

## Legislative Assembly

Wednesday, 15 October 1986

**THE SPEAKER** (Mr Barnett) took the Chair at 2.15 p.m., and read prayers.

### MEMBER FOR EAST MELVILLE: CAR

*Tampering: Statement by Leader of the Opposition*

**MR HASSELL** (Cottesloe—Leader of the Opposition) [2.16 p.m.]—by leave: A very serious matter has been drawn to my attention in the last 30 minutes relating to one of my colleagues, the member for East Melville. It is known that the member for East Melville has been pursuing vigorously and in accordance with his responsibilities the matter of the Select Committee inquiring into the sale of the Midland abattoir, and some considerable controversy has surrounded that matter.

This morning the member for East Melville was travelling from East Melville to Parliament House by car, and on leaving the freeway his car showed total loss of power. As a result he stopped and subsequently caused the car to be taken to its normal place of servicing. When the service manager and his staff had undertaken an examination of the vehicle, it was discovered that some half-dozen bolts holding the differential to the drive shaft had come adrift totally, with the result that those two parts had separated, causing the loss of power.

Without any suspicion on the part of the member for East Melville, he inquired of the service director of the company concerned as to the cause of the problem. The service director indicated to him that an explanation he could think of for the occurrence was that the vehicle had been interfered with. I have personally spoken to that service director and confirmed these matters.

Bearing in mind that the vehicle was last serviced some months ago, it is no recent failure in the servicing procedure which has resulted in this. The service director tells me that in his experience a situation in which this number of bolts should have come adrift to the same extent simultaneously is unprecedented, and there is no ready explanation, apart from the possibility which has been contemplated.

Should this amount to an attempt by some person against the member for East Melville, who is considerably distressed by it in relation

to his duties as a member of Parliament, it would be a very serious offence, in addition to the general offence involved under the Criminal Code.

The member is concerned not only for himself but for his family, and in relation to whether anything might have occurred to the other vehicle which his wife drives, which is normally accessible to the street, as is his own car, and which was parked with his own car last night.

I have spoken to the Commissioner of Police and arranged for a senior officer to visit Parliament House as soon as possible to speak to the member for East Melville and to have the matter properly investigated. But because of the seriousness of the matter I felt it was appropriate to bring it to the attention of the House.

**MR PEARCE** (Armadale—Leader of the House) [2.21 p.m.]: I want to say a couple of things concerning the statement by the Leader of the Opposition. There is a longstanding rule in the practice of Parliament that if one wants to make a ministerial statement, or if the Leader of the Opposition wishes to make a statement, the member provides the other side in advance with a copy of that statement so that there will be a chance to respond. That is something the Opposition has been very insistent upon, very properly.

Mr Hassell: I did explain to you—

Mr PEARCE: I know, but let me finish.

Mr Hassell: I was literally on the phone when the second bell was ringing.

Mr PEARCE: I want to say a few things about that statement. The reason we have this rule is that it is very difficult for the Opposition to respond to a ministerial statement when members have no idea what is in it, and at the completion of that statement they must make some kind of response.

Mr MacKinnon: We seek leave to make the statement later when it cannot be accommodated.

Mr PEARCE: I know that. In fact, we accommodate the Opposition to the extent that we provide the statements an hour or two in advance. It is normal practice. Occasionally it may have been the case that we have asked for a statement to be dealt with straight away.

The Leader of the Opposition came to me a minute before the Parliament sat and said he wanted to make a statement on some matter which did not concern the Government. He did not say what it was, except that a member's car

had been interfered with. The Government is particularly accommodating in this regard, and the Leader of the Opposition was obviously very concerned about the incident, so the Government was prepared to accept that the statement should be made. If it is the case that a member's car has been interfered with by some third party, it is a very serious matter and one would hope that if any person interfered with any member's car or, indeed, with the car of any citizen, he would be brought to book by the police. The Leader of the Opposition has taken exactly the right action in terms of calling the police, but I wonder whether every time the Opposition wants to have a matter investigated by the police this precedent will mean that the matter is then announced in the Parliament.

The aspect of the Leader of the Opposition's statement to which I take particular exception—and I believe the Government does, too—is that he started his statement about this alleged interference with the member's car by saying, "It is well known that the member for East Melville has been taking a strong personal interest in the investigations surrounding the abattoir site." What has that to do with anything? It may be that the member for East Melville is well known for a range of things, but what the Leader of the Opposition has done today by putting that sentence in his statement is, quite improperly, imply that there is or may be some connection between an alleged interference with the member's car and his investigations or otherwise with regard to the abattoir site. It is a totally unprincipled thing to do because there is not a skerrick of evidence on anyone's part to suggest that that is the case or that there is any kind of connection. I think it is very improper for the Leader of the Opposition to suggest that kind of connection in the Parliament, using the form of a statement for which I gave him, in a sense, Government approval to make on the basis that he was going to say something which may be of concern to members, but which did not directly affect the Government.

Mr Hassell: Does it directly affect the Government?

Mr PEARCE: Of course. The question of the abattoir sale is a matter with which the Government and this Parliament is very much involved.

Several members interjected.

Mr MacKinnon: The statement was not directed at the Government.

Mr PEARCE: It does not matter whom it was directed at. It is obviously of grave concern to any member of the Parliament, if any member of the Parliament is having his car or anything else interfered with because of his activities as a member of Parliament. That deserves to be thoroughly investigated and I am sure that I speak for the Minister for Police and Emergency Services when I say that the matter will be thoroughly investigated by the police officers who come up in response to the Leader of the Opposition's complaint, or the complaint of the member for East Melville.

However, it is totally improper and dishonest to make any statement, such as the Leader of the Opposition did, that there could be any necessary connection between that and anything that the member for East Melville may or may not be doing with regard to the abattoir inquiry. That was a totally unnecessary and unprincipled thing for the Leader of the Opposition to say, and I want to register, firstly, the Government's disgust that the Leader of the Opposition took the opportunity to cast that unwarranted slur or make that connection, for which there is no evidence. Secondly, I wish to apologise to my colleagues for having given the Leader of the Opposition approval for going ahead with that statement without giving me the content of it, and allowing the forms of the Parliament to be misused in that way.

## SHOPPING: TRADING HOURS

*Meat: Petition*

MR SCHELL (Mt Marshall) [2.25 p.m.] I have a petition which reads as follows—

The Speaker and Members of the Legislative Assembly,

We, the undersigned oppose any change to, or extension of the existing trading hours for the retail sale of meat, in the genuine belief that it would result in:—

1. Higher operating costs for retailers.
2. Higher meat prices to consumers.
3. Reduced service to customers.
4. A marked decline in the sales of meat.
5. Provide national supermarket chains with unfair trading advantage.

6. Reduce employment in the Industry.
7. Reduce the number of apprentices that can be trained.
8. Disrupt the family and social life of employer and employees.
9. Disadvantage the majority of consumers that prefer to complete their shopping within existing hours, by forcing them to pay higher prices for fresh meat.

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

The petition bears 49 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

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

(See petition No. 46.)

## ROADS: OLD COAST ROAD

### *Renaming: Petition*

MR P. J. SMITH (Bunbury) [2.26 p.m.]: I have a petition which reads as follows—

To:

The Hon. the Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament Assembled.

WE, the undersigned humble petitioners, strongly oppose the changing of the name "Old Coast Road" to "Bunbury Highway".

The "Old Coast Road" name has rich historical, social, economic and tourist significance dating back to 1858.

We believe that to change the name would destroy part of the South West's heritage.

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

The petition bears 920 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

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

(See petition No. 47.)

A similar petition was presented by Mr Read (253 signatures).

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

(See petition No. 48.)

## BILLS (8): INTRODUCTION AND FIRST READING

1. Appropriation (Consolidated Revenue Fund) Bill.
2. Appropriation (General Loan and Capital Works Fund) Bill.
3. Land Tax Amendment Bill.
4. Land Tax Assessment Amendment Bill.

Bills introduced, on motions by Mr Brian Burke (Treasurer), and read a first time.

5. Metropolitan Region Improvement Tax Amendment Bill.

Bill introduced, on motion by Mr Pearce (Minister for Planning), and read a first time.

6. Reserves and Land Revestment Bill (No. 2).

Bill introduced, on motion by Mr Taylor (Minister for Lands), and read a first time.

7. Cemeteries Bill.
8. Cremation Amendment Bill.

Bills introduced, on motions by Mr Carr (Minister for Local Government), and read a first time.

## FREMANTLE GAS AND COKE CO LTD: PURCHASE

### *Select Committee: Motion*

MR HASSELL (Cottesloe—Leader of the Opposition) [2.37 p.m.]: I move—

That this House establish forthwith a Select Committee of the Legislative Assembly to inquire into and report on the acquisition by the State Energy Commission of the gas undertaking of the Fremantle Gas and Coke Company Limited, with specific reference including—

- (a) The reason for the acquisition;
- (b) The nature and detail of the transaction both financial and contractual which took place;
- (c) Why the Minister for Minerals and Energy approved action under statutory powers which resulted in substantial enhancement of the value

of Fremantle Gas and Coke Company Limited;

- (d) When an understanding or agreement was made that the Government, through the SEC, would acquire the gas undertaking;
- (e) Why the Minister directed the State Energy Commission to pay \$39.75 million for the gas undertaking of the Fremantle Gas and Coke Company Limited when the whole of that company had been acquired in a competitive takeover situation some months before for a sum of about \$24 million;
- (f) How the purchase was financed by the State Energy Commission, and
- (g) The extent to which the Premier and Cabinet were involved in confirming, approving or negotiating the purchase.

The issue of the acquisition by the State Energy Commission of the gas undertaking of the Fremantle Gas and Coke Co Ltd has dragged on day by day, and week by week.

In that period two things have become apparent. Firstly, the Premier has not been prepared to defend, in a substantial or a detailed way, the basis of the transaction for the dealing which took place. Very belatedly, and simply in answer to a Dorothy Dix question last night, the Premier replied with a bland assertion of support for the Minister for Minerals and Energy and then made some comment about the transaction which indicated that he had very little understanding of precisely what the issues were. I will make reference to those shortly.

The second thing which has become apparent, and which is, of course, the fundamental justification for this motion to establish a Select Committee of this House in the absence of the Government having acted properly to clear up the matter, is that the questions relating to the transaction which have been repeatedly raised have not been answered.

The Government has not provided an explanation of the deal. Let us in a short time look at the simple facts relating to this whole transaction.

Firstly, it is a fact that in 1984 the company's gas undertaking was valued at \$18.4 million. That valuation was undertaken at the behest of the company when it was being subjected to takeovers or rumours of takeovers, and the directors of the company sought to have the assets of the company reconsidered and

revalued. Accordingly, on 15 February 1984, a company called Edward Rushton Son and Kenyon Australasia Pty Ltd reported to the General Manager of the Fremantle Gas and Coke Co Ltd its valuation of the plant and machinery and land and buildings of the company.

The company which carried out the valuation has offices in both Sydney and Melbourne, and was established in the United Kingdom in 1855. It has offices in London, Manchester, Dublin, Singapore, Hong Kong, Kuala Lumpur, Capetown, Harare, Kuwait, Bombay, Atlanta, and Chicago. In other words, it is a company of long standing and sound reputation—a company described as valuers and auctioneers of plant and machinery, industrial and commercial property, and fire loss valuers.

That valuation was carried out by the company itself in the context of attempts by various parties to obtain a proprietary interest in the Fremantle Gas and Coke Co Ltd. In those circumstances the directors thought it wise and proper to consider the valuation of the assets of the company. The valuation of the reticulation system was \$18 489 000. A detailed valuation was provided setting out the basis upon which that asset was valued.

Mr Brian Burke: In all of this argument you neglect one convenient fact: There was a 40 per cent increase in the price charged for the product distributed after the takeover. Do you think that would have had an effect on the value of the asset?

