

Legislative Council

Thursday, 17 May 1990

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

MOTION - STATE GOVERNMENT INSURANCE CORPORATION

State Government Insurance Commission Amendment Regulations - Disallowance

HON PETER FOSS (East Metropolitan) [2.34 pm]: I move -

That the regulations relating to the increase in authorised capital of the State Government Insurance Corporation made by the Lieutenant Governor in Executive Council published in the *Gazette* on 12 January 1990 and tabled on 8 May 1990 and known as the State Government Insurance Commission Amendment Regulations 1990 be, and are hereby, disallowed.

This is a motion for disallowance of a regulation which increases the authorised capital of the SGIO from \$40 million to \$60 million. I should perhaps explain to the members of the House who may not recall the provisions of the Act that two corporations were set up under the State Government Insurance Commission Act, one called the State Government Insurance Commission and the other called the State Government Insurance Corporation. It is probably easier to refer to the latter as the SGIO, which is the trading name under which that corporation operates, and therefore to refer to the other corporation as the SGIC. The SGIC is the holder of all capital of the SGIO; until the making of the regulation that authorised capital was \$40 million. By increasing that authorised capital, the SGIC will be able to contribute funds by way of paid up capital to the SGIO. The way in which that increase is made is by regulation by the Governor in Executive Council.

I move to disallow the regulation and to prevent the increase in authorised capital for reasons that will become evident as I speak. I will, however, later on seek leave of the House to withdraw the motion. First of all, I should set the scene to explain why in the first instance I have moved for the disallowance of the regulation and, secondly, why I will seek leave to withdraw the motion.

The Opposition has been consistent in its criticism of the Government in relation to the SGIC and the SGIO. That criticism falls in three areas. First, I refer to the blatant political interference by the Government in the running of the SGIC, and the use of it for the Government's political purposes. By "political purposes" I mean its use to serve the political ends of the Government of the day. The second criticism is the failure of the SGIO and the SGIC to observe the terms of the original charter contained in the State Government Insurance Commission Act. The third criticism concerns the consequence of the political interference upon the balance sheet of and the normal operations of the SGIO and the SGIC.

I will deal with each criticism in turn. Firstly, political interference: The Opposition will always be critical of the Government for the way it has used the SGIC and the SGIO blatantly to carry on the affairs of WA Inc. I know that the Government has always maintained it did not give formal directions, but evidence given to the Pike Committee by Mr Savill was that people on the board of the SGIC were, as I describe them, political lackeys who carried out the known interests and desires of Government. I mention Messrs Rees, Edwards, Lloyd and Brush as being such persons. Through them His Master's voice was heard. It was not necessary for the Minister to give directions because the will of the Government was carried out by members of the board. The Opposition will continue to be critical of the disastrous investments which resulted from that political interference. We will ask why those investments were made, who benefited, and whether that benefit can be recovered. It is the blatant political interference with the SGIC that is one of the reasons the Opposition has insisted upon an investigation by a special Royal Commission.

We have also been critical of the Government over two other matters. As far as political interference is concerned we believe an investigation needs to be undertaken to find out and recover moneys. As far as the other two matters are concerned, it is imperative for the health of the SGIC and the SGIO that matters are set right. It is essential that the SGIC be set on the right track again and for that reason the Opposition gave notice to disallow the regulation,

and to satisfy ourselves that proper measures are being taken to put the SGIO on the right track.

Perhaps some history of this matter is important. In another place, Mr Trenorden in September last year raised the very question I am raising here. It would be polite to say, having raised the question in the other place, Mr Trenorden had a bucket tipped on him for doing so. He recently had a similar bucket tipped over him and his motives were questioned when he said he believed that changes were necessary in the operation of the State Government Insurance Commission and the State Government Insurance Office. Hon Max Evans raised the same matter in this House last year and was politely ignored. The Steggall report to the Pike committee and the Auditor General's report on the SGIC and the SGIO raised some of these matters, as did the Auditor General's annual report. Up to now these matters have met with derision or stony silence. The Opposition has made a number of suggestions to the Government and I am pleased that the Government has given an undertaking that these suggestions will be carried out. However, it is important that the Opposition makes clear its stand has been completely vindicated. Mr Trenorden has been vindicated in the stance he has taken. The Opposition has made a significant contribution to ensure the wellbeing of the SGIC. It has had many hours of discussion with the Government and provided that the results from those discussions are properly carried out, it will be good for the State. The implementation of the measures will take time, but provided the assurances given by the Government are carried out the Opposition will be happy to support the capital increase for the SGIC and will support legislation when it is introduced.

The State Government Insurance Commission Act provided for two separate corporations with different names and purposes. They were the State Government Insurance Commission and the State Government Insurance Office. It was intended that the SGIO be an independent company, functioning just like any insurance company. It was to have a paid up capital base and to conduct its affairs under the same restrictions as other insurance companies. It was to be competitive. The SGIC was to be its holding company and carry out certain other insurances, such as the compulsory insurance provided for by the Motor Vehicle Insurance Third Party Act. However, the problem has been that that was not the way it was carried out. For a start, the SGIO was meant to control its own investments, but very early in the piece the board of the SGIO was told to hand over all of its money to the SGIC. The SGIC then proceeded to invest that money. I use the word "invest" with some hesitation. The SGIC used that money in some disastrous investments. It did not use it in the normal way an insurance company would, but invested it in an extraordinary way, which is now known by the people of Western Australia, in WA Inc.

The SGIC board had only one person with insurance experience on it. The majority of its members were influenced by the Government and had no experience in insurance investment. This was what deprived the SGIO of managing its own investments, something which all insurance companies are expected to do. The Government has given an undertaking that the Act will be amended so investments and assets of the SGIO are returned to the direct control of the SGIO board. This will be set in train in advance of the legislation.

The Act provided for a separate board. It certainly started out that way. However, the SGIO board's members were removed and replaced by members of the SGIC board. The people on the SGIO board were experienced insurance people but were replaced by people with no experience in insurance. By having exactly the same people on both the SGIC and the SGIO boards there was little opportunity for an independent group of people to protest at the way in which money invested was lost. How could the men on the board of the SGIO logically divide their minds and protest at the outrageous way they - the same people - as members of the SGIC board were investing the money? From that moment on there was never an independent voice to complain about what was going on. I lay much of the blame for what happened on those arrangements: The taking over of the investments by the SGIC and the removal of the SGIO board. The Opposition believes it is fundamental that this situation should be reversed. The Government has given an undertaking that the State Government Insurance Commission Act will be amended so the two boards will be separated. The SGIO board will have a majority of members who are experienced in the insurance industry. The direction of the SGIO board by the SGIC will be confined to prudential matters. By prudential matters I mean those matters dealing with the SGIO's requirement to keep a reasonable ratio between its net assets and the liability that it undertakes by way of insurance.

In addition to the matters I have mentioned, the SGIO was meant to be a competitive insurance company. However, one advantage - or disadvantage - of this was that it was not subject to the expert supervisory eye of the Insurance Commissioner. All non-Government insurance companies operating in Australia are obliged to comply with the provisions of the Commonwealth Insurance Act 1973. This means that a close eye is kept on the insurance companies by the Commonwealth Insurance Commissioner. Insurance companies are required to give monthly reports. The Act provides for a way of assessing the assets and liabilities of a company and provides powers for the Insurance Commissioner to prevent companies from continuing to take on insurance liabilities when they do not meet what is called the solvency requirements of the Act. Perhaps instead of referring to them as solvency requirements, I should refer to them as prudential requirements, because there is a tendency for people to confuse solvency and solvency ratios. Solvency in normal, technical terms means the ability to pay debts as and when they fall due. However, where the Insurance Act refers to solvency requirements, it refers to the requirement that an insurance company should keep a minimum of 20 per cent net assets to insurance premiums. The Insurance Commissioner requires a 30 per cent ratio in normal circumstances. He does not usually permit an insurance company to go close to the minimum requirement under the Act. It is a similar type of requirement to that which applies to banks under the Banking Act. However, in banking they refer to it as "prudential requirements". Rather than using the normal, industry-accepted term because it is liable to be misunderstood, in future I will refer to the requirement under the Insurance Act as the prudential requirement.

The requirement that the Insurance Commissioner act as a supervisor is often seen as a disadvantage in the industry. The Act has strict requirements. The Insurance Commissioner can be ruthless if he believes the public is not being properly served by an insurance company. He has on his staff a large number of experienced officers who are capable of looking at the accounts of an insurance company and assessing what that company is properly able to take on as insurance liabilities.

It is a disadvantage because a lot of work has to be done. It is a disadvantage because it is sometimes hard to satisfy the Insurance Commissioner that the prudential requirements have been met. It is an advantage because, having satisfied the Insurance Commissioner, the people who deal with that company have confidence in dealing with it because they know the company has been through that scrutiny. It is measure of benefit to the people of Western Australia and Australia and it is a measure of benefit to the insurance companies that that form of scrutiny exists. However, there is no such scrutiny of Government insurance companies because of the constitutional exemption of Government insurance under the Commonwealth Constitution. It is not possible for the Commonwealth to legislate on Government insurance companies. Therefore, no Government insurance companies in Australia are subject to the supervision of the Insurance Commissioner.

The Government, however, has given us an undertaking that the SGIC Act will be amended so that the Auditor General is authorised, at the SGIO's expense, to enter into an agreement with the Insurance Commissioner to provide the Auditor General with consultancy services similar to those which he is able to provide at law under the Insurance Act for Commonwealth registered companies. That, I think, is very significant. The Auditor General, in carrying out his audits, already uses consultants with specialist knowledge. In his last report on the SGIC and the SGIO, he complained that he was unable to value the assets of the two corporations because he did not have sufficient information to do so. The good thing is that the Insurance Commissioner, with much experience in this area, will be able to give the Auditor General the advice that he needs. I believe this is a very salutary amendment to the Act. It will make it possible in reality to carry out the requirements of the SGIC Act that the SGIO observe the prudential requirements of the Insurance Act 1973. Not only has the Government undertaken to amend the Act to ensure that this happens, but also immediately, without waiting for the amendment of the Act, it will provide to the Auditor General the advice of the Insurance Commissioner so that he can report on the SGIO and the SGIC. Again, it is very important that immediate measures are to be taken by the Government to give that necessary advice to the SGIO and the SGIC.

The next thing it is meant to do is to comply with the Insurance Act prudential solvency ratios. I have been given to understand that, had we moved for disallowance of this regulation, the situation would have been that the SGIO would shortly not be able to comply

with those prudential ratios. The increase in capital is required so that it may comply with the solvency ratios. I hasten to say that I understand that the money has already been paid because the regulation has already been made. However, I think it is important that the people of Western Australia understand a fact which was not known prior to the motion being foreshadowed in this House. In fact, we understood that this increase in capital was purely to cater for the future. However, it is necessary in order to enable the SGIO to comply with its prudential requirements. I have used the words "prudential requirements". I purposely stayed away from the other words which people tend to use in this context.

Hon J.M. Berinson: You have reduced my speech substantially and I appreciate that as well.

Hon PETER FOSS: I cannot more emphasise that the words that I am using are the words "prudential requirements" and I hope that people who are listening to my speech and relate to what I have said use that terminology rather than the alternative terminology.

Hon Garry Kelly: Which you are not going to mention.

Hon PETER FOSS: No, because I am sure somebody will get it wrong. The fact that I am not using the other word but using the words "prudential requirements" cannot be lightly disregarded. It is extremely serious that a company not meet the prudential requirements. The normal effect of an ordinary insurance company not meeting the prudential requirements is that the Insurance Commissioner would require it to cease business forthwith. We have no desire to precipitate such an event. Having received the assurance from the Government that the SGIO will meet the prudential requirements with its increase in capital, and having been informed that it will not meet them without this increase in capital, we will support the increase in capital.

Furthermore, if I might be permitted to stray a little onto the next order of business because the two matters are cognate to some degree, I will seek leave also to withdraw that motion because it appears that it would be sensible for the SGIO to be in the position readily to increase its capital further. It will then have further authorised capital and will be able to do so if and when circumstances arise.

Hon J.M. Berinson: Are you proposing to speak separately on that matter?

Hon PETER FOSS: No, I thought I should mention it now.

That is an important matter. I think it is salutary that this sort of information is able to be obtained by this House because I do not know whether we would have obtained it had I not moved my motion. It is an important piece of information, first, to know that the SGIO has moved to overcome that problem, but, more importantly, it is important that this House knows that, but for the action that we are now taking, we would not have found out about the problem and, had we gone ahead in our understanding of what the situation was, the SGIO would have had to cease trading. That is an important piece of information that has been gleaned by the Opposition and which, in the light of the buckets that were tipped over Mr Max Trenorden and the silence which greeted the comments by Hon Max Evans, the Steggall report to the Pike Committee and the Auditor General's remarks, deserves some comment.

I believe that a matter such as this should have been commented upon by the Government and should have been brought to our attention. The explanatory memorandum that came with the regulation should have made that quite clear. I understand that the reason it was not was because the Bell shares had not been sold at that stage. However, anybody with an ounce of foresight would have realised that what happened with the Bell shares would have happened and their sale at such a massive loss was always on the cards. We said it was on the cards. We should have been advised of the consequences.

The important matter to come from this is that the expert advice to which the Auditor General will now have access will enable him to be certain in his mind of the SGIO's situation. We see that as a marked improvement, both for the SGIO and this Parliament. I believe that we will get better reports from the Auditor General and that the SGIO will be helped by the discipline that will be imposed by complying with the requirements of the Insurance Act 1973.

The other matter about which the Opposition had considerable concern over time is whether the directors of the SGIC and the SGIO were truly carrying out their duties as required of

them under their fiduciary obligations. This caused so much concern that it led to the introduction of the Statutory Corporations (Directors' Liability) Bill which members will recall got as far as being referred to the Standing Committee on Government Agencies; it was then recommended that it proceed with certain adjustments.

I note also that in his latest annual report that Bill is remarked upon by the Auditor General, who recommends that the Government take up the concept in the Bill and apply it even more broadly than suggested in the Bill the Opposition has moved in this House. However, we now have from the Government an undertaking that the provisions of the Statutory Corporations (Directors' Liability) Bill will be incorporated in the SGIC Act. Secondly, we have an undertaking that the Government will take up the suggestion of the Auditor General and consider implementing this Act generally.

Another matter I raised at the beginning of my speech was the question of the balance sheet. As mentioned previously, the Auditor General, Mr Steggall and Hon Max Evans have all queried the values shown in the balance sheet of the SGIO and the SGIC. We have assurances from the Government and the SGIC that the current increase in capital adequately covers those doubts as to that asset value. However, better still, we have an undertaking from the Government that it will act immediately on any recommendations that arise as a result of the examination by the Insurance Commissioner and, as there is an authorised capital of \$40 million in excess of the now paid up capital, that further increases can easily be made. I find this reassuring.

In particular, we have the undertaking of the Government that it will act if the situation arises again and will do so immediately. The important thing that has emerged from all this is that the SGIO and the SGIC are probably more conscious of this problem than previously. I trust, as a result of what has occurred, and their being more conscious of these matters, that the matter will be more closely brought to the attention of the responsible Minister and action will be taken promptly.

The other thing is that the Government has undertaken to answer certain questions in which I refer to the SGIO and the State Government Insurance Corporation. The questions are as follows -

- (1) Does the SGIO meet the Commonwealth Insurance Act solvency requirements - which I will refer to as "the requirements" - without the increase in paid up capital from \$40 million to \$60 million?
- (2) Does the SGIO meet the requirements with the increase in paid up capital?
- (3) Did the SGIO meet the requirements in September 1989?
- (4) What arrangement has the SGIO made, or will it make, in order to prevent assets being excluded from being considered as assets for the purposes of the requirements by reason of section 30(1) of the Insurance Act?
- (5) In answering the previous questions, how has the Leader of the House dealt with the SGIC's recent sale at a loss of \$155 million of the Bell shares in light of the provisions of section 30(1)(g) of the Commonwealth Insurance Act 1973?
- (6) Why were the regulations which were made on 19 September 1989 not gazetted until 12 January 1990?
- (7) Was the Leader of the House aware of the Executive Council decision to increase the authorised capital of the SGIO at the time Hon Max Evans raised the question of the SGIO's solvency ratios in this House on 28 September 1989?
- (8) Why did the Leader of the House not advise the House of the decision in council to increase the authorised capital?
- (9) When did the Leader of the House first become aware that the SGIO intended to increase its paid up capital to \$60 million?
- (10) When did the Leader of the House become aware that the SGIO had increased its paid up capital to \$60 million?

- (11) If either of these was prior to the passing of the Appropriation Bill 1989, why did the Leader not advise the House of this fact?
- (12) What is the source of the funds which have been used to meet the increase in paid up capital?
- (13) Has the SGIO made any loans to or investments with the SGIC in the period since 1 July 1989?
- (14) What is the amount of such loans and investments and on what days were they made?
- (15) What is the source of funds for those loans or investments by the SGIO to the SGIC?
- (16) What security does the SGIO have for its loans to or investments with SGIC?
- (17) What control or influence does the SGIO have over the manner in which the funds provided by the SGIO are invested by the SGIC?

Those questions contain references to the provisions of section 30(1) of the Insurance Act 1973. Section 30(1) of the Insurance Act 1973, excludes from the calculations as to the prudential requirements certain assets. They are, to give an example, assets which are in the nature of a guarantee, which is subparagraph (g) - and assets which are by way of investment in a related corporation, which is paragraph (d). They are, *prime facie*, excluded from consideration unless an application is made to the commissioner for an exemption. If that exemption is granted, to the extent the exemption is granted those assets may be taken into account.

Under the terms of the SGIC Act the Minister stands in the place of the commissioner so far as any requirement such as the giving of exemptions is concerned, although I understand to date no attempt has been made to avail the SGIC of that requirement. It is important that members understand that with these questions there are certain requirements when assessing the prudential state of an insurance company which would exclude assets which would otherwise be acceptable in an ordinary balance sheet. Probably more importantly, some of those would seem to fall within the types of assets that are in the balance sheet of the SGIC and SGIO at the moment. The Government has also given an undertaking in relation to answering questions provided to Mr Frank Michell, managing director of SGIO-SGIC. I seek leave to incorporate those questions in *Hansard*.

