

Legislative Assembly

Tuesday, 24 March 1981

The SPEAKER (Mr Thompson) took the Chair at 4.30 p.m., and read prayers.

ELECTORAL: SENATE VACANCY

Governor's Message

Message from the Governor received and read transmitting a copy of a despatch received by him from the President of the Senate of the Commonwealth of Australia, notifying that a vacancy had occurred in the representation of the State of Western Australia, in the Senate, through the resignation of Senator Allan Charles Rocher, which occurred on 10 February 1981.

Filling of Vacancy

SIR CHARLES COURT (Nedlands—Premier) [4.35 p.m.]: I move, without notice—

That Mr Speaker be requested to confer with the Honourable the President of the Legislative Council in order to fix a day and place whereon and whereat the Legislative Council and the Legislative Assembly, sitting and voting together, shall choose a person to hold the place of the senator whose place has become vacant.

I understand, Mr Speaker, that in order to fix a time mutually convenient for the two Houses to meet, you will confer also with the Leader of the Opposition and I to arrive at a time mutually convenient.

The SPEAKER: Naturally, any discussions I hold with the President will be held after I have discussed the matter with both the Premier and the Leader of the Opposition.

MR DAVIES (Victoria Park—Leader of the Opposition) [4.36 p.m.]: We do not oppose the motion: it is part of the constitutional procedure which puts onto a formal and reasonable basis the appointment of a senator in the case of a vacancy occurring. In view of your comments, Sir, as to consultation, I am happy to support the motion.

Question put and passed.

The SPEAKER: Before proceeding, might I say that I am confronted with somewhat of a dilemma. It appears to me that it is not necessary for me to vacate the Chair to confer with the President of the Legislative Council immediately, although I have been advised that it is his intention, upon a similar motion being carried in

another place, to suspend the sitting there with a view to holding the conference forthwith. I find that there is no reason to interrupt the proceedings of this House to do that, although what I will do is to ask my deputy to take the Chair for a while and I will have an informal chat with the President of the Legislative Council.

DEPUTY CHAIRMEN OF COMMITTEES

Appointment

THE SPEAKER (Mr Thompson): I desire to announce that the following members have been appointed Deputy Chairmen of Committees for the present session—

The member for Canning (Mr Bateman)
The member for Vasse (Mr Blaikie)
The member for Murchison-Eyre (Mr Coyne)
The member for Moore (Mr Crane)
The member for Bunbury (Mr Sibson)
The member for Albany (Mr Watt).

TRAFFIC

Reduction of Road Carnage: Petitions

DR DADOUR (Subiaco) [4.38 p.m.]: I wish to present two petitions in the following terms—

TO—THE HONORABLE, THE
SPEAKER AND MEMBERS OF THE
LEGISLATIVE ASSEMBLY AT THE
PARLIAMENT OF WESTERN
AUSTRALIA IN PARLIAMENT
ASSEMBLED:

We, the undersigned residents in the State of Western Australia do herewith pray that Her Majesty's Government of Western Australia shall continue to support the effective measures being used by the Road Traffic Authority to reduce the carnage on our roads.

Further that they will introduce necessary legislation to reduce the legal blood alcohol limit from 0.08 to 0.05 as now applying in Victoria and New South Wales.

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

The first petition carries 214 signatures and the second petition carries 114 signatures. Both petitions conform with the Standing Orders of the Legislative Assembly, and I have certified accordingly.

The SPEAKER: I direct that the two petitions be brought to the Table of the House.

(See petitions Nos. 2 and 3.)

LIQUOR ACT

Non-liberalisation: Petition

MR CLARKO (Karrinyup) [4.39 p.m.]: Mr Speaker, I present a petition from 48 citizens of Western Australia. The petition reads as follows—

TO:— THE HONORABLE, THE SPEAKER AND MEMBERS OF THE LEGISLATIVE ASSEMBLY AT THE PARLIAMENT OF WESTERN AUSTRALIA IN PARLIAMENT ASSEMBLED:

We, the undersigned residents in the State of Western Australia do herewith pray that Her Majesty's Government of Western Australia shall resist any proposals to further liberalise the Liquor Laws in W.A. including lifting of the restrictions on Sunday Trading.

Our reasons are:—

1. The State Government needs to be seen as supporting the Federal Governments declaration of a National Policy—that there should be a diminished consumption of Alcohol in Australia.
2. Lifting restrictions on Sunday Trading of Packaged liquor could contribute to Sunday being regarded as being no different from any other trading day resulting in increased death and injury on our roads. We respectfully request that all packaged sale of liquor on Sunday be stopped and that consideration be given to having Sunday free from all sale of liquor.

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

The petition conforms with the Standing Orders of the Legislative Assembly, and I have certified accordingly.

The **SPEAKER**: I direct that the petition be brought to the Table of the House.

(See petition No. 4.)

CAPITAL PUNISHMENT

Abolition: Petition

MR SKIDMORE (Swan) [4.40 p.m.]: I present the following petition to the House—

To the Speaker and Members of the Parliament of Western Australia assembled.

we the undersigned citizens of the State of Western Australia affirm that:—

The sanctity of human life is one of the fundamentals of a Christian society and can in no circumstances be set aside. Our concern, therefore, is for all victims of violence, not only murderers but also those who suffer by his act.

The sanctioning by the State of the taking of human life has a debasing effect on the community, and tends to produce the brutality which it seeks to prevent.

The real security for human life is to be found in reverence for it. The law of capital punishment while pretending to support this reverence does in fact tend to destroy it.

We request that Parliament give urgent consideration to abolishing the death penalty and we humbly and in duty bound will ever pray.

The petition bears eight signatures and I have certified that it conforms with the Standing Orders of the Legislative Assembly.

The **SPEAKER**: I direct that the petition be brought to the Table of the House.

(See petition No. 5.)

PORNOGRAPHY

Child Abuse: Petition

MR SKIDMORE (Swan) [4.42 p.m.]: I present the following petition to the House—

To the Honourable the Speaker and Members of the Legislative Assembly of State Parliament assembled:

The humble petition of the undersigned citizens of Australia, Western Australia respectfully sheweth:

That we the undersigned, having great concern at the way in which children are now being used in the production of pornography **CALL UPON THE GOVERNMENT** to introduce immediate legislation:

1. To prevent the sexual exploitation of children by way of photography for commercial purposes;
2. To penalise parents/guardians who knowingly allow their children to be used in the production of such pornographic or obscene material depicting children;

3. To make specifically illegal the publication and distribution and sale of such pornographic child-abuse material in any form whatsoever such as magazines, novels, papers, or films:
4. To take immediate police action to confiscate and destroy all child pornography in Australia and urgent appropriate legal action against all those involved or profiting from this sordid exploitation of children.

Your petitioners therefore humbly pray that your honourable House will protect all children and immediately prohibit pornographic child-abuse materials, publications or films. And your petitioners as in duty bound, will ever pray.

The petition bears 46 signatures and I have certified that it conforms with the Standing Orders of the Legislative Assembly.

The SPEAKER: I direct that the petition be brought to the Table of the House.

(See petition No. 6.)

SITTINGS OF THE HOUSE

Days and Hours

SIR CHARLES COURT (Nedlands—Premier) [4.50 p.m.]: I move—

That the House, unless otherwise ordered, shall meet for the despatch of business on Tuesdays at 4.30 p.m., on Wednesdays at 2.15 p.m. and Thursdays at 10.45 a.m. and shall sit until 6.15 p.m. if necessary and, if requisite, from 7.30 p.m. onwards.

I understand as a result of discussions that have taken place following our experience of the last parliamentary session that agreement has been reached as to what should be the sitting hours. I think it is rather important I record my understanding of what was worked out by the Deputy Premier and the representatives of the Opposition in company, I think, with yourself, Mr Deputy Speaker.

The sitting hours for Tuesdays are the normal ones inasmuch as we will meet at 4.30 p.m. I understand that the general desire is to try to so regulate the business of the House that we can have a fairly orderly termination each night at about 11.00 p.m. The suggestion was put forward and agreed to that we change the order in which Government business is transacted on Wednesdays on those days when we are dealing with private members' business and on the assumption that the Address-in-Reply is out of the way. It has been proposed although this is

not part of the motion that Government business will take precedence from 2.15 p.m. to 4.30 p.m., questions will then be taken and after questions private members' business will follow until up to 11 p.m.

The starting time on Thursdays has been brought forward to 10.45 a.m. instead of 11.00 a.m. as I understand members want to finish by 12.45 p.m. so as to have a full hour and a half for lunch. The House will resume at 2.15 p.m. and under normal circumstances will continue until 4.00 p.m. when questions will be taken. Following the practice of last session, in normal circumstances the House will then rise. That is my understanding of the situation.

I will be moving another motion this afternoon which is a corollary to this one and sets out that on Tuesdays and Thursdays Government business shall have precedence over all motions and Orders of the Day. I asked the Clerks whether it was necessary to be specific about the times, when under these circumstances, Government business would be dealt with first on Wednesdays followed by private members' business. I was told it was not necessary because it is only a question of which business takes precedence on Tuesdays and Thursdays. On Wednesdays this would be a matter of mutual arrangement; that is, we would have Government business from 2.15 p.m. to 4.30 p.m. when questions would be taken and private members' business would continue after that for the rest of that sitting until up to 11.00 p.m.

MR DAVIES (Victoria Park—Leader of the Opposition) [4.54 p.m.]: The fact that this motion is before us in this form is a measure of the success of the committee which was appointed about three years ago to inquire into the likely changes to our hours of sitting. We did effect some changes last year after some prolonged discussion and there were some complaints about the way the changed hours operated—complaints from both sides of the House. As a result of them and the experience we enjoyed during the last session the committee was able to hold further meetings and iron out those difficulties which were concerning some members.

I congratulate the committee members and the Deputy Premier, who chaired the committee. It consisted of members from both his and my parties: I do not know whether the National Party got a guernsey. I congratulate the committee on the sitting hours it has brought down and the goodwill which was extended between its members in trying to come to a satisfactory arrangement.

Many members would still regard the hours as archaic, which I do to a large degree. I believe we should be sitting in the mornings and perhaps finishing earlier in the evening; but that is a matter to be considered after we have had a further trial period this session. I understand there will be a further review after approximately one month has passed.

It is with some satisfaction that I note we are making some progress, that some changes are being effected, and that we have found this goodwill on all sides. I will be happy to listen to any representations from members on this side of the House who may not be happy with the changed hours. I will certainly pass on their comments to the Deputy Premier through our members of the committee. I thank all the members of the committee for the work they have done and I agree to the motion.

SIR CHARLES COURT (Nedlands—Premier) [4.55 p.m.]: I thank the Leader of the Opposition for his support of this motion and, like him, congratulate those members who have managed to oil the works and bring us this far. One point I did not mention is that the handing in by Ministers of answers to questions will be worked out, presumably in an administrative way, by the Speaker in consultation with the Government and the Opposition. I understand a formula has been arrived at and so I will not deal with the matter further. I want it to be known that the Speaker, in consultation with the Government and the Opposition, will work out the time for Ministers to hand in answers to questions. Further, I confirm what the Leader of the Opposition has said in that after a trial period the hours can be considered further by the committee.

Question put and passed.

GOVERNMENT BUSINESS: PRECEDENCE

Tuesdays and Thursdays

SIR CHARLES COURT (Nedlands—Premier) [4.56 p.m.]: I move—

That on Tuesdays and Thursdays, Government business shall take precedence of all Motions and Orders of the Day.

I have already explained the reasons for this motion and the way it will work on Wednesdays.

MR DAVIES (Victoria Park—Leader of the Opposition) [4.57 p.m.]: We have noted the undertakings the Government has given in this regard, but I draw the Premier's attention to the wording of the motion because it makes no mention at all of Wednesdays. The Government is in charge of the House at all times; we appreciate

that. The fact that an undertaking had been given by the Premier indicates we will have the necessary hours to debate the many motions which we will be bringing before the House.

SIR CHARLES COURT (Nedlands—Premier) [4.58 p.m.]: I appreciate the comments of the Leader of the Opposition. My understanding—and this is the reason I made my earlier explanation—is that this is the normal motion we move and that Wednesdays are not mentioned. The reason I spelt out the arrangements which have been agreed to for Wednesdays is to have some record of them for this trial period. No doubt after a month has elapsed the committee can consider the matter further.

Question put and passed.

COMMITTEES FOR THE SESSION

Appointment

SIR CHARLES COURT (Nedlands—Premier) [4.59 p.m.]: I move—

That for the present session—

- (1) The Library Committee shall consist of Mr Speaker, Mr Tubby, and Mr B. T. Burke.
- (2) The Standing Orders Committee shall consist of Mr Speaker, the Chairman of Committees, Mr Sibson, Mr Bryce, and Mr Parker.
- (3) The House Committee shall consist of Mr Speaker, Mr Old, Mr Nanovich, Mr Jamieson, and Mr T. J. Burke.
- (4) The Printing Committee shall consist of Mr Speaker, Mr Williams, and Mr Skidmore.
- (5) The Public Accounts Committee shall consist of Mr Watt, Mr Herzfeld, Mr Crane, Mr E. T. Evans, and Mr Parker.

Question put and passed.

LAPSED BILLS

Restoration to Notice Paper: Motion

SIR CHARLES COURT (Nedlands—Premier) [5.00 p.m.]: I move—

That under the provisions of Standing Order No. 417 the undermentioned Bills be restored to the Notice Paper at the stages which they had reached in the previous session of Parliament, namely—

Noise Abatement Amendment Bill.

Second reading. Adjourned debate.

Clean Air Amendment Bill.

Second reading. Adjourned debate.

Members will appreciate that one of our Standing Orders enables uncompleted business from the previous session to be revived at the stage it reached during the previous session. The two Bills mentioned were introduced so that they would be available during the recess to the Opposition and the public. Debate was not proceeded with on the understanding that the Bills would be brought forward during this session.

Question put and passed.

ADDRESS-IN-REPLY: SECOND DAY

Motion

Debate resumed from 19 March.

MR DAVIES (Victoria Park—Leader of the Opposition) [5.02 p.m.]: We are gathered here this afternoon, I suppose, to deal with some of the important matters of Parliament rather than the senseless and irrelevant display—probably a costly display—we experienced last Thursday night. I do not believe the display was necessary, and I cannot understand why we have to go through that charade each year. It is a rather tattered charade with people play-acting the pomp and ceremony of the occasion.

Mr Nanovich: Don't you think the Parliament is important enough?

Mr DAVIES: I draw attention to the fact that the Government started the abuse this year, so that is one win to it.

The charade which occurs every year is a measure of the overblown pomposity and sanctimonious self-importance which seems to be such a part of this place. We probably do not realise what a silly farce it is.

I ask the House to look at the cost of it. Days in advance of the sitting of Parliament the hapless arm of the armed services which has the misfortune to be detailed for the parade during the opening ceremony is required to gather on the square outside the steps of Parliament House. Probably five dozen people gather, as they have on a number of occasions, to practice the intricate manoeuvres associated with greeting the official guests and saluting the Governor. That practice must take some time. Of course, whatever band accompanies the parade has the similar misfortune of having to practice and, on the opening night, of having to be here early. All those hapless fellows would probably much rather be home with their families or out doing something far more enjoyable. They stand for lengthy periods, often in a chilly breeze,

periodically coming to attention and saluting as the procession of luxury cars pulls up to the steps.

Having been received in the proper manner, the cars discharge their rather bored passengers, usually civil servants who have seen the ceremony before and are not that much interested in it. However, they are there because they are expected to be.

Let us consider the cost of the chauffeur-driven vehicles.

Mr B. T. Burke: The Government has no money for nurses, but plenty of money for a sham like that.

Mr DAVIES: I expect the chauffeurs would be employed for four hours and be paid time-and-a-half rates. I do not know what the rates are, but the chauffeurs would be on overtime, and all they do is ensure the officials do not have to park their own cars. After all, how could they park their own cars and then ceremoniously walk up the steps of the Parliament to be greeted!

With due respect to you, Mr Speaker, the officials receive handshakes from you, and the President of the Legislative Council. Surely those handshakes must be the dearest handshakes of the year. Again with due respect to you, Mr Speaker, you and the President give the parade an Alice in Wonderland effect by being garbed in splendour traditionally associated with the 17th century.

The barricades are erected to keep the public from the "hoi polloi", and the public wait rather breathlessly for the whole ceremony to reach a climax. They probably have never seen such a breathtaking spectacle! Part of the spectacle is the throaty roar of RTA motor cycles approaching and escorting His Excellency's rather ancient Rolls Royce—nevertheless, it is in good condition because it has had only three owners—half a mile from His Excellency's residence to the Parliament.

I suppose it is an occasion of such significance that patrol officers normally out on the roads keeping death off the roads are required.

The success of the whole occasion depends upon split-second timing. To obtain that other policemen must be placed along the route of the procession. Those men could be out on the roads to keep traffic flowing but are detailed to turn traffic lights off to stop traffic flowing to enable the procession to proceed and His Excellency to arrive on time.

Of course, when the Governor arrives the excitement must surely reach a fever pitch; the guards come to attention, the band plays the national anthem and the Governor walks up and

down the ranks of the guards to inspect them. He probably wishes he were home, and the guards probably wish they were home.

This ceremony has been staged each year for many years. At the point of the Governor's arrival I suppose the crowd—a crowd numbering perhaps as many as 30 people—is unable to contain its enthusiasm any longer. The people valiantly fight to stifle a collective yawn—that is how exciting the whole thing is.

After the Governor's arrival we in this Chamber journey to the other end of the Parliament to hear his Speech delivered from the throne. The Speech is rather long, boring and disjointed; one prepared for His Excellency by Cabinet. The Speech lacks any rhetorical merit or useful information. I suspect on this occasion when he reached the section relating to the converting of lobster heads into high protein paste, a stunning revelation, that he must surely have wondered why he gave up a distinguished career and the prospect of a comfortable retirement to take part in a second-rate Gilbert and Sullivan performance.

Mr B. T. Burke: He wants to get his gutters fixed.

Mr Herzfeld: He is not here listening to you.

Mr DAVIES: He has the Address-in-Reply presented to him. We hope he will read it and appreciate why I have made these remarks.

Mr Herzfeld: You are the fellow who complained last year about the Parliament not having time to deal with your legislation.

Mr DAVIES: The member for Mundaring is already indulging in a flight of fancy, something with which members on the other side of the House are so richly endowed.

Mr B. T. Burke: Other people would call it lies.

Mr DAVIES: After the Governor has ground out the Cabinet's turgid prose, we return to this Chamber to engage in some token formalities before getting down to the real business of governing. After a few more formalities we retire to consume asparagus rolls, cream cakes and fish balls. We should not forget the fish balls because they are always a feature of Parliament House openings.

Most of us eschew the tea and wash down the food with drinks purchased at fairly cheap prices. We feel it is only once a year and are entitled to let down our hair before getting into the excitement of parliamentary work.

If I have offended anyone with my somewhat flippant remarks dealing with the events of an opening night, I am sorry, but it really concerns

me that we seem to be so obsessed with the need to have an opening for every session of Parliament. Undoubtedly a place exists for the formality and the ceremony associated with a formal opening of the Parliament, but I believe it is debased if it is done frequently. It was only at the end of last July, as members will recall, that the whole process was performed in association with the opening of the Parliament. I believe openings are debased if carried out frequently; they become a matter of form with no meaning at all.

Of course, an expense is involved with the opening of the Parliament. Mr Speaker, you may recall that the Opposition called on the Government to dispense with the ceremony this year. If the Government genuinely was short of money and wanted to set an example to the many public servants it has attacked, it would do so by dispensing with the formal opening of the Parliament and the attendant ceremony which has become something of a farce. The Government did not respond to our suggestion, and I never expected for one moment that it would. I believe the Premier delights in the ceremony. It is a pity he did not show the lead by saying he was prepared to make a sacrifice. I am sure all members of the Parliament would be prepared to make that sacrifice, and I emphasise the word "sacrifice", which would mean a saving of money, and time to get down that much sooner to the business of governing.

There must be a high cost involved. There is the cost of the armed services, catering, and the overtime for the staff in various sections of the community. I have quoted just a few of the expenses involved and there is no constitutional necessity for any of this to occur.

We need have only one formal opening in the life of a Parliament. If it is obvious that it is necessary to have an opening every year, then let us have it with a minimum of fuss. Let us have a full-scale opening with the fanfares, parades, and the 21-gun salutes once every three years, at the start of each new Parliament. Let us make the other two openings low-key affairs.

I can remember the time during the term of the Tonkin Government when the then Speaker died and Parliament was prorogued. Parliament resumed after the by-election and we had a simple opening with the Governor or the Governor's representative—I cannot remember who it was—reading a brief speech and Parliament went straight on with the business; there was no fanfare, parade, or 21-gun salute.

That opening was simple and easy and I believe in this day and age we should be looking at that type of opening. I know I have the support of my colleagues because that is exactly what they would like to see.

My first comment on the Speech prepared by the Government—whoever delivers it—is that we are more interested in what is left out of it than what is in it. Instead of making the Speech a statement of principles and policies; of the direction in which the State is heading, it has become a dreary recitation of departmental activities. There is scarcely a reference anywhere in the Speech to issues, opportunities, and problems that are current in Western Australia.

The Speech contains no admissions of failure, no expressions of pride in achievements and no visions of the future—just a grab-bag of extracts from departmental files and ministerial Press releases, all written in a way apparently calculated to arouse the least possible interest.

I suppose if I were asked what kind of a Speech it was I would say that it was a mirror speech because the Government is “going to look into” and the Government is “going to consider”. If one were to look through the Speech one would find, time and time again, another description, “gunna”. The Government is “gunna do this” and “gunna do that”. There is no real hope or vision of what we can expect after the Government has done all the things it has said it will do.

