of the potato industry. Somebody said—it may have been the Minister—that one must have consumers and one must service them.

The Potato Marketing Board has been structured in the past in such a way that the growers have had a very large say in the administrative affairs of their industry through the structure of the board and the operation of the Act. The industry and others have come to realise that is not good enough in this day and age. I refer to the Select Committee in 1972, which made a range of recommendations. Under this Bill some of those recommendations have been put into effect after 13 years. If the ideas are good enough today they should have been good enough 13 years ago.

With its present structure the board apparently has not been able to make the headway which should have been made in the industry. Therefore this Bill attempts to improve the performance of the administration by restructuring it to a degree. Surely that is a reasonable proposition.

The industry itself has input to advise the Minister who should be on the board. It is designed to improve the overall performance, and that means marketing techniques.

I can grow potatoes in my backyard if I am good enough, but I do not know whether I could sell them. The industry, does agree with the proposition of the Government. There are

some growers who will always be different. That applies no matter which industry is being considered. There are always some people who do not agree with the main thrust. But the bulk of the industry recognises it is in trouble. That is evidenced by another Select Committee which travelled around Australia in connection with vegetables. If something is not done the industry will not improve its showing.

I cannot support the proposition put forward by Hon. H. W. Gayfer because the industry wants this Bill. The whole thrust of the Bill is to allow a chance for a better result for growers and consumers.

Hon. H. W. GAYFER: I cannot imagine one sector of the primary industry which would give away its rights, its wishes and its needs for a majority of grower representation on its boards. I will not take it any further. We will divide on the issue, and I will leave it at that.

Hon. W. N. STRETCH: I must vote against the amendment. In doing so I assure Hon. H. W. Gayfer that the growers have recognised that their industry is very different from the wheat and grain industry, which has been ably led over the years and has set up an organisation which suits it fine. The potato growers have seen their industry in trouble, but have opted to leave it to the Minister, after consultation with the potato growers, to appoint another member who need not be a grower. They have taken the future of the industry into their own hands and made their decision. As one of their local members I have to support the Government and vote against the amendment.

Hon. I. G. PRATT: I must join Hon. Bill Stretch in opposing this amendment. I have been very critical of this Government from time to time for not consulting with people affected by legislation. In this case the Government has consulted fully with the potato growing industry. This amendment attempts to interfere with the result of that consultation and negotiation. It is hard to imagine it as anything less than mischievous. If the amendment had come from Hon. Tom Knight who said some potato growers in his electorate told him that they wanted increased grower representation on the board, that would be an entirely different thing. Many members represent areas in which potatoes are grown and, as Hon. Vic Ferry said, we find that in any industry there will be some people who do not agree, but the broad thrust of the growers is that they agree with this. Obviously, some do not and they are entitled to that opinion. I am in no way condemning them for that position. However, most of the industry does agree with the results of the negotiation and consultation and they see their future in this industry in following the results obtained.

I really do think it is being highly unreasonable to expect this Parliament to put aside that negotiated result which is satisfactory to the people concerned. I would have no objection if wheat farmers wanted a majority of grower representation on their board; so be it. But I do not think we have the right to inflict one industry's set of values on another industry because growers are obviously looking for different results at the end of it.

I can imagine what would happen if the wheat growing industry or the lamb producing industry negotiated with the Government to solve a problem and a fully-negotiated and accepted solution was brought before Parliament, whereupon a member who was a dairy farmer said, "The dairy farmers would not agree with that proposal. We want to change the system." That member would have a terrible cheek. We should give some recognition to the commonsense of the people involved in the potato growing industry. Very rarely do I find the need to congratulate this Government; but in this case, because the Government has negotiated, it deserves recognition.

Hon. TOM McNEIL: Commonsense demands that I back up my National Party colleague's argument. I have not heard of any grower organisation which would relinquish a position on the board to allow somebody else with ministerial control to take that position. I am not a farmer. I did not come to this Parliament as a farmer, but I know how the farmers out there think.

I cannot be convinced that they would stand aside and lose their representation on the board in order to accommodate the Minister. I suggest the argument put forward by Hon. Ian Pratt to that effect is completely fallacious by comparing wheat with the subject we are talking about now.

Hon. I. G. Pratt: How many potato growers in your electorate have contacted you about this legislation?

Hon. TOM McNEIL: I doubt whether I have any potato growers in my electorate.