Mr HASSELL: The Premier has raised a good point. Let me explain to the Premier that of course a substantial increase in the price would increase the value of the company, but the value of the company was also increased by the approval given by the Minister for an increase in its capital. In addition to that, the valuation of the company on which the Premier relied last night as a justification for the price at which the Fremantle Gas and Coke Co Ltd was purchased was reliant in its scenarios of possible future value on further increases in the tariffs charged by the company.

Let me go back to what I was saying, and I will deal later with those interesting points raised by the Premier. It is interesting that he should raise them.

The asset which this Government has paid \$40 million to acquire was valued at \$18 449 000 on 15 February 1984 by an independent and reputable valuer. By whatever

means, it is a remarkable proposition that the \$18 million valuation of 1984 was so totally irrelevant in 1986 that the gas undertaking could have been purchased without regard to that figure for \$40 million by a Government which attempted to justify the price—

Mr Brian Burke: Two businessmen offered \$26 million in 1985.

Mr HASSELL: Let me go on to something to which the Premier referred—the valuation made by one of the substantial shareholders and interested parties in relation to Fremantle Gas and Coke Co Ltd in 1985. It is my understanding—it has been drawn to my attention by people in a position to know—that one of the competing parties to the takeover situation in 1985, which was a substantial shareholder, made inquiries as to whether the dividend paid by the company could be increased and was advised that it could not be increased. It then made a valuation of the company and concluded it was worth about \$19 million. Thereafter, that shareholder sold out because it could not see the prospect of the company increasing its dividend and providing a satisfactory return on the capital required to be invested.

So, having built up a substantial shareholding in a company operating a business in which it had a particular interest, that shareholder got out and left the scene, having made inquiries as to whether the Government would be prepared to increase the permitted dividend and having been told that the Government would not be prepared to increase the dividend.

Mr Parker: That is untrue. It was not told that at all.

Mr HASSELL: The first valuation we have of this gas undertaking was \$18.4 million in 1984. In 1985 we have an assessment of \$19 million for the whole company by an interested party. In 1985 there was one other critical factor—a competitive takeover situation in which a buyer was prepared to pay \$24 million for the whole of the company in the open market. Those are basic, incontrovertible, unavoidable facts which this Minister and this Government have not explained in relation to the purchase of one of the company's assets for \$39.75 million.

Mr Parker: Nonsense! We have explained that time and again.

Mr HASSELL: The Government is seeking to justify that purchase price on the basis of a valuation which was carried out after the

character of the company had been changed. In what way had it been changed? It had been changed by the Government itself; the purchaser of the asset, having approved a change in the capital structure of the company so that more money could be made out of it—

Mr Parker: Nonsense! You are not telling the truth; you are misleading the House.

Mr HASSELL: The Government wants to have it both ways, but it cannot get away with it because the valuation of Coopers and Lybrand is on the record. The valuation by Coopers and Lybrand makes it very clear. I refer members to page 5 of the valuation and to clause 22 (b) which states—

In considering the above trading performance and trend in profitability the following matters are of particular significance . . .

- (b) In the years prior to the takeover of FGC, management was discouraged from fully realising the potential customer base and profitability of the gas utility business by the profit and dividend restrictions of the Gas Undertakings Act. Although asset revaluations and consequent bonus issues of shares were used as a means of increasing returns to shareholders, this avenue was also restricted by the requirement to obtain Ministerial approval for increases in authorised capital. Since the takeover by Western Continental these restrictions have been diminished through an increase in authorised capital and the use of management charges from related companies, an avenue not readily available when FGC was a listed company with a wider spread of shareholders.

It indicates very clearly that the basis of the valuation on which the Premier relied in question time yesterday was the change made to the nature of the company with the approval of the Government.

Mr Parker: That is not true. It is absolute nonsense and you are misleading the House.

Mr HASSELL: The Minister for Minerals and Energy keeps chirping away.

In clause 14 on page 3 of the same valuation the valuer states—

We have chosen to value the gas utility business operated by FGC on the basis of the present value of future net cash flows expected to be derived from owning and

operating that business. As a check on the validity of this valuation we have assessed the reasonableness of the effective price earnings multiple represented in our valuation using a capitalisation of future maintainable earnings approach.

All of those different assessments are on the basis of the changes made to the company by the Minister for Minerals and Energy in May 1986 before the company was taken over.

Mr Parker: That is not true. It is simply a lie.

Mr HASSELL: The Minister is getting carried away with himself.

Mr Parker: You are getting carried away. I am trying to get to the truth.

Mr HASSELL: The Minister, with the Premier, is using a set of arguments which just do not hang up.

Mr Brian Burke: Rubbish! You are taking advice from the member for Nedlands who has been stirred up by his father and one or two diehard Liberals. You people do not realise that the whole town is laughing at you because they know who is pulling the strings.

Mr MacKinnon: We know whom they are laughing at.

Several members interjected.

Mr HASSELL: The Government's activities in this session have been characterised by what the Premier just did: He made a personal attack on a member and a former member of this place as the best sort of argument he could put forward. We have seen it day after day since the session resumed last week—personal, vitriolic attacks. We have seen attacks on the member for Murchison-Eyre; we have seen it on the member for Mt Lawley; we have seen it on the member for Nedlands; and, of course, we have seen it on a member in another place.

I will not be diverted from dealing with the clear and simple facts. Yesterday the Premier said two things during the course of questions without notice. I make it clear, Mr Speaker, that in making these statements as to what the Premier said, I am relying on two things—my own memory of what he said and an uncorrected *Hansard* proof.

During questions without notice yesterday the Premier said two things. Firstly, he said that the Government will recover the capital cost of the acquisition in a period of four years. The Minister has said the same thing. We are talking about a capital cost of \$40 million and we are talking about substantial interest charges to cover that capital cost.

Mr Brian Burke: Rubbish! Are you expecting to recover \$40 million plus interest charges? You would never buy a property for \$40 million if you were to recover each year the amount of \$16 million.

Mr HASSELL: The capital cost of the utility is \$39.7 million.

Mr Brian Burke: You do not understand at all.

Mr HASSELL: In question time yesterday, the Premier said—I can see that the Minister is busy trying to explain it to the Premier again.

Mr Brian Burke: It is the surplus over the interest.

Mr HASSELL: What is?

Mr Brian Burke: The \$1 million.

Mr HASSELL: Cannot the Premier understand the two things he said yesterday? He said that the Government will recover the capital cost in four years. If I recall correctly he did not say it once, he said it a couple of times.

In answer to the next question he slated the Opposition because he said there would be a surplus profit to the State Energy Commission each year of \$1 million.

Mr Parker: You are misleading the House. He did not say that. What he said was that for the Government, before taking into account not buying Wang gas and Woodada gas and the strategic advantages available to the SEC, but taking into account the point you raised last night about interest charges being more than the revenue, in fact, the revenue is about \$1 million more than the interest charges.

Mr Brian Burke: That is what I said when talking about the interest burden on the surplus cost.

Mr HASSELL: Let me ask the Premier for his permission to quote from an uncorrected *Hansard* proof.

Mr Brian Burke: I have not seen it. When I see it you can do what you like about it.

Mr HASSELL: The fact is that the Premier said that after the interest charges and all the other expenses had been taken into account there would be a profit of \$1 million each year.

Mr Parker: No, he did not.

The SPEAKER: Order! May I ask when that speech was made?

Mr HASSELL: Mr Speaker, it was made during questions without notice yesterday.

As I said at the outset I was relying on the uncorrected proof, my memory, and the memory of my colleagues that the Premier said two things yesterday in question time. Firstly, he said that the Government would recover the capital cost in four years. Secondly, he said there will be a surplus after the interest and expenses had been paid of \$1 million each year. The two statements do not hang up.

Mr Parker: You said there would be a deficit.

Mr HASSELL: Let us have a look at this question of deficit. I have in my hand a report on which the Government has relied, the Coopers and Lybrand report. In paragraph 21 under the heading, "Past Profitability", the profitability of the company—the turnover and earnings after tax—is listed. The operating profit after tax in 1983 was \$755 000; in 1984 it was \$1.3 million; in 1985 it was \$1.6 million; and the 1986 preliminary figure is shown as \$1.9 million.

That is the operating profit after tax—\$1.9 million. Let us take away the tax because, of course, the State Government does not have to pay it. Let us double that figure and compare that doubled figure with the cost of borrowing \$40 million. Where will the Government get the \$40 million to buy the Fremantle Gas and Coke Co Ltd operation? Two answers have come forward: Firstly, it will be borrowed and, secondly, it will come from the internal funds generated by the SEC.

Mr Parker: That is misleading, that is not what was said. We have consistently said that it will be funded from the capital works programme of the SEC which is a combination of internally generated funds and borrowings.

Mr MacKinnon: That is an absolute statement of mistruth according to your statement last night.

Mr Parker: That is what I said.

Mr MacKinnon: That is not.

Mr Brian Burke: You are a character assassin, the member for Murdoch.

Mr HASSELL: Another personal attack from the Government.

On 19 June this year, in a statement reported in *The West Australian* by Peter Kennedy, the Minister referred to a total capital debt of the SEC of \$2.74 billion. If the \$40 million to buy this operation will come from borrowings, then it will add to that debt and to the extent that it comes from the borrowings it will add to the debt; that debt which the Minister considered so serious a couple of months ago that he pub-

licly discussed selling the headquarters to reduce the capital debt.

If that money is borrowed, interest will have to be paid on it. If the Government is lucky, that interest rate will be in the order of 15 per cent. Interest at 15 per cent on \$40 million will amount to approximately \$60 million.

The profitability of that company in recent years, as disclosed by the report on which the Government itself has relied, taking away tax, at the maximum, on the estimate for this year, is \$4 million. I have heard the news report of the Minister saying that reducing staff and streamlining the operation will save \$1 million a year. Let us say that the Government saves \$5 million, it still has not covered the interest. If the money to acquire the gas undertaking does not come from borrowings but instead comes from internally generated revenue, what does it mean? It means one thing; increased charges.

Again, I refer to the valuation that has been made by Coopers and Lybrand, a valuation on which the Government itself relies. That valuation poses no less than six different scenarios and estimates what it refers to as operating profit before tax in the years ended 1987 and 1992, using those different scenarios. In five of those six scenarios the assumption is made that there will be an increase in tariffs to pay for the operation.

Which way does the Government want it? Does it want to say that the deal is all right because it can extract more from the consumers as a result of having an exclusive monopoly? Is that its justification for the deal, that it is a good deal because with a total monopoly and total control it will be able to extract more money from the 22 000 consumers? Alternatively, does the Government want to justify it on some other ground; that that is the value? But when we consider the different valuations the value only holds up on the basis that the company's structure has been altered to allow more money to be extracted. This goes back to the questions of how much can be taken out and why the Minister approved the increase in capitalisation in May and backdated a letter in relation to that approval. No proper explanation has been given for that action.

We go from unanswered question to unanswered question, in relation to this deal. We go on to discover that the people who miss out in this deal are, of course, the former shareholders of the public company who for many

years held their shares under restrictions imposed by Governments because it was a public utility and a monopoly. Those restrictions were imposed by this Parliament on behalf of the consumers; they were imposed with the support of the then Opposition.

I have a copy of the *Hansard* report of the speech made by Mr Grill when we amended the legislation a few years ago to increase the protection of the consumers. That legislation was supported by the present Government which was then the Opposition. This Government has now taken away that protection, increased the value of the company, and then purchased the asset. It is totally inconsistent. On the one hand it says that of course it has altered the value and that is why the new valuation applies. On the other hand it says that it is not responsible for the valuation being higher. What is the explanation?

We go on with the mysteries. A deal has been done which, on the basis of the evidence consistently presented to this Parliament and the public, indicates that the State's taxpayers have been completely duded by a Government which has made extravagant claims about its capacity for economic management. It does not have capacity for economic management. We have seen that in the Midland abattoir deal, in the Budget, and in this deal. It is a fraud for this Government to present itself as having good economic management when we consider deals such as this.