The Speech, under the heading of “The Economy”, states—

The indicators for Western Australia show an upsurge in development of resource-based industries which is already having a pronounced influence on the State's economy. The high level of capital inflow is expected to promote further substantial increases in employment and career opportunities.

There is no statement about the problems this is creating, particularly in respect of interest rates. Why are not we told how the Government proposes to cope with these?

Mr B. T. Burke: Because it does not know.

Mr DAVIES: More indications could have been included in the Speech, but of course this did not happen.

The next heading in the Speech is “State Finances”. The Speech deals with a balanced budget but it does not mention anything about the hidden surpluses the Government has accumulated. It fails to outline the profits the Government has made at the expense of

Government wage and salary earners through less than expected national wage case rises and through the shameful reduction in working hours for cleaners employed by the Government.

Mr Parker: In other words, it comes out of workers' pockets.

Mr DAVIES: Exactly! The profits are going to the Government through the shameful reduction in working hours for the cleaners employed by the Government. The cleaners have one of the quietest and least militant unions but the Government has said “Here we can attack them”. Of course, most of the cleaners work long and odd hours to earn a few extra dollars because of their economic needs. That is usually the case with the people who do these jobs because they have no ready capacity for any other work. I am not speaking about all of them but of a large number of them. The Government has reduced the cleaners' working hours in order to save a few dollars, but it does not really need to do that because it seems to have a surplus every year.

With regard to State taxation and charges, a committee of inquiry, inquiring into taxes relating to land values is expected to submit its final report to the Government by the middle of this year. The following has been said about State taxation charges: “A committee will report”, and “A committee will look into”—part of the mirror image again.

There is probably no greater matter that concerns the average family than that of Government charges. Whether the Premier calls them charges, imposts, levies, or taxes is of no consequence, the average family is paying more and more to keep this Government in power. However, the Government has made no mention of that fact.

The Government could be forgiven for its cavalier attitude, when dealing with State taxation and charges, if we did not know that the committee's report arose only from the enormous increases made last year by this Government when it insensitively increased charges far beyond what was considered to be reasonable. At the same time the Government made a \$3 million mistake in the Budget.

These things seem to have been forgotten completely and I can imagine the Government would want them to be forgotten because it is not a very happy time for the Government. Perhaps it is trying to get off the hook by saying “we will have a committee of inquiry” despite the fact that we had one just four years ago. The findings of that inquiry have not been acted upon but the Government has said “Let us have another

committee of inquiry, that will calm the position for a while." I suppose many people have forgotten how exorbitant and steep the increases were.

The Government hopes to bring down the report by the middle of the year and no doubt hopes it will be done without too many people noticing it. Irrespective of what the recommendations are, the Government will fail to act on them, just as it failed to act on the results of the previous inquiry.

The next heading in the Speech relates to resource development. There is a long list of resource development and energy projects. These are to be welcomed, but we are told almost nothing about them and there is no indication that the average Western Australian will benefit.

There is no indication as to how the Government will benefit or how it hopes to distribute these benefits amongst the population. I am quite certain that members of the Government will have red faces when I refer to the comment which has been made in regard to future iron ore developments. The very day after the Speech was delivered we heard that there had been a severe down-turn in the likely demand for iron ore. The Government had indicated that there would be another iron ore project development on stream by 1985. That seems doubtful now because we were supplying 80 per cent of our contracted iron ore exports only but now that is to be reduced further. That indicates the scant regard the Japanese have for the industry and also indicates how clever they are in dealing with us. The Japanese have one negotiator to deal with all the suppliers. All our firms send one negotiator each to Japan to talk to that one person. However, while they were negotiating a new price, an announcement was made that the supply would be cut back despite the fact that the Japanese had contracted for certain amounts.

I do not think the Premier will dash over to Tokyo, as he did on a previous occasion. The best he could do on that occasion was to obtain an alleged undertaking that when they required further supplies we will be able to give them the first refusal. That was the best he could do, despite his supposed rapport with the people buying our iron ore.

Mr B. T. Burke: He has the rapport, they take him down.

Mr DAVIES: The Japanese will decide when the next iron ore project will come on stream.

Under the item "Industrial Development and Commerce" there is no mention of plans to promote regional development, even though a few

months ago the Government announced, with considerable fanfare, that it would steal a large section of the ALP policy. That was probably a one-off Press release because we have heard nothing about it since.

The comments under the heading of "Agriculture" are confined principally to expressions of sympathy to south-west farmers whose properties were badly damaged by fires early this year. I am sure they have the sympathy of all members of Parliament but there is no such expression of sympathy for farmers whose properties stand to be badly affected by the Government's ill-advised and ill-considered amendments to the Mining Act. That is a matter of great concern but the concern is not even acknowledged. The best that can be said about these amendments is they have run into so much trouble that their proclamation is now more than a year overdue, and with any luck, they might never see the light of day. The Government must be in serious trouble.

Mr Bryce: Hear, hear!

Mr DAVIES: The regulations for the Mining Act have not been written since the Tonkin Government proposals in 1973, and the present Government has yet to find a way out of its dilemma.

There is only one way out of the dilemma, and that is to maintain the old Mining Act after bringing it up to date in several places where it could do with attention. The Government could rid itself of that headache very rapidly.

The next section of the Governor's Speech deals with lands and forests, and it notes a strong and continuing demand for the release of Crown land. That is true wherever I go; wherever I go to the north, south, and east—not too much to the west—I find people who want the release of Crown land for very good reasons. However, the comment in the Governor's Speech fails to note that in the booming North-West Shelf centre of Karratha there is a severe shortage of land, and that at the last auction of Crown land speculators forced up prices to absolutely outrageous levels—more than \$20 000 for a quarter-acre block. That is unbelievable, but it indicates the demand. Yet the Governor's Speech contains nothing to indicate the Government will speed up the release of land.

Karratha is suffering a crisis in the form of a shortage of building land and a shortage of accommodation. People cannot erect accommodation on land to which they have not the title. Indeed, at Greenbushes only a fortnight ago I was approached by a person who had lost a

building society loan because the Lands and Surveys Department could not come up with a title, which it had promised to do some eight months earlier. In a period of eight months the department was not able to produce the title to that block of land.

What is wrong with the department? Everywhere we go we find more land is needed, and yet we find the department is almost inactive. Surely when a great demand exists, such as the demand at Karratha, Greenbushes, Broome, Derby, and other places, particular attention should be paid to the needs of those centres, and land should be surveyed and released in record time.

Must we hand this function over to private developers in order to have land released quickly? Is that the answer; or is it that the Lands and Surveys Department is so short of staff it is unable to keep up with the volume of work? I know great pressure is being experienced in the Land Titles Office which has about one-third more titles to deal with than it had 12 months ago, but has no more staff to deal with them. Of course, it does not matter how hard they work, they are unable to keep up with the volume of work and eventually a breakdown occurs. However, knowing the attitude of the Government to the Public Service, we cannot expect any relief to be provided for that department. So, of course, the work will not be done and the land will not be released. Titles will not be made available and more people will lose building society loans they have negotiated. What is the cause of the delay? Why are not more staff being provided? Heaven knows, the charges levied now are sufficient to support additional staff. The increase in the volume of titles being handled by the staff and the charges connected with those titles are great enough to support additional staff; or is the Government looking to make a huge profit out of the department?

The Government has been talking about the North-West Shelf project for years and years. Indeed, the Tonkin Government was talking about it in the early 1970s, and the timetable has not altered much from what was proposed by that Government. The Government has had plenty of time to attend to this important matter, but now that the crunch is coming it is found lamenting.

Let us now consider the section dealing with fisheries and conservation and the environment. This section includes the incredible commitment of the Government—which I have already mentioned—to turn lobster head meat into high protein paste. As I said previously, I am sure the Governor must have wondered what it was all

about when he read out that portion. His Speech included the following statement—

Recent changes to the Environmental Protection Act, creating new appointments to the Environmental Protection Authority and the Conservation and Environment Council, will ensure that the Government receives the best possible advice.

That comment can be found at page 5 of his Speech, and it is breathtaking in its audacity when one considers what the Government did last year. Every member knows that the Government amended the Environmental Protection Act last year, and every member knows the amendments were made with the object of drawing the teeth of the authority. The amending Bill removed from the authority one of the most highly qualified persons in this State—the director of the department—and the Government said he should no longer have any standing with the authority. Yet the Government now has the gall to include in His Excellency's Speech the paragraph which I have just read out, and which says the Government is seeking to ensure that it receives the best possible advice on environmental matters. The amending Bill last year was designed to do exactly the opposite.

I am pleased to draw the attention of the House once again to the manner in which this Government deals with environmental matters. I suppose the text of the Governor's Speech contains other statements similar to that which I quoted, but I have not been able to unmask them.

The next section of His Excellency's Speech deals with labour and industry, consumer affairs, and immigration, and it mentions efforts being made to draw skilled labour from overseas. However, it does not explain why the Government allowed the situation to develop in which there is a demand for skilled labour and no workers to meet the demand, despite the fact that for some 10 years we have expected the demand to occur right at this time.

The Government was given plenty of warnings. It was told a severe shortage of skilled labour would occur in many areas. Indeed, to its credit, the Government asked the various employers what their needs were likely to be; but having done that, it did nothing about training workers until last year when the Commonwealth introduced a scheme.

Had the Commonwealth not introduced that scheme—and it was only to ease the severe unemployment situation—I doubt whether the State Government would have interested itself in training the hundreds of young people who want

apprenticeships and who are looking for jobs in all the trades, and all the young people who come to my office regularly to see whether I can pull any strings to get them an apprenticeship anywhere. The Government knew what was going on, and its failure to plan to ensure it was able to obtain the maximum benefit to this State from the resources boom is an indictment of it.

Let us now consider the State Emergency Service. This rated only a brief paragraph in the Governor's Speech, which was confined to the upgrading of facilities. Once again, it is a matter of continuing something which is already started; and that is something we would expect. The Governor's Speech did not mention the dishonourable role the SES played last year in escorting the Noonkanbah convoy. It did not even have a word of thanks to the organisation—that is how ungrateful this Premier is. I do not believe the purpose of the SES is such that it should be used in the way it was used on that disgraceful occasion. I suppose it is little wonder that was not mentioned in His Excellency's Speech and I hope we never use that organisation again in the disgraceful and ghastly way it was used last year.

Mr Nanovich: It wasn't disgraceful.

Mr DAVIES: That matter is not yet finished.

Let us now consider the next section: "Transport". Once again, the Governor said the Government is pursuing greater flexibility and efficiency in the State's transport system. This Government is "gunna" do a lot of things! The controversy, contention, and debate surrounding air services was not even hinted at in the Speech. This is one of the most contentious matters that has come before the whole of Australia in the past half-dozen years, and it was not even mentioned by the Governor. Nor was any mention made of the anger in farming areas about aspects of the new land transport policy.

It is true it was stated that the State's internal air services are being looked at, but no indication is given as to when we can expect a report—and I will bet it will be a bobby dazzler, too! The people who are already dictating and overseeing the transport policy are now being called upon to review air services within the State; and that has occurred only because the member for Avon moved a motion last session calling for some action. What a pitiful response from the Government this is.

I turn now to health services, which do not enjoy a great deal of comment in the Governor's Speech. No section better demonstrates the irrelevance of the Governor's Speech to the real matters of concern in the community than the one

dealing with health. It manages to turn a blind eye to reality in a manner that would have made Nelson blush. It pretends that the real matters of concern which are boiling in the community are just not there at all.

Debate over the provision of hospital and health services has been at the top of the political agenda in this State for at least four months, yet matters of real concern are not mentioned in the Governor's Speech, and anyone reading it could believe that the subject of health is a quiet backwater in the Government's programme. That is consistent with the Government's inept handling of the major issues in health care. We have had plenty of experience in that regard and one could give countless examples. I am certain that before the Address-in-Reply is over we will hear much debate in this House on the matter of health care; indeed, I promise we will.

Throughout the controversy over the important issues involved, the Government has refused to address itself to the central issue. What is the central issue? It is this: How are Government hospitals to cope when their staff numbers have been static for several years, their wards are overcrowded and their services are being cut back, but their patient numbers have increased by almost 14 per cent in the last two years?

The only answer from the Premier and the Minister for Health has been that the hospitals are given so much money, and if the hospitals cannot provide the service then the Government is just not interested in the matter. It is up to the hospitals to provide the service.

I can only conclude from what the Premier and the Minister for Health say that any criticism of the Government over hospital needs is unfair and unjust, and that the complaints that are manifest should be laid at the feet of the hospital boards rather than at the feet of the Government. However, the truth is that no matter how any hospital allocated its resources, there would still be shortcomings and there would still be deficiencies, because the hospitals are not receiving the resources to do the job. The only solution the Government applies to this serious crisis is turning the health clock back to the bad old days of 1969.

Leave to Continue Speech

Mr DAVIES: Talking of turning the clock back, Mr Speaker, this might be an opportunity for me to move—

That I be given leave to continue my remarks at a later stage of the sitting.

Motion put and passed.

GOVERNMENT BUSINESS: PRECEDENCE*Tuesdays and Thursdays*

THE SPEAKER (Mr Thompson): The motion concerning the precedence of Government business agreed to by the House earlier today is in the same form as similar motions in past years. However, from the debate that has taken place I am aware that there is a consensus of views in favour of permitting Government business to have precedence on Wednesdays between 2.15 p.m. and 6.15 p.m. As this is the case, I will cause the notice paper to be prepared so that Government business appears first on Wednesdays, as well as on Tuesdays and Thursdays.

Should I become aware that the majority of members desire to revert to the previous practice, I will have notice papers on Wednesdays prepared with private members' business having precedence over Government business.

QUESTIONS

Questions were taken at this stage.

ELECTORAL: SENATE VACANCY*Filling of Vacancy*

THE SPEAKER (Mr Thompson): I wish to announce that a little earlier this afternoon, following the motion which was carried by the House with respect to a proposed joint sitting of the two Houses, I discussed the matter with the President of the Legislative Council.

Prior to that discussion, I ascertained it was the desire of the Premier and the Leader of the Opposition that such a meeting should occur at 4.30 tomorrow afternoon and I put that suggestion to the President of the Legislative Council.

It was indicated the Legislative Council would experience some procedural problem in regard to a joint meeting occurring precisely at 4.30 p.m. Therefore, it was decided by the President and myself that the meeting should take place at 4.45 tomorrow afternoon.

Sitting suspended from 6.15 to 7.30 p.m.

ADDRESS-IN-REPLY: SECOND DAY*Motion*

Debate resumed from an earlier stage of the sitting.

MR DAVIES (Victoria Park—Leader of the Opposition) [7.30 p.m.]: To continue with His Excellency's Speech, the next item relates to

education, cultural affairs and recreation. The high cost of providing free education has been a matter of great concern for many years to many people, and it always comes to a head, as it did this year, when the school year begins. Some of the matters of concern include the unreasonable fees charged by some schools. The fees are especially high to parents who have several children going to one school; in addition, the parents must bear the high cost of school books, especially for year 11 students, and members would understand the problem after reading recent articles in newspapers dealing with the costs of some of these books.

Other matters of concern relate to the failure of the Government to allocate endowment grants before the start of the school year. The Government should come to grips with these problems which come to the fore in February of each year, and not hope that they will go away by the end of the year as they do, only to re-emerge at the start of the next school year. The problems are real, and have continued for a long time, yet there is no hint in the Governor's Speech that such important matters will be dealt with adequately by the Government.

I refer members to that part of the Governor's Speech relating to works and water resources. At least the Government has hinted that the Water Board needs a shake-up. We need to consider the Water Board from top to bottom and give it a good shake to see what falls out. I am sure officers in that department would be surprised.

I have been amazed by some of the answers I have received from that organisation. I am quite sure that it, like others, is suffering from the Government's parsimonious attitude in relation to staff and the provision of finance to maintain essential services. However, they are the least of our worries; the quality of Perth's water is of main concern. We have received no indication that there will be an improvement of its quality yet it is in urgent need of attention. Not one Government spokesman has told us we can hope for an improvement. Government spokesmen claim repeatedly nothing is wrong with Perth's water supply. I ask members to apply the taste test; they will soon see whether anything is wrong with the water. One needs only to ask tourists and other visitors to this State to determine that something is wrong with the quality of the water for which we pay the highest price in Australia.

The next section of the Speech deals with the Chief Secretary, police and traffic, and community welfare, and is one of the bigger sections in the Speech. That is not unexpected

when one considers the large number of portfolios covered.

Perhaps more than any other section it demonstrates the weakness of the document. There is a wealth of administrative detail and a dearth of statements and directions. More than a full page is devoted to detail, but no indication is given of the direction in which all these Government departments are going. I believe the section indicates the attitude of the Government as a whole—it is not concerned with where it is going. The Government is governing from day to day, and is out of touch with matters of interest and concern to the average Western Australian family. It just does not know what is going on, and, probably, does not care about the issues affecting the ordinary people. It should be knowing and caring, but nothing in the Governor's Speech, and, particularly this section of it, indicates that the Government does know or does care what is going on.

The Speech was drafted by a Government looking inwardly when it should have been looking outwardly; a Government obsessed with the day-to-day administration of governing. It should take the broad view of the whole State, and that is something for which we looked in the Speech but did not find. It is a testimony to a Government engaged in public administration which is the equivalent to contemplating its own navel and expecting everyone else to be fascinated by the exercise. Certainly we are not fascinated by the exercise and would like to see some positive action taken by the Government.

I now move to the section dealing with local government, urban development and town planning. Not much was said in that section, and certainly not anything about the issues of real concern. I refer to the question of greater autonomy for local government, something that was very favourably received by the Government at the time of the last election but something about which we have heard nothing further. We heard nothing about it, not a word, and nothing about the Minister's propensity for favouring the interests of developers when appeals are considered. That matter was ignored.

Mrs Craig: How can you say that?

Mr DAVIES: I am sure the Minister did not read the newspaper reports, because the same remarks were made.

Mrs Craig: Do you believe everything you read in the newspapers?

Mr DAVIES: I certainly do not, but I was happy to read them because they concerned the town planning portfolio.

Mrs Craig: What proportion do you believe the examples represent?

Mr DAVIES: Of what?

Mrs Craig: Of appeals.

Mr DAVIES: That the newspapers represented?

Mrs Craig: You are talking about so-called newspaper facts, as you have put them to me. What proportion do you think the six appeals are of the total number of appeals heard?

Mr DAVIES: I would say the examples are not necessarily an average across the board, but some of the appeals granted give cause for concern. There does not seem to be any justice.

Mrs Craig: For whom?

Mr DAVIES: For the little people. The Minister seems to have a propensity for assisting developers; it is the little people who concern us.

Mrs Craig: What about the other 500-odd appeals which have been heard? They involved the little people.

Mr DAVIES: We acknowledge that. As I said, the cases probably would not strike an average across the board, but some give cause for real concern, and some of the ones highlighted are the ones with which we have been concerned. We have received no indication that the Minister will change her attitude in regard to these matters.

Mrs Craig: There is no indication that I need to.

Mr DAVIES: I think it is a matter of assessing what is available to us and the concern which is reflected by the electorate.

Mrs Craig: Which concern?

Mr DAVIES: The Minister's propensity for leaning to developers in regard to some appeals which have been considered and do not seem to have followed the principles of justice.

Mrs Craig: You do not know the basis on which they were considered.

Mr DAVIES: I know only what I read in the newspapers.

Mrs Craig: Do you believe what you read in the newspapers?

Mr DAVIES: Why does the Minister not try to justify herself in the Governor's Speech? One would think the Government would justify what is happening instead of trying to ignore the situation which seems to have been ignored completely.

As I said, the Speech contains nothing about the matters which need attention, and one of them in particular is the right of local government to govern. I ask the Government to remove some of

the 300-odd requirements under the Local Government Act placed on local government.

Mrs Craig: You have very nearly doubled the number.

Mr DAVIES: The number is 319 or something like that.

Mrs Craig: It is 178.

Mr DAVIES: It is more than that.

Mrs Craig: I suggest you look at the Act.

Mr Jamieson: The Minister said she helps the little people with their appeals.

Mr DAVIES: No mention has been made in the Governor's Speech about these appeals. The franchise is a matter with which we will not receive any assistance from the Government.

The next item in the Speech relates to housing. The most significant omission from the comments relating to housing is the fact that no mention was made of the impact of high interest rates on housing generally. One would have thought that somewhere in this section which consists of eight lines mention would be made of the Government's concern for rapidly rising interest rates, if it has any such concern. Problems are being created by the current high interest rates, and those problems will go much further than the home building industry. I believe they point to the fact that Australia is in the grip of a domestic credit squeeze, and every month that squeeze gets tighter. As with other development, as the Ministers well know, it is the little people who are hit first and hardest.

Mr B. T. Burke: And cared for least.

Mr DAVIES: I believe this domestic credit squeeze has been cultivated quite deliberately by the national Government and has been applied selectively to home buyers, home builders, and small businessmen to bear the brunt of it while the giant multi-national mining companies virtually have been exempted from it.

The multi-nationals are not aware of a credit squeeze. It is a squeeze applied artificially and deliberately by the Australian Government to the detriment of Australians without affecting foreigners. It is a programme against Australians by an Australian Government. The consequences of the credit squeeze are that many home buyers are enduring extreme hardships to meet their mortgage commitments. Families have been crippled by the higher repayments due to higher interest rates and are being forced out of their homes. The owning of a home has been placed out of the reach of many families. Serious problems have arisen in the housing industry and many builders are being forced out of business. Small

businessmen who need finance for expansion or other purposes cannot obtain it or cannot afford to pay the attendant high interest rates. Consequently they are facing bankruptcy.