[The material in appendix A was incorporated by leave of the House.]

[See page No 1079.]

Hon PETER FOSS: I believe the answering of these questions is an important part of providing the people of Western Australia with answers they rightfully need. They are not the only answers that the people of Western Australia are entitled to; they are the answers that we believe are necessary in order to allow this regulation to pass. There are many other questions which we believe can only be answered by full investigation by a Royal Commission. I sincerely hope that we will get the same cooperation from the Government with regard to the Royal Commission that we are able to get in this instance regarding these requirements.

It appears to me that as many questions remain to be answered as have already been answered, if not more. The fact that we have asked these questions in order to allow this regulation to go through is because we feel that at present we should be directing our questions only to this particular matter. We could have asked many more questions which would have gone some way towards getting the answers that we require about WA Inc, but we appreciate the situation at the SGIO and do not wish to embarrass it. We realise that should we proceed with this motion we will place it in an embarrassing situation. We will therefore not do so. I emphasise the fact that these questions have been asked and the fact that we have not asked many more questions does not mean that we do not hold this Government accountable to answer these questions. It does not mean that we do not insist upon this Government calling a Royal Commission in the terms suggested by the Leader of the Opposition in another place so that the truth can come out.

I believe the action we have taken today indicates that, generally speaking, the Opposition is

faced with silence rather than answers; that unless a member somehow manages to guess what question he should be asking and asks that question directly there will either be silence or evasion. I have obtained today some of the information to which the people of Western Australia are properly entitled, but only some; much more is required. This is a significant example of where, when the Government is prepared to tell the Opposition what the situation is, and to cooperate with it, significant and positive measures can be taken in order to put right the wrongs of WA Inc.

The wrongs of WA Inc will not be put right in a short time. The State has lost vast quantities of money. It still remains to be considered how we are to deal with the losses of the State Government Insurance Commission and the State Government Insurance Office. The fact that they will meet their prudential requirements is not sufficient. We want to know what has happened to the money which was lost and which gave rise to the question whether they could meet their prudential requirements. Those organisations should never have got into that position in the first place. It is a disgrace to this Government that it happened.

It is also important that the Government should face up to the fact and reveal to the Opposition and to the people of Western Australia what has happened, because unless it does those problems cannot be tackled. The reason the Westminster system requires resignation of Ministers is that it allows the truth to come out; it allows the problems to be tackled by people who do not suffer the embarrassment of having been the perpetrators of the wrong. That is why it is essential that this Government should reveal to the people of Western Australia not merely what is necessary to obtain the passing of regulations to increase the capital of the SGIO, but what is necessary in order to put the affairs of Western Australia on a proper footing. Only if this problem is properly faced up to will we have any chance of getting things right. In addition, we must make sure that people know why this went wrong so that it will not happen again. We must discover who benefited to see whether we can recover the money, and we must find out why the Government was moved to do what it did.

I am not sure whether Hon Tom Helm will commend me for coming up with good ideas, or criticise me for trying to be the Government.

Hon Tom Helm: It is an amazing thing!

Hon PETER FOSS: That does not matter. What does matter is that the efforts of the Opposition have not been in vain, and I hope that some good legislation will emerge from this discussion. The proof of the pudding will be in the eating, and I hope none of us will be disappointed.

HON MURRAY MONTGOMERY (South West) [3.13 pm]: In seconding the motion I make it quite clear that this is an example of where the Opposition has taken on, through Hon Peter Foss and other members, a responsibility to be awake and alert to the situation which has risen as regards the State Government Insurance Office and the State Government Insurance Commission. It has therefore made sure that the Government has come forward to answer some of the questions which have been in the minds of many people in Western Australia.

We now see that there will be a cost, and that cost will be borne by the community as a result of the involvement of the Government in those organisations. This is a cost which the SGIO will have to try to recoup. Perhaps this is an instance where there is a need for a Royal Commission such as that which has been proposed in another place. Members in this House, particularly those on the Opposition benches, acknowledge the involvement of the member for Avon in another place, Max Trenorden. It was he who raised the problem, despite the ridiculing he has had to suffer, but his stance has now been vindicated. We need to acknowledge his efforts and pleas, and I hope members will take them on board. We should also recognise the efforts of Hon Max Evans who worked on this matter too. It is that sort of vigilance which keeps Governments on their toes. As someone said during a Federal election, "We must try to keep the bastards honest." The need for Governments to remain accountable was well expressed by the Burt Commission on Accountability. The community should not be taken down this road, as it has been by this Government over the past few years. The Auditor General has been roundly critical not only of the Government and its departments but also of the SGIO and the SGIC.

There has been cooperation between the National Party, the Liberal Party and the

Government, particularly in the last 24 hours when problems occurred. We should also commend Hon Peter Foss for bringing to the notice of the House the regulations which were gazetted in January, and the actions which have flowed from his motions. I commend the motion.

HON J.M. BERINSON (North Metropolitan - Leader of the House) [3.18 pm]:
Mr President -

Hon D.J. Wordsworth: Are you going to adjourn the motion?

Hon J.M. BERINSON: Why should I adjourn it?

Hon D.J. Wordsworth: I thought you would.

Hon J.M. BERINSON: I think it is proceeding very well and responsibly, and I want to join in the spirit of that enterprise. It is important that the Opposition should not proceed with its motion, and I welcome the indication by Mr Foss that motions Nos 1 and 2 on the Notice Paper will not be proceeded with. In those circumstances it is unnecessary now to deal with the contents of those motions in detail. Suffice to say that they had the potential to bring an element of instability to the SGIC which none of us would want to see.

In the course of discussing the Opposition's motion, a number of proposals were advanced in respect of the SGIO and the SGIC which the Government accepts as being reasonable, desirable, and consistent with the recommendations of the Auditor General and of the Burt Commission on Accountability. In this respect it may assist to summarise the position by my quoting a statement issued by the Deputy Premier yesterday -

Major changes to the structure and operations of the SGIC and SGIO will be provided in legislation which is to be introduced into State Parliament.

Deputy Premier Ian Taylor said today that following discussions on concerns raised by the Opposition, he would introduce legislation which included a number of Opposition proposals and recommendations made by the Auditor General.

"This legislation will ensure that the SGIO and the SGIC meet general industry requirements, increase its accountability and give them greater independence," Mr Taylor said.

"In discussions with Max Trenorden, Max Evans and Peter Foss, it has been agreed that it is vital to ensure that the SGIO - which is owned by the people of Western Australia - has the support and backing of all political parties."

In addition to the legislation, the Government will make available to the Auditor General the assistance of the Commonwealth Insurance Commissioner to confirm the value of SGIO's assets.

This will enable him to determine the current position and whether any further infusion of capital will be required for SGIO. It will also determine if the amount required is satisfied by the present proposals for increase in capital which is now before Parliament.

Mr Taylor said the legislation would set SGIO on a more clearly independent course and introduce greater accountability provisions.

"I am pleased with the responsible attitude which has been shown by the Opposition and thank Messrs Evans, Foss and Trenorden for their suggestions and co-operating with the Government to ensure public and customer confidence in the SGIO and SGIC," Mr Taylor said.

The circumstances in which these substantial changes to the SGIO and SGIC have been made may well lead some to ask who benefits from everything that has happened. Is the prime benefit to be enjoyed by the Burt commission which first began relevant questions? Is it the Auditor General? Is it the Opposition? With due modesty it might even be the Government at the end of the queue. I stress that the benefit from this process is essentially to the SGIO and to the public of Western Australia who own this very large and important insurance and financial institution.

The importance to the State of the SGIO and the SGIC is acknowledged by the nature of the discussions about their affairs and the agreements which have been arrived at. That

importance can be measured in various ways. Statistics tell at least part of the story. They indicate, for example, that the SGIO has in excess of 200 000 separate policyholders; that it has an annual premium income of about \$150 million and that it ranks, I think, as about the fifth largest of the general insurers in Australia. Its importance can be measured by the extent to which it enjoys a dominant share of the workers' compensation market, a very large portion of car insurance and in excess of about 95 per cent of local government insurance.

It is also important in respect of work it does on behalf of the State - I am referring to the SGIC in non trading capacities - in management of the Motor Vehicle Insurance Trust, the self insurance by the State Government, industrial disease insurance and so on. That does not end the account of the importance of this institution. Members are aware of the way it has contributed directly to many aspects of life in Western Australia.

Apart from welcoming the general approach taken by Mr Foss in pursuing, on the one hand his concerns and criticisms, and on the other hand not pursuing this motion, I particularly welcome his stressing the need to distinguish between the term solvency, in its general application, and the term in the sense of prudential requirements under the Insurance Act. Some loose and unfortunate talk has taken place from time to time about the SGIO being insolvent or potentially insolvent. That could seriously damage the standing of the institution in a way which no one wants.

Hon George Cash: And the policyholders.

Hon J.M. BERINSON: The SGIO has always been solvent in every sense of the term and the increase in capital earlier this year was to ensure that that solid position would not be disturbed.

Hon George Cash: What would have been the effect if the capital had not been injected?

Hon J.M. BERINSON: I will deal with that shortly. Referring to the questions asked by Mr Foss, it is helpful to have been given those in advance. Therefore, I will not deal with them on a question and answer basis, but will reply to his numbered questions in order. The cross reference will be a very simple procedure as the *Hansard* is available. I am advised as follows -

- (1) Yes. However, the increase in capital is required to meet prudential requirements at 30 June 1990. That, I believe, goes directly to the point of Mr Cash's interjection a moment ago.
- (2) Yes.
- (3) Yes.
- (4) Any question that might arise on this matter would be met by the Government's intention to legislate to separate the operations of the SGIO and the SGIC.
- (5) Section 30(1)(g) of the Insurance Act 1973 does not apply to the indemnity agreement. At law, the indemnity agreement is not a guarantee, but a contract of indemnity.
- (6) The SGIC overlooked the need for gazettal.
- (7)-(11)
To the best of my recollection, I first learned of these matters last week.
- (12) The SGIC has funded the increase in capital through a transfer of funds internally. This was the same method used when the corporation was established in 1987 and was dealt with when the Bill was debated in Parliament in July 1986.

Standing Orders - Suspension

[Resolved with an absolute majority that Standing Orders be suspended to allow the completion of consideration of motions Nos 1 to 3 on the Notice Paper.]

Hon J.M. BERINSON: The answers continue -

- (13) The SGIO has not made any loans to the SGIC. However, its surplus trading funds are placed within the SGIC to invest on its behalf.

- (14) Not applicable.
- (15) Not applicable.
- (16) Not applicable.
- (17) The commonality of the membership of the board.

It is fair to say that the recent discussions and decisions relating to the SGIO have strengthened the institution in three important respects. Firstly, and most obviously, the confirmation of the past increases in authorised and paid-up capital.

Secondly, proposed changes in the structure and management practice stand on their own merits and should offer significant benefits to the operation of the SGIO and the SGIC. That has most recently been argued by the Opposition; before that similar considerations were advanced by the Auditor General and the Burt commission. There is an important difference, however, which I acknowledge at once; that is, between acceptance of the recommendations in principle and moving positively to their implementation. We have now reached that point, and I think credit should be given for the cooperation and the constructive approach to this question which members of the Opposition have provided.

Thirdly, and perhaps most importantly, it must be clear that in this quite rare display of bipartisan support the House is signalling to the public and to all parties and institutions who deal with the SGIO and the SGIC that they are dealing with an institution which is rock solid and the support for which supersedes all party differences.

HON MAX EVANS (North Metropolitan) [3.34 pm]: Discussions held yesterday between Hon Peter Foss and me started at 10.00 am and finished at 9.10 pm. The previous evening Hon Peter Foss received a telephone call from the Deputy Premier saying that if the motion to preclude \$20 million of extra capital from the SGIO were passed, that organisation would become insolvent. The \$40 million capital should have represented adequate capital for solvency because, as the Leader of the House has stated, the organisation's premium income was \$150 million, of which 20 per cent solvency ratio is \$30 million, and the SGIO already has \$40 million capital. Therefore, the \$40 million now appears not to be adequate because of the losses incurred through the Bell share deal and other deals. The chickens have come home to roost for the corporation. How did these losses occur?

To outline the basis for those losses, investments of both the corporation and the commission are split - 86 per cent for the commission, and 14 per cent for the corporation. This ratio was fixed on 1 January 1987 when the SGIO merged with the Motor Vehicle Insurance Trust. The MVIT business is considered to be a non-competitive insurance business. That organisation is the only one which deals with third party insurance. The SGIO also carries out a certain amount of non-competitive insurance business, such as that which relates to industrial diseases and Government insurance. The funds on deposit for prepaid premiums represent 86 per cent of the total funds invested on 1 January 1987 from the commission; 14 per cent of that amount came from the SGIO's competitive business. These are the figures used for splitting the profits and losses of the organisations. We became aware of this through accounts presented in June 1988. Members may recall that at that time the initial profit of the SGIO was \$135 million, but that amount was later reduced to \$112 million owing to the losses incurred with the Rothwells deal amounting to \$90.5 million. The write-off of \$26 million was split, with \$22.5 million being written off against the commission and \$3.5 million against the corporation. This has resulted in questions being raised by Hon Peter Foss in relation to what the future holds.

The Opposition is concerned about the real losses. I have been talking about these matters since 1988 and I have referred many times to the investments carried out by the SGIC. It is worth repeating those comments: An insurance business receives prepaid premiums and invests those funds immediately for one to three years, before any claims are settled; that is, claims on household insurance may not be dealt with possibly for 18 months. The finalisation of motor vehicle insurance claims may take two years, so the insurance company has the use of the premium funds to earn income for that length of time. Lloyd's Underwriters, or any other insurance organisation, make profits from prudent investment of funds. The investment of funds and the returns gained is what this motion is all about.

During the first six months of the SGIC's operations, \$2.3 million profit was made from an opening capital of \$30 million. Three weeks after the stock market crash in October 1987,

the commission made a \$500 million investment in Robert Holmes a Court city properties and BHP shares. An amount of \$400 million was raised from outside sources.

Bank overdrafts were increased by \$100 million; the interest rate was 15 per cent, with the investment returning five per cent. The loss represented 10 per cent per annum on \$500 million; that is, \$50 million per annum or \$1 million per week. These losses commenced between 13 November and 16 November, the dates on the contracts when the assets were bought. So, two and a half weeks after that the profits made by the combined organisations in the first six months were wiped out. What had gone wrong?

It is necessary to look back on why the two came together. We believe it was Mr Len Brush, a great friend of the then Premier, who said that a great many Government resources and funds should be brought together. Jack Walsh, a great friend of Mr Laurie Connell, was brought in to provide a report. He died during the investigation and Price Waterhouse completed the report with the results the then Premier was looking for regarding the pooling of resources. It was argued that these resources were pooled for the benefit of the people of Western Australia to keep premiums down. This pool was invested in two major investments which did not lose money straight away. We were aware of this and started to ask questions in January of that year as we knew that the real problems would come later when the losses would occur.

In June 1988 many properties were sold as they were non-income earning assets. With the sale of Westralia Square, interest free for two and a half years, the commission was owed \$130 million. The real problem facing the commission was to try to earn sufficient income to warrant investment by the State Government Insurance Commission and the State Government Insurance Corporation. Today we find that the commission had \$160 million invested in Bell shares, which were sold for \$5 million at a loss of \$155 million. We are aware of the fact that in June 1988 the State Government Insurance Commission quite unwisely capitalised interest under the indemnity with the Bond Corporation and bought in income and debt expenditure; an amount of \$30 million was expected to be claimed on the indemnity with Bond. Therefore, in June 1989 the \$30 million depended on a nod and a wink from the Bond Corporation as to whether it came good.

In January we had the episode in which the Government tried to sort out the problem by putting Bond Corporation into liquidation on the basis that Bond would not pay its indemnity. The Bond Corporation challenged the State Government Insurance Commission, and Justice Ipp was very critical of the State Government Insurance Commission's attempts to put Bond Corporation into liquidation without a judgment on Bond's debt at that time. He told the SGIC, as he threw the case out of court, that if it gained a judgment on its debt he would look at the liquidation factor. That is the situation at the moment.

Now a debt of about \$172 million exists, plus interest, with an indemnity of \$2.70 a share on 64 million shares, on which Bond Corporation was promising to pay interest at 12 per cent and later at 14 per cent. So, there will be a claim of \$200 million from the Bond Group. If the Bond Group can pay only 25 per cent of that figure - if valuers are to be believed - that will result in a \$50 million payment, and \$150 million would have to be written off by the commission from the figure Bond has indemnified for payment. Fourteen per cent of that figure is \$21 million - it has been rationalised on reasonable calculations that the capital of the State Government Insurance Corporation would then be diminished by \$21 million. Therefore, the \$40 million capital must be written down to \$20 million and hence the reason it had to put in another \$20 million to keep it solvent. For premium income of \$150 million, it only needed capital of \$30 million. That is why Hon Peter Foss raised his query about why this extra capital was put in. The position must have been very serious as was indicated by the reaction we received from the Government the other night in trying to sort out the situation.

We have looked at the losses of the corporation of some \$21 million in the Bell shares, but another \$130 million will be written off by the commission from its capital of \$181 million. This does not leave much margin if further losses come along in respect of the Bell's convertible notes, Rothwells, Spedleys or others. The capital of \$181 million could be seriously diminished. That in itself does not affect the corporation's policy holders, but the Motor Vehicle Insurance Trust had a negative situation.

Sitting suspended from 3.45 to 4.00 pm

QUESTIONS - ON NOTICE

Nos 103 and 105 - Revised Answers

By leave, Hon Graham Edwards (Minister for Police) tabled two revised answers to questions on notice Nos 103 and 105.

[See paper No 274.]

[Questions without notice taken.]