There are people in the community who are most reluctant to give up positions they hold in order for the Minister to appoint somebody else in their place on that board.

I support this amendment.

Hon. D. K. DANS: I do not deny the right of Hon. Tom McNeil, Hon. Mick Gayfer or Hon. Tom Knight to make their comments. But the facts are that there has been a potato board for some years which has mostly grower representation on it. We are talking about an industry that is in trouble; this Bill is designed to get it out of trouble.

For Hon. Tom Knight's benefit, I repeat what the Minister for Agriculture said. He said he wanted to emphasise that growers had privileges and responsibilities under this legislation. He was prepared to appoint a third grower representative if the growers' association convinced him that a grower was best suited and equipped to fill the position. He said he did not accept that growers' and consumers' interests necessarily conflicted. If they conflicted to an inordinate extent the authority would not be doing its job fairly according to its charter. He said it was his intention to see that it did a better job in the future. In other words, he was saying if more grower representation on the board was required, he would look at the matter.

I ask the Committee to defeat the amendment.

Amendment put and negatived.

Clause put and passed.

Clauses 7 to 9 put and passed.

Clause 10: Section 19A repealed and substituted—

Hon. C. J. BELL: I move an amendment—

Page 6, lines 19 and 20—To delete the expressions "(k), (l), or (m)".

This section deals with the right of appeal. This amendment inserts an appeal provision into the Act. Previously appeals under this Act were restricted to only section 19(k), (l), (m) or (n). This refers only to the granting of licences. Removing the paragraph designations (k), (l), (m) or (n) would allow anybody who was aggrieved by the decision of the authority in operating any of its functions to appeal to the Minister. The very basis of democracy surely must be that anybody on whom legislation imposes a condition or, alternatively, who, having had withdrawn a licence or other arrangement which an authority had permitted, must have appeal to at least the Minister.

The situation otherwise is a straight-out dictatorial arrangement. Having spoken to industry representatives, I believe that they are quite happy to see that situation provided because the industry is not only made up of producers—it consists of wholesalers, packers and various agents. This amendment will allow them to have some redress if they feel aggrieved under the Act.

Hon. D. K. DANS: I am quite prepared to accept the amendment moved by Hon. C. J. Bell, but it will necessitate the addition of other words. What Mr Bell is saying is that the word "section" will be deleted and the words "this Act" will be inserted.

Hon. C. J. Bell: My circulated amendment only says delete (k), (l), or (m). In other words the new section would then read—

> 19A. (1) A person who considers himself aggrieved by a decision made by the authority in exercise of a power conferred on the Authority under section 19 may appeal to the Minister by serving on the Minister a statement in writing of the grounds of his appeal.

My understanding is that this restricts the powers of the board and that we do not need to delete the word "section" and the number "19". Only the areas of possible appeal need to be deleted.

Hon. D. K. DANS: There is nothing wrong in Mr Bell's amendment, but it means we may have to make further amendments. It will be necessary to insert the word "shall" and the words "subject to section 19A" in sections 25 (6) and 34D. I seek advice from the Chair: Is it possible for Mr Bell to include this in his amendment?

Amendment put and passed.

Sitting suspended from 5.25 to 5.41 p.m.

Progress

Progress reported and leave given to sit again, on motion by Hon. D. K. Dans (Leader of the House).

ADJOURNMENT OF THE HOUSE: ORDINARY

HON. D. K. DANS (South Metropolitan—Leader of the House) [5.42 p.m.]: I move—

That the House do now adjourn.

Minister for Education: Carnarvon Flight

HON. P. H. LOCKYER (Lower North) [5.43 p.m.]: I do not want to detain the House but this is the first opportunity I have had since last week to raise this matter. Honourable members will recall that I questioned Hon. Joe Berinson

last week concerning the Minister for Education missing an aeroplane to Carnarvon. In that speech I gave an undertaking that if at some later stage the Minister could assure me he was at the airport at the time he said he was, I would bring this matter before the House.

I am now satisfied that the Minister for Education was at Perth Airport at some time during the time he said he was there and, as a result, it appears that it was neither all his fault nor the fault of the charter company that the Minister missed the flight.