The cost of services provided by State utilities such as the State Energy Commission, Westrail, and the Metropolitan Water Board is being driven up because the cost of servicing their capital equipment has grown enormously. The situation is already serious but it will become a great deal worse. Members would be aware that on Monday the Fraser Government announced another rise in interest rates. The fact is that it is the official interest rates which set the tone of the money market, and it is virtually inevitable that the rest of the finance market will follow the Fraser Government's lead and increase its interest rates. The home buyer and the small businessman will be hit again.

At this point I think I should express my deepest sympathy to the Premier because he must be acutely embarrassed over the matter of interest rates. On Friday he expressed the view that interest rates had peaked, but over the weekend his Federal colleagues pulled the rug right out from under him and increased the rate by 0.75 per cent.

Sir Charles Court: That figure was announced in the paper the week before.

Mr DAVIES: It was not announced officially. The Premier is now trying to say that he knew all about it, and that the figure he was referring to was the figure that was going to be announced. Now, I do not believe him.

Sir Charles Court: It was in *The Australian Financial Review*.

Mr B. T. Burke: The building societies were making representations to the Federal Government not to increase the bond rate.

Sir Charles Court: They were part of the representations I was making. You are on a very sticky wicket.

Mr DAVIES: It was in *The Australian Financial Review* as a kite that was being flown, as kites have been flown on many occasions before. The Premier is trying to kid us that he knew all about it. It is just not on for him to kid us in this way.

Sir Charles Court: Go and talk to the building societies—I talked to them on Friday.

Mr B. T. Burke: I spoke to them on Friday and two of the chief executives had no idea of it.

Sir Charles Court: What time did you talk to them? You did not speak to them on the Friday afternoon.

Mr DAVIES: Last time the Premier promised to do something about it. The Premier called in representatives of the building societies, and he said, "Please do not increase your interest rates." We all know what happened—the building societies did not take the slightest bit of notice of the Premier. We want some practical action taken. The Premier should not now say that he knew all about it.

Sir Charles Court: We discussed it with the building societies on Friday afternoon.

Mr DAVIES: Was the Premier in the position of releasing Federal Government secrets?

Mr B. T. Burke: Why did you not mention it in your statement?

Mr DAVIES: Matters of interest rates are secret until announced by the Federal Treasurer, but he had been telling the building societies all about it! Do not tell us that!

Sir Charles Court: It was in the newspapers.

Mr DAVIES: It was not in the newspapers. It was another kite that was being flown. The way that the Premier is grinning, trying to cover his embarrassment, shows that he is not being absolutely honest with the House.

Sir Charles Court: I will tell you a little bit about it if you will just listen for a minute.

Mr DAVIES: The Premier will have his time.

Several members interjected.

Sir Charles Court: I, and I think most Premiers, contacted the Federal Treasurer because of the leak that took place in *The Australian Financial Review*. The Federal Treasurer was embarrassed about it. The Minister himself and the acting Under Treasurer can tell you that they were at the meeting with the building societies on the Friday afternoon when that particular Press report was discussed—and discussed with disgust I might say.

Mr DAVIES: And so say all of us! It was not put out until the Monday morning. On the Friday, Saturday, and Sunday, the Premier did not mention it, but on the Monday it was announced by the Federal Treasurer. We just do not believe the Premier, so he should not try to tell us that he was taking all this positive action.

Sir Charles Court: You don't have to believe me. I just know what is true myself.

Mr DAVIES: I doubt sometimes that the Premier believes himself. He must surely convince himself.

Sir Charles Court: You silly little boy.

Mr DAVIES: We have got him embarrassed. Whenever the Premier is embarrassed, everyone is

a silly little boy. He is an aging old man and his memory must be failing.

Sir Charles Court: And I am proud of it.

Mr DAVIES: He now tells us he is proud that his memory is failing.

Sir Charles Court: I'll bet you won't be as fit when you are 70.

Mr DAVIES: He tells us he is proud of the fact that his memory is failing. Words fail me when something like this happens. He is 70 and proud of it. After all, the Premier can get a pension without a means test when he turns 70 this year, thanks to the Whitlam Government. At least he will have found something for which he is able to thank the Whitlam Government.

Mr B. T. Burke: You are completely unconcerned about the hardships people are undergoing.

Sir Charles Court: You have been the greatest predictor of interest rate rises.

Mr B. T. Burke: Next you will be saying I cause them.

Sir Charles Court: Your Federal leader caused some fluctuations in the market.

Mr DAVIES: The Premier's grinning indicates his embarrassment about the whole subject of interest rates. He will never convince us that he was privy to the latest Federal Government rise in interest rates three days before it was announced. His embarrassment tonight must be as great as was his embarrassment on Monday.

Mr B. T. Burke: The Premier has trouble with the truth.

Mr DAVIES: After he said on Friday that the interest rates had peaked, his Federal colleagues pulled the rug out from under him on the Monday morning.

The resources boom is a major factor contributing towards rising interest rates. Unless current economic policies are modified, the boom which ought to bring benefits to all Australians—and not just Western Australians; we try to take the broad view—will be a disaster for many, especially for home buyers.

The national Government is keeping a tight rein on the money supply in Australia, but at the same time it is allowing money to flood in from overseas for resources development from these companies that want to get a slice of the Australian action, and we cannot blame them for that. However, of course, the Federal Government must have a target, irrespective of where the money comes from, and it must see that that target is not exceeded. Because of the inflow of

capital from overseas, the Government is having to impose tighter and tighter restrictions on the domestic money market in order to ensure that the supply of money does not go beyond the limits it has set as its target. That is what the Federal Government is concerned about at the present time, and its concern is creating a shortage of money on the domestic market. There is intense competition for the money that is available, and that in turn is driving up the interest rate.

Despite the recent round of home interest rate hikes that are crippling people who already have mortgages and which are making loan repayments far in excess of what people were expecting to pay and the fact that interest rates for home loans will continue to climb, we still acknowledge that they are cheaper than in many other places in the world. We acknowledge that housing loans are somewhat cheaper than loans available for other purposes. However, that means that the people who have money to lend will not put it into the home building market. They will put it where they can get the greatest return. That is a human trait that is completely understandable, and so there is a shortage of money for the home building market because the money is going elsewhere.

In effect a large chunk of the resources development projects is being paid for by a massive shift of financial resources away from the housing sector, and this is happening as the Government moves to control the growth of the money supply by choking off the volume of funds available through domestic financial markets.

Sir Charles Court: Who told you that fairy story? Does not the overseas capital coming in take the pressure off the local market? That is the purpose of it.

Mr B. T. Burke: Of course it does not when the Government restricts the domestic market to meet its target.

Sir Charles Court: You don't know what you are talking about.

Mr DAVIES: This financial whiz kid in charge of our Treasury just does not know what is going on, although he pretends to do so.

Sir Charles Court: If you bring in overseas capital for resources development, it takes the pressure off the domestic market.

Mr DAVIES: But not when the domestic market is being restricted. The figures are there to prove what I am saying.

Sir Charles Court: Do you want resources development stopped?

Mr DAVIES: Of course we do not.

The resources development is still gathering pace, and the demand for funds is likely to grow even faster and to be even larger. Further pressure will be put on the small businessman, the home owner, the home buyer, and the builder. These are the people who will be affected by the shortage of this money. It is no good saying it is not happening because it is happening at this very moment. If it is not happening, what is the Premier's explanation for the shortage of money for the home building market?

Sir Charles Court: It is not because of the resources programme.

Mr DAVIES: The people who have money to lend are not putting it into the home building market because the interest rates are not as high there as they are in other markets.

Many families will not be able to keep up their mortgage repayments, and they will be forced out of their houses. More builders will go to the wall: there is not the slightest doubt about that. Small businesses will go broke, or they will stagnate. The cost of water, gas, and electricity will go even higher because, as I said earlier, to service their loans, these utilities have to meet the higher interest rate.

It is a depressing prospect indeed, and one that demands a more realistic and practical approach to economic management. We have seen all this happen before. Indeed, there is a sense of *deja vu* about the whole thing. Yet it does not appear that the Government has learnt anything from its previous experience. The little people will be left to endure the hardships and there will not be the benefits to come from the resources boom that they are expecting.

The Premier interjected a little while ago and asked us whether we wanted to see resource development. Of course we want it. We want to see the resources developed as widely and as sensibly as possible. We want to see the people gain the benefits of the development of those resources because they can generate a great deal of good. However, we believe the benefits should flow to the whole of the community and not to one section of it. If we are to exploit the State's rich endowment, then everybody should be able to share in it. At present, from the point of view of the average family, the costs of the boom are far higher than the benefits. We want to know when the turning point will be reached.

We have seen this state of affairs before, and as I said, it does not appear that the Government has learnt anything from its previous experience. It seems that it will make the same mistakes all over again. Members will remember what happened

before. New projects were opened up, the stock market went mad, and money flowed into the State. We thought the end of the rainbow had been reached, but let us consider the consequences for the average citizens. One consequence was that the price of land spiralled to such an extent that families could not afford to buy a block on which to build a home. The cost of living increased disproportionately to the increase in wages and salaries. It was as a reaction to these things that the Brand coalition Government lost office. It lost office because it left the benefits of the boom in the hands of the speculators, or allowed the benefits to be shipped out to the head offices of the multi-national mining companies overseas.

The Brand Government promised that the resources development would create a golden future for all, but for the average Western Australian it created a property market in which buying a stake in this State was beyond him.

Mr Bryce: This Government will be hoist on the same petard.

Mr DAVIES: The Government lost office and stability returned to Western Australia I am pleased to say. The average Western Australian could purchase a block of land and build a home on it. However, the same spectre has risen again. Another resources boom is at hand and once again the political promises are flowing thick and fast. However, once again times are getting harder for the average Australian family.

The credit squeeze and rising interest rates are creating a situation in which many families are going to lose not only the block of land they had to wait so long and struggle so hard to get but also the house they put on it. Mr Acting Speaker (Mr Watt) I am sure you have had people approach you who were about to lose their homes due to their inability to keep up their high mortgage repayments.

On a talk-back radio show only last Sunday evening, I spoke to a young lad who, some four years ago, put his name down with the State Housing Commission for a purchase home. In the meantime, he married and had children. When his turn was reached, he was told the commission would require \$3 000 as deposit. He told me he might as well have been asked for \$50 000, for all the hope he had of raising that amount of money. He is not the only young person in this situation; literally dozens of people are losing their homes. They are giving them up voluntarily because they cannot afford the mortgage repayments.

People are going to lose their houses because another resources boom and the capital inflow it

has brought from overseas, combined with the faulty economic policies of the Federal and State Governments, are going to make their repayments too high and the struggle to keep up with those repayments too hard. That is a matter of great regret in this country, where we take pride in the number of Australians who own their own homes.

I would not claim the only factor creating high interest rates is money flowing in from overseas. Indeed, the principal factor is the monetary policy being pursued by the Fraser Government, and the discriminatory nature of that policy which I mentioned earlier.

I am conscious of the fact—as the Premier reminded us in the newspapers only recently—that interest rates are higher in other parts of the world. I am also conscious of the fact that interest rates in Australia are nowhere near as high as they are in the United States of America.

However, that is of little comfort to the family which already is battling to keep up its mortgage repayments, and which now is faced with another rise in interest rates, or to the family which has lost its home; it is of little comfort to the businessman who cannot obtain funds, or to the family which cannot afford a home loan. The fact that interest rates overseas are 10 times or 100 times higher than they are in Australia is of little consequence or concern to most Australians. The number of people unable to keep up payments on their home loan is increasing.

Mr Nanovich: Is the situation in New South Wales any easier? They have a Labor Government there.

Mr DAVIES: They have a much better system operating over there.

Mr Nanovich: We are not talking about Albury-Wodonga now.

Mr DAVIES: We will see what happens in New South Wales later in the year.

Mr B. T. Burke: And we will see what happens in this State, too.

Mr DAVIES: Every time interest rates increase by only 0.5 per cent, the average loan repayment increases by \$10 a month, which represents an increase of \$3 700 over the life of the loan. As I have already pointed out, the standard which has been set by the Federal Government will flow through to the home loans in this State.

For the interest of members, I should like to give the House some figures relating to the number of people who are losing their homes. The growing financial hardship being created by high home loan interest rates is demonstrated by

Housing Loans Insurance Corporation figures on the number of people defaulting on their mortgages. I am sure every member here would know that the corporation is a Commonwealth Government body which provides insurance for lenders against losses on home loans. About 80 per cent of its business is in insuring building society loans.

In the corporation's latest annual report, it states that the number of people defaulting on loans insured with it grew from a little over 300 in 1978-79 to 564 in 1979-80. A corporation official says that the number is expected to be even higher in 1980-81.

Noting the "sharp rise" in claims in 1979-80, the annual report states that "significant numbers of borrowers can be expected to continue to default on their home loans" and that "the short-term outlook is for a further rise in the number of defaulting borrowers". That is not me saying that; it is a Commonwealth Government organisation, the Housing Loans Insurance Corporation.

The rise in the number of defaulting borrowers noted by the corporation coincides with the spiral in interest rates charged on home loans. As mortgage repayments increase, more and more people find they are not able to keep up with those repayments.

These figures do not tell the whole story, because many home loans are insured with other insurers, and the trend experienced by the corporation is likely also to have been experienced by other mortgage insurers. No doubt that trend is being experienced right across the board; there is no suggestion that if there are defaulters in one area there will not be defaulters in another.

These figures represent only a tiny proportion of the number of families being forced out of their homes by their inability to keep up home loan repayments because of high interest rates. Mortgage insurers become involved only when the forced sale of a mortgaged property fails to raise enough money to fully repay the lender and to meet the lender's costs.

Few greater tragedies can befall a family than to be forced out of a home because the payments cannot be kept up. However, this sad social phenomenon is becoming increasingly prevalent in the Australian community and will become even more common now interest rates are rising.

The figures relating to the number of people who lose their homes do not include those who have had to severely prune their budgets to meet increased repayments; this in itself is a sad story. The figures do not tell of the impact the situation is having on the home building industry. The

Premier was reported in, I think, this morning's newspaper as saying that the number of building approvals for the quarter ended December last year was greater than it was for the same period in the previous year. However, what he did not tell us was that the number of approvals for January and February this year are markedly down on the figures for January and February, 1980.

The position is deteriorating rapidly. I do not need to remind members about the number of builders who have crashed in recent months. This trend is increasing. Almost daily there is another corporate crash in the home building field. This is a matter for great concern. The Premier is always reminding us about the multiplier effect of establishing new industries; he claims that between 2.5 and three jobs are created for every one job provided directly by the new industry. However, the same multiplier effect applies in reverse when a business crashes; for each job lost as a direct result of the failure of the business, between 2.5 and three jobs are jeopardised indirectly.

A large number of businesses are operating on a cash only basis because their financial position is so shaky, and there is not the slightest doubt that some of them will not pull through the present crisis.

This is not a crisis which has only just come about; it is one we spoke about in this House last August, September, October, and November. The matter was discussed regularly during the last session of Parliament.

It is depressing enough to think about the number of people who are likely to be affected by this crisis. In addition, various reports have pointed to the high cost of borrowing money and the difficulty of finding sufficient funds to borrow as factors in the growing number of small business failures.

I have already mentioned that the high interest rates required to be paid by the SEC, the Metropolitan Water Board, Westrail, and other Government departments to service their loans means we are going to pay more in freight rates and fares and in increased electricity and water charges. Indeed, the Government has already agreed with the Opposition's forecast of a rise in charges of about 18 per cent. I applaud the Minister for being honest enough to come out and say that would be the case. These higher charges for services and supplies will be reflected in higher building costs and the need for greater loans and, ultimately, in the inability of people to meet those

loans. The list of hardships caused by high interest rates goes on and on.

I am sure international forces are at work over which we have no control; I would readily admit that. No doubt the Swiss financial gurus and others can be blamed for some of the position in which we find ourselves today.

However, there are other factors at work over which we do have some control, but we do not seem to be taking advantage of them. One such factor is the deliberate policy of the Federal Government, aided and abetted by this State Government to force up interest rates. We must do something about the factors over which we have some control; we must modify the policies which are creating the problem.

In respect of home buyers, I applaud the action of the Honorary Minister Assisting the Minister for Housing in pressing for the reinstatement of a scheme providing tax concessions for the money paid as interest by home buyers. I am indeed delighted the Honorary Minister is taking this action. Of course, the scheme was first implemented by the Whitlam Government and was abandoned by the Fraser Government. I am sorry it has taken so long to become a real issue again but I wish the Honorary Minister well in his approach to the Federal Government.

However, such a scheme by itself will not be enough. The key to easing the intolerable burden of interest rates is easing restrictions on money supply within Australia. I believe that if such a policy were carried out, with restraint, it need not boost inflation. It would mean implementing economic policies based on common sense and the needs of the community. I do not think a Government governing along those lines could go very far wrong.

Instead, the Federal Government, supported by this State Government, is formulating and implementing economic policies on the theory and dictates of fashionable overseas economic gurus like Milton Friedman. Heaven protect us from people like him!

I believe the policies we must adopt mean striking a balance between the domestic sector and the requirements of the multi-nationals.

An economic policy which forces people out of their homes, makes it impossible for young people to keep a roof over their heads, and prevents prospective home buyers from getting a place of their own is a bad economic policy. Yet that is exactly the sort of policy being followed by the Liberal Government and, what is more, it is proud of its policy.

It is time there was a fundamental reassessment of this nation's economic priorities because our existing policies and priorities seem to be putting the average Australian last. In the midst of tough economic conditions and falling living standards, we are being held out the vision of a promised land. However, the reality does not match the rhetoric. Unless there is a more realistic approach to the needs of the ordinary Western Australian, very soon many of the State's citizens will be landless; they will be dispossessed paupers in the Premier's promised land. We want the promised land and we want it now.

I cannot think of a more pressing matter than the effect of high interest rates. Indeed, I note that the Premier has had discussions with representatives of the building societies, as he has told us on several occasions tonight. He tells us that he has approached the Federal Government, and I have no reason to doubt him. But when is he going to learn to try to win the Federal Government over and co-operate with it? All we are getting from him is a blast at Canberra; we are getting nothing else. We want results. It does not matter how much he blasts or rants or raves; it is time he tried to cajole and encourage the people in Canberra to adopt a different line. He has been eminently unsuccessful so far with the attitude he has adopted and we hope he continues to press for reductions in interest rates. He has indicated they have peaked and that he wants them to go down. If he has any real concern for this State he will find no trouble in heartily endorsing the following amendment to the Address-in-Reply.

Amendment to Motion

Mr DAVIES: I move an amendment—

That the following words be added to the motion—

but we regret to inform Your Excellency that high interest rates are:

causing extreme hardship to many home buyers,
forcing families out of their homes because of their inability to meet rising repayments,
putting a home of their own beyond the reach of many families,
causing serious problems in the housing industry with many builders being forced out of business,
creating difficulties for small businessmen in need of finance, and

increasing the cost of services provided by the State Government because of the costs to authorities such as the State Energy Commission, the Metropolitan Water Board and Westrail of servicing their borrowings.

We note with concern yesterday's announcement by the Federal Government of a further increase in official interest rates which is likely to put more upward pressure on interest rates throughout the money market.

We inform Your Excellency that high interest rates are being caused principally by the economic policies being pursued within Australia, including the way in which the resources boom is being managed, and that the situation will only improve when restrictions on the growth of the money supply are eased and other steps are taken to assist home buyers.

MR B. T. BURKE (Balcatta) [8.18 p.m.]: I rise to support the amendment and to say to the House that it is long past the time that this Government should have been taken to task for its heartbreakingly misleading and fancifully untrue statement about what it fondly refers to as its pending resources boom.

The **ACTING SPEAKER (Mr Watt)**: I remind the member that the amendment requires seconding.

Mr B. T. BURKE: I second the amendment.

As I was saying, it is well past the time when the Opposition should make its position perfectly clear on the fancifully misleading and heartbreakingly untrue statement this Government has been making *ad nauseam* about what it refers to quite fondly as the resources boom. Before going on to develop the main contribution I wish to make tonight I want to divert the House briefly to the trouble this Government appears to have with the truth.

Members will realise that during the past three or four weeks the Opposition has issued a series of statements setting out what it believes to be the position of the housing industry in Western Australia. In those detailed and, if I might say so myself, fairly non-political sorts of statements we have told the public in this State that the short-term future of the building industry is at best a continuation of the present depressed trading level and at worst major dislocation and crisis affecting that industry.

During the period when those statements were current there was not one statement from the Honorary Minister for Housing. We know he is fairly new to his portfolio and we recognise he is presiding over the housing industry at a time when Government housing funds have been slashed as they have never been reduced before in the history of this State. But the Opposition and the public deserve at least to expect that the Honorary Minister for Housing will bear his responsibilities with sufficient seriousness to make his Government's policies and position known.

Mr Bryce: He is a Friedmanite.

Mr B. T. BURKE: The case has been that there has not been one statement at all from the Honorary Minister for Housing setting out the Government's position. There has not been one line of defence put forward by the Minister and it is sufficient for the Opposition to presume that in the lack of any defence by that Minister his silence must mean he approves of and concurs with the statements the Opposition has been making.

It was not until Friday that the Government found a defender, the redoubtable champion of less than truthful statements, the Premier, and we saw on that day the Premier telling the permanent building societies that this country had a strong currency and they should be able to insulate themselves from the vagaries of interest rates in other countries. That is what he was saying at the same time as the State Energy Commission loan was offering interest rates of 13.4 per cent.

How does the Premier expect the building societies and savings banks, the home lending institutions in this State, to compete with semi-Government interest rates of that magnitude? Perhaps the Premier can tell us now how he expects building societies to insulate themselves from the competition of semi-Government authorities?

Sir Charles Court: The building societies have their own particular market and they have to respond to it up to a point but never completely, and you know it. They have a mix of funds.