It has been well summed up in the newsletter *Western Australian Resources* which points out that there is only one winner but plenty of losers in the Fremantle Gas and Coke Co Ltd deal. Of course, the losers are the consumers, the people who have to pay the bills in this State, and the taxpayers. Despite all the public probing that has gone on, we do not have an explanation of this dealing. No explanation has been offered as to why this whole deal was done, why an approval was backdated, why the approval was given in the first place, when the arrangements were first made—even if they did not involve the Minister for Minerals and Energy—whom they did involve in the Government and when.

We have had a strangely silent Premier who, reluctantly and at the last minute, has been forced to come in and support his Minister. The Premier stayed silent for weeks on end in the face of raging public controversy; a Premier who will talk about anything at any time but who would not come in until the last minute to

try to give some feeble support to his Minister in relation to this deal.

Of course, there should be a proper inquiry, and if the Government is satisfied that everything in the garden is hunky-dory in relation to this deal, it should have nothing to fear from an inquiry. But, to date at least, we have seen a continuous stonewalling and resistance to an inquiry, or indeed to any study of the deal. All sorts of people have been pressured to be silenced and we will never find out the facts as to why the taxpayers of this State have paid out at least \$20 million which they did not need to pay out, unless there is a proper and authoritative inquiry into the goings-on.

Mr MacKINNON: I formally second the motion.

MR COWAN (Merredin—Leader of the National Party) [3.12 p.m.]: I thought there might be some response to the motion from the Government.

Mr Brian Burke: It has raised absolutely nothing new—absolutely nothing of any substance.

Mr COWAN: I still thought there might have been some response from the Government, but if the Premier believes there is nothing new, then that is okay.

Mr Brian Burke: There may well have been a response, but I have been here for a few years longer than he has.

Mr COWAN: I will briefly outline the attitude of the National Party to the motion before the House.

We have followed with interest the reaction of the major Press outlet in Western Australia to this deal, and certainly *The West Australian* has made it very clear that it suspects the public of Western Australia have not achieved the best possible deal out of this sale, and that there needs to be some inquiry into what is taking place. The National Party believes that if the Government has nothing to fear from this type of inquiry, it will allow the inquiry to go ahead.

Some questions deserve to be answered. The Minister made it very clear some time ago that he was not prepared to enter into the prospective purchase of the company when it was the subject of a takeover bid. I can respect his views on that because he is quite right. There would have been an outcry from private enterprise about the big hand of government getting involved in normal business practices—there is no question of that. Nevertheless, the



fact remains that because the Government did not enter into that takeover bid it then found itself purchasing the Fremantle Gas and Coke Co Ltd at some profit to Western Continental Corporation Ltd.

I think the public have a right to know whether or not that extra profit to a private company from taxpayers' funds can indeed be justified. The explanation has been given that in view of the purchase of gas surplus to that which we need in Western Australia, this deal will be an advantage to Western Australian taxpayers. The National Party would like to have a far more detailed explanation of how the Government arrived at that conclusion.

I think the Minister should answer that question. The Minister should answer the question as to the Government's involvement in the issuing of a share capital and allowing the valuation of the company to increase, and then, having agreed to that, paying the extra price. To a lot of people, that is increasing the cost to the taxpayer. There is a general feeling that the Minister entered into a negotiation with a private company and, in the vernacular, got rolled. I suppose any Government Minister has to wear that, and if the Government has nothing to hide I think this inquiry is something that should be allowed to proceed.

There is one other thing I want to make quite clear. The Government must bear in mind that quite often things have to be repeated before people pick them up. It may be that my listening skills are not very good, but I have yet to be convinced that all the reasons put forward for the purchase of the Fremantle Gas and Coke Co Ltd are satisfactory to me. However, provided the Government is prepared to give the necessary answers, whether it be publicly or before a Select Committee of Inquiry, the National Party does not believe this is something over which we have to conduct a complete witch-hunt, purely and simply because we believe that the Minister entered into a negotiation for the purchase of a company and he was completely outgunned.

It is disappointing for the public, inasmuch as they are funding the inability of the Minister to perhaps get the best possible price. There is no question that in 10 or 15 years' time it may turn out to be quite a reasonable deal because of the savings through the commitment of this State to that excess gas which, as the Premier has rightly said, is not his responsibility in the first place. However, it is certainly his responsibility to try to do something to alleviate that

continual cost to the Western Australian taxpayer.

The National Party is prepared to support this motion on the grounds that if the Government has nothing to hide it will welcome this inquiry because it will exonerate it from any accusations that have been levelled against it. As well, it will give the Minister and all people concerned the opportunity to prove that it was, in the Premier's own words, a good deal for Western Australia.

Mr Brian Burke: An excellent deal.

Mr COWAN: This inquiry will allow that to be proven. At the moment there is a considerable amount of public disquiet because the public have not yet been convinced. I am sure the Premier will accept this opportunity to find yet another vehicle through which he can convince the public that everything it did was aboveboard and in the best interests of the public of Western Australia. I say that with genuine sincerity, but there is one thing this Parliament should do in establishing that committee of inquiry, and that is, once it is established it does not need to go any further. The matter must not be turned into a witch-hunt.

MR BRIAN BURKE (Balga—Premier) [3.19 p.m.]: It was always my intention to avail myself of this afternoon's debate to go step by step through this transaction and to demonstrate conclusively—not to the satisfaction of the Opposition, because that is not a possibility—but to the satisfaction of the Parliament generally, and hopefully the National Party, although I discern about the National Party these days a characteristic that tells me that it is less than its own man in most matters—

Mr Cowan: That is not true.

Mr BRIAN BURKE: I do not care whether it is true or not. It is true that I discern it. The Leader of the National Party knows whether it is true or not. I am telling him that is my impression.

Mr Cowan: I am telling you that is not true.

Mr BRIAN BURKE: I am still telling the Leader of the National Party that that is my observation of his behaviour. I know—and I generally accord the Leader of the National Party a better hearing than I do the Opposition because the Leader of the National Party generally tries to address matters—as well as the Leader of the National Party knows that he has copped a raft of new members, half of whom he cannot control. I leave that aside because I do not want to argue about it. I do not want to give any cause for mirth. I want to simply demon-

strate, before I get onto the chronology of the matter, just how the Leader of the Opposition is deficient in his argument about the valuation of the company.

Recall that he said time and time again today that in 1984 this company was valued at \$18 million.

Mr Hassell: I did not say that at all.

Mr BRIAN BURKE: Would the Leader of the Opposition like to say what he did say?

Mr Hassell: I said the gas reticulation system was valued at \$18.4 million. I have the valuation here.

Mr BRIAN BURKE: I am not doubting him, but what I am saying is this: Leaving aside the valuation placed finally in the ultimate purchase on that same reticulation system and taking into account that which is not included in the \$18 million valuation to which he referred as having been made in 1984, remember that in 1985 purchasers were breaking their necks to pay \$26 million for the asset. Where does the Leader of the Opposition stand in trying to explain his own position because what he says is that there is an illogical quantum link in the valuation between \$26 million and \$39 million. He leaves the \$26 million out when he talks about the \$18 million in 1984. As far as we are concerned we do not believe that Robert Holmes a Court, Mr Goldberg, Mr Connell, or any of the other takeover merchants in this town pay \$26 million for a property because they think it is worth that much.

Mr Hassell: Who paid \$26 million?

Mr BRIAN BURKE: Well, whatever price was paid above that valuation to which the Leader of the Opposition referred.

Mr Hassell: They were valuations of different things.

Mr BRIAN BURKE: The point I am trying to make is that by any measure there is a quantum link between the valuation that the Leader of the Opposition uses, the price paid by the private purchaser during the takeover battle, and that paid by the State Energy Commission on the instruction of the Minister later.

I am simply trying to say to the Leader of the Opposition that there is a quantum link in both cases that he needs to address and try to explain, if he wants to use the second change in value as some sort of a charge against the Minister, against me, or the Government.

Mr Court: You are making a dill of yourself. You just said the value jumped from \$18 million to \$24 million.

Mr BRIAN BURKE: Leaving aside those other assets which were not included in the valuation and, quite frankly, by any stretch of the imagination are not assets worth anything compared to the main product or the main activity of the company, there is still that leap in the valuation.

I do not believe that the Leader of the Opposition would seriously maintain that Holmes a Court, Goldberg, or Connell would be seeking to pay \$24 million or \$26 million for a particular asset if he believed that is what it was worth.

Mr Hassell: He did not pay that for the asset. He paid that for the whole company.

Mr BRIAN BURKE: That still applies. Does the Opposition think that he paid \$24 million for the whole company because he thought that was what it was worth?

Mr Hassell: That is right.

Mr BRIAN BURKE: Of course he did not.

Mr MacKinnon: How do you know that? Did you ask?

Mr BRIAN BURKE: Because it is well known that as a takeover target Fremantle Gas and Coke Co Ltd was considered to be a company capable of much greater profits than it was presently deriving, particularly under a single ownership.

Mr Court: The restrictions were removed.

Mr BRIAN BURKE: No, that is where the member is wrong. It has nothing to do with removing the restrictions. Let me try to explain to the Opposition that it has nothing to do with removing the restrictions, but it has a lot to do with removing the plethora of owners. That is the whole point. I think the Opposition understands that.

Mr MacKinnon: What is the difference between a lot of shareholders and one?

Mr BRIAN BURKE: The ways in which that profit, which in the ownership of a multitude must be expressed either in bonus shares—which the company had expressed it in previously—or in depressed gas prices—which was the object of the legislation—need not be expressed in those two ways when there is a single owner. That is the whole point.

Mr MacKinnon: No it is not. How is it expressed then?

Mr BRIAN BURKE: In a multitude of ways.

Mr MacKinnon: Such as?

Mr BRIAN BURKE: I will tell the Deputy Leader of the Opposition. It is expressed in a management fee.

Mr MacKinnon: Which we destroyed the other night.

Mr BRIAN BURKE: The Opposition did not destroy anything. A management fee can be levied on the company, it can be discharged through a trust arrangement that seizes the accessing of the cash flow by that single owner, but not by a multitude of owners. It can be avoided or accessed in terms of the cash flow by assigning to Fremantle Gas and Coke Co Ltd the obligations of Western Continental or of a single owner.

Mr Court: Have you read the Gas Undertakings Act?

Mr BRIAN BURKE: It can permit the new single owner to access the cash flow. That is the difference. The difference is the multitude as against the single owner. If the member is an accountant of any sort then he knows that is true.

Mr Court: Are you talking about the cash flow or the profit?

Mr BRIAN BURKE: I am talking about accessing the cash flow firstly because that is of great value to a company, and secondly, taking the profits. It may not be the most tax efficient way of doing it but it is still a way of ensuring the profits are not reflected in depressed gas prices.

In making this preliminary point let me say this; the Fremantle Gas and Coke Co has made a practice of issuing bonus shares to its shareholders. It had not in the past been restricted from issuing bonus shares. It had been able to because it had unissued capital. Unless I am wrong, the Fremantle Gas and Coke Co had, on occasions, had its authorised capital increased and, as a result of those increases, it had been able to avoid the returning of profits in the form of depressed gas prices.

Let me make that preliminary point again. When talking about a valuation of \$18 million on the system in 1984, taking into account the unincluded assets of the company in that valuation, there is still a difference in the valuation of the system between the \$18 million and that part of the \$24 million which was rightly considered by the shareholders in the Fremantle Gas and Coke Co themselves to be an appropriate price at that time. Even if one extracts the assets that are not included in the valuation that comes to \$18 million, there is still a difference.