MOTION - STATE GOVERNMENT INSURANCE CORPORATION

State Government Insurance Commission Amendment Regulations - Disallowance

Debate resumed from an earlier stage of the sitting.

HON MAX EVANS (North Metropolitan) [4.32 pm]: Mr Foss, Mr Trenorden and I are very worried about whether the corporation's policyholders are being looked after properly. The solvency ratios of the corporation are a very important consideration. For two years we have been seeking information, so we were very pleased to meet yesterday with Mr Frank Michell of the SGIO because he was able to answer many of our questions. Later on we met with the Deputy Premier. However, those meetings produced far too little, far too late. These issues should have been confronted in the past. Nonetheless, I believe our actions yesterday will have a great impact on improving the operations of the SGIO.

The PRESIDENT: Order! I need to keep reminding honourable members that audible conversations are out of order. I will not say so again. If members wish to conduct meetings, meeting rooms are available. While we do not have much accommodation in Parliament House, we all know we have many meeting rooms. I suggest that members use them.

Hon MAX EVANS: One main issue to be attacked immediately relates to solvency standards. This House should thank Hon R.G. Pike's committee for the report produced by Mr Brian Steggall. Reference was made in that report to the problems associated with the ownership of assets and the investments of the related parties. I quote from that report -

While investments in related companies are normally excluded by the (Commonwealth Insurance) Act in determining solvency, the (Insurance) Commissioner has a discretion to override that exclusion in certain circumstances. This discretion is limited in its application and is subject to constraints imposed in the Act both explicitly and implicitly.

Approval for investments in a related company is not automatically granted and the onus is on the insurer to establish adequate grounds for approval. In considering such approval it is not deemed as sufficient grounds that such investments are said to be in the best interest of the group from investing in related companies but if they do so, such investments are not likely to be counted for solvency purposes.

Laurie Connell, Rothwells and Price Waterhouse are mentioned in the report. Advice was given to group the assets together for the benefit of the two bodies, yet the Insurance Commissioner says that is not right because it would not comply with the solvency ratios, which are total assets less liabilities - that is, the net worth, which should be at least 20 per cent of the total premiums. The total assets of the corporation are \$227 million; the total of investments in the commission is \$180 million. With a total of \$47 million assets, and liabilities of \$188 million, that represents a minus figure. The corporation would have been completely insolvent according to the ratios laid down by the Insurance Commissioner because the investments could not stand up. One requirement which we have placed on the Government is that it must immediately separate the investments. Presently the corporation has \$180 million, as at last year, invested in the commission as an unsecured amount at risk. The best advice we can give the Government is to identify the investments made on behalf of the corporation, because that body technically is insolvent on the present basis, without considering the effect of other losses.

Earlier I mentioned that before the SGIC merged with the Motor Vehicle Insurance Trust on 1 January 1987, the deficit balance sheet as at June 1986 showed an amount of \$30 million. The liabilities exceeded assets by \$30 million. The qualification made at that stage was that

interest earned had not been brought to account; that amount represented \$14 million, ending in a deficit of \$16 million. When the new board of the commission was put in place it was decided the provision for claims was too conservative and \$48 million was brought back in during the first year of trading. If the old board had taken that action it would have been solvent. With the huge losses incurred, \$130 million will be written off against the commission for losses on Bell shares. The amount which relates to Bell convertible notes is another \$50 million. The final loss amounts to \$180 million, and if that figure increases a deficit will occur. When the liabilities exceed assets there will be a deficit.

One of the undertakings we obtained from the Government yesterday was -

To satisfy the Auditor General (as advised by the Insurance Commissioner) that the SGIO does meet the prudential solvency ratios of the Insurance Act 1973 and if unable to do so to undertake to remedy the same immediately and to undertake to implement measures related to the SGIC should it be necessary.

I now refer to the Government's hidden agenda. It was stated that to rectify this the Government should increase insurance premiums on compulsory third party insurance. Last year the premiums totalled \$121 million, and with a loss of a further \$12 million the required increase will be 10 per cent on compulsory third party insurance. We are waiting to see the report of the Auditor General and the Insurance Commissioner on the exact financial position of the SGIC. The Government has given an undertaking that it will not allow a deficit; it will rectify the situation and to do so it will increase the premium on third party insurance. I believe those increases will be very high.

Last year before the election the Government withdrew the \$2 surcharge. I was reminded yesterday by Mr Frank Michell that the surcharge was introduced in 1962 to subsidise the Commonwealth Games in Perth. Last year the SGIC was doing so well the surcharge was withdrawn. It is only a matter of time before an increase to premiums is made to pick up the massive losses of WA Inc, and this will impact on the SGIC. We acknowledge the cooperation we received yesterday to enable us to get things done. It could be said that real damage could have been done to the Government if we had allowed the position to get worse. That would not have been responsible on our part. We are interested in the policyholders and retaining the financial strength of the State Government Insurance Corporation so that at all times it knows that it is complying with the solvency ratios laid down by the Insurance Commissioner for private insurance companies and so that the State Government Insurance Commission, which is non-competitive, will be responsible for its actions. It will be required that the investments be split to improve the balance sheets of both, and that the boards be split so that the Insurance Corporation can operate as a competitive insurance company and not take risks.

Motion, by leave, withdrawn.

MOTION - DELEGATED LEGISLATION COMMITTEE

Caldwell, Hon J.N. - Davies, Hon Reg Replacement

On motion by Hon George Cash (Leader of the Opposition), resolved -

That Hon Reg Davies be appointed as a member of the Standing Committee on Delegated Legislation in place of Hon J.N. Caldwell.

ADDRESS-IN-REPLY - SIXTH DAY

Motion

Debate resumed from 16 May.

HON W.N. STRETCH (South West) [4.42 pm]: It is my pleasure to congratulate the new Governor of Western Australia, Sir Francis Burt, on his appointment and to wish him and Lady Burt a long, fulfilling and enjoyable tenure in that high office. I thank him also for opening this session of Parliament on behalf of our sovereign Queen Elizabeth, Queen of Australia, and our direct link to the home of English speaking people, to their body of law, traditions and heritage that we enjoy in this State.

The ceremony of the opening of Parliament is far more than an anachronism. It is regrettable

that many of the socialist and Fabian Governments regard it as no more than that and are joined by many half-baked republicans. That is a most regrettable regression of attitudes and I deplore the assistance given to that attitude by Labor Governments around Australia. I believe that the opening of Parliament is a very significant ceremony because it underlines the continuum of the Westminster traditions which give our Parliament in Western Australia the solid foundation and background of decency which has come to be expected of Westminster democracies throughout the world and particularly in the British Commonwealth. It is those links that keep our Parliament wedded to the strong code of conduct for members of Parliament and for Ministers of the Crown that has long been established throughout the English speaking world and in developing countries that have taken this system on board and where English is not necessarily their major language. It is significant that they look to Parliaments for guidance and for help. I believe that the trips that members from this Parliament make to other Parliaments on behalf of the Western Australian Branch of the Commonwealth Parliamentary Association and on other occasions help to foster this feeling of belonging and of closeness in the parliamentary brotherhood.

The opening of Parliament should remind us also of the privileges that we enjoy in living under the protection of a Westminster parliamentary democracy. It behoves us also to remember at such a time that this is not a privilege that just fell into our laps and that democracies of the Westminster style will not survive unless the people who practice them cherish the system and work hard to preserve the traditions and heritage to which I referred in my opening remarks. These privileges have been fought for over centuries against, at times, overwhelming odds. The very ethics of parliamentary conduct have been tried and tested on thousands of occasions by various Westminster democracies around the world and they have stood firm in the face of those tests. That is not to say that the procedures, practices and Standing Orders are cast in tablets of stone. At times they have been varied and often amended to meet local needs. However, the general thrust behind those procedures has stood the test of time and the procedures are there to be used as a guide when we get into trouble.

There have been many extremely voracious attacks on our system throughout the centuries. The integrity and independence of the Westminster-style democracies have been challenged vigorously by varied assailants including kings, queens, popes, Cromwell, the robber barons, the Burkes, the Dowdings, the Press barons and by vested financial interests, yet our system of Government has survived all those tests. It has been battered at times and nowhere has it been more so than recently in our proud State of Western Australia and I will come to that a little later on. Sadly, our system has been attacked by a number - fortunately a small number - of weak, greedy and hypocritical politicians down the ages. They have not all been Ministers; some have been backbenchers, but there still remains right through the system a core of decency and a code of probity that survives to this day in all parliamentarians and most politicians.

It has not been easy. The temptations become harder as the times get harder. However, the system has stood the test of time and is still serving us well despite the attacks on the system that I have mentioned. Sir Winston Churchill, at one stage no doubt frustrated by an irritating delay in parliamentary procedure, was reputed to have said - I have this approximately right - "The parliamentary democracy must be the worst possible type of Government except for all the others." That is the important exception. How clearly that truth rings out today when one looks at the rapidly changing scene throughout the world, and especially in Eastern Europe. We, in Australia, shudder at the brutality that occurred in Tiananmen Square in China; we rail at the viciousness of the Afghanistan occupation and rightly so; and some people pontificate about South Africa's internal problems and suggest all sorts of unworkable solutions including impractical sanctions and generally choose to comment on other people's Governments when they should be looking far more closely at their own.

How often do we take time out to reflect on the fragility of our freedoms in Western Australia? How staunchly do we support our democratic system when it is under attack? How often do we look at the rights we are losing and the attendant responsibilities our privileges should bring upon us? How often do we think about how our Parliament operates and how we adhere to the codes of conduct, those same codes of conduct that have been sent down to us through the centuries to give us some guidance? I suppose it would not be

drawing too long a bow to say that modern Parliaments of the Westminster model grew from the earliest days of physical conflict, of medieval warfare, the jousting tournaments, the petty wars, border raids and intervillage fighting that went on in early European and English history. Finally, people came to the realisation that minor squabbles were better settled by talking the problem through rather than fighting about them.

Hon Garry Kelly: That is still not universally accepted.

Hon W.N. STRETCH: No, it is not. However, it is worth remembering that all of this really started evolving 200 to 300 years before Christ in the early Greek "talkfests", and a lot of the practices that developed then have come through to us now. Out of all these things we have developed a system of Parliament which, as scholars like Hon Garry Kelly know, is interpreted as being a place of talk, a place where we can come to communicate and, hopefully, a place of reason and discourse, a place to pool years of collective experience. Most of us come from different walks of life and we add to the egalitarian nature of this Parliament. We contest the many ideas put forward in policies, motions, general ideas and questions, and all those things are tested against our current experience, our professions, our way of life and whatever background we come from. That is what gives Parliaments its place; it is not a place of lawyers and accountants specifically, but a place of the people of Western Australia. A great danger is that Parliaments will become places filled with people who have a lot of knowledge and very little wisdom.

Hon Garry Kelly: Technocrats they call them nowadays, do they not?

Hon W.N. STRETCH: Hon Garry Kelly can apply that label, but I think doing so is dangerous. I prefer to think that Parliament is a place of the people that owes its responsibility and strength to the people. I do not think it behoves any member to put labels on people when they come here; whether we like them and whether they are appointed to the Labor Party, National Party or Liberal Party is nothing to do with any of us, except in the way we relate to the people who sent us here. That is what gives a Parliament its strength and what should give it its commonsense and hopefully keep it from using ideological blinkers.

I think the tragedy of Parliaments is that they have become too stratified and polarised into opposing factions and do not spend enough time looking at the opposing view. They tend to take strong political views rather than to use the Parliament for what it is. I postulate that Parliament is really a crucible where all of us of different backgrounds mix and test our theories against the ideas and experience of others. We blend all that conventional wisdom, which we may or may not have, depending on our point of view, for those who put us in this important office - the people in our electorates.

This is a place where we can talk through our difficulties and, hopefully, our differences without physical conflict or violence. It upsets me that we go out into the public arena only to find that people are scorning Parliament not so much because of how the people in it behave - as the new Premier would have us believe - but because they believe that this is only a place of talk and not action. Parliament is not meant to be a place of action; it is meant to be a place of discourse and reason and is meant to be a place where we can set in place guidelines for the doers. Parliament is not the place for those doers. We have got into trouble recently because Parliament has been overtaken by people who think they can "run the country". How often does one hear someone ask, "Why does the Parliament not get on with the job of running the country?" Parliament was never meant to run the country; it was meant to stand as the senior body in any State, as the senior legislator to ensure the State ran properly, and to put guidelines in place for people to run the State properly.

Hon Garry Kelly: It depends on how one defines the words "run the State", or "run the country".

Hon W.N. STRETCH: Yes, one could argue about that. It is fair to say that we in this place should be setting the guidelines for the State to be run fairly. We should be the voice in the Parliament of the people who protest against the way it is run. Parliament is the place of the people and it is when we move away from that longstanding Westminster tradition that we get into trouble. When one looks around and sees some of the businesses that have been run from Parliament recently one sees why the State has got into major trouble. What do we do to reverse all of this, because there is no question that of late Western Australia has got into

diabolical financial trouble? Since 1983 the Labor Party has set out to thwart the Parliament and to remove itself from parliamentary scrutiny; that is, from the scrutiny of the people.

Hon Garry Kelly: In the case of the WADC Bill it was the Opposition which removed the accountability provisions from the original Bill.

Hon W.N. STRETCH: It was amended, and there were serious deficiencies in that legislation. Some of the difficulties were put there by the Government. It is unquestioned now by independent observers that some of the legislation put forward was to remove certain operations from the scrutiny of Parliament. I assure Hon Garry Kelly that the Liberal Party has no intention of ever removing scrutiny provisions from legislation.

Hon Garry Kelly: That is what happened.

Hon W.N. STRETCH: That may have happened inadvertently, and Hon Garry Kelly says that it did. I was a new member when that legislation was debated and a lot of the technicalities went over my head. I admit that fault and I think it is possibly a fault in the Parliament that there is insufficient backup for an Opposition to allow the system to work fairly. Having accepted we have problems with this system, we have to decide what to do about that. There is no better place to start than where the Government started; that is, with the accountability study and the report of the Auditor General. Both of those documents were damaging indictments of Labor Governments from 1983 onwards. No-one doubts that; no-one denies that, even members on the other side of the House. Things went very wrong because the Labor Party decided it had a better way of doing things than the Westminster democratic system. In the final analysis, the wisdom of that old system has been proved yet again; that is, when Parliaments choose to move away from that system they get into trouble. An old adage which is long proven throughout business history is that Governments do not run things very efficiently.

In the same way, large corporations in farming, business or other areas tend to lose efficiency the further away that their control gets from the actual workplace and base of action. It has been proven that there is no place in business for Government, and let us hope that sad chapter in this State's history is long behind us. A paragraph on page 6 of the report of the Auditor General 1990 volume one needs to be drilled into the minds of Ministers and former Ministers. It says -

Under the Westminster system no matter who is responsible for taking the decision which ultimately impacts on the public purse it is the Minister who is essentially accountable to the Parliament. It is a role of the Minister responsible for a body the subject of comment in this report to ensure that the issue I have raised is properly addressed. Parliament should ensure that appropriate action is taken by the Minister.

There is no doubt that the Auditor General relied on a longstanding body of law, convention and practice to ensure that will happen in the future; and his report underlines that it should never have been departed from in the past.

In that context I return to another issue which I have raised in the House previously; that is, the difference between illegality and impropriety. The dictums and practice of law are not necessarily the dictums and practice of a Minister. A Minister of the Crown takes an oath to perform his or her duties in the best interests of the people of the State or, in the case of Federal Ministers, Australia. There is no getting away from that responsibility just because the law says it is so or because one can find a lawyer to say one can get away with it. Ministers should not do anything simply because they can get away with it. They should revert to their oath of allegiance, and when in doubt consider what is in the best interests of the people of Western Australia.

It is the Ministers of this Government who have lost an amount of money which is estimated conservatively by the Government as \$350 million, and by the Opposition as in the vicinity of \$850 million, and still rising. If Ministers think that losing that amount of money is in the interests of the taxpayers then I do not believe they have understood fully the solemnity of their oath; or if they have, they have forgotten or ignored it. In the one case they are culpable, and in the other virtually criminally negligent. It is vital that Ministers of whatever colour -

Hon T.G. Butler: That was a bit close to the bone!

Hon W.N. STRETCH: It was. I apologise for that. It is vital that Ministers of whatever political colour accept their responsibilities; and we will look for the same degree of accountability when we are on that side of the House in the not too distant future.

I now wish to quote from an article in *The Weekend Australian* of 21-22 April, on page 18, which was written by John Hyde. I do not claim that he is necessarily an unbiased person but he is a very fair person.

Several members interjected.

Hon W.N. STRETCH: I think he is unbiased, but he is also a former Liberal member of Parliament. He is a very astute observer -

Hon P.G. Pendl: He has been known to lay the stick onto us fairly hard at times.

Hon W.N. STRETCH: Yes.

Hon T.G. Butler: So has everyone else. What is new?

Hon W.N. STRETCH: The "shadow secretary for smart remarks" does not do the House any -

The DEPUTY PRESIDENT (Hon Garry Kelly): Order! The speaker will ignore the unruly interjections.

Hon W.N. STRETCH: I will comment on the unruliness of the interjections and suggest that the member read the comments made by his Premier in another place when she called for a bit of decorum and commonsense in the conduct of the Parliament. It is absolutely vital that the Labor Party look hard at the ethics of Parliament and the morality of running a Parliament, and at the integrity that is required of it. It departs from that again at its peril. The people are now fed up with that sort of behaviour.

Hon Tom Helm: What about your blocking of legislation?

Hon W.N. STRETCH: I am glad the member is back because I will have some special remarks for him later in my speech. I will offer the member something that he will not be able to refuse.