Mr B. T. BURKE: The truth of the situation is that the societies have become price takers rather than price setters in the interest rate market. They have no possible hope of competing against semi-Government lending institutions when those institutions are offering rates of 2 per cent and 3 per cent more than they can put forward.

Sir Charles Court: We do not fix the semi-Government rates. They are fixed by the Loan Council and they are Australia-wide for all practical purposes.

Mr B. T. BURKE: No-one denies the truth of that, but what we point to is the ineptitude of the Premier's position in maintaining that the building societies can compete with semi-Government authorities by offering interest rates of 11 per cent. That is blatantly absurd.

Sir Charles Court: They are not necessarily competing for the same funds. There is a mix of money on the loan market.

Mr B. T. BURKE: Following the Premier's startling discoveries and revelations in Friday's Press we saw yet another attempt to enter the fray on Monday—yesterday—morning when the Premier excelled himself with an abuse of statistics that amounted to nothing more than an untruthful and misleading statement about the lending rate of permanent building societies in this State. The Premier said that building society figures showed a 24 per cent increase in home building loans in the December quarter last year compared with the same quarter in 1979. That is just not true.

Sir Charles Court: I am only going on figures they gave me.

Mr B. T. BURKE: Who gave the Premier the figures?

Sir Charles Court: The Minister will answer all your questions.

Mr B. T. BURKE: The Premier is making a fool of himself. Those figures he gave are quite wrong and misleading. They are a deliberate attempt by him to distract the public from what is the truth.

Sir Charles Court: Those figures came from the Registrar of Building Societies. Are you telling me he does not know his business?

Mr B. T. BURKE: I am going to give the public and the House the correct figures. In the December quarter of 1979, loans by building societies totalled 3 343 to a total value in 1980 of \$109 million. In 1980 the number of loans was 3 308 to a total value of \$100 million. So not only is the Premier wrong when he talks about the increase in the percentage of those quarters, he is wrong when he says, firstly, there has not been a diminution of the number of loans, and, secondly, of the value of those loans.

Sir Charles Court: Where do your figures come from?

Mr B. T. BURKE: I obtained them, as the Premier could have done, from the Australian Bureau of Statistics.

The second thing the Premier said was that development brings employment and that employment allows people to earn money so they

can invest with lending institutions which in turn can make loans for housing. Is that what the Premier said or is it not?

Sir Charles Court: That is a logical statement.

Mr B. T. BURKE: It is perfectly logical. If the Premier is the sort of person who, when he earns money, invests it at rates lower than he can obtain elsewhere, he is foolish. Will a person invest at 9 per cent or 10 per cent at a savings bank when he can earn 11½ per cent elsewhere?

Sir Charles Court: How do you account for investment in these places going up?

Mr B. T. BURKE: How does the Premier account for increasing interest rates? The money is not being invested.

Sir Charles Court: You are completely exploding your own argument.

Mr B. T. BURKE: I will go through it once again for the benefit of the Premier who publicly attempted to maintain that people confronted with the choice of investing their savings at 11 per cent or 13.4 per cent would choose the 11 per cent investment. That is what he said and it is quite absurd. He is quite clearly backing down from that position now.

Sir Charles Court: People often do that because they have ready access to money. People waiting to build houses often put money into short-term investments until they build their houses. You amaze me.

Mr B. T. BURKE: Before reverting to my main theme I will comment on one further matter, and that is the constant prattling of the Deputy Premier when he talks in terms of internal migration figures.

The whole State could be out of work, but the Deputy Premier would justify the fact by saying that 10 people came here from Sydney. He will say that *ad nauseam* until we begin to wonder whether it matters at all that people are unemployed or whether it is important for people to come here from the other States.

Mr O'Connor: Are the facts bothering you?

Mr B. T. BURKE: The internal migration figures, according to the Australian Bureau of Statistics, reveal that in the years 1971 to 1974 the net increase in internal migration was 22 200 in the age that is considered to be the work force age. That was during the time of the Tonkin Government and those of us who were here then cannot recall the Deputy Premier standing and saying the Tonkin Government's record was quite good because of the influx of people from other States. He did not put forward that as an excuse

or put forward his criticism qualified and tempered with that sort of judgment.

Let us consider the figures the Premier quotes. In 1975 and 1976 the Australian Bureau of Statistics did not carry out surveys, because of the census that was conducted; but in the years 1977 to 1980 the net increase in internal migration was 12 400 people. That is less than the increase that occurred during the period of the Tonkin Government.

Mr O'Connor: Wrong.

Mr B. T. BURKE: If it is not significant during the period of the Tonkin Government when the figure was twice the figure in the years I have just given, it is less significant now. As far as the Opposition is concerned the Deputy Premier can once and for all cease misleading the public as his Premier does with figures that are less than truthful and are inaccurate and as the Honorary Minister for Housing does by his silence.

Sir Charles Court: What about the 30 000 increase in jobs last year? Doesn't that mean much to you?

Mr B. T. BURKE: There is no doubt that the Federal Government's almost exclusive economic enemy over the past five years has been inflation and it has combatted bad inflation by setting money supply targets and equating the growth in money supply with the growth in the economy. The money supply targets have involved the Federal Government in an aggressive interest rate and monetary policy. There is no doubt about that and that is something about which the Premier has complained previously. It is something about which the Honorary Minister for Housing made some sort of a faint protestation when he saw housing funds cut back so dramatically in the last month or two.

It is not always true to say that the fight against inflation is a bad thing. It could be desirable, in the minds of some people, to combat inflation and I think that all members in this House would agree that widely escalating inflation in double digit figures is to be avoided if possible.

At the same time, it is generally recognised that very aggressive anti-inflationary policies will result in hardship. The question then becomes the balance that is struck between the policies and their desirable effect in combating inflation and the hardships that result from it.

What cannot be argued is that the building industry has suffered disproportionately when compared with other sectors of the economy in the Government's fight against inflation. The key economic indicators show quite clearly that there

is great dislocation within the building industry and that there is hardship. This dislocation and hardship has resulted, quite clearly and deliberately, from the monetary policy of the Australian Government.

If we look at the approvals for new homes during the past few years, we note that in 1978-79-80 there was a marginal fall in the number of new homes approved. The figures for 1980, as projected from the current rate, indicate that the decrease in approvals will reach 6 per cent compared with the previous year. At the same time, as the number of approvals is declining, there is an alarming and dangerous trend to lend for the financing and purchasing of established homes. The decline in approvals and the trend towards financing of established homes is not helping the building industry one whit.

If the Government wishes to see the industry in a healthy state and wishes to say that the level of activity is satisfactory, then let its members talk to those people who participate in the industry.

If we look at the pattern of interest rates for a typical small building society, it will be clear that there has been an alarming increase in rates and there is no indication that they will fall. In February 1980 the interest rates increased by one-quarter per cent, in June they increased by one-quarter per cent, and in September by one-half per cent and then again in February this year by one-quarter per cent. On an average loan of \$30 000, each 1 per cent means an increase of \$9 000 on the total amount to be repaid. That is an increase of almost \$30 per month in the commitment of people who are purchasing a home.

Mr Laurance: Which building society is that?

Mr B. T. BURKE: The First Federal Building Society. If we look at the savings bank interest rates for 1980 we will note that the same pattern emerges. The interest rate increased to a figure of 9.5 per cent in March, 10.5 per cent in December and then to 11.5 per cent. Earlier this month the five major savings banks approached the Commonwealth Government and sought an increase in interest rates to 12.5 per cent for home loans. That is not a satisfactory sort of situation. It seems the Premier does not think that is important and the response from the Honorary Minister for Housing is deafening.

The hardship in the industry is illustrated by the number of bankruptcies within the building and construction sections of the industry. The bankruptcies of employers and employees in the building industry have reached the level of 140

per cent over five years. Is that a situation for which the Premier has some pride?

If we refer to welfare housing, it is appropriate to ask the Honorary Minister for Housing whether he is happy with the deal which the Federal Government has handed out to the States in the last round of talks. As always, the Minister is loath to speak.

The truth of the matter is that the 1980-81 programme represents an investment of one-third of the level of funds that were invested in 1974-75. There has been a decrease from \$64 million to \$22 million.

In the absence of any policy by the State or Federal Government to compensate the home building industry, the effects of this economic strategy have been quite disastrous. It is clear to the members of the Opposition that the Government is prepared to allow what has gone before to continue. If that is the case, the Opposition wishes to state quite clearly that if the Government wishes to dispute what has been said about the housing industry, there is no room for argument against the proposition that in the face of a continuing unchanged Federal Government economic policy, the resources boom threatens to leave the Australian Government's monetary policy in absolute tatters. Unless there is an orderly and managed development of our resources, we will see a continuation of what has gone before.

The Premier does not help at all when he makes ridiculous statements about short-term investing at lower rates than are available in other areas. If the Premier wishes to attack the Opposition and say that it is anti-development, he is being dishonest. It is totally untrue. The truth is, the Opposition stands for the orderly and managed development of the resources of this State. It does not stand for the Premier's "quarry Western Australian" mentality of development at any cost, or the "development at no benefit to the public" mentality which he espouses. The Opposition does not agree with the way the Japanese can dictate to us and indicate to us when our development will take place.

Members of the Opposition feel that it is high time there was a coherent and detailed policy for the housing and building industry in this State. It is time we had a sensible interest rate policy which will support a desired level of activity in the industry.

It has become very clear that the Honorary Minister for Housing should be transferred to another portfolio where he would be more capable, perhaps looking after the insurance

industry. The Premier should stop making idle, fantastic and untrue statements about a resources boom and the contraction of money supplies not having any effect on the domestic money market. The money supply target, with figures made up of overseas investments is contracting the domestic market. That is what has happened and it is disadvantaging this State.

Sir Charles Court: You are completely wrong.

Mr B. T. BURKE: Why do you talk when everyone finishes speaking? Dope!

MR BRYCE (Ascot) [8.40 p.m.]: It has become patently clear that the Honorary Minister, and his Premier are running for cover. They are quite happy to see this question put to the vote but are not prepared to stand in their places and defend the Government's position. It is a question of fundamental decency in this place that if one has a case, one should take the opportunity to present it.

The Premier and his Honorary Minister are prepared to see the question put to a vote and they are on the run. The members of this House, and now the whole of Western Australia, know that they are running and the Premier has no competence to manage the affairs of this State.

Those running now are the representatives of the same organisers included in private entrepreneurship with the Westrade Centre which collapsed in a most embarrassing way. The directors of that organisation read like a long list of Liberal Party members, the cream of Western Australian industry. However, that centre collapsed in a most embarrassing fashion. They demonstrated their inability to run a decent, would-be respectable economic enterprise.

The leadership of the National Country Party, only a few months ago, ran for cover after owing \$1 million to the Foodland organisation. We now see the Treasurer in this House and his Honorary Minister for Housing running away from a very telling argument put to the Chamber about the crises in which this State finds its housing industry.

Sir Charles Court: Can we let you into a little secret? We have been waiting for you to get up so that we may have something to answer.

Mr BRYCE: I wonder whether the Premier will take the opportunity, in this forum, to condemn the Fraser Government and the other vulgar monetarists inside the Liberal Party—the vulgar monetarists who dominate the Liberal Party in the 1980s and who had submitted the Australian economy to a dose of cold turkey. That is what it is in precise economic terms: they have sat back with a sense of clinical removal from the

situation and submitted the Australian economy to a dose of cold turkey. They have decided that irrespective of the price that will be paid there will be a credit squeeze throughout the length and breadth of this nation.

It has been suggested by the members of the Opposition that this means that the great Australian dream of home ownership is shattering before our eyes. The Honorary Minister for Housing has presided over disaster in the Western Australian housing industry. People are being forced to sell their homes because they cannot afford the standard of living which they achieved under the Whitlam and Tonkin Governments.

We are reaching the stage, in the early 1980s, under the Fraser, Court, and Bjelke-Petersen Governments where people must sell up their homes because their standard of living has been declining over the last five or six years.

The Honorary Minister for Housing has sat back and watched the building construction industry in Western Australia deteriorate to perhaps the worst and lowest level of economic activity that most of us in this Chamber can remember. We must bear in mind that a very high proportion of the active builders in that industry comprise a large part of the small business sector.

Businessmen, particularly in the small business sector, are going to the wall like flies and this Minister is sitting back in a sense of deafening quietness and saying nothing. There is a very simple reason for his inactivity: this Minister is part of the extreme right wing of the Liberal Party that has embraced the Milton Friedman economic policy which has wreaked havoc today.

I would like to spend a few moments explaining to this Chamber exactly how the Liberals, in the form of this Honorary Minister for Housing and the Premier, happen to be where they are today—

Mr Laurance interjected.

Mr BRYCE:—how those people somersaulted, and how they formed these absurd economic policies that were absolutely discarded by Keynes in the mid-1930s.

Mr B. T. Burke: The Honorary Minister is a nincompoop and an incompetent.

Mr BRYCE: People like the Honorary Minister for Housing, Fraser, Lynch, Court, and others of the same ilk throughout the length and breadth of this nation have adopted the orthodox economic view of the 1930s; namely, the quantity theory of money. They are standing back and arguing that all we need to do to cool the fires of inflation in this State is to arrest the supply of

money and sit back and wait long enough, and then it will all happen.

Sir Charles Court: Do you want us to go back to the Whitlam days? Remember the interest rates then?

Mr BRYCE: May I point out with respect that interest rates and levels of unemployment at no time during the term of the Whitlam Government exceeded the point they have reached now.

Mr B. T. Burke: They were the same as they are now. Government borrowings have gone up to 13.4 per cent.

Mr BRYCE: This Premier endorses the views of our friend Milton Friedman.

Sir Charles Court: I am not a Friedman fan. I do not know why you are seizing on him tonight; I don't know why he is particularly attractive to you. I do not think you understand his philosophy, anyhow.

Mr BRYCE: I intend to take the opportunity to give the Premier an insight into just exactly what Friedman and his freak friends have articulated for nearly a decade and which has brought this State and this nation almost to the point of collapse in respect of the housing industry. The consequence of their argument that the supply of money in the economy needs simply to be fixed is that the natural growth of the economy comes into conflict with the fixed supply of money which creates repercussions, and this has brought the housing industry almost to the point of collapse. Friedman freaks are the first to concede that the first repercussions of their theory is that interest rates will be forced up. That is part and parcel of their doctrine; they know and accept that interest rates will be forced up and they argue clinically it is necessary to mop up excess liquidity. That is how they put it, and that is exactly what is happening now in respect of interest rates.

Liquidity is being mopped up and interest rates are soaring out of control. Only a few days ago we saw the Federal Treasurer publicly beginning to advocate the total deregulation of interest rates. He would like, if he had his way—and he is another of the Friedman freaks—to see interest rates deregulated and allow them to find their own level. Those are the spokesmen and women of the laws of the jungle. I absolutely denounce their approach to politics and the management of the economy, because they sit back in their comfortable domains preserved from the impact of their policies. They are not the slightest bit interested in the collapse of the economy. Indeed, they have gone a step further and even reached the depth of blaming the victims of their policies for the disease itself.

We have seen members of this Parliament adopt that approach; and we have seen Federal Ministers and members, generally, from the Liberal and Country Parties take that position. They have declared war on the wage and salary earning members of the community and then turned around and blamed them for the result. So much for their ability to maintain the economy.

I would like to make the point for the benefit of the Premier that the sudden somersault into Friedmanism within the Liberal Party started between about June 1974 and February 1975; that is, when the Liberal Party was in Opposition in the Federal Parliament. The policy documents of the Liberal Party began to reveal this trend. A significant number of people in key places were then endorsing those policies. They seized on Friedman; they thought he was the true prophet of the hour, and they needed some philosophy to justify belting the Whitlam Government. Bear in mind that the Whitlam Government was employing economic policies which were, in effect, tried and true in this nation for more than three decades. They were policies which had been used by Menzies, Holt, Gorton, McMahon, and Chifley before them.

These people—these monetarist freaks—dredged up the quantity theory of money which had been buried in 1936 and said, "This will be our salvation." They simply did not have the answer to the very simple question, "How long will it take?" Do members opposite know what Friedman says in answer to that question? He says, "There will be long and indefinable time lags, but simply have patience and in the end it will all work out."

In fact, the iron lady of British politics is beginning to find that Friedman theories do not work. Indeed, only recently I read that Friedman himself is beginning to dissociate himself from her performance because he considers the experiment in Britain is imperfect and that the model is not true and perfect in respect of what he suggested. Therefore, Friedman himself is stepping back from the efforts of Maggie Thatcher.

Reagan is beginning to do precisely the same thing. I would suggest with the greatest respect for those worldwide experts, that they will bring the Western world to its knees and will produce a level of unemployment of unbelievable proportions.

Nobody could have believed that Britain would today have a level of unemployment approaching

three million persons, which will probably reach four million or five million before Maggie Thatcher has had her day and been rejected by the electorate.

Mr Laurance: Would you mind coming back to our situation? It would be very good to hear about it. You have only a couple of minutes left and I would like to hear you say something about the Western Australian situation.

Mr BRYCE: This general economic philosophy is one which has been accepted by the Liberal Party throughout Australia.

Mr Laurance: I have been enjoying your speech, but I want to have something to talk about when I rise.

Mr BRYCE: We have not heard any effort from the Honorary Minister for Housing, or the Premier of this State, to reject the adoption of this philosophy by the Fraser Government. The Premier cannot have his cake and eat it too; he cannot stand here and say that he is the greatest States' righter since Federation, and then run for cover and blame the Federal Government every time something goes wrong. We have not known him to stand on his hind legs like he did during the period of the Whitlam Government when he condemned the Federal Government for policies which in his opinion were wreaking havoc.

All the economic indicators today demonstrate quite clearly that we are in one hell of a great mess, but we do not see the Premier or the Honorary Minister for Housing accepting their responsibility and taking that message to Fraser and his decision makers—the people who have formulated this stone-age economic policy.

Mr B. T. Burke: They have only said 10 per cent is better than 17 per cent.

Mr BRYCE: Let me come back to the matter of interest rates, which is the core of the situation. The Fraser Government, in accordance with the Friedmanite philosophy, has set its sight on an increase in the supply of money in this community of somewhere in the vicinity of 10 or 12 per cent per annum. It has locked us into that situation, and it means that the demands for money in this community are forcing interest rates through the ceiling.

The Premier raised the question of development capital from overseas. He does not seem to understand that with the influx of foreign capital the demand for associated local capital stimulates interest rates in this country, and in this State in particular. Interest rates, after all, are simply the price of money.

Sir Charles Court: Do you want us to slow down?

Mr BRYCE: No, I do not; that is precisely the point.

Mr B. T. Burke: How many times do we have to tell you, you old faker.

Mr BRYCE: The answer is quite simple. If only the freaks who are dominating the situation in the Federal Treasury would release the straitjacket and allow an increase in the supply of money in Australia on the domestic market to match the influx of capital from overseas, we would not be facing the hardships we are facing at the moment. That is the answer to the Premier when he asks whether we on this side of the House really want a slowdown in the rate of development. What we want is increased monetary supply within the private financial sector. We want an increase in the volume of money so that the expansion the Premier talks about can occur and so that local equity and participation can occur; we want a sharing in the benefits from the development of the resources boom; we want those benefits to be shared genuinely throughout the community.

The basic theory that is accepted by the Friedmanites inside the Liberal Party demonstrates a fundamentally weak appreciation of human nature. The whole theory is based on the argument that if the business community and the consumers suffer enough quickly enough by virtue of businesses going broke and people being thrown out of work, and by virtue of interest rates rising, then the business community on one hand will stop increasing prices and the wage and salary earners on the other hand will refrain from increasing their prices on the market. Of course, the businesses which are still operating and the employees who are still employed simply do not do that; it does not happen in practice. That is the fundamental reason that this economic theory is not working. It is not working in Britain, it is not working in the United States of America, and it is not working in Australia. In fact it is creating an unprecedented level of dislocation.

The Fraser Government has thrown out the economic theories of the 1950s, the 1960s, and the 1970s and has embarked upon this particular course which will produce an enormous threat not only to the economy but also to the social fabric of our community. Members on this side of the House suggest that the Premier and the Honorary Minister for Housing, in playing this issue the way they are playing it, will have to accept a giant sized share of the responsibility for the collapse of the economy and the social fabric

which Australians regard as a fundamental Australian way of life.

MR LAURANCE (Gascoyne—Honorary Minister Assisting the Minister for Housing) [8.59 p.m.]: Mr Speaker—

Mr B. T. Burke: This will be good.

Mr LAURANCE: Convention has it that I should respond to this pathetic apology for an amendment to the Address-in-Reply. It is just as well convention demands it, because the argument presented by members opposite certainly does not. We have listened to an economic diatribe from members opposite; it went around in a circle, so much so that some members answered what another member had said.

Let us consider the amendment, because it makes only one comment. It says virtually nothing about interest rates for housing; but what it does say loudly and clearly is that the Australian Labor Party in Western Australia is afraid of the resources boom. I hope the public have a good look at the amendment because they will see that is the case.

Several members interjected.

Mr LAURANCE: The ALP has indicated to this House that it cannot handle the resources boom. Members opposite are afraid of it. They are saying, "Take it away. We don't want it. We can't handle it. It will be bad for us. It may even create a few jobs. We would have nothing to belly-ache about."

Mr B. T. Burke: The building societies think you are a joke; but they do not know how big a joke.

Mr LAURANCE: They are saying, "More controls. Don't let us have a resources boom."

I will have to find something to say about the housing industry, because I have nothing to answer in the speeches I have heard. I want to make some comments about interest rates. Let us not forget that members opposite spoke about Friedmanism and other things; and the economic textbooks came out. They were looking for something to say; and they found not a jot to say about the present situation, except that they cannot handle and could not handle the present resources boom in this State.

Mr Bryce: You are qualified to be the director of the West Trade Centre, the way you are going.