I am perfectly satisfied, and I have witnesses to confirm, that the representative of Austair was at the airport, sitting opposite the Avis desk from 7.00 a.m. until 8.30 a.m. and he had with him an esky containing refreshments for the Minister's flight to Carnarvon. It was a very unfortunate incident in which two parties were not able to find each other at the airport. The matter was further complicated when the Minister went to gate 1 and he was given advice by the Department of Transport officer, who sent him on another wild goose chase, hunting for an aeroplane.

An aeroplane was close to that gate but it was an Austair plane which had been cross-hired although the officer did not know that. It was an unfortunate incident and I know that in another place the Minister subsequently questioned my integrity in such a manner that the Speaker intervened. I am fulfilling a commitment I made to bring this matter to the attention of the House if I found the circumstances were contrary to what I had stated.

School Bus Routes

HON. E. J. CHARLTON (Central) [5.44 p.m.]: A number of developments are taking place in country areas with regard to rearrangement of school bus routes. The number of children using school bus services is less than it was and, as a result of that and some concern about the economics of running school buses, serious consideration is being given by the Education Department to making many services terminus routes.

I bring this matter to the attention of the House and indicate that although the National Party is in favour of the Government cutting its costs in any way possible, the Government has an overriding responsibility to transport children to school in the best possible way. The transport should be such that schoolchildren in country areas are encouraged and able to participate in the education system in the best possible way.

We are all aware of the falling numbers in the population of country areas and that the economic situation in these areas is critical. The pressures on country people are putting them to a severe test and it has been said that the economic pressures are greater in the agricultural industry than in any other industry. Country people have a number of difficulties with regard to educating their children including the expense of education, and the terminus bus routes in some areas will compound the problems. Such bus routes mean that some children will be on the bus for more than 1½ hours, and those who are first on are last off. We must appreciate the problem that will be created by this system. Some children could be required to board the bus at 7.30 a.m. and they will be last off the bus when school finishes. This happens in a number of areas in the north-eastern wheat-belt in which people have a host of other problems with which to contend.

It is reported in *The West Australian* that the average person in the country pays in excess of $300 a week in interest. To add to their problems this proposal has been put forward to alter the school bus routes, which will apply to a number of towns and districts. The National Party telephone has been running hot with callers concerned about this problem and the effect it will have on their children.

I bring to the attention of the Government that its first priority should be to transport children to school in the best possible way. Savings can be made in many areas of Government spending and I will support any such proposal. All members are agreed that we should try to encourage Governments, both State and Federal, to cut costs and not waste money. However, I am of the opinion that this is not an area in which sacrifices should be made. A great deal of finance is wasted in the education system in Western Australia in a number of areas. I will not detail those areas at this time. However, the Government and the Education Department should seriously consider the wisdom of implementing changes that will abolish some bus runs and make it necessary for children to travel for longer periods on buses. The Government must consider other alternatives before implementing any changes. It must carefully examine the school bus system. I had a discussion last night with a group of people who said that in view of their economic problems which are insurmountable, they feel that they cannot handle any further problems with regard to their children at this time.

Question put and passed.

House adjourned at 5.50 p.m.

QUESTIONS ON NOTICE

315. *Postponed.*

TAXES AND CHARGES

Financial Institutions Duty: Basis

320. Hon. P. G. PENDAL, to the Minister for Budget Management:

(1) Is it correct that the financial institutions duty is paid on the amount credited to an account?

(2) Does this also mean that when interest is credited, FID is paid on the interest—not the interest and the principal combined?

(3) Has his department received any complaints or queries from building societies on the point contained in part (2)?

(4) If so, what is the general nature of those complaints or queries and what has been his department's response to them?

(5) Are there any circumstances where FID is paid on the combined roll-over of interest and principal, where the combined total is not paid into a separate account?

Hon. J. M. BERINSON replied:

(1) Yes.

(2) If only interest is credited, then only that interest amount is dutiable.

(3) I am advised by the Commissioner of State Taxation that since the advent of financial institutions duty, the State Taxation Department would have received many inquiries about the dutiability of interest credits. Most of these inquiries have been made verbally and some have come from building societies. I am advised that no record can be found of any complaints.

(4) The department has not kept a record of the nature of all such inquiries but the officers involved do not recollect any particular aspect as being prominent.

(5) I am advised that on the immediate reinvestment of a term deposit, the principal sum is not dutiable but that any interest amount is.

The Commissioner of State Taxation has indicated that a State taxation officer had incorrectly understood the position and had wrongly informed a number of inquirers that, when both the principal and interest sums were immediately reinvested, the aggregate of the amounts was dutiable. However, to the best of the commissioner's knowledge, no building society has incorrectly applied duty in these circumstances.