It is vital that Ministers of the Crown accept their responsibilities under the oath they have taken and ensure that never again do they depart from those principles and put at risk so much of taxpayers' funds. No one is happy about that loss. We are not gloating about it; we are very concerned. The amount of money which has been lost is increasing. There are matters of unfinished business which have been entered into by this Government which will cost taxpayers dearly. We want that wound up as quickly as possible, and I believe the people will shortly take matters into their own hands. The only way to get to the bottom of this is to have a Royal Commission; not a Mickey Mouse Royal Commission, appointed by a Government which will act as Caesar judging Caesar, but a real Fitzgerald-type Royal Commission with full power to investigate people in high places - at whatever height - to learn what they have done, to see why it happened, to ensure that it can never happen again, and, hopefully, to get back some of the money that has been lost and see what can be done to turn around some of those WA Inc disasters to the best possible advantage of the taxpayers.

I was interested in Hon John Caldwell's remarks about the wool marketing challenge. I do not believe in problems, and I do not believe in disasters, but I do believe in challenges. I believe in meeting them head on. That is exactly what the industry has done. It has been rightly pointed out in another place, in a very good debate, that the industry is still divided to a certain extent about the way it should go. At present there are some major difficulties in the industry but the Parliament cannot achieve a great deal by debating them. I question the wisdom of Hon John Kerin's intervening in the way that he did, but I guess that is one of those things that only time will clear up for us. The motion moved in the other place was extremely valuable. It pointed out not so much what had to be done in adjusting the levy or the ceiling for the levy, but the impact of the Government's economic policy and the effect that its control of the value of the Australian dollar was having on the wool industry and other export industries in Australia. The problems we are facing are linked very closely to that. The other problem of the sheer bulk of wool that is being produced is one which the industry will have to face.

It was pointed out that we have little control over the size of the woolclip from year to year

because so much depends on drought, buyers, New South Wales floods and so on. The trend over the last few years, since the price has been set high, has been a steady increase in production; and that can be absorbed only to a certain extent by the apparel users of the world. If we keep isolating wool in the stockpile, it is kept out of the manufacturing pipelines of the world and we may well lose our place as a quality fibre supplier to other textiles, and that will have a serious effect on the industry in the long term. I shall leave that subject now because the industry will sort itself out. A big conference will be held shortly in Roma, and the growers will have to make some serious decisions. The professional woolgrower will use his wisdom, acquired over many years as a result of droughts, fires and other hardships, to hammer out something which will be of lasting benefit, not only to the industry but to Mr Keating's foreign exchange problems.

I promised Hon Tom Helm a few minutes ago that I had some presents for him.

Hon Tom Helm: Some bouquets did you say?

Hon W.N. STRETCH: Yes, I think they are bouquets; it depends upon how broadminded he is and how well he can take some good advice. I wish to correct a few comments first, though. I made an unruly interjection on Tuesday, 15 May -

Hon P.G. Pandal: Not you, Mr Stretch!

Hon W.N. STRETCH: - during Hon Tom Helm's speech, which I enjoyed greatly. He went totally off the rails at a couple of stages, and I tried to put him back on the tracks. He used some very flowery language about the qualities of Labor Governments, recognising what Labor Governments can offer not only to the State, but also to the nation. He said -

The conservative Opposition has produced very few policies of any substance which the House could debate. Instead it followed the same old routine of selectively opposing legislation put forward by the Government while picking on, sniping at and whining about things that went wrong.

I do not think we are whining. If members look at what happened over the last 18 months, the good things done by this Government have predominantly been picked up from Liberal policies, initiatives and Press releases.

Opposition members: Quite so!

Hon W.N. STRETCH: Members might be surprised to find that we on this side of the House have put forward some very positive alternatives to the Government; we have helped it to overcome some of its difficulties.

Hon Tom Helm: Why are you blushing?

Hon W.N. STRETCH: I am not blushing; it is the heat in the kitchen, and I am not going to get out of it. I was quoted in *Hansard* as saying that over 90 per cent of the Government's legislation is passed by this House, and I added, "And you know it." I actually said that over 98 per cent was passed, and the difference is significant. Very few pieces of legislation are knocked back in this House.

Hon Tom Helm: They never used to be.

Hon W.N. STRETCH: This is where I have to educate the honourable member.

Hon P.G. Pandal: You have to do an awful lot of educating.

Hon W.N. STRETCH: If we ever reach the stage where the Labor Party controls both Houses of Parliament, all legislation put forward will be heavily debated in the Caucus room, and as a result 100 per cent of everything put to this House will be passed.

Hon Tom Helm: Give us the opportunity.

Hon W.N. STRETCH: That is what happens when any Government holds control in both Houses of Parliament.

Several members interjected.

The PRESIDENT: Order!

Hon W.N. STRETCH: That, I hope, dispenses with that myth. Hon Tom Helm said that the Opposition has no policies. We have consistently said that we have policies. In another mini

speech during Hon Tom Helm's contribution I said there were over 60 policies if the member would care to read them.

Hon Tom Helm: In the newspaper?

Hon W.N. STRETCH: No, they do not get printed - rather sadly. Hon Tom Helm resumed his speech and said, "They have never been presented to this House." I did not really believe that the House was terribly interested in policies; I thought policies were things one took out to the electorate. However, in order to satisfy Hon Tom Helm, I have here 34 Liberal policies from the last State election, and they are all of very fine quality.

Hon Tom Helm: How many lines?

Hon W.N. STRETCH: Here we have the education policy.

Hon N.F. Moore: Compare that with yours and you will see we have a significantly better policy.

Hon W.N. STRETCH: The honourable member has stuck his boots in long enough. Here we have the agricultural and rural affairs policy.

Hon Tom Helm: It is a lovely picture.

Hon W.N. STRETCH: This is the consumer affairs policy.

Hon Tom Helm: Yes; a nice picture.

Hon W.N. STRETCH: I might say that in nearly 40 years in the work force I have never worked with a more cooperative and able leader, a great delegator, and a great decision maker. I am proud to work with Barry MacKinnon.

Hon P.G. Pandal: At least we do not keep changing like you lot.

Hon W.N. STRETCH: I am glad the member likes this picture because he is a good bloke. This is the Liberal policy for the conservation and the enhancement of the environment.

Hon Tom Helm: Are these quotes from *Hansard*?

Hon W.N. STRETCH: This is the Liberal cultural affairs and heritage policy.

The PRESIDENT: Order! There is one person in this place who has to be able to hear what is happening and that is me. I cannot hear what is happening when half a dozen people are interjecting. I do not want to hear any more interjections. I am not sure what tack the honourable member is taking, but I shall keep a fairly close watch on it, and I can only do that if I can concentrate.

Hon W.N. STRETCH: To explain what I am doing, I want to enlighten members of the Labor Party, who really know anyway but will not accept it, that the Liberal Party puts policy formation and policy propagation very high on its list of priorities. Unlike secretive Governments, we believe in telling the people what they are going to get, how we will govern, and the standards of decency and propriety, responsibility and accountability we are looking for in a Government; what we are offering people in a Government. The reason I am happy to do this tonight is that on Saturday week two important by-elections will be held, and it is important that we lay this ghost to rest once and for all. We must lay to rest this absolute, arrant nonsense the Labor Party puts forward that the Liberal Party has no policies; all it does is whinge and whine. Here they are. I am less than a quarter way through and I am running out of time.

Hon Sam Piantadosi interjected.

Hon W.N. STRETCH: I am sorry, I am running out of time. If Hon Sam Piantadosi can restrain himself -

Hon Sam Piantadosi: Where is the water supply policy?

Hon W.N. STRETCH: That is coming. Here is our policy on employment and training. Referring to the cultural affairs and heritage policy, it is an excellent policy and the only policy on this subject put forward by any party during the last election. I looked in the library but I could not find the Labor Party policies.

Hon P.G. Pandal: It did not have one.

Hon W.N. STRETCH: I found a platform which spoke about accepting the teaching of the normality of certain homosexual practices in schools.

Several members interjected.

Hon W.N. STRETCH: I found the Labor Party platform which talked about its policy on upper Houses. When we talk about law and order, which the Premier has suddenly discovered because the polls told her that it was out of control, we find a move to downgrade the role of justices of the peace throughout the State so that they will no longer sit on Local Courts.

Hon George Cash: It is disgraceful.

Hon W.N. STRETCH: The Leader of the Opposition is quite right, it is disgraceful, because if we take justice out of the hands of local people who know where the villains are and who they are, often before crimes are committed, we will not get fair and reasonable justice.

Hon Kay Hallahan: Don't they act on the evidence before them?

The PRESIDENT: Order!

Hon W.N. STRETCH: The offer I am making to Hon Tom Helm -

The PRESIDENT: Order!

Hon W.N. STRETCH: - who said that these policies -

The PRESIDENT: Order! Hon Robert Pike seems to be in a different world. In this place when I call order it means come to order and stop carrying on a conversation. It is certainly not allowable to continue speaking.

Hon W.N. STRETCH: The offer I am making to Hon Tom Helm, who complained that these policies have never been debated, is that he is at liberty under the Standing Orders of this House to ask that I table any or all of these policies and move that debate on the tabled papers be made an Order of the Day for the next day of sitting. I am absolutely positive that my able colleague, Hon Phillip Pental, would be delighted to debate the Liberal cultural affairs and heritage policy with Hon Kay Hallahan -

Hon P.G. Pental: Yes.

Hon Kay Hallahan: What is that?

Hon W.N. STRETCH: - and perhaps Hon Norman Moore would care to debate with Hon Tom Helm the employment and training policy.

Hon Tom Helm: He has not so far.

Hon W.N. STRETCH: Hon Tom Helm was great on the State Employment and Skills Development Authority the other night. He can move a motion any time he likes - we will table the policy and debate it. The challenge is there.

Hon Tom Helm: You move to table it.

Hon W.N. STRETCH: No, I know it.

Hon Tom Helm: Don't be afraid.

Hon W.N. STRETCH: We are not afraid.

The PRESIDENT: Order!

Hon W.N. STRETCH: Here is another policy: The export development and trade policy; and here is another: "Financial Management In The Open" - there is a beauty! I suggest members opposite ask to have that one tabled. They might learn a few tips and could send a few copies by airmail to some of their friends. I also have here the health policy - how is the health in the Government's hospitals now? - and the fisheries policy.

Hon T.G. Butler: Are these the policies you had for the last three elections?

Hon W.N. STRETCH: No, they are not; they are always being reviewed and picked up where necessary. They are very up to date. If Hon Tom Butler asks us to table and debate them we will give him the facts. He should not sit there making smart remarks. He should ask me to table them and put them on the Notice Paper for debate. We are game, and he should put up or shut up.

Here is another policy, on individual rights and data protection -

Hon Mark Nevill: What about electoral reform?

Hon W.N. STRETCH: Yes, it is here. Here is another, on juvenile crime and vandalism.

Hon George Cash: They don't believe in that.

Hon W.N. STRETCH: No, of course not. Here are more policies: Industrial relations, "Jobs Through Enterprise Industrial Development Policy", law and justice policy - there is a beauty; half the members opposite have not even heard of it. "Break the law, get away with it, do what you can, don't give a damn for the Parliament." I suggest members opposite look at our law and justice policy. They should ask me to table it and then debate it. Here is the local government policy. We have been looking around for a local government policy from the Government. Where is the Government's new Act?

Hon Kay Hallahan: Don't you read the papers? Where does your party stand on local government? You are absolutely missing.

Hon W.N. STRETCH: The Minister should read this; she should ask us to table it and then debate it.

The PRESIDENT: Order! I think it is just as well that it is 5.25 pm and that we will have a recess for a week because it seems to me that honourable members need a week to revise their knowledge of the rules of this place. I suggest that some members spend a bit of time doing that over the next week, because to continually have interjections during the course of a member's speech is totally unacceptable. I suggest to Hon Bill Stretch that he direct all of his comments to the Chair and not to Hon Tom Helm or anybody else, and I suggest that Hon Tom Helm remember that if he does not cut it out I will do something about ensuring that he does not have to remain with us for the rest of the afternoon.

Hon W.N. STRETCH: Thank you, Mr President. My arm is getting tired so I will hold these policies up so that you can see them. Here is our transport policy - it is a top document; here is our planning policy, and one on the north called "The North Policy/Liberal 1989". We went into technicolour there - we must have had a few bob that week. Here is our resources development policy and our seniors policy. Here is another seniors policy but I think it is the same one. Here is our small business policy, "Creating an Enterprise Climate" - I will offer that to the highest bidder. Here is our sport and recreation policy; and here is another policy, called "Technologies for Success Jobs and Progress" -

Hon Mark Nevill: Resources development is offered to the lowest bidder, is it?

Hon W.N. STRETCH: Here is a policy on Wanneroo's future, and our "Womens Policy Initiatives". Here is one for Hon Sam Piantadosi - "The Western Australian Water Plan - A Policy for our Future". Those are most of the State Liberal Party's policies and I do not have time to go into the others in detail.

Hon Sam Piantadosi: Where is the multicultural and ethnic affairs policy?

Hon W.N. STRETCH: It is there.

Hon Sam Piantadosi: You have not had one for the last 15 years.

Hon W.N. STRETCH: It is there; I may have overlooked it. The Prime Minister used the same old approach, whingeing and whining: "Tired old Liberals, no policies".

Hon Sam Piantadosi: You still do not have policies.

Hon W.N. STRETCH: That shows how ignorant the member is. His ignorance is matched only by his volume. Here are 31 Federal policies of the Liberal and National Parties.

The PRESIDENT: Order! I remind members again that I am not concerned whether people have policies or do not have them, like them or do not like them. There is one policy that will operate in this place and that is that the next person who interjects will find himself knocking off early tonight.

Hon W.N. STRETCH: Thank you, Mr President. I will speed through the Federal policies because perhaps they are not quite so relevant to this part of Australia. The Prime Minister certainly does not pay too much regard to what happens in Western Australia. Again he is using the old submarine tactic to lead us on to vote for him. He has used it at several elections and then gone back and gilded on his commitment, and I believe he will gildie again after the by-elections and we will find that submarine refit contract will, sadly, stay in New South Wales.

If anyone is in doubt, here are some Federal policies: The law and justice policy; and "The Climate Challenge - A Policy and Discussion Paper". Hon Doug Wenn spent some time talking about the greenhouse effect and the ozone layer last night. I would commend this policy to his reading because it goes in some detail into the very issues he raised in quite a good speech. He will find it has all been done before, and in fact he may have done his research from that document. As a matter of interest, it is printed on recycled paper - some might say that is gimmicky but I suggested some time ago that the Government move towards using recycled paper for its stationery, because our official paper is grey and there is no reason why it cannot all be recycled paper. It may be, and I hope it is. Here is the Federal policy on public administration, a policy on Northern Queensland, and another on primary industry. They go on and on. I will not bore the House but if members opposite want me to carry on, just to prove and emphasise to those who care to not understand I will do so. However, I believe the message has got through and I hope it gets through to the media that the Liberal Party does have positive policies.

Hon Sam Piantadosi: I agree with that, Mr Stretch. I hope it gets through to the media that you do not have a multicultural and ethnic affairs policy.

Hon W.N. STRETCH: We do have a multicultural and ethnic affairs policy.

Hon Sam Piantadosi: You have recycled members and policies, that is all you have.

Hon W.N. STRETCH: I do not know how one copes with such studied ignorance. I do not know how the member can go on saying things like that when we have these policies right in front of him. They are there to be tabled, debated, gone through, pulled apart and whatever members would like to do with them; but they are there and they will be on record.

Hon T.G. Butler: If I were sitting in another place I know what I would do with them.

Hon W.N. STRETCH: That is the sort of comment -

Hon N.F. Moore: It was humorous but it was pretty pathetic.

Hon W.N. STRETCH: It was not even humorous. That is the sort of thing that the member's own Premier was complaining about in respect of the conduct of Parliament. As the former President of the Labor Party, Hon Tom Butler is in a position where he could add to the quality of the Parliament rather than just its sheer noise.

One of the best documents put out - it was not officially a policy - was an outline of the evidence behind the decline of a democracy, the facts, the deceit, and WA Inc, which was a tragedy waiting to happen. It is a well researched document which sets out where we were diverted from parliamentary and Westminster traditions and where we got into trouble. Rather dramatically it is called "The Big Con"; that is not necessarily the title I would have chosen, but it certainly got the message through to the public. The public are now realising what has happened to the economy of this State and how the Labor Party has let them down. I believe the public are now ready to say that a Royal Commission on the scale of the Queensland Royal Commission is necessary to find out what the heck happened to the money. The public want to know why they are paying higher taxes for fewer services. What has happened? What powers does a Royal Commission need to find out everything that went on? Members will be aware that Commissioner Fitzgerald had to go back to the Queensland Parliament to get further power to complete his investigations properly. The Opposition is asking for a Fitzgerald-style Royal Commission, to be given the powers that Commissioner Fitzgerald ended up with, not the ones he started with. By the degree of cover up by this Government, which wilfully attempted to bypass parliamentary practices, it has lost probably \$800 million, possibly \$1 billion. We do not know the final figure and only a full scale Royal Commission will find that out. "The Big Con" sets out the losses to the time it was published. There have been losses since.

Hon George Cash: Will you provide a copy to all members?

Hon W.N. STRETCH: Yes, if members wish, I will be happy to find copies for them.

Hon Sam Piantadosi: Are you trying to tell us that you have a policy? That is the con.

Hon W.N. STRETCH: I cannot leave an argument like that hanging in the air. Hon Sam Piantadosi says that the Opposition has no policies; however, I have been speaking for the past 20 minutes on those policies. I invite Hon Sam Piantadosi to ask me to table these papers and to put them on the Notice Paper to be debated one by one.

Hon Sam Piantadosi: What about your policy on multicultural and ethnic affairs? Can we start with that one?

Hon W.N. STRETCH: If the member wishes. It is in his hands. I am holding these papers in my hands; they are public to the House and if Hon Sam Piantadosi wants them tabled and debated, he should ask me to table them.

Hon Sam Piantadosi: Table your multicultural and ethnic affairs policy.

Hon W.N. STRETCH: It is there. I could not find it -

Hon Sam Piantadosi: Because you do not have one.

Hon W.N. STRETCH: I know where a copy of it is; I will find it and send it to Hon Sam Piantadosi.

Hon Sam Piantadosi interjected.