Mr B. T. Burke: He would not qualify to have a stall at the Royal Show.

Mr LAURANCE: Members opposite forget the effect on the economy of Western Australia of the investment coming into this State because of

the resources development and the consequent demand for housing.

Mr B. T. Burke: Will you tell us about the new Commonwealth-State Housing Agreement?

Mr LAURANCE: I will come to that. All that the member for Balcatta has done in recent times is to jump in and do a bit of scaremongering, in a most irresponsible way.

Mr Bryce: Here goes Mr Decency himself.

Mr LAURANCE: Thank you for recognising it!

Mr Bryce: In inverted commas, with my tongue in cheek, since *Hansard* does not record cynicism.

Mr LAURANCE: The member for Balcatta has come in in a most irresponsible manner and tried to talk up interest rates.

Opposition members interjected.

The SPEAKER: Order!

Mr B. T. Burke: Why don't you talk them down?

The SPEAKER: Order!

Mr LAURANCE: The answer is quite simple. Does the member opposite want to control interest rates? Is he saying he should control interest rates?

Mr B. T. Burke: What I am saying is that if you had an honest look—

Mr LAURANCE: He is not suggesting that at all, so why does he go on?

Mr B. T. Burke: You do not want to hear the answer.

Mr LAURANCE: The member for Balcatta is trying to create fear by moving in ahead of the announcements and saying interest rates are going up, almost as if he wants them to go up. That is what he hopes they will do.

Mr B. T. Burke: You are well out of your depth, which is about 3'8".

Mr LAURANCE: The member for Balcatta is putting fear into the hearts of the people with mortgages in this State, by trying to talk the interest rates up.

Mr B. T. Burke: Fear does not cost anything, but interest rates do.

Mr LAURANCE: That sort of action does not fit him well. He seems to be much happier looking for snails in drains. I can only say he probably does not fit down the drains any more.

Mr B. T. Burke: There is room for you at RPH with the other Minister.

Mr LAURANCE: The member has gone out and done some scaremongering, putting fear into

the people who have home loans that the interest rates are definitely going to go up, because the member said they were. The last person who said anything about that was this chap here.

Opposition members interjected.

Mr LAURANCE: Does that make the member happy?

Mr Pearce: Deny that he was right.

Mr LAURANCE: There has been another irresponsible action on the part of the member for Balcatta.

Mr B. T. Burke: You are breaking my heart!

The SPEAKER: Order! It is inappropriate that there be such a barrage of interjections. I ask members of the House to retain some decorum.

Mr LAURANCE: The other area in which the member has been irresponsible is that of misquoting the figures for building approvals in the last few months. Quite frankly, they are nowhere near correct. I do not know where the member obtained his figures; but it is irresponsible for him—

Mr B. T. Burke: Let us just see who is right. Which month are you talking about?

Mr LAURANCE: The total approvals for the last three months were 3 630—

Mr B. T. Burke: Nobody quoted this.

Mr LAURANCE: —compared with the same three months of the previous year of 3 583.

Mr B. T. Burke: You have got a slow head. I quoted the December quarter.

Mr LAURANCE: The member quoted figures of the order of 800, whereas it was 1 246. I do not know where he obtained his figures.

Mr B. T. Burke: You are a goat! You are talking about new dwellings of all sorts. I was talking about new detached homes.

Mr LAURANCE: If the member wants to be the spokesman for housing matters in the Opposition of this State, he has to be responsible and not create fear amongst the people who borrow for homes. Secondly, he should quote his figures correctly, because he did not quote these figures correctly. They are well below the actual figures for building approvals in the State.

Of course, any increase in interest rates is of concern, because it has an impact on those people who have contractual arrangements with building societies—

Mr B. T. Burke: What are you talking about now?

Mr LAURANCE: The member is trying to make the rate go as high as in New South Wales, where there is a Labor Government.

Mr B. T. Burke: What are you doing? Come on, tell us.

Mr LAURANCE: If the member listens, he will hear. In recent months, there have been regular meetings between myself, the Registrar of Building Societies, and all the building societies in this State.

Mr B. T. Burke: And the rates went up. Finish your meetings, and the rates go up.

The SPEAKER: Order!

Mr LAURANCE: There is no way that the Government can control interest rates in this State.

Mr Bryce: Well, why do you pretend?

The SPEAKER: Order!

Mr LAURANCE: Let us go back to the situation that my economic friend here—

Mr B. T. Burke: You have not finished yet. That was a bit flowery.

The SPEAKER: Order! I have called for order three times, and at least two members kept interjecting while I was calling for order. That is inappropriate; and I ask that the House come to order and give the Honorary Minister an opportunity to make his speech.

Mr LAURANCE: There has been close consultation between the Government and the building societies on a continuing basis. That led to last Friday's meeting; yet the member opposite said there had been nothing done by the Minister for Housing. In fact, that meeting took place with the nine permanent building societies in this State; and it was attended by the Premier and Treasurer, by the registrar, by senior Treasury officials, and by myself.

At that meeting we discussed what the situation would be if there was a rise in the level of Australian savings bonds. We indicated to them that this State was very strongly of the opinion that the Australian savings bonds rates should not go up. We agree they give a pointer to the interest rate levels in this country. In fact, an interest rise in the level of Australian savings bonds will probably not have any effect on the level of loans for new home investments around Australia.

We have told the Federal Government that the bonds provide a very artificial level. They do not create any more investors, even if the rate goes up. For that reason, the Premier of this State opposed any increase in the Australian savings bonds, which was to no avail.

Mr B. T. Burke: Why oppose it, if it would make no difference?

Mr LAURANCE: It will mean no greater capital accumulation. Nevertheless, it is a pointer. It is one of the pointers to interest rates in this country; and that is why we opposed that particular move.

The Leader of the Opposition made some comment about interest rates and the Australian savings bonds at the beginning of this debate. The Premier intervened and told him what had gone on at that meeting on Friday, and that we had opposed the intention of the Federal Government to increase the savings bond rate by three-quarters of a per cent yesterday. The Leader of the Opposition said, "I didn't take that much notice of that." He said, "That's not good enough. We want something practical done." What he means by "something practical" is that he wants to set the level of interest rates in this State.

Mr B. T. Burke: He did not say that.

Mr LAURANCE: When members of the ALP say they want something practical done, they mean "control" and "regulate". If they do that, how will it help the home buyers of this State? The minute they go about setting the interest rates of this State—

Mr B. T. Burke: Who suggested setting interest rates?

Mr LAURANCE: That is what members opposite mean.

Mr B. T. Burke: You are a dill! Not even the Minister for Health, with all of his problems, is as foolish as you.

Mr Pearce: And he has a lot of problems.

Mr B. T. Burke: Before you sit down, tell us about the Commonwealth-State Housing Agreement.

Mr LAURANCE: If members opposite want regulation and control of housing interest rates—

Mr Bryce: I think they should be fixed at a national level; and I would like to hear you come out and have the gumption to say that you think they ought to be deregulated.

Mr LAURANCE: Will they set them at the rate of the New South Wales Labor Government?

Opposition members interjected.

Mr LAURANCE: The member for Ascot has really had a fair go. If the interest rates in this State were set as the ALP has suggested in this debate tonight, only one thing could happen: no funds would come in, and there would be an artificially low rate of interest for housing loans. There would be no funds flowing into that area at

all. People would not be able to obtain any funds at those interest rates.

In relation to the level of funds available through building societies for home loans, there has been a compensating increase in savings bank funds because of the deregulation that has occurred in the last two or three months. Members opposite are well aware of that position. The level is continuing.

The industry organisations like the Housing Industry Association and the Real Estate Institute, with whom I met during the dinner break this evening, say that the future looks very bright for them.

Mr B. T. Burke: The Housing Industry Association did not say that two weeks ago.

Mr LAURANCE: They have been saying it regularly. They are saying also that the movement of people out of the industry is a seasonal thing that happens, particularly after the close-down for the Christmas holiday period. There are people coming into the industry now. We can expect that, of course. The ALP's answer to people going out of the building industry is to stop them going into the building industry.

Mr B. T. Burke: What are you talking about?

Mr LAURANCE: The other day the member for Balcatta made a public statement but he did not say, "Let us do something practical", as the Leader of the Opposition said tonight. He said, "Rationalise! The industry should be rationalised." Let us see what he means. He means, "Control! Close the industry. Don't let anybody in in case somebody might have to go out at a future time."

Opposition members interjected.

Mr LAURANCE: Another very important aspect of the building industry and the number of companies going into and out of the industry is that in the last three years there has been virtually no increase in building costs in this State. That has put great pressure on the building industry; but it has been to the advantage of the consumers in this State. I might say also that the level of rents has not increased anywhere in the last three years.

Mr B. T. Burke: In the last three months the vacancy rate has fallen from 7 per cent to 2½ per cent.

Mr LAURANCE: Exactly. That is the first time there has been a change in the last three years.

Another interesting factor brought out by the Real Estate Institute perhaps two hours ago was that rentals in Sydney, under a Labor

Government, are exactly double what they are in Perth, Western Australia. New South Wales is the only State in which rentals have gone through the roof. If members opposite are suggesting there is an ALP answer to the problem in Western Australia, are they trying to rationalise the industry in this State?

Mr B. T. Burke: What are they in Edinburgh? Do you know? What are they in Addis Ababa?

Mr LAURANCE: I want to deal with the Commonwealth-State Housing Agreement. There will be a new agreement between the States and the Commonwealth negotiated to come into effect on 1 July this year. The Commonwealth has committed itself to a base level of funding. That level has been set at \$200 million.

Mr B. T. Burke: How does that compare with previous levels.

Mr LAURANCE: There has never been a previous occasion when there has been such a base level of commitment of funding. Western Australia's share of that \$200 million is a little over \$20 million. That compares with a total amount of \$27 million in this financial year.

The crunch point for this State will be this: We have indicated to the Federal Government that there will need to be additional or top-up funds over and above the base level of funding and obviously we will be looking for at least \$7 million on a top-up basis.

Mr B. T. Burke: That is irresponsible, because that is a reduction in real terms.

Mr LAURANCE: We will need a top-up of that order to bring the level of funds to at least that which we had last year. Clearly we will be pressing for increases over and above that amount.

The State Ministers have requested a meeting with the Prime Minister to discuss this and all States have agreed to come in on that basis. In addition, the matter will be raised by the Premier at the Premiers' Conference where discussions will take place on the need for additional top-up funding for the States.

Mr B. T. Burke: What is going to happen if you don't get it?

Mr LAURANCE: I want to spend the remaining minutes left to me drawing attention to the fact that we have gone back to the Federal Government and indicated that, because of its monetary policies and the pressures it has applied, an impact has been made on the interest rates in this country; therefore, we are looking for an offsetting factor. The State Government has the backing of all the other State Governments when

it supports the introduction of a policy of tax concessions on mortgage interest payments.

I want to dispel the myth that this is reintroducing a Whitlam scheme. Of course it is not.

Mr Bryce: Anything that is good could not possibly have come from Whitlam!

Mr LAURANCE: The Whitlam scheme was a very restrictive and ineffective one. We are certainly not attempting to return to the nightmare days of the Whitlam Government. I should like to point out that the United Kingdom, France, Germany, the United States of America, and Canada all have some sort of tax concession on mortgage interest payments.

We will be going back to the Federal Government and asking it to institute a taxation concession for mortgage interest payments which would be an effective counter to the rising interest rates in this country.

This matter is of concern to the Government. We are in close consultation with the building societies. We believe the only hope of finding a way out of the situation lies with obtaining an inflow of capital and for a continuation of the activities of resource development which are being managed competently by the Government of this State. That is something the ALP and the Opposition in this State would like to run away from. Members opposite are frightened of resource development, but we are not. We look forward to the exciting days ahead and these developments will give some hope to the building industry. Last year 30 000 jobs were created in this State alone. The people who fill these positions will be looking for housing and they provide the hope for the building industry in this State, which we believe will go on to bigger and better things.

For those reasons, because of the competent management of this Government in the difficult circumstances we are experiencing at the moment, we reject completely the amendment moved by the Opposition.

MR PARKER (Fremantle) [9.18 p.m.]: I wish to speak in support of the amendment moved by the Leader of the Opposition. Before I turn to the remarks I had prepared to make, let me say a few words about the contribution which has just been made by the Honorary Minister for Housing.

The Minister made the point that the real issue behind the amendment was that the Labor Party of this State was afraid of the resources boom. I am pleased that at least those of us who are sitting in this Chamber could see that, at the time the Honorary Minister for Housing made that

statement, he had a grin on his face and his tongue was in his cheek. He was not making the statement seriously, and, of course, grins do not appear in reports and are not recorded in *Hansard*. However, let it be on the record that that was the way in which the Honorary Minister made that statement, because it cannot be said that the Labor Party in this State, or indeed in any other State, is inclined to, has, or will run away from the resources boom.

What we are saying is that there is no point in having a resources boom, or any other form of boom, if the benefits of it are not maximised and attributable to all Australians. That, of course, is the fundamental difference between the Labor Party's position with regard to the development of resources in Australia and that of the Liberal Party; that is, we believe the development of resources ought to be for the benefit of Australians and in our long-term interests.

The Liberal Party is interested in making capital and obtaining profits for the people who support it. The Liberal Party is interested in them making a quid and does not care for the long-term position. It is simply interested in making a very quick quid or helping its mates make a very quick quid, and then getting out.

The Liberal Party has tried to persuade people to believe in a cargo cult mentality with respect to the resources boom. We have been told time and time again that the resources boom will do wonderful things for Western Australia. For years it has been impossible to look at *The Sunday Times* without reading about the benefits of the resources boom to Australia and to Western Australia in particular. If we added up the number of jobs the Premier and his Ministers have promised would be made available as a result of the resources boom, each of us should now have so many jobs that we would be working 24 hours a day. It is rather like the person who counted up the number of Indians killed in the Westerns made in the 1930s and 1940s and found that they exceeded the number of people who resided in America at that time. Of course, the same situation applies with the promises which have been made by the Liberals in this State and elsewhere with respect to the resources boom.

However, people should begin to discover that the promised goodies which are coming with the resources boom will not in fact come to them. Undoubtedly a number of people are making money out of the resources boom. Indeed, some people are even getting jobs as a result of it; but the ordinary Western Australian is getting nothing out of the resources boom and is finding that if he can borrow money at all—if it is

available to him, despite the distortions in the capital market—he will have to pay exorbitantly high interest rates. I will return to that in a moment.

The Minister said also that the member for Ascot was talking up interest rates. What an extraordinary statement to come from a person who is actually putting up interest rates—who is part of the business of increasing interest rates and part of a party which only on Monday put up interest rates in this country by three-quarters of a per cent in terms of the Australian savings bonds—to say it is as a result of the talking of the members for Balcatta and Ascot that interest rates have risen. What a lot nonsense! It is the Liberal Government—the Government of the Honorary Minister—which has allowed interest rates to escalate and, in the case of the Commonwealth Government, which has actually put them up.

It is interesting that the Honorary Minister for Housing commented that the member for Ascot indulged in an economic diatribe. In fact, the member for Ascot discussed some economic questions, but such discussion is not in the interests of the Liberals or the Honorary Minister for Housing. That is for two reasons: Firstly, he could not understand and did not know what the member for Ascot was talking about; and, secondly, if people generally in Australia understood the economic situation in this country, it would not be very long before the Honorary Minister and his colleagues were on this side of the House and we on the other. For example, the Honorary Minister virtually in the same breath made the comment that the increase in the Australian savings bonds rate would have no effect on the level of investment in building societies, and then said the Premier was opposed to the increase because it might have the impact the Honorary Minister said would not occur. His statement indicated he does not have a very good understanding of the economic situation and does not know what he is talking about. He basically said a private investor making a decision as to where he will invest his money will not be influenced by the fact that he can obtain from the State Energy Commission 13.4 per cent interest on his money or 13.25 per cent, I think it is—

Mr Laurance: I was talking about hire purchase.

Mr PARKER: —by investing in Australian savings bonds. Can it be said that the investor will not put his money into either of those investments or the myriad of private finance company investments which offer about 14.25 per cent, or into the more speculative area of the market in

which interest rates of 15 per cent are being offered? Is the Honorary Minister saying people will not consider the various places where they can invest their funds?

Mr Laurance: The ASBs are not at 13.25 per cent.

Mr PARKER: As I understood yesterday's announcement by the Federal Treasurer the ASB rate will move to 13.25 per cent. That is my understanding of the matter. It certainly rose to a figure in that vicinity—I might be a couple of decimal points out.

Mr Laurance: You are.

Mr PARKER: The rate is in the vicinity of that which I mentioned.

Mr Laurance: The amount of investment in building societies will not be affected.

Mr PARKER: That is absolute nonsense. If people consider where to put their funds, naturally they will consider interest rates available generally in the community. If rates above 13.25 per cent are available at the SEC or some other Government instrumentality, or by investing in first mortgages or finance company debentures, then of course investors will put their money there. If they want it on call and have a sufficient amount of it, they will invest it in those areas because they will obtain much higher interest rates than can be obtained through building societies.

It is true building societies receive a fair amount of money through small investments by people unlikely to invest in Australian savings bonds or in other areas to which I referred; however, the set-up of building societies is based on the fact that they are able to obtain long-term fixed deposits. Investors offering that sort of money probably would prefer to invest in ASBs or other such investments. Without those long-term investments building societies will not be able to make long-term plans.

Mr Laurance: How do you account for their not having increased the daily rate? They are still getting money invested.

Mr PARKER: I anticipate that at some stage building societies will have to increase their rates. Whilst the money invested by small investors is available, it is not the money building societies rely upon to make long-term plans for the development of the housing industry.

Like other financial institutions building societies plan on the basis of income attracted by savings passbook holders. However, the societies basically are interested in and concerned with the availability of long-term finance from people

consistently prepared to invest money on call or over a long period; of course, that includes funds from various institutions such as superannuation funds and the like. Such investors want to maximise their returns and, understandably, if they have an opportunity to do that outside building societies they will do so.

The Honorary Minister made some rather incomprehensible reference to the Labor Party and people going in and out of the building industry. I will relate my remarks to one of the great problems in the building industry although I will not talk about it at great length because it is not the main subject of what is before the House.

The building industry has no real regulations imposed upon it except to a very minor degree. I am not saying the industry should be closed and that no new people ought to go into it—I do not think anybody on this side of the House would say that. However, we believe a considerable need exists for greater regulation of the building industry in terms of the people allowed to participate in it as contractors and builders, and in terms of the conditions by which they must abide once they operate within the industry. We touched upon that question when the Honorary Minister referred to the Commonwealth-State Housing Agreement negotiated between the States and the Federal Government. My understanding, based on the Honorary Minister's Press releases, is that the word "negotiation" is hardly the word to apply to the confrontation currently going on between the States and the Federal Government, not only in relation to housing, but also in relation to a whole range of other matters. Negotiation would not be the way to describe it at all. I would have thought it was an imposition which the Commonwealth Government was saying would be required to be met by each and every one of the States. To say that the agreement is being negotiated is in my view a complete misuse of the word.

It is completely untrue to say negotiations are going on. The Commonwealth Government is telling this Government—I disregard the occasional flurries in the Press—what it will receive, and this Government has compliantly stuck up for the new federalism concept of which the Premier of this State is one of the principal architects.

On the other hand, when the Honorary Minister for Housing referred to the fact that the Commonwealth was providing a base figure, he was much closer to the truth. One could not get more base than the figure which was provided by the Commonwealth as being the minimum which will be available to Western Australia in this

area, with no guarantees whatsoever of any top-up funds. The amount last year was \$27 million, so we have a considerable reduction when we consider the amount of \$20 million for this financial year. In those terms, without including the effects of inflation, that is an approximate 30 per cent reduction in funds. If we take inflation into account, we are then looking at a figure of 45 per cent in reduction of funds available for home building for welfare housing in this State.

That stands as an indictment of the Fraser Government and it stands as an indictment of this Government. This Government has not been able to obtain more money from the Federal Government so it must stand as an indictment of the new federalism policy, of which one of the principal architects is our own Premier. •

One of the things that a resource boom has produced is a distortion of the capital supply in Australia. Money is a commodity like any other commodity; it is available in large quantities or in limited quantities. The price depends on that.

When we consider the increase in interest rates, we must consider there has been a dramatic increase in the price of money and one of the reasons for the increase—and particularly for the increase for home buyers—is that much more lucrative sources of investment are available so the amount of money put into housing loan funds has dried up. We have a situation where the money has dried up so people have to pay exorbitant interest rates because the demand has forced up the price of money.

According to the calculations of a permanent building society, an average tradesman on an income of \$225 per week can obtain a mortgage of \$28 000 and can afford to pay interest rates at around 8 per cent. The figure of 8 per cent is something like 60 per cent of the amount that is currently applied. However, the way things are going, it will not be very long before that will be 50 per cent of the amount of interest charged on mortgages. All this means that many people will not be able to borrow money. It is untrue to say that foreign capital is going into the home building sector. It is patently clear, when we consider the amount of money available for loan, that money is not going into the industry.

There are a number of attractions for money in areas other than the home building sector, and I have mentioned some of them previously. There are also quantities of floats of new speculative companies which are taking considerable amounts of money out of the savings areas and other investment areas and placing them in long-term investment areas. As *The Australian Financial*

Review has reported, people are putting money to the million bits of paper which are floating into stockbrokers' offices and out again to clients. They are asking people to invest money in the speculative companies. Some companies do very well and some make a considerable contribution, I would be the first to agree; in fact some have participated in the resources boom and have benefited Australia and some Australians. However, some of the ownership has been overseas and the profits go overseas.