The second point is that the price paid by the takeover merchants surely is not a price that the Opposition maintains is a fair price that

they are seeking to pay because they do not think they can make any money out of it. Their whole aim is to take over the company, to maximise its performance and profits, and to turn it into an asset of greater value. That is why they are seeking to take it over.

They recognised it as a poorly managed and undervalued asset and sought to take it over. That is the situation.

I want to go through the chronology of the events and answer each of the questions the Opposition has raised from time to time. First of all, it was in December of 1984 that J. N. Taylor Holdings Pty Ltd launched a takeover bid with a 12 for five share offer for shares which were worth approximately \$4 at that time.

That takeover offer by J. N. Taylor provoked from Fremantle Gas and Coke Co Ltd an allegation that the Government was in league with Robert Holmes a Court and was attempting to help him take over Fremantle Gas and Coke. That is the first allegation made even before the takeover by Goldberg's company was complete: We were accused of helping Holmes a Court. That 12 for five share offer in the culmination of the offer would be seen to be worth between roundly \$70 million and \$90 million had it been accepted.

Mr Court: That is a ridiculous argument.

Mr BRIAN BURKE: We will get onto that ridiculous argument in a moment. But had that share offer been accepted, as it was by one of the major shareholders—and I will refer to that in a moment—the value of the company would not have been \$39 million for the system plus what the assets were worth as we paid for it, but would have been between roundly \$70 million and \$90 million. That is the first thing.

On 11 January 1985 a request was received from Fremantle Gas and Coke—this was after the Holmes a Court bid—to increase its authorised capital from \$5 million to \$10 million and to adopt tax effect accounting.

Mr MacKinnon: When was that request made?

Mr BRIAN BURKE: On 11 January 1985, after the takeover bid started. We have a company asking whether it can increase its share capital, effectively to avoid being taken over, from \$5 million to \$10 million.

Mr Court: The Minister said it was in August.

Mr Parker: They made the request in August but they came to see me in January.

**Mr BRIAN BURKE:** The member for Nedlands carps and carps, after the pathetic effort of his leader who stood up here and said nothing at all and then disappeared outside, having offered no new facts, nothing but absolute nonsense, and in that nonsense accused us of trying to assassinate characters. We are going to give the member for Nedlands some of the facts. If he does not like them he can join his leader outside.

**Mr Rushton:** Give us all the facts.

**Mr BRIAN BURKE:** They would be wasted on the member for Dale.

On 11 January 1985, after the takeover bid started—not before—Fremantle Gas and Coke Ltd came along and said it wanted to increase its share capital.

**Mr Court:** You have just contradicted your own Minister.

**Mr Parker:** Not true.

**Mr BRIAN BURKE:** It came on 11 January 1985 and said it wanted to increase its share capital. What happened then? There was a takeover bid in train and the Minister rightly said it could not increase its share capital. I support the view he expressed. What should he have said to Fremantle Gas and Coke Co Ltd? Should he have said it could increase its share capital to avoid the takeover? What would members opposite have said had he done that? They are not saying very much now, but what they would have said then—

**Mr MacKinnon:** We will have plenty to say.

**Mr BRIAN BURKE:** The motion was going to be put except that the member for Merredin got to his feet. We still have not got past the point of trying to extract from members opposite their view on what the Minister should have done.

I have tried to say that on 11 January 1985, when the request was made, the takeover bid had already been lodged. The Minister had no option but to say to Fremantle Gas and Coke Co Ltd, "No, you can't increase your capital." Who in this Chamber says that he should have allowed the company to increase its capital? Does the member for Mt Lawley say it should have been allowed to? He says nothing. What about the member for Merredin?

**Mr Court:** Don't try this stupid tactic.

**Mr BRIAN BURKE:** What would the member for Nedlands have done? We are in the process of disputing every point Opposition members have made but we cannot get past the second point because what the member for

Nedland says is that on 11 January, in the currency of a takeover battle, permission should have been given to Fremantle Gas and Coke Co Ltd to increase its share capital. I disagree with his view.

**Mr Court:** Don't talk nonsense!

**Mr BRIAN BURKE:** The member should not lose his temper.

**Mr Court:** You are getting desperate. The media haven't believed you for three weeks on this issue. You haven't got the facts right whenever you have spoken on this.

**Mr BRIAN BURKE:** I am trying to go chronologically through every point raised.

**Mr Court:** You will never justify why the taxpayers paid \$20 million too much for this company. You made a fool of yourself.

**Mr BRIAN BURKE:** I am trying to go through from the start of this episode to answer every point raised, and I will do it; I will answer every point raised whether it is to the member's satisfaction or not.

Members opposite still have not faced up to this fact: The Opposition has consistently tried to charge the Minister with refusing to allow Fremantle Gas and Coke Co Ltd to increase its share capital and then allowing Western Continental to increase its capital when it owned the company. I have told the Opposition that the request was made during the currency of a takeover battle. The Minister quite rightly refused, and members opposite have no answer to that point.

**Mr Parker:** And at the time I made it clear I would consider their request for any other purpose.

**Mr BRIAN BURKE:** At the same time, because the Minister was concerned that the request was made solely to defend the company from a takeover, he indicated to it that once the takeover battle was finished he would entertain requests to increase the share capital of the company. Remember this: On several occasions previously, requests from the company to increase its share capital had been agreed to. So, Governments had previously agreed to increase the share capital. But the Minister said he would not do it during a takeover bid but he would consider it after the takeover was completed and won or lost. What is fairer than that?

The Government was satisfied at the time that the takeover bid by J. N. Taylor Holdings, if successful, would not be prejudicial to the interests of consumers or to the security of

supply; and it ruled out compulsory acquisition by SECWA. That is the next point. At that stage SECWA looked at whether it should enter the takeover battle and attempt to purchase the company during the currency of the takeover bid, not by Western Continental but by J. N. Taylor Holdings. I cannot recall whether it referred this to the Minister, but SECWA decided it should not enter the takeover battle.

Remember this one thing about those two matters: Where would we as a Government have stood had we been guilty of allowing the company to increase its share capital to avoid being taken over or, secondly, offered to purchase, rightly or wrongly, as we thought we might possibly do, this utility at the lowest possible price whether or not we had been entering the takeover battle?

What if we had got the WADC to put in a bid for the company? Members have seen the criticism that the WADC runs into when it blinks, let alone when it enters the takeover battles that the Opposition seems to be suggesting we should be entering to minimise the price.

Let us leave that consideration aside for a moment and go to what would have happened had we entered the takeover battle. We think, on reflection and on analysis, that we would have had to bid about \$6 a share. That would have placed the value of the asset at about \$30 million, I understand. We would have achieved that result by going into the takeover battle, contrary to the Opposition's philosophical position on every other occasion when it has been called to express it when the occasion bore any similarity to this. The Opposition is not honest, truthful, or consistent, because to get the company as cheaply as it says we should have got it, the one thing we should have done was to enter the takeover battle and then we would have got it at \$30 million. The Leader of the Opposition would then have said, "Why are you paying \$30 million for something that has been valued at \$18 million?" We would not have avoided the controversy. The Opposition would have heaped more of it upon the Government for the Government's action in entering the commercial takeover field.

On 21 January, J. N. Taylor Holdings issued its part A Statement to Fremantle Gas and Coke shareholders offering 12 J. N. Taylor shares for each five Fremantle Gas and Coke shares. One of the conditions of the purchase provided that J. N. Taylor had to be satisfied that it had undertakings from the Minister that it would not be subject to the restrictions under the Acts, specifically those limiting annual divi-

dends to not more than three per cent above the prevailing bond rate. Taylor announced its entitlement to 19.4 per cent of Fremantle Gas and Coke Co through a Holmes a Court controlled company offer that was open until 22 February 1986 and later extended to 8 March 1986, and Fremantle Gas and Coke Co immediately recommended rejection of the offer.

It was clear, because this was at the time that the company was accusing the Government of being in league with Holmes a Court, that the company oppose the Holmes a Court takeover bid at any cost. I will refer to that later, but it is important to make that point now. The company immediately recommended the rejection of the offer and on 22 January 1985, Fremantle Gas and Coke Co sought Supreme Court interpretation of the Gas Undertakings Act in relation to condition 8.8.4 which was the one about the restriction of distributions of dividends to not more than three per cent above the prevailing bond rate.

On 26 January 1985, J. N. Taylor Holdings announced that the takeover bid was no longer conditional upon assurance that the restrictions would not apply. Is the Opposition listening; has it understood the importance of that point?

Mr Court: You are talking a whole lot of nonsense.

Mr BRIAN BURKE: Is the member serious?

Mr MacKinnon: Yes.

Mr BRIAN BURKE: We have been talking about restrictions on the dividends for weeks and weeks.

On 26 January, Holmes a Court's bid formally withdrew its dependence upon assurances that the restriction would not apply upon receiving those assurances.

On 31 January 1985—this was after the Supreme Court interpretation, and after the withdrawal of the condition—Fremantle Gas and Coke issued its part three statement formally recommending rejection of the J. N. Taylor offer.

I pointed out to the Opposition previously that perhaps Fremantle Gas and Coke was not acting quite in the interests of its shareholders as it turned out. Perhaps it perceived it to be in the interests of its shareholders to confound Holmes a Court at every turn. I am not a stalking horse for Holmes a Court by any manner of means. However, it is interesting to note that on 6 March—the member for Nedlands said a minute ago that this is an irrelevancy, it does

not matter, it is a load of nonsense—Wesfarmers sold its 13.6 per cent stake in Fremantle Gas and Coke Co Ltd to J. N. Taylor.

Mr MacKinnon: Why?

Mr BRIAN BURKE: I presume it thought that was the way to maximise its potential profits.

Mr MacKinnon: I think you presume wrong. Have you asked Wesfarmers?

Mr Hassell: Would you like me to tell you? It sold because, with the controls on the companies and with the current prices, it could not see the possibility of making a quid out of it.

Mr BRIAN BURKE: The Leader of the Opposition has been outside while I explained to the Opposition that the assurances in respect of the three per cent limit above the bond rate had been given. Does he not understand that? During his brief absence that condition upon which he based so much of his argument for so long evaporated.

Mr Court: At the end of your explanation, someone still bought it for \$24 million.

Mr BRIAN BURKE: I will finish this speech and tell the Opposition about the favouritism of the previous Government and Ministers for Fremantle Gas and Coke Co Ltd.

Mr Court: Tell us.

Mr BRIAN BURKE: I will answer the member's interjections along the way. I will tell him how previous Ministers took to Cabinet recommendations that Fremantle Gas and Coke Co Ltd be given a privileged position in the company law of this State that no other company had ever received. We will see about those things too. We will see why this Opposition is fighting so hard for Fremantle Gas and Coke Co Ltd.

Mr MacKinnon: What did Cabinet say?

Mr BRIAN BURKE: Cabinet will support it.

Mr MacKinnon: Did Cabinet support the Minister you are talking about?

Mr BRIAN BURKE: No, of course it did not.

Mr Hassell: The Premier is trying to knock a Government decision that was never made.

Mr BRIAN BURKE: The point I am making is that the Minister was prepared to take that matter to Cabinet. The former Minister for Minerals and Energy, who was convinced Fremantle Gas and Coke should be given that privileged position, was never going to do any-

thing to prejudice it because that Minister was prepared to go to Cabinet and say, "My recommendation is that you install these people in a position that no other company enjoys in this State."

Mr Court: At least he took it to Cabinet.

The SPEAKER: Order! Members of the Opposition know my point of view about interjections; they are a very important part of parliamentary debate. However, the way they are being handled at the moment is that they are almost destroying the opportunity for parliamentary debate. In my view they are not meant to cause the member on his feet not to be heard. If members want to interject, they should interject as part of the debate because if they continually interject in a manner that causes the Premier or any other member in this House not to be heard, I will cause the interjections to cease altogether.