To ensure that no-one has been disadvantaged, the State Taxation Department will explain the correct position in a circular which is intended for issue to all registered financial institutions in the near future.

321, 324, and 326. *Postponed.*

MINERAL CLAIMS

Refusal

328. Hon. N. F. MOORE, to the Minister for Employment and Training representing the Minister for Minerals and Energy:

(1) Is it correct that mineral claims 45/10258 and 45/10259 and dredging claims 45/1358-1361, 45/1364 and 45/1368 have been refused?

(2) If so, what are the reasons for the refusal?

Hon. PETER DOWDING replied:

(1) Yes.

(2) The applications were made under the 1904 Mining Act now repealed and were situated on the Yandeyarra Aboriginal reserve. The previous Government, in a Cabinet decision of June 1980, ruled that no new mining tenements would be granted on this reserve unless agreed to by the resident Mugarinya Community and indeed the Minister for Mines under that Government refused applications where agreement could not be reached with the community. The present Government has continued to support that decision, and accordingly the applications were refused.

330 and 331. *Postponed.*

PRISON: CANNING VALE

Security: Cameras

332. Hon. P. G. PENDAL, to the Minister for Prisons:

Did it cost of the order of $200 000 to install the camera system at Canning Vale Prison on removal of armed guards on gun towers?

Hon. J. M. BERINSON replied:

The anticipated cost is $150 000, consisting of the CCTV system—closed circuit television—motion detector system, ADPRO; modification to gatehouse, and observation towers.

PRISON: PRISONERS

Canning Vale: Telephone Use

333. Hon. P. G. PENDAL, to the Minister for Prisons:

(1) Is it correct that at Canning Vale Prison prisoners are now permitted virtually unlimited access to the use of the telephone?

(2) When did this policy, if applicable, come about?

Hon. J. M. BERINSON replied:

(1) No.

(2) Not applicable.

PRISON: CANNING VALE

Security: Cameras

334. Hon. P. G. PENDAL, to the Minister for Prisons:

Is the Minister aware that the camera system at Canning Vale does not work satisfactorily?

Hon. J. M. BERINSON replied:

The CCTV system is operating satisfactorily. However, the ADPRO system which complements the CCTV system has not met the department's original specification. Further evaluation is being conducted.

STATE FINANCE

Short-term Money Market: Profits

335. Hon. A. A. LEWIS, to the Minister for Budget Management representing the Treasurer:

With regard to answer to part (1) of question 305 of Thursday, 31 October 1985, when was the incorrect posting found and where was the amount that was originally credited finally credited?

Hon. J. M. BERINSON replied:

The error occurred on 24 June and was not found until the ledger was reconciled on 9 July. The error occurred as a result of the principal repayment of a deposit being credited to the interest account and conversely the interest earnings being credited to the principal account. A subsequent journal transfer reversed the error and was posted on 16 July.

LOCAL GOVERNMENT

Councillors: Overseas Trips

336. Hon. TOM McNEIL, to the Attorney General representing the Minister for Local Government:

(1) Which local government authorities requested approval from the Minister to send councillors or council officers overseas during the years 1978 to 1985?

(2) Would the Minister provide the details of the requests which were approved?

(3) How many requests were refused and what were the details?

Hon. J. M. BERINSON replied:

(1) to (3) The Department of Local Government does not keep separate files for the type of information requested. To search through every general file relating to 139 local governments for a period of eight years in order to extract the details requested is an enormous task for which the resources of the department are not geared to cope. If the member wishes to identify specific instances of concern to him, I will attempt to have them addressed individually in writing in due course.

337 and 338. *Postponed.*

PARLIAMENTARY COMMISSIONER FOR ADMINISTRATIVE INVESTIGATIONS

Pamphlet

339. Hon. JOHN WILLIAMS, to the Attorney General representing the Minister for Police and Emergency Services:

(1) Has the Minister seen a copy of the pamphlet entitled "Your State Ombudsman"?

(2) If so, is the information contained under the heading "Police complaints" strictly accurate?

Hon. J. M. BERINSON replied:

(1) Yes.

(2) Yes. The information referred to is basically the same as contained in the joint pamphlet issued by the Commissioner of Police and the Parliamentary Commissioner in June 1985.