Again, that points to the sorts of things we have been talking about in terms of ownership and a greater regulation of the way in which our State is developing. We on this side of the House are not saying there should not be development. We should maximise the benefits available to all Australians because we have a large quantity of mineral resources available. We believe development should take place on a social basis and on the basis of social need. The benefits should be maximised on the basis of social need and should not be for profit and greed as is the case now.

The Honorary Minister for Housing stated that there will be de-regulation and control of the industry and that the States were preparing a submission to Canberra for tax concession on mortgage interest payments. However, it appears we have a *laissez-faire* situation with respect to building societies and banks.

Mr B. T. Burke: The law of the jungle.

Mr PARKER: We only have to look at the number of foreign banks and merchant banks which are setting up in Australia. These people are anticipating a bonanza for themselves by setting up banks in Australia. These people believe that there will be a bonanza in the financial market and that bonanza will not be made out of charging decent interest rates to ordinary decent Australians. It will be made out of having no involvement with the housing industry, or where there is involvement with the housing industry the bonanza will be made by charging exorbitant rates to people who can ill afford to pay them.

The situation with a bank mortgage—and few people can obtain them these days—is that over the last 12 months a person has had to pay somewhere in the vicinity of an additional \$60 a month on a mortgage of \$28 000. That is a considerable sum of money to pay out of an ordinary wage-earner's pocket.

On the front page of this morning's issue of *The Australian* appeared a report saying it was likely that as a result of increased pressures in the

interest rate area there will be a further \$25 per month increase in repayments on mortgages for a very modest borrowing of \$28 000, which would not buy much these days.

So, we are faced with a situation where people who have housing loans will have extreme difficulty in continuing to meet repayments. It will also be difficult for people to borrow money.

This Government, and its Federal counterpart, stand condemned because they have not allowed ordinary Australians to continue to live in decent homes or obtain homes in this State.

Mr B. T. Burke: Hear, hear!

MR JAMIESON (Welshpool) [9.42 p.m.]: I wish to say a few words because the comments of the Honorary Minister have caused me some concern. Like the speaker who has just resumed his seat, the member for Fremantle, I am not afraid of a resources boom, but I wish to draw the attention of all fair-minded members to the fact that when there is a resources boom there is also inflation, and one of the greatest things associated with inflation is the increase in interest rates.

In the past, when I have said we must run along with this, I have been considered to be the worst economist in the world because that is the last thing one should say. However, the Honorary Minister said virtually the same thing.

When a boom occurs, money is brought in and big wages are paid. Because of the amount of money available housing and interest rates rise. However, this may not necessarily be the case when the boom finishes.

The legislators must look at this situation as well as talk about the boom. The legislators must protect the people who need some protection.

The member for Fremantle referred to a family which borrows \$28 000 over a 20 to 28-year period. He said that the repayments of such a mortgage are very hard to meet. The people who have studied in depth the economics of mortgages tell us that once the interest on a loan of that size is over 8 per cent, the family concerned commences to get into trouble, or at least it must drop its standard of living. With the interest at such a high level, many young couples feel they must work for the whole term of the repayment of the loan if they want to live at a reasonable standard. We could say that the interest rates have reached a contraceptive level—there is no chance of many young people having a family because all the money coming into the household must go to pay off the house and to provide the other things necessary for their standard of living.

This state of affairs is not reasonable, fair, or just. It is these very young people who are helping to provide the wealth in the community of Western Australia. Listening to the Honorary Minister, one would think that he or the Premier—or perhaps even some of these entrepreneurs who are establishing various money-making businesses in our State—are providing all this wealth. Somewhere along the line the Honorary Minister has lost sight of the fact that it is the very people working in the enterprises who provide the wealth. There would be no development if we could not get people to work in these enterprises. There would be nothing provided from the North-West Shelf, the south-west shelf, the east-west shelf, or any other shelf without the workers.

So we are justified in saying that the present interest rates are causing extreme hardship to many home buyers.

Let us look at some other aspects of home buying. After the last war, as after the previous war, a scheme was established to provide finance for people who were eligible because of their war service. One of the features of that scheme is that the interest is fixed—it never varies. Like many others I am paying the same interest now as I was just after the war—about 3 per cent. I am paying \$27.08 a month for my house.

Mr Coyne: You are not still paying it off, are you?

Mr JAMIESON: I would be a fool not to continue to pay it off. I have learnt my economics from people such as the member for Murchison-Eyre. I realise I can get more for my dollar by putting it in a building society than by paying back the war service homes people. I am not a great economist, but I know that much.

Mr Coyne: You are paying tax on the interest. You had better come and talk with me.

Mr JAMIESON: You cannot win me any more on this than I am winning already. This is the sort of situation we must look to for the future. If people want to buy palatial mansions in Dalkeith, as one of our Ministers did the other day—

Mr Parker: You can imagine somebody who buys a house for \$1.3 million would know what it is like for ordinary working people!

Mr JAMIESON: People with that much money can afford to pay accountants to look after it. I am interested in the people who want to buy a house in which to bring up their families. For most of these people it will probably be the only dwelling they will ever live in, unless they sell the house later to move to a pensioner unit.

By letting interest rates escalate from month to month and year to year, we do nothing about helping the people who need the most help. This is the type of situation we are trying to get over to the Government. The Government is doing great damage to the community. The people concerned can all read and write. A few years after the boom they will read in the financial pages of *The West Australian* about certain companies associated with the various projects which have made enormous profits. The people are not dumb. They will realise that all they have got out of it is additional interest to pay. I am sad to think that is all some of the people of Western Australia will get out of the development. Unfortunately that is so. The Government should be in a position to avoid the situation that is now developing.

Families are being forced already to leave their homes. The weekend Press has carried several such stories recently. To the Honorary Minister's credit—and I have heard it from other sources—he indicated that he is putting forward a proposition for taxation relief in respect of interest rates. That is all well and good, but it will not help these people. He must know of the situation from the records provided to him by the various building societies. There are many cases of families having to sell their homes, and in some cases the sale price does not cover the amount owing because of the accumulated debts and interest. So sometimes even after the family house is sold, the family is left with a debt. The Government must realise that this situation will then come back onto the State. The State must provide some accommodation for these people, and so we lose both ways.

I have mentioned the fact that home ownership is being put out of the reach of many. All of us now know a number of young couples in their mid to late 30s who are still both working. These people would like to have a family, but because of the economic situation, they dare not take the risk of one person giving up work.

The economic structure of our society today is based on the combined income of two people. There is no way that a young couple can get away from that situation other than to reduce their standard of living.

The rising interest rates have created difficulties also for small businessmen who need finance. Small businessmen are having a tough time, but small businessmen are aiming to be big businessmen some day, and if they cannot obtain money at a reasonable interest rate to maintain their businesses on a sound basis, they run the risk of crashing, and then they will damage not only their own employees but also the very foundations

of our system. The loss of even one small business can damage many.

So, I think we are quite justified in informing His Excellency that these high interest rates are causing problems in our community. They are causing worry to those people who find it difficult to meet their mortgage repayments. It is of no use the Government saying, "Be that as it may, we must have this boom and this development. It does not matter very much whether interest rates go to 20 per cent or 30 per cent, as long as we still have a boom." It does matter, because high interest rates hurt the people who can least afford to be hurt.

The Federal Government is mentioned in this amendment. It has done very little to ingratiate itself in this situation of high interest rates. Australia is an island nation and, more than other countries, it could bear the brunt of a policy which established some sort of buffer against what is happening in the outside world. Yet the Government of Australia has not come to grips with the problem of interest rates. It does not have an adequate fiscal policy. It goes from year to year and Budget to Budget, adding a bit here and taking a bit off there. It must be a great problem to those businesses which rely on monetary speculation to know exactly where they are going in the long term. If the Federal Government could come down with a clearer and more coherent long-term policy regarding the interest rate spectrum, the financial institutions of Australia would be much more stable and all concerned with the borrowing of money, whether it be for home purchase or for business purposes, would be better off.

So, there are abundant reasons that we should deplore the situation which exists and the extreme hardship which high interest rates have caused to a number of people in this country. Things are reaching the stage where even the diehard Liberals and Tories of this country must be concerned. These people should not be bereft of all human kindness; they should come to grips with the problem. We do not want galloping inflation or galloping booms and then busts. We do not want any of those things which would make the community a nasty place in which to live. We want an orderly community and an orderly situation governed by orderly fiscal policies. This means reasonable interest rates, not interest rates which have gone beyond the capacity of the people who need finance most to meet and to pay.

I support the amendment.

MR COWAN (Merredin) [9.53 p.m.]: I can see no reason at all that we should inform His Excellency of the matter which has been debated in this House this evening. I am quite sure he already is aware of the situation.

Mr Jamieson: He has been here only a little while.

Mr COWAN: I am quite sure he would know exactly what is happening in the field of interest rates in this State and in Australia generally, and would agree with the sentiments which have been expressed.

Most members would know the policy of the National Party in relation to amendments to the Address-in-Reply. An amendment is not a substantive motion and there is absolutely no value in an amendment to the Address-in-Reply. Even if the amendment were supported by the House—and I do not know whether that has ever happened in the past—the Government would not be required to resign. People have made the assumption that an amendment to the Address-in-Reply represents a motion of no confidence in the Government. That is quite incorrect; there is no need for the Government to regard such a motion as a motion of no confidence. It is no more than an expression of opinion of the House, and the Government can do what it likes with that expression of opinion.

However, as the member for Welshpool pointed out, the Address-in-Reply gives the Opposition a golden opportunity to discuss publicly the issue of rising interest rates. The Opposition would be failing in its duty as an Opposition if it were not critical of Governments for increasing interest rates.

However, whilst in essence the content of the amendment is correct I believe the Opposition itself would accept that the bulk of the responsibility for any increase in interest rates must rest fairly and squarely, not with the State Government but with the Federal Government.

There are perhaps only two areas where interest rates in Western Australia can be influenced by the actions of this Government. One such area is as a result of the Government's decision to finance infrastructure costs, and become more active in securing funds to enable Government authorities such as Westrail and the State Energy Commission, which have some degree of autonomy and which have been given the power to raise finance, to provide services to the community.

This competition for a limited amount of funds—again, limited by the financial policies of the Federal Government—quite naturally is

making it very difficult for home building societies and other bodies involved in lending money to people wishing to purchase or construct homes. These institutions will find it even more difficult to secure funds in the future. This is a fact of life. I do not profess to be an economist or to know everything about the financial structure of the Australian economy, but even I know that and I am sure most members in this House would be aware of it.

Undoubtedly, some pressure on the availability of money has been created by Western Australia's alleged resources boom. As far as I am concerned, the resources "boom" has been brought about only by the Government's publicity team. Members of the Opposition stated earlier that the resources development was going ahead far too quickly. I do not think there has been any escalation in resource development in this State. Resource development has been planned; it has been programmed, and it is progressing at that planned and programmed rate. There has been no escalation in development. To my way of thinking, the Opposition is wrong in making the assumption that the resource development of this State has suddenly gone ahead at an unprecedented and unplanned rate.

Mr Davies: Have you been up to the Burup Peninsula lately?

Mr COWAN: No, I have not.

Mr Davies: I think a visit to that area would change your mind.

Mr COWAN: Certainly, the amount of money spent on resource development has increased, but this is due principally to the decrease in the real value of that money. There has not been a lack of planning or of constructive development in the alleged resources boom being experienced in the State of Western Australia.

Most of us are well aware that every time the Premier and his Ministers speak, they tend to talk about a resources "boom" rather than resource "development". I believe they would do well to forget about booms and start talking about development.

The Honorary Minister Assisting the Minister for Housing was very critical of the Opposition for what he termed its desire to control and regulate. This was an interesting comment. In my view, resource development in Western Australia has been controlled, and is being regulated. Whether these controls are sufficient would be a matter of opinion, depending on the side of the House one represented. However, I would remind the Honorary Minister, who was so critical of controls and regulations, of the contents of the

Governor's Speech—which, after all, is merely a document purporting to state quite clearly to both Houses the intention of the Government in its coming legislative programme.

I refer the Honorary Minister to page 13 of the *Votes and Proceeding* on which the Government has promised to regulate, control, and license settlement agents; to regulate, control, and license insurance brokers; and to transfer responsibility for control over taxi-cars. The Honorary Minister should not start talking about members on the other side of the House being the only people who wish to regulate, control, or license, because it is done by any Government. The moment we legislate, we are regulating and controlling; and that factor should not be forgotten.

Had this been a substantive motion we would have been quite prepared to support it. No member of this House could look at the amendment and say that anything in it is untrue. In fact, it is quite true. Interest rates have risen. Because they have risen, they have affected potential home owners or home buyers. Because they have risen, it has become more difficult for small businessmen to secure loans. Because of its willingness to provide infrastructure for development, the Government has made some competition for the limited funds available.

As far as I am concerned, this type of amendment, or this type of substantive motion if it were moved in that form, should be directed at the people who are responsible for the country's monetary policies—that is, the Federal Government.

Mr B. T. Burke: We will remember that.

Mr COWAN: We are not prepared to support an amendment to the Address-in-Reply, because it has been our stated policy not to support such amendments. We accept that the Opposition, as it is the Opposition, is obliged to use some public forum in which to be critical of Government action, whether it be this Government or any Government which creates problems for the people in the housing industry. The Opposition has done that; but it cannot expect our support.

MR TRETHOWAN (East Melville) [10.02 p.m.]: I would take far more seriously the points made by the Leader of the Opposition in his amendment to the Address-in-Reply if I had far more confidence in the economic arguments advanced by succeeding speakers in supporting it.

In fact, the arguments were typical of the inaccuracy and ineptitude of the economic arguments commonly raised on the opposite side of the House. They are the kinds of arguments that were attempted to be put into practice

between 1972 and 1975 and which caused the almost total collapse of the Australian economy, particularly in the financial sector. Such policies caused a dramatic weakening in the Australian dollar on the international markets when, for the 20 years before, we had enjoyed one of the strongest currencies in the world. It has taken very strong economic measures at the Federal level to ensure that our economic status in the international community has been regained.

There has been a considerable amount of confusion in the minds of the member for Balcatta and the member for Ascot as to what control of the money supply is all about.

Mr B. T. Burke: Do you support an increase in the Australian savings bond interest rate?

Mr TRETHOWAN: Members opposite seem to think that the rate of inflow of foreign capital affects the rate of control of inflation through control of the domestic money supply. They seem to think that because it is necessary to control inflation through control of the rate of growth of the domestic money supply above the level of the growth of gross national product, the inflow of foreign capital will therefore, somehow, be included in this and reduce the amount of money available within the domestic money supply. That is grossly inaccurate; and it is on that inaccuracy the Opposition seeks to provide an economic basis for tying resources booms to the supposed high interest rates. That is totally fallacious.

I will attempt to explain to the member for Ascot and the member for Balcatta that the rate of increase of inflation is, *ipso facto*, the difference between the rate of growth of the gross national product and the rate of growth of the money supply in any particular year. Therefore, if we control the growth of the domestic money supply by a certain level above the predicted growth of the gross national product, that would be the inflation rate.

The amount of capital inflow has no effect on that factor because it represents the inflow of resources. Therefore, it does not represent an inflationary effect upon the expansion of the money supply.

Mr B. T. Burke: Are you saying that the capital inflow does not represent a factor for resources within the Australian economy?

Mr TRETHOWAN: The member for Balcatta should consider that if there is a supposed increase in interest rates, that results from a tightening in the money market. A tightening in the money market would be lessened by capital inflow through the increase in its size by the amount of money entering that market.

Therefore, this would result in a downward pressure on interest rates.

Mr B. T. Burke: That is just not true.

Mr TRETHOWAN: I find it hard to understand the arguments of the member for Balcatta.

Mr B. T. Burke: You are ignoring the fact that you must have a shift in resources that will be necessary to support the resources boom.

Mr TRETHOWAN: The existing situation is directly affected by the control of the domestic rate of inflation. Ignoring monetary policy was one of the major inaccuracies and fallacies put into practice through the Federal Treasury during the period of the last Federal Labor Government. I would much prefer to see strong monetary policies followed than to see the kind of long-term damage to the Australian economy which occurred within 2½ years of the implementation of the policies the Opposition is putting forward now.

There is another point on which I take issue with speakers from the Opposition side on this amendment. In their economic argument they do not come out strongly to indicate how they would change the current effects in the market of changes in the money supply. Are they saying that if they were the Government they would institute control over the money market by controlling interest rates?

Mr B. T. Burke: I will tell you specifically with respect to the housing industry. We would compensate the industry for the effects of economic strategy. We would insulate it from the worst aspects.

Mr TRETHOWAN: That would not allow the market to find its natural level and they would find that the degree of capital forthcoming is related directly to the price that the market is prepared to pay for it.

If we adopted the hypothesis put forward by the Opposition—that of control of interest rates—this will mean the reducing of the resources available to the financial sector. In the long term, that means a lack of growth in the economy. I am sure we on this side of the House believe that would be disastrous for this country. This would ensure it would not be possible for young people to own their own homes, because they would not be able to obtain loans due to the scarcity of such loans.

If the market is controlled, the source of supply is reduced. The kinds of arguments put forward in support of this amendment are fallacious and inaccurate. If they were put into effect, as we saw

some six years ago, they would produce the same degree of chaos and the same weakening of Australia as a whole; and they would bring about a recession the like of which we have not yet seen in this country.

The Opposition should be condemned for the introduction of this amendment. I oppose all the arguments put forward in support of it; and I oppose the amendment.

Amendment put and a division taken with the following result—

Ayes 19	
Mr Barnett	Mr Jamieson
Mr Bertram	Mr T. H. Jones
Mr Bryce	Mr Melver
Mr B. T. Burke	Mr Parker
Mr Carr	Mr Skidmore
Mr Davies	Mr Taylor
Mr E. T. Evans	Mr Tonkin
Mr H. D. Evans	Mr Wilson
Mr Grill	Mr Bateman
Mr Hodge	

(Teller)

Mr Clarko
Sir Charles Court
Mr Cowan
Mr Coyne
Mrs Craig
Mr Crane
Dr Dadour
Mr Grayden
Mr Grewar
Mr Hassell
Mr Herzfeld
Mr P. V. Jones
Mr Laurance

Noes 26

Mr Nanovich
Mr O'Connor
Mr Old
Mr Rushton
Mr Soderman
Mr Spriggs
Mr Stephens
Mr Trethowan
Mr Tubby
Mr Watt
Mr Williams
Mr Young
Mr Blaikie

(Teller)

Pairs

Ayes	Noes
Mr Pearce	Mr Shalders
Mr T. J. Burke	Mr Mensaros
Mr Bridge	Mr Sibson
Mr Harman	Mr MacKinnon

Amendment thus negatived.

Debate (on motion) Resumed

Debate adjourned, on motion by Mr Bryce.

House adjourned at 10.14 p.m.

QUESTIONS ON NOTICE

HOUSING

Kalgoorlie and Major Country Centres

1. Mr E. T. EVANS, to the Honorary Minister Assisting the Minister for Housing:

- (1) What is the current waiting list for all categories of State Housing Commission homes in Kalgoorlie?
- (2) What is the current waiting list for all categories of State Housing Commission homes in the 10 major country centres in Western Australia?
- (3) How many homes will be built by the State Housing Commission in these centres over the next three years?
- (4) Has his department considered establishing a regional office of the State Housing Commission in Kalgoorlie?
- (5) If not, why not?

Mr LAURANCE replied:

- (1) Applications on hand 28 February 1981

	Aged persons	2Br	3Br	4Br	Total
C/S rental	16	57	59	11	143
Grant—Aboriginal	1	20	20	9	50
Total	17	77	79	20	193

- (2) Major towns on a population basis (Aust. Bureau of Statistics 30/6/80)

Bunbury (Population 21 220)

	Aged persons	2Br	3Br	4Br	Total
C/S rental	23	121	42	5	191
Grant—Aboriginal	—	14	10	10	34
Total	23	135	52	15	225

Kalgoorlie/Boulder (Population 20 670)

	Aged persons	2Br	3Br	4Br	Total
C/S rental	16	57	59	11	143
Grant—Aboriginal	1	20	20	9	50
Total	17	77	79	20	193

Geraldton (Population 19 590)

	Aged persons	2Br	3Br	4Br	Total
C/S Rental	28	44	35	10	117
Grant—Aboriginal	—	12	5	12	29
Total	28	56	40	22	146

Albany (Population 13 610)

	Aged persons	2Br	3Br	4Br	Total
C/S rental	31	44	25	1	101
Grant—Aboriginal	—	—	—	—	—
Total	31	44	25	1	101

Hedland South and Port (Population 13 400)

	Aged persons	2Br	3Br	4Br	Total
C/S rental	41	32	25	11	109
Grant—Aboriginal	1	1	2	1	5
Total	42	33	27	12	114

Karratha (Population 12 930)

	Aged persons	2Br	3Br	4Br	Total
C/S rental	1	96	40	4	141
Grant—Aboriginal	—	—	—	—	—
Total	1	96	40	4	141

Mandurah (Population 10 150)

	Aged persons	2Br	3Br	4Br	Total
C/S rental	31	34	31	3	99
Grant—Aboriginal	1	2	1	1	5
Total	32	36	32	4	104

Manjimup (Population 8 980)

	Aged persons	2Br	3Br	4Br	Total
C/S rental	3	15	4	2	24
Grant—Aboriginal	—	—	—	—	—
Total	3	15	4	2	24

Esperance (Population 8 890)

	Aged persons	2Br	3Br	4Br	Total
C/S rental	28	46	26	2	102
Grant—Aboriginal	—	7	7	—	14
Total	28	53	33	2	116

Collie (Population 8 640)

	Aged persons	2Br	3Br	4Br	Total
C/S rental	1	21	11	2	35
Grant—Aboriginal	—	14	3	3	20
Total	1	35	14	5	55

- (3) The State Housing Commission is unable to establish firm construction programmes until precise funding arrangements are known.
- (4) and (5) Yes, but it was decided that Merredin was the most strategically placed town to service the central region. The town of Kalgoorlie is serviced by a branch office consisting of four officers involved in accounting, rent collection, tenancy, technical building and maintenance functions.