Mr BRIAN BURKE: If the former Minister in charge of this area of responsibility was prepared to take to Cabinet a proposition as monstrous as that, what hope have we to expect that Fremantle Gas and Coke's responsibility to that Minister, working under legislation for which he has responsibility, will not be given a privileged position?

Let me answer the interjection which said that at least he took it to Cabinet. He had to because it would have required legislation.

Mr Court: But you said it was not accepted.

Mr BRIAN BURKE: Of course it was not, but my point is that the responsibility—

Mr Court: Your Minister is embarrassed by your line of attack.

Mr BRIAN BURKE: The responsible Minister found it acceptable, did he not?

Mr Court: You said that Cabinet rejected it.

Mr BRIAN BURKE: The responsible Minister found it acceptable.

Mr Court: How would I know?

Mr BRIAN BURKE: The member would not know, and it would join the legion of other things he does not know. The member for Nedlands does not like it, does he? He has read the back of one of those exercise books that still have feet and inches on it, and he thinks he knows everything about business.

Mr Court: You can abuse me all you like.

Mr BRIAN BURKE: I am not abusing the member. He is interjecting and saying it is all a joke. If he wants to interject he will get his interjections turned back on him. If he does not

want to be mentioned in despatches, he should shut up.

With due respect, I think we have had enough of the Opposition making all sorts of unfounded allegations, to be joined today by the weakest effort we have ever seen—a Leader of the Opposition who spoke for about eight minutes and said nothing.

Mr Court: Forty minutes.

Mr BRIAN BURKE: How many?

Mr Court: Forty minutes.

Mr BRIAN BURKE: We have a lot more that we can tell members anyway.

On 7 March, responding to the announcement of J. N. Taylor's increased control—that is, it had bought Wesfarmers—Fremantle Gas and Coke repeated its appeal to shareholders not to accept the Taylor bid and advised that an announcement would be forthcoming within 24 hours. The Government was criticised for allegedly assisting Holmes a Court with his bid. I make the point again because the Opposition has missed it so many times: The Opposition has said that there was a restriction on the ability of Fremantle Gas and Coke to distribute more than the three per cent of dividends—I hope that the Leader of the Opposition is not leaving the Chamber; I want him to listen to this point because it is very important. I am trying to tell the Leader of the Opposition that that three per cent restriction was lifted and he has not even bothered to discover the fact. During the currency of the Holmes a Court takeover bid he sought the assurance that the three per cent limit would not continue to apply. Do members of the Opposition understand that?

Mr Parker: I advised the market that I was inclined to lift it.

Mr BRIAN BURKE: And the Minister advised the market and then Fremantle Gas and Coke came out and said—

Mr MacKinnon: Did he advise the company in writing?

Mr Parker: Yes, it was in the Press release.

Mr MacKinnon: Where is the Press release?

Mr BRIAN BURKE: Oh, where is the Press release! The Deputy Leader of the Opposition would perhaps like the typewriter, the desk and the carpet on which the desk was placed. The Opposition has been caught out. It has been arguing that the three per cent restriction on the distribution of dividends was a critical point. How many times have members of the Opposition said that?

Mr MacKinnon: But surely if the three per cent restriction has been lifted, that makes the whole question of increasing the share capital even more critical.

Mr Parker: Here is the Press release.

Mr BRIAN BURKE: Does the Deputy Leader of the Opposition want the Press release?

Mr MacKinnon: Yes, I would not mind a copy. I have not seen it.

Mr BRIAN BURKE: The Deputy Leader of the Opposition usually asks for things and does not want them, but we will give him this one. What the Minister said is in writing—in typing, actually; that is a major point too. With respect to the restriction the Minister said, "I can see nothing at this stage which would suggest that I would be other than inclined to provide the undertakings as sought." Eighty per cent of the Opposition's argument just flew out of the window because there is no restriction on distribution of dividends.

Mr MacKinnon: Which makes the increase in the capital even more important, doesn't it?

Mr Parker: This was information provided to the market. I deliberately put out that Press release in order that the market—

Mr MacKinnon: Let us have a copy.

Mr Parker: You can have a copy. It was distributed at the time. It is a Press release of 11 January.

Mr MacKinnon: It makes an increase in the share capital all the more important.

Mr BRIAN BURKE: It does not. The opposite is the case. The share capital could have remained the same.

Mr Parker: You do not have to increase the share capital to allow the dividends to increase.

Mr MacKinnon: Then why was the request made?

Mr BRIAN BURKE: Because a single owner was now in charge of the company.

Mr MacKinnon: If there is one owner, and if the dividend restriction has been lifted, why does he have to increase the issued shares?

Mr BRIAN BURKE: Because the most tax-efficient way of transferring the profit from the solely-owned subsidiary is by the increase in share capital. That is the answer.

Mr MacKinnon: You can get it out tax free?

Mr BRIAN BURKE: Yes, as we are meant to be able to. The Federal Government deliberately permitted companies to write off

the losses of wholly-owned subsidiaries against the profits of others.

Mr MacKinnon: Exactly. But why do you have to increase the share capital to do that? If you have five million shares you just increase the rate of dividend on them. You do not have to increase the number of shares to 15 million.

Mr BRIAN BURKE: The Deputy Leader of the Opposition did not know that the Minister had given that public undertaking, did he?

Mr MacKinnon: No, but it does not alter the argument one iota.

Mr BRIAN BURKE: Because of that undertaking the Government was criticised for allegedly assisting Holmes a Court with his bid. Then on 8 March, Western Continental Corporation, through its subsidiary Matthew James Pty Ltd, advised Fremantle Gas and Coke Co directors that it intended to make a \$4.80 per share cash offer to Fremantle Gas and Coke Co shareholders, and it commenced offering to buy at \$4.80 in the market.

Mr Parker: That was the day after I was supposed to be helping Holmes a Court.

Mr BRIAN BURKE: As the Minister said, this is the day after we were all about helping Holmes a Court. Western Continental then came into the market. The Fremantle Gas and Coke Co directors immediately recommended acceptance of the offer. I will tell the Opposition what happened: Fremantle Gas and Coke went out to find someone else to make an offer. That is what happened. It went to find someone to beat Holmes a Court. Immediately the offer was made by Matthew James, the subsidiary of Western Continental, lo and behold, Fremantle Gas and Coke Co directors recommended acceptance.

As far as I can see the Opposition to this stage is right off the track. A moment ago the Leader of the Opposition said that he knew why Wesfarmers sold its shares to Holmes a Court. The Leader of the Opposition believes that the answer is the restriction on the dividends, yet the Minister said publicly that he had already announced that there would not be that restriction.

Mr MacKinnon: Before or after Wesfarmers sold its shares?

Mr Parker: On 11 January. Wesfarmers sold in March.

Mr BRIAN BURKE: Wesfarmers sold its shares on 6 March. I do not know where the Leader of the Opposition gets his explanations. It may be from disgruntled directors of

Fremantle Gas and Coke Co or it may be from the business advisers of the member for Nedlands.

Mr Court: You missed one point in that little explanation. You missed out that the SEC had introduced Fremantle Gas to its eventual purchaser.

Mr BRIAN BURKE: I am happy to deal with that.

Mr Court: You have conveniently ignored that.

Mr BRIAN BURKE: What happened, as I understand it from reading the Press, was that Fremantle Gas and Coke went to see the SEC and that whoever saw the company's representatives—I understand Marwood Kingsmill was one—in talking about prospective purchasers said that Laurie Connell and his merchant bank were people who might be approached. Fremantle Gas and Coke Co then went to see Connell. Members of the Opposition are acting as though the Minister got Fremantle Gas and Coke directors, twisted their arms behind their necks, marched them down to Connell's office, forced them to recommend acceptance of the Western Continental bid, and then somehow or other took them as suckers.

Mr Parker: All at the same time as I was supposed to be in league with Holmes a Court!

Mr BRIAN BURKE: Exactly. Where are the responsibilities of Fremantle Gas and Coke?

Mr MacKinnon: Whoever said that?

Mr BRIAN BURKE: The Deputy Leader of the Opposition has been saying that. What was he reported as having said in the *Sunday Times*? I ask that somebody get me a copy of the *Sunday Times*. We are quite enjoying this. We are not having too many problems at all today. It is a bit of a pity that I did not take the Opposition more seriously from the beginning. It took today's headline to see that I am on the skids to make me get up and swap places with members of the Opposition—not on the Opposition benches, but on the skids. We will see the *Sunday Times* and the things the Deputy Leader of the Opposition had to say about Mr Connell. Members of the Opposition have accused me of calling the directors of Fremantle Gas and Coke dopes. What are members opposite calling them? They have accused them of being so brain-damaged after running down to Connell's office as to recommend acceptance of the Western Continental offer against the interests of their shareholders.

Mr MacKinnon: Who said that?



Mr BRIAN BURKE: The Deputy Leader of the Opposition said that time and time again.

Mr MacKinnon: I never said anything like that.

Mr BRIAN BURKE: The Deputy Leader of the Opposition has never said anything! He changes his ground like quicksand.

Mr MacKinnon: You make these things up.

Mr BRIAN BURKE: They make good hearing.

Mr MacKinnon: I never said that at all.

MR BRIAN BURKE: Rubbish! The Deputy Leader of the Opposition forgets what he says from one minute to the next. We will get a copy of the *Sunday Times* and read everything he has said.

I have answered the point raised by the member for Nedlands. Even though I have been critical of the directors of Fremantle Gas and Coke Co Ltd, I would not ascribe to them that compulsion the member seems to—that once leaving the SEC they are drawn by some irresistible force to Yosse Goldberg. I am not saying that; the Opposition seems to be saying it. The directors then recommended acceptance; no-one forced them to recommend acceptance of the Goldberg offer.

Mr Court: Pathetic!

Mr BRIAN BURKE: It may be, but that is the absolute truth. We have to go a long way before getting to the interesting part about the involvement of some members opposite and their supporters.

So J. N. Taylor closed with its bid to take effective control of 41.47 per cent, and lo and behold, the Government denied an allegation about assisting Holmes a Court—

Mr MacKinnon: Would you like a copy of that *Sunday Times* article?

Mr BRIAN BURKE: If the member would care to pass it over. Western Continental issued a "Part A" \$4.80 per share offer, to close on 7 June 1985. On 16 May J. N. Taylor Holdings—the article says Mr MacKinnon said—

Mr MacKinnon: That is the journalist's interpretation of what I said.

Mr BRIAN BURKE: Where is the member's retraction, since he has been misquoted?

Mr MacKinnon: The *Sunday Times* happens to come out only every Sunday.

Mr BRIAN BURKE: Just give us a copy of the letter; a copy of the Press release.

Mr MacKinnon: You were indicating something by interjection earlier on. I can explain exactly what I said. There is nothing secret about it.

Mr Peter Dowding: You did not say that by way of interjection when you were looking at that piece of paper.

Mr BRIAN BURKE: It is almost as though Mr Connell has a vote in the Liberal Party room.

Mr MacKinnon: I stand by every word attributed to me in quotations in that article.

Mr BRIAN BURKE: Let us look at what the member does not stand by. It reads, "Mr MacKinnon said the Opposition was interested in finding out whether Perth businessman, Mr Laurie Connell had 'played a bigger role in the purchase than has yet been revealed'".

Mr MacKinnon: That is not a quote. You must have very poor copy.

Mr BRIAN BURKE: The member gave it to me.

Mr MacKinnon: It is not a quote.

Mr BRIAN BURKE: I have a single quote.

Mr MacKinnon: It is not a quotation.

Mr BRIAN BURKE: It is in single quotes.

Mr MacKinnon: It is not a quotation in my copy.

Mr BRIAN BURKE: The member denies saying it?

There is a lot more. It is all on the record. After saying what he now denies, and saying that he does not have a letter correcting it or anything else, he said, "The Opposition also wanted to know if Mr Connell had a greater participation in Perth-based Western Continental Corporation than has yet been known". That is not in quotes, so the honourable member did not say that.