Hon W.N. STRETCH: Yes, along with some of the others. I will be interested to see it. I hope it is of better quality than the ones I did see.

Hon B.L. Jones: Have they been fully costed?

Hon W.N. STRETCH: Yes they have. As a matter of fact we are upgrading those costings right now to bring them up to date from 1989 to 1990. They have been costed before every election; they will be costed before the next State election, whenever that is. They will be dinkum costings too. The people will know what they are getting instead of a phoney Administration which has spent its time dodging behind the Westminster system of Parliament and doing what it pleases with money it does not own, has never owned and can never own because it is the custodian of the people's money. It is not the Administration's money. The Government's performance has been absolutely shameful. Until we get a proper Royal Commission with full investigatory powers along the lines of the Queensland Royal Commission, we will never know, and more importantly the people of Western Australia will never know, where the money has gone and why they have an indebtedness of \$2000 per family for the costs incurred by this Government through the WA Inc losses. That is only the current loss; we do not yet know how much higher that will go. It is a shame; it is a scandal and a full Royal Commission with proper powers will get to the bottom of it and will show the Government up for what it is.

I conclude by again wishing the Government well in its legislative program. I urge the Government to stand by the Westminster traditions as best it can. A succession of Ministers is being mentioned in the Press in connection with certain actions that are filling the people of Western Australia with grave disquiet. There is a spectre of Ministers hiding behind servants, which is unforgivable. When one is on top of the heap, one cops it sweet. If something goes wrong in the Minister's office, the Minister is responsible. If something goes wrong on my farm and I am in charge, it is my fault. If something goes wrong in a Minister's department, that is the Minister's fault. There is no getting away from that responsibility. The Auditor General has said quite clearly that the buck stops with the Ministers. I wish the Government good luck in getting out of its mess. The Government has seen the help the Opposition has given it in a constructive and positive way; otherwise the Government would be wallowing in an even more disgraceful debt. I suggest the Government take a positive look at where it is taking this State and Parliament. If the Government dodges it, it will do so in the face of history and at not only its own peril, but the peril of the Westminster system, which Australia, and particularly Western Australia, holds very dear.

I support the motion.

Debate adjourned, on motion by Hon Mark Nevill.

STATE PLANNING COMMISSION (AMENDMENT AND VALIDATION) BILL

Second Reading

HON KAY HALLAHAN (East Metropolitan - Minister for Planning) [5.38 pm]: I move -
That the Bill be now read a second time.

The need to introduce this legislation arises from the findings of the Full Court contained in a

judgment handed down in the Supreme Court in the case of Helena Valley/Boya Association v the State Planning Commission and the Minister for Planning. The plaintiffs sought writs against the respondents to prevent further actions in respect of an amendment to the metropolitan region scheme affecting land in Helena Valley Road, Helena Valley, in the Shire of Mundaring. Before detailing the content of the new legislation it is necessary to understand something of the background to the metropolitan region scheme, which I shall refer to as "the scheme", to the State Planning Commission, which is referred to as the SPC, and the Metropolitan Planning Council, which is referred to as the MPC. I shall also refer to the powers of delegation available to the SPC, as they are central to the need for the Bill before the House.

The Metropolitan Region Town Planning Scheme Act of 1959 made, and still contains, provisions for the preparation of and approval to a metropolitan region scheme. The present scheme came into operation on 30 October 1963 and since that time some 820 amendments have been made to its content by virtue of other provisions of that Act in one of two ways. Substantial alterations to the scheme - colloquially known as major amendments - follow a procedure similar to those set out for the approval of the scheme itself and require the approval of the Governor, after which the amendments must lie on the Table of both Houses of Parliament for 12 sitting days and be subject to disallowance. Non-substantial alterations to the scheme - commonly referred to as minor amendments - follow a slightly different procedure and are approved by the Minister for Planning and do not come before Parliament. The Metropolitan Region Town Planning Scheme Act leaves it entirely to the discretion of the Metropolitan Region Planning Authority, and more recently to the SPC, to determine whether an amendment is major or minor.

When the State Planning Commission was established in December 1985 under the State Planning Commission Act of that year, it subsumed the powers of the former Metropolitan Region Planning Authority and the Town Planning Board. That Act also created, among others, a body described as the Metropolitan Planning Council with membership similar to that of the former Metropolitan Region Planning Authority and set out the expectation that it would accept responsibility for the implementation of the scheme under delegated power from the SPC. In accordance with that expectation, the SPC duly exercised what it believed were its powers of delegation - section 20 of the SPC Act - and quite logically transferred the responsibility for implementing the scheme to the MPC reserving only unto itself the power to initiate major amendments and to approve all property transactions in excess of \$250 000. The MPC has, therefore, within the limits of that delegation acted to implement the scheme in all of its facets including the initiation of minor amendments to the scheme.

The Helena Valley case to which I have referred set out to prevent amendment No 774/33A, involving the transfer of about 79 hectares of land in Helena Valley Road from the rural zone to the urban zone, from being pursued as a minor amendment arguing that it was a major amendment. The court did not in fact address the issue of major or minor amendments concentrating instead on the delegation arrangements between the SPC and the MPC.

Even though the SPC Act, at section 20, allows the SPC to "... delegate to an eligible person or body any of its functions under this Act or any other written law ..." and the composition of the MPC is almost the same as its predecessor, the Metropolitan Region Planning Authority, the Full Court decided that the power to initiate an amendment to the scheme and to determine whether it involves a substantial alteration to the scheme is beyond its power and that the Legislature did not intend that the power should be delegated. The court also pointed up a flaw in the wording of the delegation notice. The effect of the Supreme Court decision is to open up every amendment commenced by the MPC to legal challenge on the ground of invalidity. As a consequence a great deal of uncertainty and disquiet has emerged in the development industry and all MPC amendments being processed have been frozen pending the remedial measures contained in this proposal for legislation now before the House. To legislate is the only logical solution to remedy the most disturbing consequences of the court's decision and to bring security and stability back into the development industry.

The legislation now before the House proposes the following measures -

- (1) Clarification of the powers of delegation of the SPC so as to place beyond doubt the intention that the SPC should be able to delegate its powers and functions, particularly the power to initiate amendments to the scheme.

- (2) Retrospective validation of the delegation between the SPC and the MPC.
- (3) Retrospective validation in respect of all actions taken under delegation between the SPC and the MPC since the commencement of the SPC Act.

The effect of this legislation will be to exempt all amendments commenced by the MPC, including many which have been finally approved, from legal proceedings intended to prove their invalidity because of the flawed delegation. As a result, the development industry will be provided with the stability and certainty it needs to get on with the business of creating housing lots primarily for first home buyers which are urgently needed in order to rebuild land stocks depleted by the recent housing boom.

In the debate on this subject generally, references have been made to the need to define in the legislation the differences between major and minor amendments. Such suggestions, however, overlook two significant points; the first being that the subject matter of amendments and their impact differ markedly making definition exceptionally difficult to compose, and the second is that any such definition would not provide immunity from litigation as many incorrectly believe. With respect to definitions of major and minor amendments, it needs to be recognised that amendments can cover alterations to the scheme text or the scheme maps and can effect many or few property owners and may relate to proposals and land having negligible or significant environmental impact or amenity value.

All of these and many other considerations are taken into account when the SPC, or its delegate, forms an opinion as to whether an amendment constitutes a substantial alteration to the scheme. If definitions were to be devised and these proved to be too imprecise, as I believe they would be, there would be greater risk of litigation rather than less.

It should be understood that in all of the debate on substantial or non-substantial alterations to the scheme, practice with respect to the matters taken into consideration to determine the status of individual amendments has not changed since 1963 when the scheme was introduced. What the court did find in the Helena Valley case, however, was that the public record of those decisions could have been more complete. In that regard, the commission has adjusted its administrative procedures to ensure that more comprehensive records of the consideration of amendments are kept in future.

The entire issue begs the question as to whether in the present situation, where most people are aware of the planning process and their rights to object to planning proposals, a continuing need is to have two separate procedures for amending the scheme. It is not proposed to address that question now but rather to evaluate it in the context of the overall review of planning legislation presently being undertaken. The proposals contained in this Bill are therefore confined to the principal issues of delegation and validation of actions taken under what the court has determined was an improper delegation over the past four years.

I commend the Bill to the House.

Debate adjourned, on motion by Hon George Cash (Leader of the Opposition).

ROAD TRAFFIC AMENDMENT BILL

Second Reading

HON GRAHAM EDWARDS (North Metropolitan - Minister for Police) [5.46 pm]: I move -

That the Bill be now read a second time.

This Bill amends the Road Traffic Act 1974. The amendment will allow a system of owner responsibility to operate in relation to camera detected traffic offences. The concept of owner responsibility for offences is not new in Western Australia as it presently applies to parking offences under the Road Traffic Act and has done so since 1 July 1969. Similar provisions are contained in the Western Australian Marine Act 1982.

Under the proposed legislation, where a traffic offence is detected by a camera, the driver is not stopped immediately and issued with an infringement notice; instead an infringement notice is served on the registered owner of the vehicle involved. Should the owner have been the driver at the time of the offence he may pay the infringement penalty or he may have the

matter dealt with by a court. Where the owner was not the driver at the time of the offence the owner will have a 28 day period in which to advise the police and deny responsibility for the offence. Once the owner has made the notification the infringement notice will be withdrawn and an inquiry conducted in the normal way to establish the identity of the driver at the time of the offence. Should the owner fail to respond to the infringement notice, it is presumed that the owner was the driver at the time of the offence.

New South Wales, Victoria and South Australia have introduced similar legislation within the past three years. In South Australia the legislation, which came into effect on 1 July 1988, places the burden upon the owner to prove that the vehicle was being driven by some other person rather than simply "satisfying" a prescribed officer that he was not the driver at the time of the offence. Victoria has the same period as proposed in this Bill within which the owner may deny responsibility - 28 days. Both New South Wales and South Australia allow 21 days.

As an example of the magnitude of the task of the police in tracing drivers, under the existing legislation the Multanova camera operated speed detector over a four week period in March 1990 recorded 72 700 speeding drivers of whom 17 278 were photographed travelling in excess of 10 kilometres per hour over the speed limit and liable to infringement. In one period of two and one quarter hours the Multanova operated on the Causeway and recorded 2 433 speeders of which 520 were photographed travelling in excess of 10 kilometres per hour over the speed limit and each is to be interviewed. In spite of an extensive road safety campaign during the Easter 1990 period, 19 203 speeding drivers were recorded and of these 4 800 were photographed as travelling in excess of 10 kilometres per hour above the speed limit and each will be interviewed with a view to infringements being issued.

A seven month survey has found that 74 per cent of camera detected traffic light offences involved owner drivers. "Owner responsibility" will clearly relieve police of a vast amount of administrative work. Add to these figures those of the cameras installed at traffic lights, 4 200 inquiries from 1 October 1989 to 1 April 1990, and it is obvious that the amount of hours spent by members of the Police Force inquiring as to the driver at the time of an offence could reach 80 000 hours per month under the existing arrangements; that is, 80 000 hours which could be better used in other more productive ways.

The Multanova speed detection device is an extremely efficient and safe tool in the protracted campaign to increase road safety and reduce road trauma. Its efficiency is evident from the figures I have quoted. However, that efficiency is severely restricted by the existing legislation which necessitates many thousands of hours in tracing the driver of an offending vehicle in order that an infringement may be served on him. It also seeks to compliment what is an extremely efficient tool in the task of road safety and accident prevention.

I am satisfied that the safeguards are adequate. A vehicle owner who disputes that he was the driver simply informs police within 28 days of receipt of an infringement notice and the infringement is either withdrawn unconditionally or the matter proceeds to court for hearing and decision in the normal way. In addition, police will retain records for a period in excess of three years to enable any subsequently disputed allocation of demerit points to be resolved in cases where a person, not being the owner of the vehicle, intercepts an infringement notice and pays it resulting in an allocation of demerit points against the vehicle owner. I commend the Bill to the House.

Debate adjourned, on motion by Hon George Cash (Leader of the Opposition).

[Resolved that the House sit past 6.00 pm for the purpose of completing the second reading speech on the Criminal Law Amendment Bill.]

CRIMINAL LAW AMENDMENT BILL

Second Reading

HON GRAHAM EDWARDS (North Metropolitan - Minister for Police) [5.50 pm]: I move -

That the Bill be now read a second time.

This Bill continues the State Government's record of major reforms to Western Australia's criminal justice system and, in particular, the State's Criminal Code. It is the first time since

the code was enacted in 1913 that a Government has undertaken and achieved such a major overhaul of the code which is the State's principal source of criminal law. In undertaking this task the Government has legislated to provide for a range of offences to tackle new and developing forms of criminal activity; it has increased the penalties for a number of offences to reflect community concern; and has implemented a large proportion of recommendations of the Murray review of the Criminal Code. I again welcome the opportunity to pay tribute to the Crown Council, Mr Michael Murray, QC, whose advice and review have provided the basis for many of the amendments to the code which have been enacted in recent years.

The provisions in the Bill will cover such new offences as computer crimes, computer hacking and criminal damage to property, and will broaden and modernise the offences of kidnapping and threats to persons, buildings and properties.

Increased maximum penalties are provided for a range of offences including the following: For the offence of lighting or attempting to light a fire in circumstances likely to injure persons or property - an increase from the present five years' imprisonment or a fine of \$4 000 under the Bush Fires Act to 14 years' imprisonment or a fine of \$50 000. For the general offence of stealing - an increase from three years to seven years' imprisonment. Where the stealing involves company property by a director or officer, or stealing after a previous stealing conviction - an increase from seven to 10 years' imprisonment. An increase in the range of penalties for threats to persons, property and buildings to a maximum of 14 years' imprisonment. An increase in the penalty for kidnapping from seven to 20 years' imprisonment. An increase from three to five years' imprisonment for the corrupting of jurors. An increase from three to seven years' imprisonment in the penalty for unauthorised use of motor vehicles. An increase from seven to 10 years' imprisonment in the penalty for attempted robbery with wounding or in company. An increase from seven to 14 years' imprisonment for attempts at extortion by threats. An increase from seven to 10 years' imprisonment for breaking into buildings with the intent to commit an offence.

I will now provide a general outline of the more important features of the Bill. Because of the number of amendments and issues involved, I also propose to distribute to members the clause notes of the Bill. These will be available in the next few days.

Attorney General's consent: The Bill proposes to delete from the Criminal Code all provisions which now require the Attorney General's consent to commence criminal prosecutions. At present that consent requirement relates to a number of corruption offences including corruption of agents, trustees and judicial office holders. In addition to the reasons given by Mr Murray, QC, for removing this consent requirement, it would clearly be undesirable - by retaining these provisions - to fetter the authority of the proposed Director of Public Prosecutions to initiate proceedings for these offences.

Kidnapping: The community rightly regards kidnapping, whether of children or in a hostage situation, with great abhorrence. The Bill therefore proposes that a new offence of kidnapping be inserted in the Criminal Code to replace, modernise and broaden the scope of the existing offence. The existing offence in section 332 is limited to circumstances where the kidnapper intends to make the victim carry out work against his will. In this form the scope of the offence is unduly narrow. Today the most serious and more realistic incidents of kidnapping occur when adults or children are taken or enticed away and deprived of their liberty for a criminal purpose where the kidnapper intends by threats or demands to cause harm or gain a benefit. Proposed new section 332 will make kidnappers liable to 20 years' imprisonment regardless of whether their threats or demands are met. Furthermore, it will be necessary under this section to prove that a threat or demand was actually made. Persons who knowingly assist in harbouring a person they know has been kidnapped are also made liable to the same penalty. Unlawful detention of persons without establishing any intent to harm or gain a benefit will continue to be a crime punishable by ten years' imprisonment.

Threats: This Bill also reflects the seriousness with which the Government regards threats to unlawfully harm, damage or injure any person, property or buildings. The present offence in section 338 is therefore repealed and a new chapter dealing with threats is inserted into the code. A number of significant changes are proposed. Firstly, the new definition of threat in proposed new section 338 will extend the reach of the criminal law to cover threats to property, buildings and structures, as well as the safety and welfare of people.

Secondly, the existing section 338 has been interpreted by the Court of Criminal Appeal as

not to apply to threats which were not conveyed directly from the accused to the intended victim. In the case before the Court of Criminal Appeal, the accused had threatened to cause harm to an intended victim. He made that threat to the victim's friends and associates knowing that they would tell the victim, although he did not directly ask them to do so. To overcome that deficiency, the new provisions do not require the threat to be communicated to the intended victim direct.

Thirdly, the Bill recognises that there may be different degrees of seriousness and consequences attaching to threats. Most serious are those situations where demands are backed up by threats, for example, to kill, injure or endanger life, safety or health or property. That is addressed in the new section 338B. An example of behaviour constituting an offence under section 338B and which will be subject to a penalty of 14 years' imprisonment commonly occurs in terrorist incidents.

In other situations, threats may be made without demands but with an intent to gain benefits or cause harm or to cause or prevent people undertaking lawful activities. In these circumstances, the maximum penalty will be 10 years' imprisonment. Both of those situations are different from threats which, although serious, are hoaxes, and other nuisance statements intended only to frighten and disrupt. In these circumstances, the proposed penalty under new section 338C is three years' imprisonment, or on summary conviction 18 months.

Stealing: The Government is aware of intense community concern at the increased incidence of stealing and as part of the Government's continuing effort to tackle the rising crime rate the Bill will increase the general penalty for stealing from three to seven years' imprisonment. It also proposed a similar increase in the penalty for serious cases of unlawful use of motor vehicles prosecuted on indictment. In addition, the Criminal Code lists several circumstances of aggravation which can accompany the offence of stealing and currently carry a penalty of seven years. They are stealing animals, stealing minerals in mines, stealing by public servants, clerks and servants, company directors, and officers, agents, tenants or lodgers, stealing property to the value of \$10 000 and stealing after previous stealing convictions. To create a difference between the new general penalty of seven years and those existing circumstances which have a seven year penalty would require the latter to be increased to 10 years. Such an increase would in some cases be grossly excessive in comparison to other penalties in the code for comparable offences.