MINING

Accidents

2. Mr E. T. EVANS, to the Minister for Mines:

- (1) How many workers have been killed in metals mining and/or processing in Western Australia for each of the past two years?
- (2) How many non-fatal accidents have occurred in metals mining and/or processing operations in Western Australia over the past two years?
- (3) How many of such accidents—fatal and non-fatal—have occurred to employees of Western Mining company?
- (4) How many prosecutions have been taken against companies or companies' employees in respect of fatal or non-fatal accidents in their operations for each of the past two years?

- (5) How many convictions have followed prosecutions taken against companies or companies' employees in respect of fatal or non-fatal accidents in their operations for each of the last two years?

Mr P. V. JONES replied:

- (1) 1979—7: 1980—5
 (2) 1979—1725: 1980—1949
 (3) Fatal: 1979—3: 1980—2
 Non-fatal: 1979—207: 1980—177
 (4) I am advised that there were no prosecutions commenced during the two-year period, but 12 were commenced in 1978, which were heard during 1979 and 1980. A decision was handed down on 28 May 1980
 Two of these were taken against a company. Ten were taken against employees, one of which was later withdrawn for humanitarian reasons.
 (5) Five convictions resulted from the 11 prosecutions remaining in question (4) above, being—
 One against a company
 Four against employees.

WEST TRADE CENTRE LTD

Details

Mr BRYCE, to the Honorary Minister Assisting the Minister for Industrial Development and Commerce:

- (1) In view of the Government's statements that the West Trade Centre was investigated, and considered viable prior to funding by the State Government, will he advise—
 (a) who conducted the investigations;
 (b) the nature of the investigations;
 (c) when an approach was first made for Government assistance towards the West Trade Centre;
 (d) when assistance was finally granted?
- (2) What were the financial contributions from the following organisations towards setting up the West Trade Centre—
 (a) Chamber of Mines;
 (b) Perth Chamber of Commerce;
 (c) Confederation of Industry;
 (d) 150th Anniversary Industries Committee?
- (3) What is the liability of each of these organisations as a result of the closure of the West Trade Centre?
- (4) What is the State Government's total liability, including the costs incurred by Government organisations who participated in the scheme as members, or who have purchased or taken control of some of the West Trade Centre's assets?
- (5) In view of the statement that the Government's advice for assistance to the West Trade Centre was within the Act, is he prepared to table that advice?
- (6) Why did the Government involve itself directly in the formation of a private company which relied substantially on State Government backing for its operation?
- (7) Why has he refused to release the report of the in-depth review into the company?
- (8) What is the Government's liability in terms of its involvement in the West Trade Centre as a percentage of total liabilities of the company?
- (9) Will he table a copy of the report of the West Trade Centre's activities between November 1980 and January 1981?

Mr MacKINNON replied:

- (1) (a) The 150th Anniversary Industries Committee.
 (b) A feasibility study.
 (c) In December 1978.
 (d) Approval for assistance was given on 27 March 1979 and the first instalment was made on 30 April 1979.
- (2) Under the terms of the memorandum and articles of association of the centre, no direct financial contribution was required from the organisations listed.
- (3) \$100 each.
- (4) This is currently being determined by the receiver/manager.
- (5) No.
- (6) It was not envisaged that the company would be substantially reliant upon State funding for its operations. The Government supported the concept of providing a trade service and trade centre for Western Australian industry and commerce.
- (7) Because the report on a private concern is considered confidential.
- (8) See answer to (4).
- (9) I am not aware of any such report.

EDUCATION

Primary Schools, and Pre-primary and Pre-school Centres

4. Mr BRYCE, to the Minister for Education:

As at the commencement of the 1981 school year—

- (a) how many primary schools were there in Western Australia;
- (b) how many pre-primary centres were there in Western Australia;
- (c) how many independent and community based pre-school centres of all types were there in Western Australia?

Mr GRAYDEN replied:

- (a) 522 Government primary schools.
- (b) 420, and 28 Aboriginal pre-schools administered through the Education Department.
- (c) 162 community-based pre-schools and 57 pre-school centres at non-Government schools.

EDUCATION: PRE-PRIMARY

Centres: Primary Schools

5. Mr BRYCE, to the Minister for Education:

- (1) Does the Education Department propose to establish a pre-primary centre at all State primary schools in Western Australia?
- (2) If the answer to (1) is "Yes", when is it anticipated that the programme to provide these centres will be completed?

Mr GRAYDEN replied:

- (1) and (2) There is a long-term expectation that all Government primary schools will eventually have a pre-primary centre on its own site or be associated with an existing transferred centre. At present approximately 80 per cent of State primary schools possess a pre-primary facility.

EDUCATION: PRE-PRIMARY

Centres: Ascot Electorate

6. Mr BRYCE, to the Minister for Education:

In respect of the following primary schools in the Ascot electorate—

- (a) Rivervale;

- (b) Tranby;
- (c) Carlisle;
- (d) Cloverdale;
- (e) Belmont;
- (f) Redcliffe;
- (g) Belway;
- (h) Bayswater;
- (i) Ashfield,

- (i) Which schools have been provided with a pre-primary centre;
- (ii) what arrangements are being made to provide a pre-primary centre for each of the schools which is currently without one;
- (iii) which schools have received Commonwealth-funded library resource centres;
- (iv) which schools have in the past or are currently receiving funding under the priority schools funding programme?

Mr GRAYDEN replied:

- (i) Carlisle, Belmay Junior Primary, Bayswater and Ashfield.
- (ii) A centre will be placed at the Tranby Primary School for 1982 as its transferred centre will not be available after 1981. Other schools without pre-primary centres are close to existing community pre-schools which cater for five-year-olds in the area.
- (iii) The Commonwealth capital works funding through the Schools Commission contains a notional element for primary school libraries and does not identify specific projects.
- (iv) Rivervale and Ashfield.

EDUCATION: PRE-PRIMARY

Centres: Part-time

7. Mr BRYCE, to the Minister for Education:

- (1) How many Government pre-primary centres operated on a part-time basis during the 1980 school year—
 - (a) in the metropolitan area;
 - (b) outside the metropolitan area?
- (2) How many pre-primary centres will be operating on a part-time basis as from the end of April 1981—

- (a) in the metropolitan area;
- (b) outside the metropolitan area?

(3) What are the policy guidelines adhered to by the Education Department in deciding to place a pre-primary centre on a part-time basis?

Mr GRAYDEN replied:

- (1) (a) 18;
- (b) 73.
- (2) (a) 37;
- (b) 76.
- (3) Full-time attendance for a pre-primary child is four half-day sessions a week in groups of up to 25 children. If there are insufficient children to justify two groups being formed, the centre is used on a half-time basis for sessional pre-school. These situations are usually found in country areas, in metropolitan localities where there are declining populations, and in the first year of centres established in new housing areas. Under the plan to increase the number of playgroups available for four-year-olds, most of the pre-primary centres in the metropolitan area now being used during mornings only for five-year-olds will be used by playgroups in the afternoon.

EDUCATION: PRE-PRIMARY

Centre: Ashfield

8. Mr BRYCE, to the Minister for Education:

- (1) Why was the Ashfield pre-primary centre placed on a part-time basis this year?
- (2) Does the Education Department consider that the one only toilet incorporated in the Ashfield pre-primary centre is adequate for the staff, 26 five-year olds and parents who are associated with the centre?
- (3) Is he aware that the decision to incorporate the morning and afternoon sessional groups at the Ashfield pre-primary centre into one large group will disadvantage the children concerned?
- (4) Because of the valid educational reasons for classifying Ashfield School as a "priority" school, is he prepared to meet a group of representative parents to discuss the effect of this decision?

Mr GRAYDEN replied:

- (1) The reduction from eight to four sessions at Ashfield has resulted from a continuing decline in enrolments of five-year-olds from this area.
- (2) Yes. There are also other staff toilets at the school which can be used by the centre staff and visiting parents.
- (3) With 26 children on roll, it is unlikely that more than 25 will be in attendance at any one time and this is a standard group for a teacher and an aide.
- (4) As arrangements at Ashfield are similar to those applied at other schools in the "priority" school programme it is suggested that parents should consult with the Regional Education Office about the educational programme in their centre.

EDUCATION: PRE-PRIMARY

Centres: Four-year-olds

9. Mr BRYCE, to the Minister for Education:

- (1) Is it a fact that pre-primary centres in some country towns in Western Australia provide places for or accept pre-school children generally classified as "four-year-olds"?
- (2) If so, in how many centres does this occur?

Mr GRAYDEN replied:

- (1) Children younger than one year below school age are generally not admitted to pre-primary centres which have been established by the Education Department. Where centres with enrolment policies for four-year-olds have transferred, previous commitments to enrol four-year-olds have been honoured.
- (2) Transferred centres—

Former community pre-schools	50
Former pre-schools of the air	2
Former Aboriginal pre-schools	6
	—
	58
	—

FUEL AND ENERGY

Polychlorinated Biphenyls

10. Mr BRYCE, to the Minister for Fuel and Energy:

- (1) What progress has been made in the programme of removal of all polychlorinated biphenyls in use by the State Energy Commission and other companies operating their own power systems?
- (2) How many litres of polychlorinated biphenyls are currently being stored by the State Energy Commission awaiting disposal?
- (3) Where is it being stored and what precautions are being taken to ensure protection of the surrounding environment?
- (4) What method is going to be used to dispose of this toxic substance and when will disposal commence?

Mr P. V. JONES replied:

- (1) The only equipment that the State Energy Commission has containing PCBs are capacitors which are completely sealed units. Since 1978 the commission has ceased purchasing equipment containing PCBs. When a unit fails, it is replaced by another unit containing non-PCB insulant. The Government is not aware of the details relating to other companies.
- (2) Approximately 3 600 litres.
- (3) The units containing PCBs are stored in an impervious concrete pit housed in a locked building secured by a security fence, located in Wattleup.
- (4) The disposal of PCBs is being considered on a national basis, and disposal methods are currently being investigated by the Electricity Supply Association of Australia in conjunction with the Australian Environmental Council. The State Energy Commission, as a member of the Electricity Supply Association of Australia, is kept fully informed on current developments. To date no firm arrangements have been made regarding disposal.

ALUMINIUM SMELTER

Negotiations

11. Mr BRYCE, to the Premier:

- (1) What stage has negotiations reached with—

- (a) Alcoa;
- (b) Westal;

for the establishment of one or more aluminium smelters in the south-west?

- (2) In respect of proposals to establish one or more aluminium smelters in Western Australia, does his Government propose to accept the lead of the Victorian Government with regard to the Portland smelter, and publicly release details of the price of electricity to be consumed by the smelters?

Sir CHARLES COURT replied:

- (1) (a) and (b) Both companies have submitted initial proposals to the Government, setting out a basis for establishment of a smelter. Discussions are proceeding currently with the Westal consortium to determine whether the terms and conditions and timing for supply of power are acceptable.
- (2) The Government intends to release appropriate details regarding power supply, should an acceptable power contract be negotiated.

NUCLEAR ATTACK

Fallout Shelters

12. Mr BRYCE, to the Premier:

- (1) (a) Are there any nuclear fallout shelters in Western Australia;
- (b) if so, will he indicate the location and capacity of each shelter?
- (2) What provisions have been made for the process of Government to continue in the event of a nuclear attack on the Perth metropolitan area?

Sir CHARLES COURT replied:

- (1) (a) and (b) The responsibility of preparation for civil defence in Australia is shared between the Department of Defence, the

Commonwealth Natural Disasters organisation and the respective State Emergency Services.

A significant amount of work has been carried out to identify public and commercial buildings in Western Australia which could provide shelter from nuclear fall out.

We are satisfied that numerous public buildings, both governmental and commercial, would be suitable for such purposes in the unlikely event of such a need arising.

This does not, of course, include private shelters which may be available in private dwellings.

- (2) In the event of a nuclear attack—the chances of which we regard as extremely remote—much will depend on the type and intensity of the attack as to where the Government will operate from. Obviously we would not indicate publicly the alternatives which exist.

HOSPITALS

Teaching: Bed Occupancy Rate

13. Mr HODGE, to the Minister for Health:

- (1) What is the average bed occupancy rate at each of the teaching hospitals?
- (2) What does the Government consider to be a safe and proper bed occupancy rate for each teaching hospital?
- (3) What reduction, if any, has occurred during the past 12 months in hospital beds in each of the teaching hospitals?
- (4) What increase, if any, has occurred during the past 12 months in hospital beds in each of the teaching hospitals?

Mr YOUNG replied:

- | | |
|-------------------------------|--------|
| (1) Fremantle Hospital | 70.07% |
| King Edward Memorial Hospital | 85.27% |
| Princess Margaret Hospital | 63.87% |
| Royal Perth Hospital | 88.29% |
| Sir Charles Gairdner Hospital | 88.40% |

- (2) 85% is an accepted working occupancy which permits an emergency service to operate with a theoretical capacity to contain most emergencies. Hospitals often go above this theoretical figure.

(3)

Fremantle Hospital.....	71 (Closure of Bickton Annex on 15 March 1981.)
King Edward Memorial Hospital.....	Nil
Princess Margaret Hospital.....	24
Royal Perth Hospital.....	134 (Temporary reduction in beds in Wards B. & C. due to renovation programme. Permanent reduction due to ward renovations—1 bed in May, 1980. Reductions due to cost saving measures—65 Beds in January, 1981 (Mt. Lawley Annex) 34 beds in February, 1981 (Ward 3—to be re-opened as soon as staff can be recruited.)
Sir Charles Gairdner Hospital.....	Nil

(4) Nil.

HOSPITALS

Patient-staff Ratio

14. Mr HODGE, to the Minister for Health:

- (1) Who determines the hospital patient-staff ratios in—
 - (a) teaching hospitals;
 - (b) other Government hospitals?
- (2) What is the patient-staff ratio that Royal Perth Hospital currently works on and when was it last reviewed?

Mr YOUNG replied:

- (1) (a) The hospital administration within the financial resources provided, subject to the approval of the Department of Health and Medical Services where additional staff are involved.
- (b) The organisation and methods section of the Department of Health and Medical Services and the administration of the hospital.
- (2) 1 patient to 3.1 staff. The hospital advises this is under constant review.

HEALTH: NURSES

Accommodation

15. Mr HODGE, to the Minister for Health:

- (1) Instead of attempting to close down nurses' home accommodation, has the Government given consideration to offering any unused accommodation to

students of other faculties who could contribute towards the running costs?

- (2) How much does the Government expect to save by closing down—
 - (a) Jewell House;
 - (b) other nurses' home accommodation?
- (3) Has the Government attempted to enter into discussions with any of the relevant unions to determine if it is feasible to increase the amount charged to nurses for board and lodging?

Mr YOUNG replied:

- (1) Yes.
- (2) (a) \$204 000 per annum
(b) \$525 000.
- (3) Yes.

HEALTH: MEDICAL PRACTITIONERS

Public Hospitals

16. Mr HODGE, to the Minister for Health:

On Thursday, 20 November 1980, he stated in reply to question 1482 of 1980 that he would provide me with written information regarding the cost of providing free meals for doctors in Government hospitals. I now ask, when can I expect to receive the information?

Mr YOUNG replied:

The honourable member would have recently received my written reply.

The delay is regretted, but the information took some time to collect as some hospitals provided their final details as late as mid-March.

HEALTH

Vanadium

17. Mr HODGE, to the Minister for Health:

- (1) Has his attention been drawn to the allegations made during the television programme "Nationwide" of 3 March 1981, regarding serious health risks associated with working in Agnew Clough's vanadium plant at Wundowie?
- (2) If he is aware of the allegations concerning the health risk, what steps has he taken to establish the validity of the claims?

- (3) If he is unaware of the allegations made on the television programme referred to, would he take immediate steps to obtain a transcript and then advise me as soon as possible of his views on its content and any action he proposed to take?

Mr YOUNG replied:

- (1) Yes.
- (2) Officers of my department and the Mines Department have investigated the situation and tests have been carried out. No serious health risks have been established. Surveillance and discussions with the company are continuing.
- (3) Not applicable.

HOSPITALS

Teaching: Budgets

18. Mr HODGE, to the Minister for Health:

- (1) He has stated that recent cuts in services and facilities at Government hospitals are a result of hospitals spending in excess of their budgets: what are the budgets for each of the five teaching hospitals?
- (2) By how much would each of the five teaching hospitals exceed their budget if the cuts in expenditure were not made?
- (3) By how much has each teaching hospital reduced expenditure to date and what further reduction is required in this financial year?
- (4) Who determines what the budget will be for each teaching hospital, and on what date was each of the teaching hospitals informed of the budget allocation?
- (5) What was the previous budget for each teaching hospital and what percentage increase was made in each case in the present budgets?
- (6) (a) Have the teaching hospitals exceeded their budgets in any other years since 1975; and
(b) if so, which hospitals and by how much?
- (7) If teaching hospital budgets were exceeded in any year since 1975, how was the deficit funded on these occasions?
- (8) (a) Has the Government approached the Federal Government and asked them to fund the present teaching hospitals deficit on a 50:50 basis;
(b) if not, why not?

Mr YOUNG replied:

- (1) The budgets (operating deficits) for each of the teaching hospitals are—

	Amount (\$000's)
Fremantle Hospital	26 829
King Edward Memorial Hospital	14 480
Princess Margaret Hospital	21 631
Royal Perth Hospital	71 021
Sir Charles Gairdner Hospital	41 650

- (2) Each teaching hospital would have exceeded their budgets by the following amounts if the cuts in expenditure were not made—

	Amount (\$000's)
Fremantle Hospital	935
King Edward Memorial Hospital	276
Princess Margaret Hospital	751
Royal Perth Hospital	1 590
Sir Charles Gairdner Hospital	580

- (3) Each teaching hospital has taken decisions which will reduce expenditure by the following amounts and further reductions required in this financial year are—

	Effect of decisions already taken (\$000's)	Further reductions required (\$000's)
Fremantle Hospital	490	445
King Edward Memorial Hospital	276 (providing nurses' home remains closed)	—
Princess Margaret Hospital	539	212
Royal Perth Hospital	1 590	—
Sir Charles Gairdner Hospital	580	—

- (4) The Department of Health and Medical Services determines the budget for each of the teaching hospitals. For the 1980-81 financial year, each teaching hospital was advised of their budget allocation on 5 August 1980.
- (5) The previous budgeted operating deficits (1979-80 financial year) for each teaching hospital was as follows and the percentage increase to the present budgets is—

	Previous Budget 1979-80 (\$000's)	% Increase in Present Budget
Fremantle Hospital	23 561	13.9
King Edward Memorial Hospital	13 006	11.3
Princess Margaret Hospital	19 266	12.3
Royal Perth Hospital	63 034	12.7
Sir Charles Gairdner Hospital	36 935	12.8

- (6) (a) Yes.

(b) Amount (\$000's)

Fremantle Hospital	258
King Edward Memorial Hospital	—
Princess Margaret Hospital	120
Royal Perth Hospital	410
Sir Charles Gairdner Hospital	—

- (7) The deficits remained as shortfalls in the books of the hospitals concerned to be financed from future operations.
- (8) (a) and (b) Answered by question 22.

HEALTH

Services: Role of Federal Government

19. Mr HODGE, to the Minister for Health:

Does the Health Department wish to see a continuation of the Federal Government's present role in the provision of health care services and the determination of health policy?

Mr YOUNG replied:

I do not wish to see a continuation of the Federal Government's present role in the provision of health care services and the determination of health policy.

HOSPITALS

Bed-population Ratio

20. Mr HODGE, to the Minister for Health:

- (1) How many hospital beds were approved under the terms of the hospital cost sharing agreement as at 30 June 1980?
- (2) How many approved hospital beds are there in Western Australia at present?
- (3) How many beds per 1 000 population does Western Australia have at present?
- (4) How many beds per 1 000 population does the Government consider the State should have?
- (5) Is it a fact that the Federal Government has expressed the view that the States should work on a figure of 3.5 beds per 1 000 population?
- (6) If Western Australia were required by the Federal Government to implement a policy of 3.5 beds per 1 000 population what effect would this have?

Mr YOUNG replied:

- (1) 6 528 (30.6.80).
- (2) 6 506 (1.2.81) public hospital beds.
- (3) 5.14 Public Hospital Beds.
- (4) A ratio of 5 beds per 1 000 is an acceptable target.
- (5) No.
- (6) 3.5 beds per 1 000 indicates a need for only 4 428 beds. The Sax report recommended 5 beds per 1 000. This figure includes obstetric, super-specialties and acute psychiatry beds. WA has a higher ration of beds in rural areas than the Sax report recommendation and this distorts the overall State ratio. However, many beds in rural hospitals are occupied by long-term patients.

ABORIGINES

Funding: Disparity

21. Mr HODGE, to the Minister for Community Welfare:

(1) In *The West Australian* of 9 March 1981, the Minister was reported as saying that there appeared to be a big disparity in funding between Aboriginal groups in Western Australia and those in the Northern Territory. Can he detail—

- (a) when and how the disparity in funding become known to him;
 - (b) why the disparity in funding has occurred;
 - (c) the extent of the disparity in funding between Western Australia, the Northern Territory and other States;
 - (d) for how long the funding disparity has existed?
- (2) Is the Western Australian Government concerned about the disparity in funding?
 - (3) What steps have the Government taken to rectify the above-mentioned position?

Mr HASSELL replied:

- (1) (a) This matter first became apparent to me during a recent visit to the central reserve when references were made to me by Aborigines that considerably more funds were available in the Northern Territory for capital works than in Western Australia.