Mr MacKinnon: No.

Mr BRIAN BURKE: The member says he did not say that. This is in quotes so he did say that. We do not know whether the shareholding has been increased. He did not say the part of the story which is absolutely essential to make any sense to what he did say.

Mr MacKinnon: He asked me a direct question.

Mr BRIAN BURKE: Does the member know what my children would say to him? They would say, "Control tower to pig, prepare to take off."

Mr MacKinnon: Maybe they would, but that does not alter the essential point.

Mr BRIAN BURKE: I will go through this again. I cannot believe the member. He did not say the things which are not in quotes.

Mr MacKinnon: We can talk about this till you are blue in the face, but it is a red herring.

Mr BRIAN BURKE: We are talking about it till the member is red in the face.

Mr MacKinnon: It is a complete red herring. I hope you will keep talking about it because you are convincing the Press and everybody else that you are trying to divert attention from the basic issue. The only reason this has gone on for three weeks is that nobody believes you.

Mr BRIAN BURKE: I intend to go through this step by step, every single occurrence. To date I have answered three or four of the most potent points the member has tried to make. I will continue to answer all the points.

The point about the restriction on dividends has been absolutely scotched. The member has a copy of the Press release which says the intention is that the restriction will not apply.

Mr MacKinnon: It does not say that at all. You never read the full context of that Press statement.

Mr BRIAN BURKE: The assurance given publicly by the Minister was sufficient for Mr Holmes a Court to delete that condition of his bid. He said his bid was dependent on the restriction upon the distribution of dividends being lifted. Then Mr Holmes a Court dropped the condition on his bid because the Minister gave the assurance.

I want to stress to members of the Parliament that one of the prime hooks on which the Opposition has been hanging its hat has been this question of the restriction on dividends. As early as the first few months of 1985 there was a public statement by the Minister saying that that restriction was irrelevant. So all the arguments the Opposition has based on the fact that the restriction was in place have gone out of the window. If that is not critical, what is?

To continue, "On 18 April 1985 Western Continental Corporation issued its formal part A offer of \$4.80 per share to close on 7 June 1985. On 16 May 1985 J. N. Taylor renewed its bid at \$6 per share for 8.6 per cent of the issued shares. The actual share cash value of the bid would vary according to the percentage of shares finally acquired by Taylor. Western Continental Corporation held 35.3 per cent at this stage."

Fremantle Gas and Coke again recommended the rejection of the \$6 per share offer for 8.6 per cent of the capital. Notwithstanding the fact that it recommended rejection of the paper offer, which the member might argue about—he can say they are J. N. Taylor shares and I can say they are worth between \$70 million and \$90 million—here is an offer of \$6 in the market which has also been rejected. Western Continental has offered \$4.80.

To continue, "on 25 May 1985 an unnamed broker criticised Fremantle Gas and Coke company directors for misleading shareholders in relation to the second Taylor bid. On 4 June 1985 the formal Part A statement giving details of the second Taylor bid issued—the offer to close on 5 July 1985. On 11 June 1985 the formal Fremantle Gas and Coke Company Part B statement issued recommended rejection of the Taylor bid."

Understand what the Fremantle Gas and Coke Co directors are doing. They are rejecting a \$6 cash bid, as I understand it, in favour of a \$4.80 cash bid. On 15 June 1985 Western Continental Corporation increased its bid by 20c to \$5 per share.

Mr Parker: Had the directors recommended that, Goldberg would have been locked in. He could have done nothing.

Mr BRIAN BURKE: He increased his offer to \$5 per share in any case to pick up the 4.3 per cent of the 12.2 per cent of uncommitted shares. On 25 June 1985 the proposal to adopt tax-effective accounting was approved.

Mr Parker: That is before the takeover bid was finalised.

Mr BRIAN BURKE: Before the takeover bid was finalised. But the Opposition has not mentioned that. On 6 July Western Continental increased its bid to \$5.20. J. N. Taylor said it would accept the offer, giving Western Continental 89.87 per cent of the shares.

Can the member understand what is happening?

Mr MacKinnon: Holmes a Court has pulled out.

Mr BRIAN BURKE: He has pulled out to accept a lesser offer than he offered himself.

Mr MacKinnon: I wonder why!

Mr BRIAN BURKE: I have no idea, but I can tell the member this: The Fremantle Gas and Coke directors who recommended the acceptance of \$4.80, \$5.20, \$5.90 or whatever it

was, which Holmes a Court eventually accepted, surely have a lot of answers to give.

The directors were recommending rejection of the \$6 bid of Holmes a Court and Holmes a Court then accepted \$5.20 a share himself.

Mr MacKinnon: It is irrelevant.

Mr BRIAN BURKE: It is not irrelevant because it has to do with the whole performance of the company and we will come to that shortly to demonstrate a number of things. I have a long way to go and I know the Press, especially *The West Australian*, has been taking a particular interest in this matter. I want to make sure the media have all the points to allow the rebuttal to be complete. I want to deal chronologically and in detail with all these points so the Press has them correctly.

Mr Cowan: And the National Party.

Mr BRIAN BURKE: And the National Party, although the National Party does not take up causes.

Mr MacKinnon: It does not count.

Mr BRIAN BURKE: Who said it does not count? Have I ever accorded its leader less than the normal courtesies?

Mr Cowan: I really do not mind.

Mr BRIAN BURKE: These are all the questions raised by the Opposition that we can find anywhere at all. I will go through them quickly although interjection-wise I do not know whether we will get through them.

On 27 September in *The West Australian* the member for Nedlands asked, "Why was it necessary to buy Fremantle Gas and Coke Co Ltd when it had more than doubled its value in a year?" The answer was, "For the first time the operations were offered to the Government. The Government rejected the company's valuations and obtained its own valuation which was based on the intrinsic value of the assets."

Let me say that we were not previously offered the company and we were not prepared to enter the takeover battle so why did we purchase it? Because we have always wanted to purchase it, as the former Minister knows, and we were offered the company. The second question was, "Why was it necessary to create an artificially high price before buying the Fremantle Gas and Coke Co Ltd?" The answer given was, "No artificially high price was created. The Coopers and Lybrand valuation of the company and the operation was a total of \$50 million."

Remember this: When the member for Nedlands talks about creating an artificially high value he is talking about an issue of share capital. Had we adopted a position in which we said, "Mr Leader of the National Party, we will not let you, a single owner, increase your capital, but we will buy you out", we would have had that private sector person over an immoral barrel. We would have been saying to him, "We are going to deliberately depress the value of your asset and then buy you out" because we would refuse to let him increase his share capital, notwithstanding the fact that the Fremantle Gas and Coke Co Ltd had, on numerous occasions, increased its share capital before it had run out of authorised capital. It was going to offer the company to us sometime in the future as it turned out, and it wanted to increase its share capital. Had we said to it, "No, we will not let you increase your share capital, but we will buy you out at an artificially depressed price because we will not let you increase your share capital", members opposite would have been the first to say to us, "You have robbed it." That is the whole explanation.

Mr Mensaros interjected.

Mr BRIAN BURKE: The member for Floreat can say what he likes. There were other ways in which a single owner could have taken the profits out. The major moral consideration is: If we had refused to let it increase its share capital—the Minister had said "no" to the share capital increase at the time of the takeover bid, but he said he would consider it afterwards and afterwards had come—and bought it out, it would have said, "You are artificially depressing the price." We would have said, "No, we are not because you can get the money out other ways." Both sides of the coin have to apply.

Mr Cowan interjected.

Mr BRIAN BURKE: The public would have been more satisfied, but there would have been screams from the business community. The Leader of the National Party will never convince my mother-in-law that this asset can be purchased at this price at this time because a year later she will say, "That is a monstrously big profit, how does that happen?" I will say to her, "Well, Mr Holmes a Court is not in the business of buying things to sell to make a loss on, Mum." She will say, "Oh yes, it seems a high price."

Had we deliberately depressed the share capital and then bought it out and said, "Okay, it is wrong anyway" and then said it is right,

then we would have been the most immoral band of brigands ever seen. Members opposite would have been the first people to criticise us.

I make the point again: Why was it necessary to create an artificially high price before buying the Fremantle Gas and Coke Co Ltd? No artificially high price was created. The Coopers and Lybrand valuation of both the company and the operation was \$50 million. We paid \$39.75 million for the major part, in fact, the only worthwhile part of the whole operation, so there was no artificially high price.

The third question was raised on 29 September in *The West Australian* by the member for Nedlands. It was "What were the special conditions attached to the purchase and how was the purchase funded?" The answer was, "No special conditions, apart from the normal commercial conditions. Purchase is being funded within the normal capital works programme of the SEC."

On 29 September in *The West Australian* the member for Nedlands asked, "Why did the Minister assist with the special tax arrangement by allowing the bonus issue when he professed to oppose such schemes?" I have never heard him profess to oppose such schemes. In fact, the Federal Labor Government was the Government which allowed the offsetting of losses against the profitable subsidiaries of the same organisation. The business community welcomed it. The question is wrong. The answer is, "The Minister simply allowed a parent company to obtain the profit of its wholly-owned subsidiary and offset that against its other losses, something specifically provided for by the Commonwealth in its 1984 Budget." Once again, the question is answered.

On 29 September, again in *The West Australian*, the question was asked "What was the deal for displaced workers?" It was answered as necessary in the Press, and the offer accepted by the unions was no longer an issue. On 29 September in *The West Australian* the question was asked, "What was the condition of the gas network and how much would it cost to bring it up to SEC standards?" The answer was, "The Fremantle Gas and Coke Co Ltd has warranted as to the state of their own system so there is no problem there." On 30 September in *The West Australian* the Leader of the Opposition asked, "What was the Government's involvement in the Fremantle Gas and Coke Co Ltd by Western Continental?" The answer was, "None."

I heard the Leader of the Opposition say the Government directed the Fremantle Gas and Coke Co Ltd to Mr Connell. I was amazed and I said to the Minister, "Did the Government direct him?" He said, "No." It then turns out that the Leader of the Opposition did not mean that. The Leader of the Opposition meant that the directors of the Fremantle Gas and Coke Co Ltd went, of their own volition, to the SEC, and were told by a commissioner to go down to Mr Connell's office. The Leader of the Opposition then says that is the Government.

I refer to question No. 8 which appeared on 30 September in *The West Australian*. The Leader of the Opposition asked, "Why did the Minister approve the share bonus issue and follow it with the Government's purchase at the increased value?" That was answered by my answer to question No. 4 from the member for Nedlands.

I refer to question No. 9 in *The West Australian* in which the Leader of the Opposition asks, "Did the SEC purchase the network voluntarily?" The Minister made that clear at his first Press conference on 19 September.

Before 30 September the member for Nedlands said the Minister had directed the SEC so he knew the answer before he asked his question. He has said it before in Parliament that the Minister directed the SEC. The Minister made it clear in his very first Press conference and subsequently on many occasions that he gave a direction to the SEC. It is also the case that the SEC had wanted to buy the operation for many years. The other night the member for Floreat confirmed that was the truth.

I refer to question No. 10 in *The West Australian* which asked, "Did a third party profit by the purchase?" Not to the knowledge of the Government. Apart from the fee that the Fremantle Gas and Coke Co Ltd people paid to Mr Connell—and which the directors voted to pay to him—the Government has no knowledge of any profit by any third party.

I would not have thought it was the Government's business or had anything to do with the Government.

On 30 September in *The West Australian* the Leader of the Opposition asked, "Was there a link with Western Continental's feasibility study for an aluminium smelter?" The answer was, "None whatsoever."

In fact, it does not even have an exclusive mandate. On 6 October, on 6PR, the Leader of the Opposition asked who influenced the Minister to increase the share capital. He said that

the Minister said that he had discussed this matter with Mr Jon Pope, the senior tax partner of Price Waterhouse. I am not sure whether one could say he was influenced by it or not, but let us clear up the question of those two letters. The Minister said, and the Opposition has chosen not to listen, that the two letters arose from the same occasion, the same request and the same concurrence to that request.