The Bill therefore proposes a two-tiered penalty system: Firstly, a general penalty of seven years; and, secondly, the retention of the following special circumstances of aggravation -

- stealing from the person or of another, from a house, or from a vessel to remain at the current 14 year penalty;

- stealing company property by a company director or officer to be increased from seven to 10 years' imprisonment;

- stealing after previous stealing convictions to be increased from seven to 10 years' imprisonment;

- stealing aircraft to remain at the current 10 year penalty.

Stealing goods worth less than \$400 in value: Section 378A was inserted in the code in 1987. The intention was that, if a charge of stealing property worth less than \$400 was brought under section 378A, the charge would be dealt with as a simple offence by a magistrate. In 1989, the Supreme Court held that section 378A impliedly repealed section 378 insofar as section 378 dealt with sums less than \$400. As a result, there was no indictable offence of stealing property worth less than \$400. It is important to note in this regard that the section 414 offence of receiving stolen property requires the property to originally have been obtained by conduct constituting an indictable offence. Therefore, the further result of the Supreme Court's decision was that there could no longer be an offence under section 414 of receiving stolen goods worth less than \$400. It was not the intention, in enacting Section 378A, to limit in any way the application of section 378 nor to repeal the offence of receiving stolen goods worth less than \$400.

The appropriate response to the consequences of the Supreme Court's decision is to repeal section 378A and replace it with a provision giving prosecutors the right to elect summary trial for any offence under section 378 involving an amount of not more than \$400. This will

mean that an offence of stealing goods worth not more than \$400 will continue to be an indictable offence and therefore the section 414 offence of receiving stolen goods will also be available. In other words, Parliament's original decision in enacting section 378A so as to ensure that these minor offences are dealt with summarily will be retained. The procedure by which this will occur is set out in the proposed new subsection 426(3) which will require Courts of Petty Sessions to deal summarily with a charge under sections 378 or 414 or a charge of attempting to commit a section 378 or 414 offence when the prosecutor requests the court to do so. Consequential amendments are also made by the Bill to section 101A of the Justices Act.

Fraud and computer crime: The Bill proposes to add to the code a new general fraud offence. The purpose of this is to modernise and broaden the coverage of existing offences in this area. The new offence is formulated by drawing on amendments to the law made in the United Kingdom and other Australian jurisdictions while at the same time retaining the best features of our code. Under the provisions of the present Bill it will be unlawful for any person, with intent to defraud, to do any of the matters specified in proposed new section 409. These matters include obtaining property, gaining a benefit, or causing detriment. Intent to defraud is to be given a specific and broad meaning by inserting a new definition in section 1 of the code. New general offences of fraudulent falsification of records - in new section 424 - and forging or uttering a record with intent to defraud - in new section 473 - both carrying a penalty of seven years' imprisonment are also inserted. New definitions of forge, record, and utter are inserted in section 1 of the code.

To cover modern methods of storing information the word "record" has been used in preference to the traditional term of "document". The definition of "record" proposed by the Bill includes the various ways in which information is stored by computer, whether as part of the computer itself or by some external means such as a disk. In addition, the definition of "record" will apply to other modern means of storing information, for example, on audio or visual tapes. These three new offences - namely, fraud, fraudulent falsification of records, and forging or uttering a record - will therefore apply to the fraudulent use of computers and alteration of computer information as well as to non-computer fraud and fraudulent alteration of information stored other than by computer related means.

This approach is consistent with the prevailing character of offences in the Criminal Code which focuses on the nature of the conduct made unlawful. When dealing with new and rapidly changing developments in computer technology and computer crime and fraud, this approach is preferable to specific and detailed offences which in time may be found to leave gaps in the law. That has been found to be the case with existing code offences as the community encounters increasingly sophisticated methods of fraud.

Computer hacking: Unauthorised use of or access to a computer - commonly known as "hacking" - does not fall within any of those three offences. This is because hacking, as such, does not involve an intent to defraud. It merely involves the use of, or access to, computers where the information stored is kept private by devices which restrict access to it other than by authorised users. Different views have been expressed on whether there should be an offence of unauthorised access to information in computers. Some would argue that the medium in which information is stored is not a relevant consideration and that, as it is not a criminal offence to obtain unauthorised access to information, computers should not be given special treatment. Others take a contrary view. For example, the 1987 Scottish Law Reform Commission report on computer crime and the Victorian and South Australian Parliaments have concluded that an offence of obtaining unauthorised access to computers ought to be created.

A great deal of information is now kept on computers which previously was stored in different locations. Thus, intrusions into computers can reveal a wealth of information that otherwise would be virtually unobtainable. Unauthorised access may be a prelude to other activities, for example, fraud, theft or the corruption or destruction of data or computer programs. The Government strongly believes that there is a need to maintain community confidence in the integrity and privacy of all data stored in computers. The community must be assured that unauthorised access to computers is not condoned even where the access is by a hacker who has no other motive than merely the intellectual challenge of entering the computer system. New section 440A therefore creates an offence of gaining access to or operating, without proper authorisation, a computer system to which access is restricted. The penalty provided is six months' imprisonment or a \$2 000 fine.

Criminal damage to property: The Government is fully aware of community concern about the extent of unlawful damage to property which is occurring not only to private property but also to public property, such as the recent Kings Park bushfire. To address these concerns and also to close gaps in the existing web of offences, the Bill creates a broad new general offence of criminal damage to property. Any person who wilfully and unlawfully damages any property is liable to 10 years' imprisonment and if the damage is caused by fire, 14 years' imprisonment. This latter penalty is consistent with amendments proposed in this Bill to the Bush Fires Act. Because of the particularly abhorrent nature and serious consequences of arson, the Government has specifically excluded arson charges from section 465, which permits, in some circumstances, charges of wilfully damaging property to be tried summarily in a Court of Petty Sessions.

Attempts to commit simple offences: The Government is, of course, aware that tackling the problems of crime not only involves the conviction and penalising of criminals but also requires preventative measures before crimes are committed. This Bill addresses the problem of stopping criminals before crimes are committed. It does so by creating two new offences relating to attempts to commit simple offences and preparations undertaken with a view to committing crimes. Currently the Criminal Code does not make it an offence to attempt to commit simple offences. Only attempts to commit indictable offences are unlawful. In these circumstances an attempt, for example, to commit a common assault or to gain unauthorised access to a computer - which are simple offences under the code - is not punishable. New section 555A will rectify this situation by making the offender liable for the same penalty as applies to the offence which the offender was attempting to commit. The new section also makes it an offence to incite another to commit a simple offence under the code.

Preparation to commit an offence: Clause 44 inserts a new general offence relating to preparations to commit crimes. It will be an offence to make, adapt or possess things which are not to be used or which are not in fact used for a lawful purpose. A penalty of 18 months' imprisonment or a fine of \$6 000 will be applicable. In addition to the defences normally available under the code, the Bill specifically provides that it will be a defence to a charge under this provision to prove that the thing was made or possessed for a lawful purpose.

Power of Court of Criminal Appeal to appoint lawyers: Section 698 of the code permits the Court of Criminal Appeal to assign a lawyer to convicted persons who are taking an appeal, or who are respondents to an appeal against their sentence by the Crown. Section 702 similarly permits a Supreme Court judge to assign legal aid to an appellant. These powers have rarely been exercised. In fact, since the introduction in 1972 of the Legal Aid Act they have fallen into disuse. Their only practical effect now is that appellants who do not qualify for legal assistance under the legal aid scheme can be given legal aid by the court. As members will appreciate, there is a limit to the funds which can be made available to provide legal aid. That being so, legal aid funds should be used to assist those whose needs are greatest and the Legal Aid Commission, which acts independently, has well established procedures to establish priorities. It would be undesirable for the powers in sections 698 and 702 to be used where people had already been refused legal aid by the Legal Aid Commission. In the end, that could only reduce further the proportion of applications which the commission is able to approve. I should, however, stress that the amendments proposed in the Bill in no way preclude the Supreme Court or individual judges from recommending to the Attorney General of the day that in specific appeals lawyers ought to be provided. The Attorney General, with the assistance of the Legal Aid Commission, could then reassess the circumstances and, after taking into account the judge's recommendation, make a decision as to whether aid should be granted.

Conclusion: Members will be aware as they read the Bill that I have not attempted to enlarge on every provision in it. In that regard the circulation of detailed clause notes should fill in any gaps. The measures contained in the Bill reflect the Government's continuing commitment to tackling the problems of crime. That is an issue which requires action at many levels and penalties alone will certainly not provide the solution. Nonetheless, they are a necessary and unavoidable aspect of the law enforcement program and it is essential that they be kept up to date. To allow members sufficient time to address the provisions in this Bill, and for community consultation, I propose to allow the Bill to lie on the Table until the

next parliamentary session. For the information of members, the last paragraph referred to the previous session of parliament.

Hon George Cash: When will it be dealt with?

Hon GRAHAM EDWARDS: That is up to the Attorney General, but not before the break.

Several members interjected.

Hon GRAHAM EDWARDS: As a matter of clarification I will need to confirm that with the Attorney General.

I commend the Bill to the House.

Debate adjourned, on motion by Hon Peter Foss.

ADJOURNMENT OF THE HOUSE - SPECIAL

On motion by Hon Kay Hallahan (Deputy Leader of the House), resolved -

That the House at its rising adjourn until Tuesday, 29 May.

ADJOURNMENT OF THE HOUSE - ORDINARY

HON KAY HALLAHAN (East Metropolitan - Deputy Leader of the House) [6.11 pm]: I move -

That the House do now adjourn.

Adjournment Debate - Maya, Mr Pierre - Chinese Herbalist - Aconite Death

HON T.G. BUTLER (East Metropolitan) [6.12 pm]: I apologise to members for taking up the time of the House, but I want to draw to their attention an article which appeared in *The West Australian* this morning headed, "Doctors didn't pay attention: widow". The article refers to a case which was before the Coroner's Court yesterday and which involved the death of Mr Pierre Gerard Maya, formerly of Bassendean. Mr Maya's widow, Mrs Elvira Maya, is a constituent of mine and she sought my assistance in relation to her husband's death. Mr Maya, who was 30 years of age, suffered a whiplash injury from a motor vehicle accident and had constant pain in his neck and arms. He also suffered from severe headaches. At the time of his accident he was a very fit young man and was very health conscious. He preferred to put up with pain rather than turn to analgesics for assistance. On the advice of a friend he sought assistance from a Chinese herbalist, Mr Zhou Mi, who operates from a practice in William Street, Northbridge. After examining Mr Maya the Chinese herbalist administered acupuncture and supplied him with a concoction of herbs which had to be boiled, cooled for 10 minutes, and then drunk.

Mrs Maya carried out the instructions the herbalist had given her husband and at about four o'clock that afternoon Mr Maya drank the concoction and at five o'clock on the same day he complained of numbness to his mouth, fingers and toes. That same evening Mr and Mrs Maya were to attend the 21st birthday party of Mr Maya's sister, which was being held at a restaurant. Mrs Maya drove her husband to the restaurant and on the way he continued to complain about the numbness to his mouth, fingers and toes and said that he was feeling nauseous. On arriving at the restaurant he had difficulty standing and started to vomit. Mrs Maya rushed him to the herbalist, but unfortunately he was not home. Mrs Maya then rushed her husband to the emergency section at Royal Perth Hospital.

After extensive examination the staff at RPH were unable to diagnose the symptoms of Mr Maya's illness despite the fact that Mrs Maya continually insisted that her husband was having a reaction to the herbs. Mr Maya's condition became worse and the staff were still unable to diagnose his illness and suggested that he was suffering from anxiety and if he were to rest he would overcome it and could go home. Mrs Maya continued to insist that her husband's illness was a reaction to the herbs. His pulse and heartbeat were normal and nothing appeared to be abnormal except that he was agitated and unable to stand. Unfortunately, Mr Maya suffered from a massive cardiac arrest and died. The herbs were later analysed and found to contain a substance called aconite. I have since discovered that aconite has been used in Chinese herbal medicine for over 100 years, but under the Western Australian Poisons Act it is described as extremely toxic. It was determined by the Coroner

to be the cause of death, although his finding did conclude that Mr Maya's death was death by accident.

The worrying thing about this case is that in the evidence given at the Coroner's inquest it was established that any doctor under the age of 50 years would not be aware of aconite, nor would he be aware of the symptoms a person would suffer from digesting a substance containing aconite. Western medical journals published in the last 50 years do not contain any reference to aconite and, therefore, it is understandable that the staff at Royal Perth Hospital were unable to diagnose Mr Maya's illness.

It is very disturbing that the Coroner's inquest highlighted the fact that no formal qualifications are required of people who dispense herbs. A question put to the President of the Chinese Medical Association of Western Australia was: What are the qualifications for a Chinese herbalist? The answer was that a Chinese herbalist does not require any qualifications and the questioner was told he could set up a practice to dispense Chinese herbs. I guess the herbs have a therapeutic benefit and have given relief to many people. It is not my intention to cast any doubt on the goodwill of Chinese herbalists or to say they are practising something shonky, but I am concerned that formal qualifications are not required to dispense what are classified as toxic substances.

The Coroner in his findings said -

The evidence taken at this Inquest has disclosed a situation which I believe should be further investigated.

The practice of medicine is controlled by the Medical Act. Within the limited time available to me, I have not been able to establish what is meant by the "practice of medicine". Inasmuch as the ordinary meaning of "medicine" as appearing in the Shorter Oxford Dictionary is "the science and art concerned with the cure, alleviation, and prevention of disease, and with the restoration and preservation of health," . . .

Further on the Coroner said he proposed, under the general provisions of the Coroners Act, to refer his findings and a transcript of the evidence of the inquest to the Medical Board. He proposes also to take similar action under the Pharmacy Act.

I was pleased when that finding was handed down that it confirmed the doubts I have about the situation. Mrs Maya and I have written to the Minister for Health, and he has told us that a committee has recommended the establishment, by special legislation, of an independent board which will consider applications and make recommendations about eligibility for registration or certification of people who are dispensing these types of medicines. So that again is fairly gratifying.

[The member's time expired.]

Question put and passed.

House adjourned at 6.20 pm

APPENDIX A

Questions for Michell

- 1.0 Was the composition of the SGIC Board such that the Government was able to influence investment decisions of the Board by reason that certain Commissioners were close to and allied to the decision making processes of the Government?
 - 1.1 Who were these Commissioners?
 - 1.2 In particular, in recent times, the purchase of the R&I capital stock from Bruce Benney?
 - 1.2.1 What are the future prospects with respect to this stock which returns 3.2%?
 - 1.2.2 What are the present holdings of the SGIC of this stock?
 - 1.3 In particular what involvement did the Government have in the repurchase of 25% of the Westralia Square Site?
 - 1.3.1 What influence did the Government have in the decision to excise the rental guarantee of \$64 million on 32,000 m² and replace it with a commitment for land \$55m capital \$134m (total \$189m) with a cash outflow in 2 years compared with rental of \$64m over 5 years?
 - 1.3.2 How enforceable is the offer of rental guarantee which has received? What documentation has been executed and by whom?
 - 1.3.3 What commercial justification do you have for entering into this?
 - 1.4 What influence did the Government have on the extension on the payment of the purchase price for Westralia Square from 31st December, 1989 \$90m; 31st December 1990, \$90m (without interest); to be repaid June 30th, 1995 with interest presently at about 16.8%?
 - 1.4.1 When was this option given and why is it not included in the annual report of the SGIC in 1989 when it is included in that of the GESB?
- 2.0 What value do you place on the Bell notes?
 - 2.1 What is your basis of evaluation?
 - 2.2 What answer do you make to the Steggall comment at paragraph 93 of his report valuing them at \$12m?
- 3.0 How will the Bell loss be divided between the Commission and the SGIO (noting that the Rothwells loss of \$26m was split between the Commission and the Corporation)?
- 4.0 What legal justification is there for adjusting losses incurred by SGIC investments between the SGIC and SGIO?
 - 4.1 Is there an investment contract or other written arrangement?
 - 4.1.1 When was this made?
- 5.0 Has the state of the expected returns from the investments in Spedleys and Rothwells improved or deteriorated since the comments of the Auditor General's last report?
- 6.0 Has the SGIO paid a dividend of \$28m to the Government?
 - 6.1 If so, when?
 - 6.2 Why was the dividend the same as in 1988 when the profit was less than half?
 - 6.3 Were these funds used to purchase equity in the SGIO?

- 7.0 How much capital does the SGIO require based on the losses of the Bell shares and a further write down of Bell notes to \$12m?
- 8.0 How much capital does the SGIO require if the Steggall worst case is correct?
- 9.0 Can this money come from the Commission (keeping in mind the source of the Commission's funds)?
- 10.0 Will the SGIC require further funds from the Government in order to provide equity to the SGIO to satisfy the requirements of the Insurance Act?

QUESTIONS ON NOTICE

STATESHIPS - ANNUAL ACCOUNTS

Charter Hire \$US1.5 million Rebate

44. Hon GEORGE CASH to the Minister for Police representing the Minister for Transport:

With reference to the annual accounts of Stateships and in particular the notes to the accounts on page 3 of the document which refers to a rebate of past charter hire of \$US1.5 million, will the Minister explain the circumstances surrounding this rebate, and what period the rebate covers?

Hon GRAHAM EDWARDS replied:

The Minister for Transport has provided the following response -

The rebate of charter hire was one component of the negotiated settlement of the MV *Irene Greenwood* charter termination. The rebate is in respect of past years, but its application to Stateships accounts is in the 1988-89 financial year, being part of a negotiated deal for relinquishing the balance of the charter period and not exercising its right to purchase the vessel.

"IRENE GREENWOOD" - SALE

54. Hon GEORGE CASH to the Minister for Police representing the Minister for Transport:

- (1) When was the *Irene Greenwood* sold and who was the purchaser?
- (2) Who was the owner of the *Irene Greenwood* at the time of the sale?
- (3) What was the selling price of the vessel?
- (4) How was the selling price disbursed and to which parties was it disbursed?