(b) to (d) The apparent disparity appears to be of an historic origin prior to the establishment of the Northern Territory Government at which time a Commonwealth undertaking was given to maintain funding levels "sufficient to maintain standards of service (to Aboriginal communities) at an overall equivalent to that previously provided." The extent of the disparity is not certain, but appears to be extensive and certainly physically visible.

- (2) and (3) The Western Australian Government is concerned about the matter and I raised it at the Australian Aboriginal Affairs Council meeting in Darwin on 20 March 1981.

It was arranged that the matter would be investigated jointly by Senator Baume, Chief Minister Everingham, and myself.

HOSPITALS

Deficits: Funding

22. Mr HODGE, to the Premier:

- (1) Is he aware that the New South Wales Premier (Mr Wran) has recently authorised that State's Health Minister to make immediate approaches to the Federal Government for additional funds under the terms of the hospital cost sharing agreement, in order to meet the deficits envisaged for public hospitals?
- (2) Is he prepared to authorise his Health Minister to approach the Federal Government and propose to them that the Western Australian Government would provide additional funds to match any Federal money made available under the hospital cost sharing agreement to offset public hospital deficits in the State?

Sir CHARLES COURT replied:

- (1) Yes.
- (2) Representations were made by me to the Prime Minister in November 1980 and March 1981 on the problems affecting Western Australia.

Under the cost sharing arrangements, half of the net operating costs have to be met by the State. Potential overruns are dealt with at a meeting of State and Commonwealth officers, which will be held in April 1981. Budgets are revised in the light of experience to date and recommendations made to the Ministers for Health.

It should be remembered, however, that hospitals are subject to the same budgetary controls as other departments. Within that process the Government provides for the reasonable needs for hospitals and the community. But there is also an obligation upon hospitals to ensure that a taxpayer obtains proper value for his tax dollar.

EDUCATION: HIGH SCHOOL

Toodyay

23. Mr HERZFELD, to the Minister for Education:

- (1) Do adequate manual arts facilities exist at the Toodyay District High School?
- (2) Are class sizes such that students can work safely?
- (3) If "No" to (1) and (2), what action is proposed to alleviate the situation?

Mr GRAYDEN replied:

- (1) to (3) Present facilities are adequate and safe for the existing enrolment. However, as secondary numbers at this school are expected to grow, plans to upgrade and extend its manual arts facilities are under consideration.

MR DARREN WEST

Ex Gratia Payment

24. Mr HERZFELD, to the Minister representing the Attorney General:

- (1) Is the matter of an *ex gratia* payment to Darren West under the Criminal Injuries (Compensation) Act still under active consideration?
- (2) When is a determination expected?

Mr O'CONNOR replied:

- (1) and (2) The matter has been finalised and a cheque for \$7 500 is being sent to the honourable member for distribution to Mr West.

RECREATION

Grants

25. Mr HERZFELD, to the Minister for Education:

- (1) Does he still intend to announce further grants to assist in funding minor capital works under the Community Sporting and Recreation Fund programme?
- (2) If so, when?

Mr GRAYDEN replied:

- (1) Yes.
- (2) April 1981.

EDUCATION: PRIMARY SCHOOL

Wooroloo

26. Mr HERZFELD, to the Minister for Education:

- (1) Adverting to question 1293 of Wednesday, 5 November 1980 has the Mundaring Shire Council made an offer to prefund his department's contribution to the proposed jointly funded facility at Wooroloo School?
- (2) If not, would such a proposal receive consideration by him?

Mr GRAYDEN replied:

- (1) Yes.
- (2) The Education Department cannot commit funds in advance of their authorisation by Parliament. The matter will be reviewed when the State Budget is brought down later this year.

QUESTIONS WITHOUT NOTICE

HOSPITAL: ROYAL PERTH

Conditions: Premier's Statement

9. Mr DAVIES, to the Premier:

- (1) Will he apologise for his intemperate and totally unsubstantiated statement to the House last Thursday night that Royal Perth Hospital patients and their relatives who protested to him about the conditions at the hospital were "put up to it" by someone high in the hospital administration?

- (2) If he will not apologise, will he put before the House whatever evidence he has to back up his insulting assertion so that members might judge for themselves the basis of his claims?
- (3) Will he name the official or officials he alleges were involved in this, or does he intend all hospital administration officials to suffer under the unwarranted slur which has been cast upon them?

Sir CHARLES COURT replied:

- (1) to (3) The Leader of the Opposition makes a number of assumptions—

Mr Davies: From your quotations.

Sir CHARLES COURT: —which are completely wrong. That ill becomes him, because he assumes certain facts are as he thinks they are, without trying to learn the real facts. I assumed that the Leader of the Opposition would raise this question, so I will read, if I may, a note I made on my return from the hospital at the time.

I was very upset at the fact that somebody in a high position would in fact do what was alleged by these people—people for whom I felt very sorry. I will just summarise the matter by saying that a group of people in the corridor leading into the ward I was visiting on 16 March greeted me on the way to the ward. At that stage, there was no discussion, apart from a “good morning” or two.

However, on my way out of the ward they confronted me and asked what I was going to do about the position at Royal Perth. I explained, in a courteous way, that the Government had made adequate money available to the Health portfolio; and I mentioned the figure of \$539 million as the amount that could reasonably be allocated. I said that the decisions about the detailed use of that money rested with the hospital administrations and the medical profession.

At that point they said that they had been told by “the head man of this place” that “you are the one responsible. You are the only one who can fix it.” If that did not mean they had been encouraged by the administrator or some other senior person in the Royal Perth Hospital to confront me, then I do

not know to whom they could be referring.

Perhaps those people would like to name the person to whom they were referring as “the head man of this place” who suggested their confrontation with me.

The matter is very fresh in my mind, because I returned from the hospital not very long before I had to attend a meeting attended also by the Minister for Health; and I complained to him that it was a bad show if the administrator, or a person in a high position, at Royal Perth Hospital indulged in such tactics, particularly as that person would know that the Government was very concerned about the problems of a particular unit within Royal Perth Hospital, and that discussions were taking place.

They are the facts. I am glad the Leader of the Opposition has asked me to record them for him.

Mr Davies: Is that the best you can do?

Sir CHARLES COURT: That is the truth.

Mr Davies: An absolutely shocking slur on these people.

Sir CHARLES COURT: It is not criticism of these people. It is the administration, if they were responsible.

HOSPITAL: ROYAL PERTH

Deterioration of Service

10. Mr HODGE, to the Minister for Health:

I refer to comments made by the Professor of Medicine at the University of WA (Lawrence Beilin) that the Royal Perth Hospital Board told the Department of Health and Medical Services and him as Minister that the cuts the Government was forcing on the hospital would result in a deterioration in services to patients.

- (1) In the light of these warnings from the hospital board, why did he and the Premier persistently claim that the cutbacks would not cause any deterioration in services?
- (2) What qualifications do he and the Premier have which enable them to contradict the advice of health professionals in these matters?

Mr YOUNG replied:

- (1) and (2) The member for Melville has followed his usual pattern by not giving me any notice of this question. Concerning the beginning of the question—

Mr Bertram interjected.

Mr YOUNG: I am afraid the member for Mt. Hawthorn is not helping, in his usual fashion. I was unable to follow the first part of the question exactly; but if I have gathered it correctly, there is the question that if Professor Beilin says there is a problem at Royal Perth Hospital, and the Western Australian Government has another opinion in respect of the general management of the hospital, then the Government must be wrong. I think that is the general thrust of the question.

Mr Hodge: When you obtained expert advice from professors, why did you not take it?

Mr YOUNG: It would not be unusual for the member for Melville to follow that particular line.

The point is that representatives of the Royal Perth Hospital Board and I met last Friday afternoon; and it was generally agreed between us that, notwithstanding any comments that had gone before by any professor of whatever standing, or any medical consultant of whatever standing, or any doctor or member of the staff of whatever standing, the situation at the Royal Perth Hospital was capable of being contained within the budget of the Royal Perth Hospital for 1980-81. That is the position, although consultation was required. Based on the information I was able to elucidate from those people, although they had some disquiet about what "may" happen, the situation had not reached the stage at which the Government, or the Opposition, or the people of this State ought to be in a state of panic.

At that meeting, it was agreed that the hospital would be able to continue within its budget agreed as at 5 August last year until 30 June this year, and that within that budget the hospital would be able to open certain beds that had been closed for some time. It was agreed that a decision would be made in respect of the Mt. Lawley annexe when

we better knew the situation as far as the Commonwealth was concerned, and its attitude to the future funding of hospitals. That attitude will not be known until the middle of next month.

HEALTH

Amoebic Meningitis

11. Mr B. T. BURKE, to the Minister for Health:

- (1) Is it a fact that the amoeba strain responsible for causing amoebic meningitis has been found in samples of water from country water supplies?
- (2) If so, in how many samples, and where do they come from?
- (3) When did he become aware of this discovery?

Mr YOUNG replied:

- (1) Yes.
- (2) and (3) This afternoon I was apprised of the fact that the tests of certain samples of water from country water supplies showed that the *Naeglaria fowleri* type of amoeba had been discovered in three of those samples. Upon being informed of that this afternoon, I immediately made a Press release to that effect.

Those amoeba were found in the water supplies from Bruce Rock and Narembeen, and from the Wittenoon Hotel swimming pool.

Last year, through all the publicity in respect of the *Naeglaria fowleri* amoeba I made it clear to the public that it was possible that this type of amoeba could be found in any water supply, given the right circumstances; and that continuous testing of water supplies and pools would take place where possible and that inevitably the *Naeglaria fowleri* would be found.

It is not surprising that amoeba are found in some water supplies. It is not surprising also that eventually we would find the *Naeglaria fowleri* type. The pathogenic amoeba are of the *Naeglaria fowleri* kind; and they were the cause of the deaths of two people in this State last year.

I should indicate to the House the system of testing. The first test is to find out whether the water does contain any amoeba. That is done as soon as a sample is taken from the water supply. The second test, which can take a week or more, is to find out, firstly, whether it is a *Naegleria* type, and secondly, whether it is temperature tolerant. If it is temperature tolerant, it is defined as a "positive" test; and the sample is then tested the third time. The third test is to determine whether it is pathogenic—that is, to find out whether it is the *Naegleria fowleri* type. That can take up to three weeks or more.

It was only this afternoon that I was informed officially of the results of the test on the samples. For the first time the *Naegleria fowleri* type have been discovered in Western Australia. There is really no need for anyone to be concerned about the matter, because that was only to be expected. If all the precautions that were advised to the public, and that are still being advised to the public, are taken, there is no need for concern.

HOSPITAL : ROYAL PERTH

Conditions : Premier's Statement

12. Mr DAVIES, to the Premier:

Although I was little surprised by the vagueness of the answer that the Premier gave to my last question, the slur still remains on a great number of administrative officers of Royal Perth Hospital. I ask him—

- (1) Is he correctly reported in last Saturday's *Weekend News* that the announcement of the death of a Royal Perth Hospital heart patient by Professor Roger Taylor was part of an orchestrated campaign to whip up public antagonism?
- (2) Will he name the individuals whom he alleges are behind this campaign?
- (3) What hard evidence can he give the House that such a campaign exists?
- (4) Are Professor Taylor and Professor Lawrence Beilin trying to whip up antagonism towards the Government; and, if so, what are their motives?

- (5) If he is unwilling to name the people behind the alleged campaign, will he now apologise for the slur he has cast on health professionals generally?

Sir CHARLES COURT replied:

The Leader of the Opposition is doing his darndest to stir up a storm in a teacup, and create something out of nothing.

Mr Davies: What about just apologising?

Sir CHARLES COURT: The answer to his question is as follows—

- (1) to (5) The comments I made to a journalist on this subject were the sorts of comments many people would have made. The inference I made—and I do not apologise for it at all—was that it was rather strange that this particular matter should receive the prominence it did on the day the Parliament was being opened officially.

I do not think there is anything extraordinary about that, and it appeared to me to be somewhat strange—although not unusual in the life in which we live—that this matter should have received the prominence it did on the day Parliament was opened, especially when one realises the Minister had previously indicated to the administration and to individual doctors what was being done.

Mr Davies: They also had heart attacks, as I said.

Mr O'Connor: Several weeks before that.

Sir CHARLES COURT: If the particular doctors feel they are completely innocent of this, that is all right.

Mr Davies: What about apologising if you have no hard evidence?

Sir CHARLES COURT: However, those who are not innocent of it can wear the cap if it fits.

Mr Davies: That is not a statesman-like stance by any means! It is disgusting!

MINING

Royalties

13. Mr BRYCE, to the Premier:

Following statements which have been made over the years by the Premier and various Ministers for Resource

Development and Industrial Development that they are proud Western Australia is a low royalty State, in the light of the financial chaos now confronting the health and education systems in this State, is the Premier ashamed that, at the end of his long political career, Western Australia receives less than countries in most other parts of the world in terms of the returns gained for the development of mineral resources?

Mr B. T. Burke: Hear, hear!

The SPEAKER: Order! It will not be very long before either by way of facial expression or direct suggestion members who sit on my right will indicate that I ought to be preventing interjections from those who are sitting on my left when a Minister is answering a question.

For the benefit of members who might make such facial expressions or suggestions, I indicate that if members want question time to be held in a reasonably calm atmosphere, they should not interject while questions are being asked.

Sir CHARLES COURT replied:

I cannot remember Ministers or indeed myself boasting about the fact that we are a low-royalty State.

Mr Bryce: The Minister for Works has gone on record in that vein a number of times.

Sir CHARLES COURT: I remind the member that we are not a low-royalty State and in fact no other place in the world charges iron ore companies as much as they are charged in this State. In addition to a very generous royalty which has completely transformed the finances of this State and its capacity to upgrade education, health, and other services, we also received a huge amount of infrastructure from the companies and members opposite conveniently forget about this. Never before has such a situation been seen where services such as the railways, ports, water supplies, electricity supplies, schools, hospitals, housing and police stations etc. have been provided and of such a tremendous standard. We have never before seen services of such a high quality in mining towns in Australia.

We set a pattern and the pattern has gone through into other areas. Members should look at Kambalda where they will see a modern mining town alongside an old one. They should look also at what has happened in other places in Western Australia where similar projects have been undertaken.

I reject completely the allegation—if it is not an allegation, it is a very strong inference—by the member that the standard of our education, hospital services, and other general amenities is below that of other States.

I should like to tell the member for Ascot that the Grants Commission, all the other States, and the Commonwealth are complaining that the standard of facilities in this State is too high, therefore, we should be penalised for it!

Mr Davies: That is a flight of fancy, too. There is no truth in that statement.

Sir CHARLES COURT: The Leader of the Opposition should wait until he sees the Grants Commission report.

HOSPITALS

Deficits: Funding

14. Mr H. D. EVANS, to the Minister for Health:

- (1) Will the Minister give an unequivocal assurance that the Government will meet the deficits incurred at the end of the financial year by hospitals operating in country areas?
- (2) Alternatively, will the Minister state that hospital boards in country areas will be left to meet the deficits incurred in the operation of the particular hospitals for which they are responsible?

Mr YOUNG replied:

- (1) and (2) I am not quite sure what the Deputy Leader of the Opposition means by his question, because any deficit incurred by a public country hospital is a debt of the State and obviously at some stage the State will have to meet that particular deficit.

Mr H. D. Evans: Is that so, in respect of the deficits incurred at the end of this financial year?

Mr YOUNG: I will not give the Deputy Leader of the Opposition an unequivocal undertaking in that regard. I can only inform him of the situation at the present time. Although I believe all country hospitals will end the financial year square—

Mr H. D. Evans: Many will be in deficit.

Mr YOUNG: The suggestion made by the Deputy Leader of the Opposition that many country hospitals will be in deficit certainly does not concur with the information I have received, but if indeed a number of them—

Mr H. D. Evans: Allow me to correct you.

Mr YOUNG: —have deficits at the end of the financial year, those deficits will be dealt with in the most appropriate way. They are debts of the State, not of the individual hospital boards.

I want to make the point to the Deputy Leader of the Opposition that there is a difference between the situation which exists in teaching hospitals and that which exists in country hospitals whether or not they have a board.

Therefore, it is clear that in fact hospital boards will not be responsible for a deficit if it is incurred.

MINING

Iron Ore: Japanese Contracts

15. Mr HARMAN, to the Minister for Mines:

When did the Minister become aware that the Japanese steel mills and buyers of iron ore would reduce dramatically their contracts for the purchase of iron ore produced in Western Australia?

Mr P. V. JONES replied:

As I said earlier today in answer to a comment by the member for Maylands, the Japanese steel mills have not drastically reduced their suggested shipping tonnages for the season which starts on 1 April. At the present time we are in receipt of a report from Tokyo which was published on the front page of *The West Australian* last Saturday. That report was incorrect and Nippon Steel has clarified the situation by telex. That company made the very important point that the negotiations have not been completed.

Another point made by Nippon Steel was that negotiations are proceeding at the present time in relation to the suggested tonnages for the full shipping year. There is no reason at this stage to believe those tonnages will be any less than the percentage of the total imports into Japan from this State which were recorded in the last financial year.

SHOPPING CENTRES

Lease Agreements

16. Mr WILSON, to the Honorary Minister Assisting the Minister for Industrial Development and Commerce:

This question relates to an undertaking given by the Minister and is as follows—

- (1) I should like to know whether he has completed his personal inquiry into the conditions of lease agreements being imposed on small shopkeepers in suburban shopping centres that he undertook to conduct last year.
- (2) If the inquiry has been completed, I should like to know the outcome of it and what action, if any, he has recommended.

Mr MacKINNON replied:

- (1) and (2) I have completed my personal inquiry into those lease agreements. At the same time, of course, the Government, through a back-bench committee, was investigating the whole question of shopping centres. The report of that committee has been provided. It was sent to the Minister for Local Government and she forwarded a copy to me. I subsequently sent a copy of the report to the Small Business Advisory Service Ltd., for comment. That report has been returned to me along with comments and some remarks concerning lease agreements.

I have now forwarded this to the Minister for Local Government with the comments which were made by the Service. In the near future the Minister and I will be discussing the report and the release of that report and the recommendations contained in it.

SUPERANNUATION BUILDING

Cabinet Area

17. Mr B. T. BURKE, to the Premier:

- (1) Is the Premier planning to extend the Cabinet area in the Superannuation Building?
- (2) Do the plans for extensions include the provision of dining room facilities?
- (3) What is the cost of the proposed work?
- (4) Is the Premier prepared to lay on the Table of the House the plans for any such extensions?

Sir CHARLES COURT replied:

- (1) to (4) The member is a little behind in his news, because it is some months since an announcement was made that the penthouse originally planned for the top of the District Court building was no longer required.

At the time the design for the building was finalised, I understand it was still the practice to provide penthouses for caretakers on the top of buildings. However, such penthouses are not used today, because the last place one would want a caretaker would be on the roof, if a person was trying to break into the ground floor of a building. Hence most of the big buildings, especially those which house expensive computers and other types of equipment, employ guards on a 24-hour basis and they operate from the ground floor. For that reason, the superstructure which was previously provided on the top of a building is required no longer.

There will not be an extension of the Cabinet area. However, the Public Works Department suggested that, rather than allow the penthouse area of the District Court building to be used as a storeroom, a hole be made through the wall of the Superannuation Building onto the roof of the District Court building. I thought it was a fairly intelligent suggestion. The penthouse could be made available for meetings and receptions when required. This would avoid the necessity to hire facilities, which is rather difficult and expensive, and which we try to cut down to the minimum. That is the reason the conversion is taking place.

An estimate of the cost was made at the time and, in answer to a question from the media, a figure was announced. I shall locate the papers and reply to the member in that regard.

However, I have set out the story behind the decision which was made some months ago and I believe it was a good solution. There is no extension of the Cabinet area as such.

Mr Davies: I think it would be better off as a storeroom.

HOSPITALS

Boards: Negligence

18. Mr BERTRAM, to the Minister for Health:

What provisions do hospital boards have by way of insurance or otherwise to protect those boards, their members and/or staff from damages awards made against them for negligence in relation to patients or their dependents?

Mr YOUNG replied:

I thank the member for some notice of the question, the answer to which is as follows—

Any damages awards made against hospital boards would form part of the operating costs of that hospital, which would then be reflected in subsidy payments provided by the Government through the Department of Health and Medical Services.

ABORIGINES

Broome Medical Service

19. Mr HODGE, to the Minister for Health:

The secretary of the Broome Aboriginal Medical Service (Mr Cox) contacted me this afternoon and asked that I make a special appeal to the Government for some emergency assistance to prevent the possible closure of the service.

Will the Minister give urgent consideration to providing a very modest grant of \$2 500 to enable the service to overcome an immediate cash crisis which has been caused by circumstances beyond its control?

Mr YOUNG replied:

The Broome Aboriginal Medical Service has made similar approaches to me on a number of occasions through many agencies. I believe it also approached my predecessor in respect of funding. As far as I am aware the Government's policy in regard to this service will remain unchanged in the foreseeable future and it has always taken the view that Aboriginal services provided in country areas should not be triplicated.

In other words, as far as the Government is concerned, it cannot expect the taxpayers of Western Australia to fund the Aboriginal Medical Service, because the Hospitals and Allied Services operate already in that part of the country and they serve the Aboriginal population to a much

greater extent than the non-Aboriginal population. There is also the Community and Child Health Services, which is a Commonwealth-funded service, which is almost entirely concerned with Aborigines. Indeed, in that part of the country, it can be said the Community and Child Health Services operates entirely for Aborigines. Contrary to accusations made by many people in relation to that service, there is a large input of Aboriginal people at various levels of it.

The Broome Aboriginal Medical Service has been recognised in the past as a private medical practice with all the medical facilities available to such a practice and the medical practitioners involved in it, and that situation will remain.