The request was for an increase in the share capital; it was agreed to and subsequently the increase sought was enlarged. The same instance occasioned both letters, so the question at issue is why did the Minister say, "Yes", not whether, having said "Yes", he agreed to increase it to \$10 million and then \$15 million. Having said "Yes", the substance then has to be answered as to the reason there was an increase from \$10 million to \$15 million. It then becomes an incidental or consequential point. The substantial point has been answered time and time again by the Minister.

On 6 October, the Leader of the Opposition asked why the Minister agreed to the change in authorised capital when in January last year he had said he was concerned that the Fremantle Gas and Coke Co was using bonus share issues to avoid the dividend payment requirements of the Gas Undertakings Act. The answer is simply that the refusal of the increase in January was caused by the takeover. As I have tried to point out to the Leader of the Opposition previously and to others, the Fremantle Gas and Coke Co Ltd had been, on numerous previous occasions, responsible for increases in its share capital in order to provide greater dividends to shareholders, by way of bonus shares.

The Leader of the Opposition asked what had influenced the Minister to raise the value of the utility. That question was answered earlier in reply to one of the questions asked by the member for Nedlands. The Leader of the Opposition then asked why the Minister had changed his mind about the increase in capital in two letters dated the same day. I have already answered that. On 7 October, the Leader of the Opposition asked why the Minister had agreed to any change in the authorised capital when, in January 1985, he said in a Press release that current and former Governments had been concerned that the Fremantle Gas and Coke Co Ltd had used bonus share issues in order to effectively circumvent the dividend payout requirements under the Gas Undertakings Act. I have already explained to the Parliament that the refusal to increase the

authorised capital related to the takeover battle after the January 1985 Press release put out by the Minister, in which he said that the assurance, or undertaking, in respect of the restriction of the dividends was no longer to be taken as current. That was handed over to the Deputy Leader of the Opposition.

Does the Leader of the Opposition understand that during the currency of the takeover bid, the Minister indicated that he was going to lift the restrictions on dividends? He made that statement publicly and Mr Holmes a Court withdrew that as a condition of his offer. So all the things the Leader of the Opposition has been saying about the restricted dividends amount to nothing whatsoever—

Mr Hassell: I quoted the Minister's Press statement.

Mr BRIAN BURKE: In January, before he did that! Before he gave the undertaking! The Leader of the Opposition does not understand. He is quoting a Press release which was post-dated by another statement which changed the rules.

On 7 October the member for Nedlands, in the *Daily News* asked why the Premier was being so quiet and not defending his Minister. That is not true, but in any case by the time I have finished this speech, members of the Opposition will be sorry that was ever said.

The eighteenth question was asked on 8 October in *The West Australian* by the Leader of the Opposition. It dealt with the full extent of Mr Connell's involvement. Here is where we get to the nice bit. The members of the Opposition are so smart that they want to take Mr Connell, Mr Goldberg, Mr Dempster, the Young Presidents, and anyone else who has been dealing with this Government to the cleaners, but let me tell them—it will cost the Opposition.

To my knowledge, as late as three or four weeks prior to the finalisation of this purchase, the new owners were intending to refloat the Fremantle Gas and Coke Co Ltd, and sell it to shareholders. That is, they were going to refloat it to the public and they were looking to make around \$50 million from the exercise. Do members of the Opposition know what stopped them? The Government stopped them; the Government said to them, "If you proceed along that path, we will make sure your gas is so expensive that you will never again embark upon a similar sort of business undertaking in this State." That is the truth of what happened.

The Leader of the Opposition has been standing up and criticising the Minister for Minerals and Energy for being taken advantage of, when I can tell him that the absolute truth is that the Minister was responsible, with a senior Treasury officer, for ensuring that that company was not refloated to the public at a profit of \$10 million more than what was paid for it by the SEC.

Mr Hassell: The deal was to allow the big profits to be made. It was a case of, "Don't do that, but we will do this other deal."

Mr BRIAN BURKE: No, it was not. The Government could not have forced them to accept the deal. The Leader of the Opposition should not be stupid; the owners could still go and do what they wanted to do but the Government warned them.

Mr Hassell: Because under the legislation which was put through this Parliament on a bipartisan basis, it could have been nationalised.

Mr BRIAN BURKE: Of course the Government could have nationalised it. What would the Leader of the Opposition have done—moved a motion congratulating the Government? The Leader of the Opposition is a hypocrite.

Mr Hassell: Don't talk nonsense. We are not talking about that at all; we are talking about the enormous profits.

Mr BRIAN BURKE: The Leader of the Opposition is not talking about much at all because he has only been here five minutes and he has been remarkably silent, catching up on what he should have been reading about previously.

I can honestly say I do not know the full extent of Mr Connell's involvement, but I do know this: It is a very strange situation that the Deputy Leader of the Opposition is quoted extensively here—

Mr MacKinnon interjected.

Mr BRIAN BURKE: The Deputy Leader of the Opposition is quoted here; I said he was quoted extensively.

Mr Court: You have five minutes to tell us why you paid \$20 million too much.

Mr BRIAN BURKE: In any case, I will deal with that in the five minutes remaining.

However, let me simply say it is not good enough for one to claim one is being misquoted, or to nonsensically say that the bits in quotes do not belong to one, but the bits in quotes that do not make sense without the ones

in quotes do belong to one. One cannot have it both ways.

I will tell members of the Opposition this: They were on the verge, whether they knew it or not, of turning a big part of the business community back on to their side. I have been aware of this; it has largely been the result of the actions of the Federal Government. I will also tell members of the Opposition: They have lost them all again.

Mr Hassell: You said it would cost us. That is an indication of your measure—the money that you can get out of people. That was very much a revealing statement—that by questioning this deal, it would cost us.

Mr BRIAN BURKE: I said it would cost the Opposition in support. The Opposition has been on the verge of turning the business community against it.

Mr Speaker, I have five minutes left—

Several members interjected.

Mr BRIAN BURKE: It is terrific—the Opposition is happy when it is handing it out.

The SPEAKER: I will just make this my last request to the Opposition. I remind them of the remarks I made a few moments ago.

Mr BRIAN BURKE: We will have plenty of time to discuss this motion. Members can all have a say on it. I have a lot more I wish to say on this matter. However, I will deal with the crucial point, because there are only two in this whole debate.

Firstly, should the SEC or the Government have purchased the Fremantle Gas and Coke Co Ltd? Having purchased that utility, did it pay a fair price? I have dealt with the first. The previous Liberal Minister acknowledged that it was always in the State's interest to buy it.

Mr Court: That is not the issue.

Mr BRIAN BURKE: The second point is: Should we have sought to purchase this? The question of price does not arise until one decides that one should seek to purchase it. The Government commissioned a commercial valuation of the Fremantle Gas and Coke Co Ltd from Coopers and Lybrand, the international firm of accountants.

Coopers and Lybrand have been the auditors of Fremantle Gas and Coke Co Ltd and are familiar with its operations. That is important to understand. This valuation put the value of the company at \$50 million. The SEC paid \$39.75 million, although some assets of the company, approximately \$2 million-worth of land and buildings—that is why I said that go-

ing from \$18 million involved a leap—were not transferred.

The Coopers and Lybrand valuation was based on the value to a private sector purchaser of an on-going business. It did not take into account the special value of the business to the SEC which raises its value to the SEC above that of another purchaser. These special values are firstly, the SEC does not pay income tax, and therefore the pre-tax profits are available to the SEC. Secondly, there are substantial manpower efficiencies in integrating the two systems, both in the blue collar and white collar areas. An indication of the savings that can be achieved is that 50 staff formerly employed by Fremantle Gas and Coke Co Ltd have not been offered employment by the SEC, and their work will be carried out by existing SEC staff. There are substantial savings to be made there.

As some of the examples of economies, the SEC is able to purchase materials more cheaply than Fremantle Gas and Coke Co Ltd because of bulk buying discounts. The estimated savings are between \$50 000 and \$60 000 a year. The SEC is a Government instrumentality not paying sales tax to the Federal Government. Again the estimated savings are between \$50 000 and \$60 000 a year.

Two other private sector valuations were made, not commissioned by the Government, but valuations attested to and signed by reputable accountants or merchants banks, and they placed a value on the company of \$46.9 million and \$50.75 million to \$68.15 million respectively. It is natural for people to inquire whether the Government paid too much for the business. However, the fact is that the Government paid substantially less than private sector valuations on a commercial basis, notwithstanding that there were significant monetary and strategic advantages to the SEC in purchasing the business above those available to other purchasers.

#### *Point of Order*

Mr MacKINNON: We had an agreement about question time.

The SPEAKER: There is no point of order.

#### *Debate Resumed*

Mr BRIAN BURKE: We will add a couple of minutes onto the end of question time.

I have a great deal more information which I intend to impart to the House, but I will sum up as follows: Firstly, the Opposition has been substantially wrong in a number of the funda-

mental assumptions on which it based its case from the start. As the stand out example of incorrect assumption making, we need to turn only to the fact that the Opposition's so-often-reached-for-claim that there was a restriction on dividends had ceased to be a player in this game from the time of the initial takeover, or at least the first stages of it. The Opposition has not mentioned that, although I have no doubt it knew that that was the truth. That is one of the assumptions that was wrong.

Secondly, there was the interest on the part of the State to purchase this utility, an interest evinced to previous Governments and Ministers and to our Government and Ministers. The price paid was substantially less than the lowest private valuation made on the basis of the value of Fremantle Gas and Coke Co Ltd to a private purchaser as an on-going concern.

Now let us deal with the biggest of the red herrings, and that is the question of the share capital. There is a whole category of reasons that say there is no need to increase the share capital to improve the value to the Government or to anyone else of this particular utility. But let us look at the devices that can be used to take the profit in excess of the three per cent, etc—in excess of whatever restriction members opposite want to say still applies because it may not have been officially lifted; whatever restriction they say is in place—and there are a number of techniques for accessing the cash flow and taking the profits. They have been referred to, and they are not as tax effective as those provided by the issuing of extra shares.

At the same time, however, the Federal Government's 1984 Budget provided for the offsetting of losses against profitable operations when the losses were incurred in a wholly-owned subsidiary, which this was, and which the Minister then permitted this company to do simply by increasing its share capital.

The most compelling moral argument is this: If the Opposition is absolutely correct in saying that increasing the share capital increases the value of the company—and it is wrong—the Opposition is saying we should deliberately depress the price of an asset in order to pick it up at a bargain-basement price from the people we have morally treated that way.

As recently as three or four weeks before this purchase was finalised, I was acquainted with the fact that there were intentions to float this company to the public and to recover through that float an amount well in excess of \$46 million to \$50 million. I understood the Minis-

ter's attitude to be, through the Treasury, that if the company proceeded to do that we would make it extremely difficult because of the action we would take under the legislative powers open to us for the company to be seen to be maintaining its bona fides in that process. The Minister can correct me if I am wrong, because I have not checked it with him.

Mr Parker: The attitude we introduced, and the way we handled it, was to say that we would substantially increase the gas price which meant they would not be able to go to the public with a prospectus.

Mr BRIAN BURKE: Exactly!

Leave granted to continue speech at a later stage of the sitting.

Debate thus adjourned.

### **STIPENDIARY MAGISTRATES AMENDMENT BILL**

#### *Receipt and First Reading*

Bill received from the Council; and, on motion by Mr Parker (Minister for Minerals and Energy), read a first time.