Hon GRAHAM EDWARDS replied:

The Minister for Transport has provided the following response -

- (1) 28 July 1989. Compania Financiera Armadora S.A.
- (2) Partenreederei M/S Stephan Reeckmann.
- (3) \$US13 500 000
- (4) \$US 7 500 000 Partenreederei M/S Stephan Reeckmann.
\$US 472 500 F. Laeisz Schiffahrtsgesellschaft MBH and Coas
Managing Owners.
\$US 67 500 South West Chartering - Shipbrokers in
Sale
\$US 5 460 000 Western Australian Coastal Shipping
Commission. Negotiated settlement
for charter termination comprising
\$US1 500 000 rebate on past hire and
\$US3 960 000 for relinquishing the
balance of the charter period and not
exercising its right to purchase the
vessel.

RAILWAYS - ELECTRIFIED SERVICE

Cost

91. Hon GEORGE CASH to the Minister for Police representing the Minister for Transport:

- (1) What was the original cost estimate of electrifying the existing metropolitan rail system and what was the original estimated completion date for the project?
- (2) What is the current estimated cost for the project and when is it expected to be completed?

- (3) Will the Minister identify the reasons for the cost overrun, and the delay in completing the project?

Hon GRAHAM EDWARDS replied:

The Minister for Transport has provided the following response -

- (1) \$148 million in 1987 dollars. The project was programmed for completion within four years of approval.
- (2) The current estimated cost is \$179.1 million in 1990 dollars or \$151.6 million in 1987 dollars. It will be completed within the four year time period as initially planned; that is, the end of 1991.
- (3) The slightly higher figure reflects authorised additions to the project, particularly two additional stations and railcar improvements that have been publicised in Parliament and elsewhere to ensure compatibility with the northern suburbs transit system. There has been no delay in completing the electrification project. It will be completed within the four year time period from approval as initially planned.

RAILWAYS - JOONDALUP RAIL SYSTEM

Cost

94. Hon GEORGE CASH to the Minister for Police representing the Minister for Transport:

Given that the original capital cost of the Joondalup rail system was estimated at \$124 million -

- (1) What is the current cost of this system and associated rolling stock?
- (2) How does the Government intend to fund the capital cost component of this project?

Hon GRAHAM EDWARDS replied:

The Minister for Transport has provided the following response -

- (1) The figure of \$124 million in 1988 dollars was a preliminary figure used prior to detailed estimation and allowed for anticipated offsets in bus purchases. The master plan on which the Government based its decision to proceed estimates the cost in 1989 dollars at \$223 million including rolling stock but excluding the anticipated offsets in bus purchases. This figure is based on detailed planning and estimation and is still current.
- (2) It is expected that the rolling stock will be acquired under an operating lease, and the infrastructure will be funded through Treasury resources.

ROADS - DUAL HIGHWAY, EATON INTERSECTION

Roadwork Cost

109. Hon BARRY HOUSE to the Minister for Police representing the Minister for Transport:

- (1) What is the total cost of the roadworks, including the original earthworks, road surface and kerbing, installation of traffic lights, current bridge construction and extension to the dual highway, at the new Eaton intersection?
- (2) Has a bridge to take traffic turning right from Eaton to Bunbury over the new ring road been considered?
- (3) If it has been considered, what was the estimated cost?
- (4) If not, why not?

Hon GRAHAM EDWARDS replied:

The Minister for Transport has provided the following response -

- (1) No specific costing for the Eaton intersection is available; however, it

was constructed as part of the Australind Bypass project which was opened to traffic in December 1988 at a cost of \$13.3 million. After the opening, additional work at the intersection, including the installation of traffic signals and lighting, was undertaken at a cost of \$282 000. Other outstanding works between the intersection and the Bunbury rotary are:

Duplication of the bridge over the railway at an estimated cost of \$755 000. (Work is currently in progress.)

Construction of the second carriageway at an estimated cost of \$1.47 million. (Work expected to be undertaken in 1990-91.)

Duplication of the bridge over the Preston River at an estimated cost of \$1.48 million. (Work expected to be undertaken in 1990-91.)

- (2) Yes.
- (3) An estimate of cost was not prepared due to the long term nature of the requirement for grade separation.
- (4) Not applicable.

WA INC - ROYAL COMMISSION

Pre 1982 Uninvestigated Matters

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

I refer to the reported remarks of the Deputy Premier to the effect that if a Royal Commission is held into WA Inc the commission may be asked to investigate matters which occurred before 1982, and ask -

- (1) Can the Deputy Premier say which matters have been left uninvestigated?
- (2) Can he say why those matters, whatever they are, have not been investigated in the seven years the Government has been in office?

Hon J.M. BERINSON replied:

The Deputy Premier has provided the following response -

(1)-(2)

This would be a matter for consideration if a Royal Commission or inquiry of some nature should ever be considered.

FISHING - WHITEBAIT

Licensed Fishing Boats, Warnbro Sound - Small Size Catches Concern

134. Hon GEORGE CASH to the Minister for Police representing the Minister for Fisheries:

- (1) Is the Minister aware of concerns raised by the Cockburn Sound Professional Fishermen's Association concerning the operations of licensed fishing boats in Warnbro Sound which are allegedly catching whitebait of such small size as to be detrimental to the reproduction of the species in the area?
- (2) If so, has the Minister taken any steps to ascertain whether such concerns are justified and, if so, will he provide details?

Hon GRAHAM EDWARDS replied:

The Minister for Fisheries has provided the following response -

- (1) Yes. The concerns focus more on wastage of product rather than the potential to impact upon reproduction.
- (2) The Director of Fisheries has written to commercial fishermen seeking their cooperation in not targeting upon small whitebait. Restrictions will be introduced if industry fails to respond to commonsense fishing practices.

COURTS OF PETTY SESSIONS - CLERICAL STAFF EMPLOYMENT

135. Hon GEORGE CASH to the Attorney General:

- (1) How many clerical staff were employed in the local Perth Court of Petty Sessions in the financial years -
 - (a) 1987-88;
 - (b) 1988-89; and
 - (c) 1989 to the present?
- (2) How many permanent and casual positions are at the court?
- (3) How many staff have left positions in that court and were not replaced in each of the above periods?
- (4) How many positions are currently vacant in that court?
- (5) Has this had any effect on the clearance of court listings?

Hon J.M. BERINSON replied:

- (1)

(a) As at 31.12.87	31
(b) As at 31.12.88	40
(c) As at 31.12.89	42
As at 16.5.90	45
- (2) 36 Permanent, 10 Temporary.
- (3) Nil.
- (4) One.
- (5) No.

AEROBICS - INSTRUCTORS EXAMINATIONS

139. Hon GEORGE CASH to the Minister for Police representing the Minister for Sport and Recreation:

- (1) Are aerobic instructors in Western Australia required to undertake accreditation examinations?
- (2) If yes, who sets the standards required of instructors?
- (3) Is there a fee payable to sit the examination?
- (4) Who sets the level of fees payable for sitting such examination?

Hon GRAHAM EDWARDS replied:

The Minister for Sport and Recreation has provided the following response -

- (1) Not at present. To date a voluntary accreditation scheme has been conducted by the Aerobic Institute of Western Australia (Inc).
- (2)-(4) Not applicable.

ROADS - MITCHELL FREEWAY
Median Strip Crossings - Emergency Vehicles

140. Hon GEORGE CASH to the Minister for Police:

- (1) Are there any marked or unmarked crossings on the Mitchell Freeway which can be utilised by emergency vehicles to cross the median strip when necessary?
- (2) Has provision been made for emergency vehicles to cross the median strip once the Joondalup railway line is operational?
- (3) If not, why not?

Hon GRAHAM EDWARDS replied:

- (1) Yes.

- (2) Meetings are taking place to ensure that appropriate provisions are made.
- (3) Not applicable.

DICKINSON, MR JOHN - REGIONAL DEVELOPMENT DEPARTMENT
Employment

141. Hon BARRY HOUSE to the Minister for Police representing the Minister for Regional Development:

- (1) Is Mr John Dickinson employed by the Department of Regional Development?
- (2) If so, how long has he been in the employment of the Department of Regional Development?
- (3) Is Mr Dickinson presently on secondment to the Queensland Government?
- (4) If so, for how long is he seconded from WA?
- (5) If so, what is his role with the Queensland Government?

Hon GRAHAM EDWARDS replied:

The Minister for Regional Development has provided the following reply -

- (1) Yes.
- (2) Five years, nine months.
- (3) Yes.
- (4) Six months.
- (5) To assist in establishing a Bureau of Regional Development in Queensland.

HOMESWEST - SOUTH PERTH UNIT BLOCK
Purchase

143. Hon P.G. PENDAL to the Leader of the House representing the Minister for Housing:

- (1) Has Homeswest recently purchased another block of flats/home units in South Perth to house Homeswest clients?
- (2) If so -
 - (a) where are the premises;
 - (b) how many people do they accommodate; and
 - (c) what was the purchase price?
- (3) Has a private tenant of 30 years' standing been asked to leave?

Hon J.M. BERINSON replied:

The Minister for Housing has provided the following reply -

- (1) Yes, in February 1990.
- (2)
 - (a) 7 Walters Street, South Perth.
 - (b) There are nine one-bedroom units.
 - (c) \$336 000.
- (3) Not to my knowledge, but Homeswest's policy in respect to purchased units that are occupied is -
 - (i) If the resident satisfies Homeswest's eligibility criteria, a continuing tenancy is offered under Homeswest's conditions.
 - (ii) Should a resident not be eligible for Homeswest's accommodation then he/she is given six months to vacate or to the expiration of the lease, whichever is the later.

JUVENILE OFFENDERS - LEGISLATION AMENDMENTS

Three Dismissals Effects

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

I refer to changes in legislation in 1988 under which juveniles appearing in a Children's Court now cannot have an indefinite number of dismissals but must be restricted to three such dismissals before convictions/penalties are recorded and ask -

- (1) Will the Attorney General provide Parliament with a full overview of the effect of this amendment and the way in which it is affecting sentencing policies?
- (2) Will he provide any statistics available on the matter?

Hon J.M. BERINSON replied:

(1)-(2)

This provision has applied only since 1 December 1989. In any event court records would not be able to provide the detail sought by this question.

MINES DEPARTMENT - LUNCHEON, SOUTH WEST RESTAURANT

\$27 000 Payment

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

I refer to the answer by the Minister for Mines to question 60 of 10 May 1990 and ask -

- (1) Will the Premier order an investigation to ascertain if any record of this \$27 000 payment did exist but has now been shredded or otherwise destroyed?
- (2) Will the Premier extend the investigation to ascertain whether the payment of the \$27 000 luncheon was split up among a number of departments and agencies and whether in one case the department/agency described its share as a payment for seismic equipment?

Hon J.M. BERINSON replied:

The Premier has provided the following reply -

(1)-(2)

No. If the member can be specific about the incident I will consider the matter further.

BIRDS - NATIVE BIRD EGGS

Conservation and Land Management Department Employee - Egg Collector's Licence

147. Hon BARRY HOUSE to the Minister for Planning representing the Minister for Conservation and Land Management:

- (1) At any time within the period 1987 to the present has an employee of the Department of Conservation and Land Management been in possession of a licence to collect native bird eggs?
- (2) If yes, what is this person's position with CALM?
- (3) Is this position such that he or she is likely to be able to collect native bird eggs while working for his/her employer in bush areas of Western Australia?
- (4) If yes, will the Minister ensure that there is no conflict of interest in this person's being a licensed egg collector and at the same time an employee of CALM?
- (5) Has the Minister been in contact with the NSW National Parks and Wildlife Service to confirm that an illegal dealer in native bird eggs recently apprehended by that service was carrying documents stating that he had bought eggs from the WA licensed egg collector who is the CALM employee?

(6) Why are licences to collect native bird eggs still being issued?

Hon KAY HALLAHAN replied:

The Minister for the Environment has provided the following reply -

(1) No.

(2)-(4)

Not applicable.

(5) No. However the Department of Conservation and Land Management has contacted the Chief Enforcement Officer of the New South Wales National Parks and Wildlife Service who advised that he was not aware of any apprehension of the type stated in the question.

(6) As stated in the Wildlife Act regulations, licences to collect native bird eggs are issued for "the purposes of promoting knowledge of eggs of native avian fauna".

RETIREMENT ACCOMMODATION - KARRATHA

Community or Church Group Assistance

151. Hon GEORGE CASH to the Leader of the House representing the Minister for Housing:

(1) Is finance available to community groups or church groups to assist in the financing of retirement accommodation in Karratha and, if so, will the Minister provide details?

(2) Has the Anglican Church, Karratha approached Homeswest to discuss the need for finance for retirement accommodation at Karratha and, if so, will the Minister provide details of the current situation?

Hon J.M. BERINSON replied:

The Minister for Housing has provided the following response -

(1) Finance is available to community groups, church groups etc from Homeswest joint venture housing program. Details are available on application to Homeswest.

(2) No approach has been made by the Anglican Church to Homeswest for assistance.

HOMESWEST - ACCOMMODATION WAITING LISTS

Home Construction - Meekatharra, Cue, Mt Magnet

160. Hon P.H. LOCKYER to the Leader of the House representing the Minister for Housing:

(1) What is the present number of people on the waiting list for Homeswest accommodation in -

(a) Meekatharra;

(b) Cue; and

(c) Mt Magnet?

(2) How many non-Aboriginal Homeswest homes have been built in the last 12 months in -

(a) Meekatharra;

(b) Cue; and

(c) Mt Magnet?

Hon J.M. BERINSON replied:

The Minister for Housing has provided the following response -

(1)	(a)	Meekatharra	32
	(b)	Cue	4
	(c)	Mt Magnet	8

- | | | | |
|-----|-----|-------------|--|
| (2) | (a) | Meekatharra | 2 x 3 BR houses completed December 1989
6 x 3 BR commenced May 1990 |
| | (b) | Cue | 1 x 3 BR house commenced November 1989 |
| | (c) | Mt Magnet | 6 x 3 BR houses completed November 1989 |

MINING - ENVIRONMENTAL PROTECTION AUTHORITY

New Mine Deposit

161. Hon P.H. LOCKYER to the Leader of the House representing the Minister for Mines:

- (1) How is the amount of deposit required by the Environmental Protection Authority to open a new mine calculated?
- (2) Is interest paid on this money?
- (3) What are the criteria for mining companies to carry out the requirements by the EPA under the Mining Act?

Hon J.M. BERINSON replied:

The Minister for Mines has provided the following response -

- (1) Neither the EPA nor the Department of Mines requires a deposit to open a new mine. By condition imposed by the Minister for Mines a bank guaranteed unconditional performance bond to ensure rehabilitation is carried out to an acceptable level is required prior to mining operations commencing. Calculation of the amount of the bond is based on the area of land to be disturbed during the first year of mining.
- (2) Not applicable.
- (3) Conditions are set by the Minister for the Environment following an Environmental Protection Act assessment. These are reflected in the mining tenement conditions where they apply to activities on that tenement.

MINING - FULL TIME MINING WARDEN

Warden's Courts Backlog

162. Hon P.H. LOCKYER to the Leader of the House representing the Minister for Mines:

- (1) Has the possibility of a full time mining warden to carry out exclusive mining warden duties been investigated to overcome backlogs in warden courts?
- (2) If not, why not?

Hon J.M. BERINSON replied:

- (1) Yes, however other measures have been taken to reduce backlogs in Warden's Court matters. These include the allocation of extra sitting days for the Warden's Courts in Perth and Kalgoorlie. Parties also have the opportunity to transfer a hearing from an outstation centre to Perth if an early hearing is required. Most mining centres do not have significant Warden's Court backlogs at present.
- (2) Not applicable.

HOMESWEST - MEEKATHARRA

Tenants' Water Bills

163. Hon P.H. LOCKYER to the Leader of the House representing the Minister for Housing:

- (1) Is it correct that Homeswest residents in Meekatharra have received their first water bills for some years?
- (2) If so, why has it taken so long to present these accounts?
- (3) Why are direct bills from the WA Water Authority not being sent direct to Homeswest tenants?

- (4) Is Homeswest confident that all accounts will be paid?

Hon J.M. BERINSON replied:

The Minister for Housing has provided the following reply -

- (1) Yes, some Homeswest tenants.
- (2) An administrative error has been rectified.
- (3) WAWA accounts are forwarded direct to tenants, but due to the error mentioned in (2) some tenants did not receive a notice.
- (4) Tenants will be given every opportunity to negotiate affordable arrangements.

DESERTS - "WESTERN DESERT IMPACT STUDY"

165. Hon P.H. LOCKYER to the Minister for Planning representing the Minister for Aboriginal Affairs:

- (1) Has a study known as the "Western Desert Impact Study" been carried out?
- (2) If so, will the finding be made public?
- (3) If not, why not?

Hon KAY HALLAHAN replied:

The Minister for Aboriginal Affairs has provided the following reply -

- (1) A Social Impact Study on the Western Desert/Rudall River National Park region was commissioned by the former Premier to make recommendations on ways of resolving land use conflicts between mining, Aboriginal and conservation interests in the area. The final report was completed in February 1990.
- (2) Relevant Government departments are currently examining the report's recommendations prior to Cabinet's deciding on this matter.
- (3) The question of public release of the report's findings will be decided by Cabinet in due course.

ABORIGINAL COMMUNITIES - NEWMAN TOWNSHIP FRINGE DWELLERS
Living Conditions Assistance

166. Hon P.H. LOCKYER to the Minister for Planning representing the Minister for Aboriginal Affairs:

- (1) What steps are being taken to alleviate the appalling living conditions for Aboriginal people living on the fringe of the Newman township?
- (2) Is the Government aware of the growing hostility of residents of Newman to the lack of progress by the Government in addressing the growing problem?
- (3) Will the Minister give an undertaking that talks with the East Pilbara Shire will be convened as a matter of urgency with a view to dealing with the living conditions of these Aboriginal people prior to winter?

Hon KAY HALLAHAN replied:

The Minister for Aboriginal Affairs has provided the following reply -

- (1) The Aboriginal Affairs Planning Authority, has purchased 18 Ela shelters to ensure that temporary accommodation is available immediately.

The AAPA, in conjunction with the Department for Community Services, has held discussions with Newman Mining Company and the shire to identify a suitable camping area. Ablution facilities will be provided once this has occurred.

- (2) It is my understanding that there is growing concern about the conditions and well-being of the fringedwellers rather than hostility.

- (3) The Minister Assisting the Minister for Aboriginal Affairs visited Newman and held discussions with members of the East Pilbara Shire Council on 27 April 1990. The Minister has subsequently written to the East Pilbara Shire President requesting confirmation of an agreed action plan which was the subject of discussion at the Newman meeting. The Minister is currently awaiting a response to that letter.

POLICE DEPARTMENT - MOORA

CIB Branch Establishment

168. Hon MARGARET McALEER to the Minister for Police:

With reference to my letter dated 25 January 1990 to the former Minister for Police on advice from the Shire of Moora that the Police Department were investigating the possibility of establishing a branch of the CIB in Moora, subsequent advice indicated that the matter was under consideration and was being researched by the appropriate branch of the Police Department

- (1) What stage has the research being undertaken by the Police Department into the possible establishment of a branch of the CIB at Moora reached?
- (2) If the research has been completed, has a decision been taken to establish a branch of the CIB at Moora?

Hon GRAHAM EDWARDS replied:

- (1) Research has been completed.
- (2) It is not intended to establish a branch of the CIB at Moora. This information has been conveyed to you in my letter of 10 May 1990.

QUESTIONS WITHOUT NOTICE

POLICE - PEAK TIME PATROLS

Double Intention

115. Hon GEORGE CASH to the Minister for Police:

In answer to questions without notice Nos 100, 101 and 102 of yesterday, the Minister stated that the police have adequate vehicles and manpower to do their job efficiently and effectively. In the light of the Government's commitment, as expressed in today's *The West Australian* - I refer to the article headed "Police declare war on young thugs" - that the number of police on patrol at peak times will be nearly doubled -

- (1) will this require the provision of additional police officers and other resources; and
- (2) if so, when will those resources be made available?

Hon GRAHAM EDWARDS replied:

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

BLOOD ALCOHOL - 0.08 TO 0.05 REDUCTION

Breathalyser Accuracy

116. Hon MURRAY MONTGOMERY to the Minister for Police:

In view of the report in today's *The West Australian* that the Government is considering lowering the permitted blood alcohol level for drivers from 0.08 to 0.05 before a charge can be laid, can the Minister indicate whether the accuracy of the breathalyser equipment which the Government proposes to use is enough to deal with the reduced blood alcohol level referred to?

Hon GRAHAM EDWARDS replied:

I am not in a position to answer that question in the detail which the member

seeks. The Press article took me by some surprise. It is in part accurate where it refers to the recommendations which have been made to me by the Road Traffic Board, but there are other matters in the article which are not accurate. There is much which has yet to be considered, and I will be seeking more information - some of it along the lines of the question - before I will be in a position to progress the matter to Cabinet.

BLOOD ALCOHOL - 0.08 TO 0.05 REDUCTION

Breathalyser Accuracy

117. Hon MURRAY MONTGOMERY to the Minister for Police:

Will the Minister provide to the House the information that I seek when it becomes available?

Hon GRAHAM EDWARDS replied:

I will be more than happy to do that.

POLICE - PEAK TIME PATROLS

Double Intention

118. Hon GEORGE CASH to the Minister for Police:

In view of the Minister's reply to the question that I asked earlier, can the Minister explain how the Police Force intends to double patrols at peak times, using the resources available, if no additional police or other resources are to be provided to the force?

Hon GRAHAM EDWARDS replied:

The basis of the new flexibility that will be given to the Commissioner of Police to use his officers at a concentrated level at peak times comes from an agreement - which I am pleased to see was ratified today by the court - which will give him the opportunity of using his officers in a more flexible way in respect of starting times, which will now not be set but flexible. I am advised that, because of these changes, 50 additional officers can be provided at 24 hours' notice at central station without having to call on officers from metropolitan stations. This new flexibility will give the commissioner the added opportunity of concentrating his troops at peak times by relying on these flexible starting times.

LAND - SWAN VIEW

Stratton Development - Environmental Assessment

119. Hon DERRICK TOMLINSON to the Minister for Planning:

I refer to the Stratton development at Swan View.

- (1) Can the Minister advise this House if any environmental assessment was carried out by the Environmental Protection Authority before the scheme was approved?
- (2) If yes, did that assessment identify any part of the site as having appreciable environmental value?

Hon KAY HALLAHAN replied:

(1)-(2)

That work would have been done before I became the Minister for Planning and I am not aware of the day to day referrals to the EPA, but given the way the planning processes operate the matter certainly would have been assessed, and any areas of significant environmental impact would have been taken into account in the planning for that area. If the member has a particular concern I will be happy to hear about it. There has been some sensitivity about this development. It is a rather new and innovative design, which uses smaller lot sizes and introduces cooperation between Homeswest, the State Planning Commission and the local council to provide a new concept in planning, which a lot of people believe we need to move toward.

That does not mean to say that the benefits and values of that concept have been particularly appreciated by all the residents in the surrounding area, but in view of the need to provide affordable land, particularly for first home buyers, and for the public rental sector - which is what makes the lifestyle in Perth such an outstanding one compared with that in other cities - we need to look at various options for housing in the future. The Stratton development stands out as a very important model to see how that can work and be acceptable to the community.

POLICE STATIONS - COTTESLOE POLICE STATION

Sale Withdrawal - Police Museum Consideration

120. Hon BARRY HOUSE to the Minister for Lands:

I refer to questioning in recent days which indicates that the old Cottesloe Police Station is to be sold and that the Minister for Police is unsure whether he has been approached by the Western Australian Police Historical Society -

Hon Graham Edwards: I said I had not received a direct approach.

Hon BARRY HOUSE: - about the use of that building as a police museum.

I have in my hands copies of correspondence between the Western Australian Police Historical Society, the Department of Land Administration, the Premier, the Minister for Police and various other departments indicating a longstanding search by this organisation for suitable premises for a police museum.

Given this background, would the Minister consider withdrawing the old Cottesloe police station from sale and offering it to the Western Australian Police Historical Society for use as a police museum?

Hon KAY HALLAHAN replied:

I will be a little flexible about answering this question, because it is not a problem which is under the control of the Department of Land Administration.

Hon Barry House: It is on the market.

Hon KAY HALLAHAN: It is under the control of the Asset Management Task Force, and it is on the market. It is highly unlikely that the proposition the member puts forward would be considered, because the property has been assessed by the Government as being underutilised and therefore a decision has been arrived at to place it on the market. The police museum is something I would be very pleased to support, given my own background.

Hon P.G. Pandal: They might use you as an exhibit as you were a policewoman.

Hon KAY HALLAHAN: I am sure they would not want me as one of the exhibits; I would not be able to stand still long enough. I do not recall having heard from them, certainly since I have held my current portfolios. We will investigate the position and see whether some help can be given. I want to be helpful to community groups, but although what is wanted cannot always be found, every effort will be made.

POLICE LICENSING SECTION, BUNBURY - VENTILATION SYSTEM IMPROVEMENT NOTICE

Occupational Health, Safety and Welfare Department

121. Hon BARRY HOUSE to the Minister for Police:

I refer to an improvement notice issued by the Department of Occupational Health, Safety and Welfare requiring that an efficient ventilation system be provided at the police licensing section at 18 Victoria Street, Bunbury, to enable employees to work in a comfortable environment, by 5.00 pm on 6 March 1990, which is now over a month ago.

(1) Can the Minister inform the House why no work has yet been undertaken to rectify this situation?

- (2) Will this licensing section receive suitable cooling before next summer?

Hon GRAHAM EDWARDS replied:

(1)-(2)

I do not have that sort of detail, but I will be more than happy to address the matter if the question is put on notice.

LAND RELEASE - AGRICULTURE
Discontinuance

122. Hon D.J. WORDSWORTH to the Minister for Lands:

Why was it that Mr Barry Carbon made the major statement that no further land would be released for agriculture rather than the Minister?

Hon KAY HALLAHAN replied:

I understand that Mr Carbon is with the Environmental Protection Authority. I do not have responsibility for that authority. I suggest -

The PRESIDENT: Order! It seems that everybody in this place is having a conversation. I do not care whether the member who asked the question does not want to hear the answer, but I certainly do. I want the Minister to be able to give her answer without having to compete with several other members carrying on conversations.

Hon KAY HALLAHAN: I concur with your comments, Sir. I was at the point of saying that should the honourable member want to pursue the matter he should put that question on notice to the Minister for the Environment.

LAND RELEASE - AGRICULTURE
Discontinuance

123. Hon D.J. WORDSWORTH to the Minister for Lands:

Is it the policy of the Government and of the Minister that no further land will be released for agriculture?

Hon KAY HALLAHAN replied:

I think the honourable member might like to address that question to the Minister for Agriculture.

Hon P.G. Pendal: It is a question for the Minister for Lands. We might as well ask the Minister for Tourism.

LAND ADMINISTRATION DEPARTMENT - "STREETSMART" STREET
DIRECTORY
Inferior Quality

124. Hon BARRY HOUSE to the Minister for Lands:

(1) Is the Minister aware that the binding on the Department of Land Administration's street directory entitled "Streetsmart", printed by the State Printing Division, is of inferior quality to its commercial competitors and many directories are literally falling apart?

(2) What has been done to remedy that situation?

Hon KAY HALLAHAN replied:

(1)-(2)

I am aware of the situation because I had a letter from a person - I hope it was not Hon Barry House -

Hon Barry House: No, but I have a copy of it.

Hon KAY HALLAHAN: Is it falling apart?

Hon Barry House: I have a copy of the letter.

Hon KAY HALLAHAN: Does the member have a copy of "Streetsmart"?

Hon Barry House: No.

Hon KAY HALLAHAN: How could the shadow Minister for Lands not have a copy of "Streetsmart"?

Hon Max Evans: It fell apart.

Hon KAY HALLAHAN: It is a superior road directory, and technically very accurate. The problem is regrettable, but I understand that the glue or something in one batch has not done its job. If members have a problem with their directories they should return them, as I think the person who wrote the letter did; he was then issued with a copy which was not inclined to fall apart. It was a most unfortunate incident because it is a superb directory and cheaper than others on the market.

Hon Barry House: I did not reflect on the quality.

Hon KAY HALLAHAN: I think the glue is the problem with some of the copies. The offer was made to the person who complained, and I hope that he has been satisfied.

EARLSFERRY MANSION - SALE

Newspaper Advertisement Withdrawal - Restricted Covenant Omission

125. Hon P.G. PENDAL to the Minister for Heritage:

- (1) Is the Minister aware that an advertisement appearing on page 10 of the classified lift-out of *The West Australian* last Saturday offering Earlsferry mansion for sale does not contain a reference to any restrictive covenant?
- (2) Will she ensure therefore that the advertisement is withdrawn and redrafted to contain such a reference?

Hon KAY HALLAHAN replied:

(1)-(2)

I do not know to what the honourable member is referring. I have seen one nicely printed brochure which I am sure refers to the restrictive covenant.

Hon P.G. Pendal: It does now - since Saturday.

Hon KAY HALLAHAN: It was on my desk before last Saturday. I am talking about a very nice looking pamphlet. That matter can be rectified, and I will follow it up.

POLICE - RESIGNATIONS

126. Hon E.J. CHARLTON to the Minister for Police:

Could the Minister advise whether he is aware of the number of resignations in the Police Force in 1989, and so far this year, particularly at a senior level?

Hon GRAHAM EDWARDS replied:

I am pleased to say that Western Australia has the lowest resignation rate of all Australian States. I think that reflects something good about the Western Australia Police Force. It reflects something good about the character of the people we have in the Police Force, particularly when one compares it to places like New South Wales where, I am told, under a Liberal Government officers are falling over themselves to get out.

Hon Max Evans: Before they go to gaol.

Hon GRAHAM EDWARDS: I understand that resignations are running, from memory, at around 180 to 200 a year. That also includes retirements. Given that we have almost 4 000 people in the Western Australia Police Force that is a fairly low figure. However, if the member would like to put that question on notice, I will get him the details and accurate information he seeks. I am pretty sure my figure is very close, but I would not like to rely on my memory in these matters and so I will pursue the matter for the member.

BLOOD ALCOHOL - 0.08 TO 0.05 REDUCTION

127. Hon E.J. CHARLTON to the Minister for Police:

Can the Minister advise whether a statement reported in the *Daily News* recently to the effect that the Minister favours reducing the 0.08 limit to 0.05 or the other measures referred to in that article are correct?

Hon GRAHAM EDWARDS replied:

Following from the question asked by the member's colleague, I indicated that part of the article was accurate and part of it was not. I had previously stated to this House my position in relation to the move from 0.08 to 0.05, although the suggestion now being made is not one I had previously considered, in that it talks about a new offence of 0.05 which would be dealt with by infringement and would carry a penalty of \$200 and a loss of six demerit points. I have not fully considered that matter at this stage. As a matter of fact the report was delivered to my office only this week. However, on the basis of my reading of the report so far, I can only say that I am not in a position yet to take this matter to Cabinet.

**CAMERAS - CORNWALL STREET-GREAT EASTERN HIGHWAY
INTERSECTION**
Working Order

128. Hon FRED McKENZIE to the Minister for Police:

This question relates to the installation of a camera at the junction of Cornwall Street and Great Eastern Highway in Rivervale, where the old Rivervale Hotel, now known as the Bat and Ball, is located. Is that camera operational?

Hon P.G. Pendal: Did you get pinched?

Hon FRED McKENZIE: It has been the practice in recent times, following a recommendation from the Traffic Board two or three years ago, that warning signs are installed indicating a camera is at the intersection. There is no sign at that location. Could the Minister advise whether the camera is operational and if so, why is there no warning sign at that location?

Several members interjected.

The PRESIDENT: Order! I will not spend the afternoon yelling for order. If question time continues to be treated as some sort of comic opera, as far as I am concerned I will not persist with it.

Hon GRAHAM EDWARDS replied:

I had some notice of this question and I thank Hon Fred McKenzie for that. My inquiries have ascertained that camera is not yet operational. It is for that reason that the member made that observation.

POLICE STATIONS - COTTESLOE POLICE STATION
Restricted Covenant

129. Hon P.G. PENDAL to the Minister for Heritage:

I have a further question for the Minister for Heritage and at the same time I thank her for her assurances in respect of the Earlsferry mansion. I now refer to a story by Olga de Moeller in the classified lift-out of *The West Australian* last Saturday which says in part that the police station is classified by the National Trust which has requested the Government to register a covenant on the title to ensure the preservation of the facade of the building.

Will the Minister arrange for the auction advertisement of this property to be withdrawn so that it can incorporate reference to a restricted covenant?

Hon KAY HALLAHAN replied:

I would be happy to discuss this matter with the Deputy Premier who is carrying responsibility for the marketing of those properties through the Asset Management Task Force. I shall bring the proposal from Hon Phillip Pendal to the Deputy Premier's attention.

LAND RELEASE - AGRICULTURE
Carbon, Mr Barry - Statement Concern

130. Hon D.J. WORDSWORTH to the Minister for Lands:

Is the Minister aware of consternation caused throughout the rural community by a statement from Mr Barry Carbon?

The Minister said that the Minister for Lands, and not the Minister for Agriculture, is responsible for the release of agricultural land. The main centre of concern is in the Kimberley where further stages of expansion of the Ord River scheme are in jeopardy following the announcement that no further land would be released for agriculture.

Hon KAY HALLAHAN replied:

I am aware of the statement made by the officer concerned. I am also aware that certain sectors of the Western Australian community are concerned about the content of that statement. With regard to the Kimberley, as I understand it, there is generally a reluctance to release land pending the release of the forthcoming Kimberley regional study. That study has gone to local governments in the Kimberley for their perusal and their authorisation for it to be released to the public. The Government was hoping that could have been done this month, but as a result of recent local government elections, a number of changes have occurred on councils and the Government now anticipates that some councils might say they want a little more time before they respond in the manner requested. Therefore, the Government hopes that it will just be looking to next month for the release of that study. At that point consideration can possibly be given to the release of land depending on the advice in that study.

LAND RELEASE - AGRICULTURE
Major Statement

131. Hon D.J. WORDSWORTH to the Minister for Lands:

Will the Minister for Lands make a major statement on land release in the near future, which would remove all this concern? Several major statements have been made by farmers' organisations and others. As it happens Barry Carbon's reason for not releasing land was that it would preserve native vegetation.

Hon KAY HALLAHAN replied:

I will give full consideration to the issue of a major statement, as called for by the honourable member.

POLICE - HELICOPTER

132. Hon GEORGE CASH to the Minister for Police:

- (1) Has the recently delivered police helicopter commenced operational duties?
- (2) Who are the major sponsors for that helicopter?
- (3) Can the Minister advise on the value of the sponsorship or sponsorships?

Hon GRAHAM EDWARDS replied:

- (1) The helicopter currently is being completely fitted out so that it can commence full operations shortly.

(2)-(3)

I am not aware of the total value of the sponsorships, which are from Westpac, the Lotteries Commission, and the State Energy Commission of WA. Of course the Government has made a very big financial commitment, in the vicinity of \$1.24 million, to the helicopter service. I am looking forward to the helicopter service being fully operational. The State will benefit considerably from the service and I am very pleased with the support given by sponsors. I am sure that sponsorship will be fully returned and a total benefit will be received from the investment.

POLICE - HELICOPTER

133. Hon GEORGE CASH to the Minister for Police:

Can the Minister advise whether the helicopter will be equipped with lighting gear which will allow its utilisation during the night time over water?

Hon GRAHAM EDWARDS replied:

That, of course, will happen.