**[Questions taken.]**

*House adjourned at 5.04 p.m.*



## QUESTIONS ON NOTICE

### CRIME: SEXUAL ASSAULT

#### *Convictions: Records*

1181. Mr NALDER, to the Minister representing the Attorney General:

- (1) Is a conviction for sexual assault a matter of public record?
- (2) Is a restraining order issued by the Family Court a matter of public record?
- (3) What practical steps can be taken by a single parent to find out whether a person, with whom he or she intends to enter into a formal marriage or de facto relationship, has a history of violence, sexual offences, or child abuse?

Mr PETER DOWDING replied:

- (1) No. While the Supreme and District Courts are courts of record, and proceedings upon indictment are in public, the record of those proceedings is not "public". There is no entitlement to search those records as of right. In some circumstances, however, details may be provided upon inquiry to the proper court. It is for the court to determine whether to release such information.

Where proceedings are in the Children's Court, those hearings are not open to the public. Restrictions on the publication of information such as might identify a victim of sexual assault are contained in section 36C of the Evidence Act and section 126 of the Child Welfare Act.

- (2) Under exceptional circumstances and subject to satisfying the Registrar of the Family Court of a valid interest in a particular case, access to Family Court records is possible. The court, however, is bound by the confidentiality provisions of the relevant Commonwealth legislation. Family Court records are therefore not considered to be public records.
- (3) Other than by direct questioning of the person concerned, none.

## TRANSPORT

### *Taxi Fares: Increase*

1186. Mr LAURANCE, to the Minister for Transport:

- (1) Has a fare increase been approved for Perth's taxis this week?
- (2) What are the new rates?
- (3) How do they compare with the existing rates?

Mr TROY replied:

- (1) Yes.
- (2) and (3)

	Existing	Proposed
Flagfall (tariff 1)	\$1.50	\$1.80
Flagfall (tariff 2)	\$1.80	\$2.30
Distance (tariff 1 & 2)	.55c/km	.55c/km
Detention (tariff 1 & 2)	\$14.00/ hour	\$14.00/ hour
Christmas Day surcharge	\$2.00	\$2.00
Cleaning Charge— 15-30 minutes	\$3.50	\$14.00/ hour
More than 30 minutes	\$9.50	
Country running	.34c/km	.35c/km
Weddings— First 2 hours or part thereof	\$44.00	\$48.00
Each quarter hour thereafter	\$3.50	\$3.50
Funerals— First hour or part thereof	\$22.50	\$24.00
Each quarter hour thereafter	\$3.50	\$3.50
Metropolitan tours	\$17.00/ hour	\$20.00/ hour

## MAIN ROADS DEPARTMENT

### *Advisory Board*

1192. Mr RUSHTON, to the Minister for Transport:

- (1) Has there been a report recommending the appointment of an advisory board to the Main Roads?
- (2) If "Yes" to (1), will he table in Parliament and let me have a copy of the report?
- (3) If there has not been a report, whose advice did the Government take note of and legislate to establish the advisory board of 11 persons?
- (4) On whose recommendation, and by what method will the appointments be made?

Mr TROY replied:

- (1) No.
- (2) Not applicable.
- (3) The proposal to establish a Main Roads Board arose from representations being received by consumers requesting that they have more say in the road programme.
- (4) The recommendation and appointment of members is detailed in section 8 of the draft Bill for an Act to amend the Main Roads Act 1930.

#### MOTOR VEHICLES: USED

##### *Transfers: Statistics*

1206. Mr CASH, to the Minister for Police and Emergency Services:

- (1) Is he aware of a request by the Western Australian Chamber of Commerce for statistics on the number of transfers of used motor vehicles to be made available?
- (2) If "Yes", what action has been taken to provide this statistical information to the Western Australian Chamber of Commerce?
- (3) Will he liaise with the chamber if any further negotiations are necessary to provide this information?

Mr GORDON HILL replied:

- (1) No. However, the Commissioner of Police has received a request from the Western Australian Automobile Chamber of Commerce (WAACC), for statistical information relating to used motor vehicles.
- (2) and (3) The request was refused on the basis that it did not fall within guidelines established for distribution of vehicle licensing information.

It would also be necessary to make changes to the computer programme as well as procedural changes within the licensing and services section.

The decision not to supply the information requested appears capable of review by the Parliamentary Commissioner for Administrative Investigations (Ombudsman).

#### PORTS AND HARBOURS

##### *Bunbury: Free Port*

1209. Mr LAURANCE, to the Minister for Transport:

- (1) What progress has the Government made with the proposal to make the port of Bunbury a "free" port?
- (2) Will he provide details?

Mr TROY replied:

This matter involves both my portfolio and the Minister for The South West. A detailed response will be provided to the member in writing.

#### ROAD

##### *Coastal Highway: Upgrading*

1214. Mr LAURANCE, to the Minister for Transport:

- (1) What plans does the Government have for the upgrading of the Coastal Highway between Mandurah and Bunbury?
- (2) Has this highway been renamed and if so, what is its new name?
- (3) When did this name change occur?

Mr TROY replied:

- (1) The upgrading of the coastal route to Bunbury is a long range project and will be implemented in stages. So far a four-lane facility has been achieved between Perth and Mandurah.

Improvements in the form of passing opportunities have been provided immediately south of Mandurah at Dawesville, and similar works are currently in progress in the vicinity of Mt John.

Stage 2 of the new alignment at Mandurah, which includes the new Mandurah Estuary Bridge, will be opened this coming Saturday.

Construction of stage 1 of the Australind bypass, which will provide a new link from the Bunbury rotary to the Collie River Bridge, is due to start this month and will be completed by late 1987. This will be followed by the construction of stage 2 which will complete the bypass project early in 1989.

- (2) and (3) As the existing route to Bunbury has no less than eight different road names for various sections, it

was thought desirable that a single identifiable name could be used. It is the normal practice for the Nomenclature Advisory Committee to seek the views of local communities before recommending any name change. When the committee met recently it was suggested that the concept of an overall route name be accepted. It is intended the name Bunbury Highway will be used as an overall route name with existing sections names largely being retained, particularly for local purposes. Such an arrangement exists on Great Eastern Highway e.g., at Guildford where the local name is James Street.

#### PRISON: CASUARINA

##### *Site: Relocation*

1224. Mr RUSHTON, to the Minister representing the Minister for Prisons:

- (1) Is the Government reviewing its decision to site the new maximum security prison at Casuarina?
- (2) If "No" to (1), when is the site preparation and construction due to commence?
- (3) Is the main reason for building the prison at Casuarina for industrial considerations?
- (4) If "No" to (3), what are the reasons for siting the prison at Casuarina which destroys a special environmental reserve under system 6?
- (5) What is the estimated cost of building the prison at—
  - (a) Casuarina
  - (b) Canning Vale?

Mr PETER DOWDING replied:

- (1) No.
- (2) Subject to the completion and approval of architects' plans, in the first half of 1987.
- (3) No.
- (4) The member is referred to the answer to question on notice 752.
- (5) The member is referred to the answer to question on notice 867.

#### MINERALS

##### *Iron Ore (Hamersley Range) Agreement Act: Extension of Time*

1239. Mr MacKINNON, to the Minister for Minerals and Energy:

- (1) With regard to the processing obligations under the Iron Ore (Hamersley Range) Agreement Act, has a further extension of time been given to the company?
- (2) When does any further extension expire?
- (3) When was the company notified of any further extension?

Mr PARKER replied:

- (1) Yes.
- (2) 31 December 1986.
- (3) 17 July 1986.

#### ROAD

##### *Ranford Road: Expenditure*

1243. Mr RUSHTON, to the Minister for Transport:

What funds from all sources and works are expected to be spent and constructed on Ranford Road in the 1986-87 financial year between Nicholson Road and Armadale Road?

Mr TROY replied:

The road in question is a local road and therefore is under the control of the local government. It is expected the City of Gosnells will spend some \$290 000 from 1986-87 urban arterial road grants on upgrading Ranford Road between Nicholson Road and Warton Road.

I am unaware that councils are planning to spend moneys from other sources on this road.

#### EDUCATION: SCHOOLS

##### *Dale Electorate: Maintenance*

1245. Mr RUSHTON, to the Minister for Education:

What capital works and maintenance are to be carried out to the schools in the electorate of Dale for the 1986-87 financial year?

Mr PEARCE replied:

This is a Budget matter.

## EDUCATION

### *Academically Talented Students: Programmes*

1247. Mr COWAN, to the Minister for Education:

- (1) What programmes are currently running for academically talented students at primary and secondary schools, and what is their allocation of funds?
- (2) At which schools are these programmes available?
- (3) What new programmes are planned for 1987 and beyond?
- (4) To what extent will existing programmes be made more readily available in 1987 and beyond?

Mr PEARCE replied:

- (1) The Education Department currently provides a range of academic extension programmes for primary and secondary students throughout the State. In addition, many secondary schools run their own programmes with the assistance of the academic extension branch.

#### 1.1 Secondary

At the secondary level there are two programmes:

- (1) The Secondary Special Placement Programme
- (2) The Secondary Extension and Challenge (Cluster) Programme

- 1.1.1 The secondary special placement programme has been budgeted at \$35 700 in 1986-87 and provides extension in academic subjects for identified students from years 8 to 12. In years 8, 9, and 10 these students study the academic subjects as discrete classes. Ten metropolitan schools run the programme, each accepting an annual intake of approximately 30 students. The students are selected through a State-wide talent search which begins in April each year.

Typically 30 to 40 country students enter the programme. Swanleigh Hostel

provides board for 20 of these students, the remainder make other boarding arrangements.

- 1.1.2 The secondary extension and challenge (cluster) programme has been budgeted at \$3 000 in 1986-87 and involves a number of neighbouring secondary schools combining to provide for the relatively small number of academically talented students within each school. The schools combine resources to offer a range of extension courses. The schools select students using a range of information and data from the annual talent search and organise their timetable to enable students to move between schools to attend courses appropriate to their needs.

Three clusters of senior high schools presently exist in the metropolitan area.

#### 1.2 Primary

One programme operates at the primary level. It is called the primary extension and challenge programme and has been budgeted at \$76 800 in 1986-87. Students in years 5, 6, and 7 travel to neighbouring primary extension and challenge centres to study special extension courses. Within the metropolitan area there are 19 centres operating full-time, and there are full-time centres in Geraldton and in Bunbury. There are a further 12 centres in the country providing courses two and three days a week. Altogether, these centres provide courses for students from 406 primary schools. Through the coordinators and teachers of the primary extension and challenge programme an advisory and support service actively assists teachers provide academic extension to students in regular classes from school entry to year 7, and in the development of school-

based programmes in primary schools.

- 1.3 The Special Focus Programme has been budgeted at \$46 000 for 1986-87. The special focus programme provides extension courses both in and out of school hours. Day and evening courses, weekend courses, and vacation courses are all supported through this programme at both the primary and secondary level. In the vacation courses especially, it is common for metropolitan and country students to provide billeted accommodation for each other, depending on where the course is being conducted. For the special focus programme, an essential aspect is that course location is chosen to provide a specific resource base—e.g. for astronomical, geological, chemical research, discourses on literature, workshops in journalism, computing, etc.

Usually, students involved in special focus programmes come from various schools and year levels. The special focus programme is the only academic extension programme serving many country students, especially those in remote areas.

- 1.4 Secondary schools running their own programmes.

Support for secondary schools running their own programmes has been budgeted at \$900.

## (2) Secondary Programmes

- 2.1.1 The Secondary Special Placement Programme—10 schools

Applecross, Belmont, Craigie, Duncraig, Governor Stirling, Hollywood, John Forrest, Kelmscott, South Fremantle, Swanbourne.

- 2.1.2 The Secondary Extension and Challenge Programme—15 schools

North-west metropolitan cluster—

Balcatta, Carine, Greenwood, Scarborough, Warwick, Woodvale.

North-east metropolitan cluster—

Cyril Jackson, Governor Stirling, Lockridge, Morley.

South-east metropolitan cluster—

Cannington, Lynwood, Thornlie, Gosnells, Maddington.

- 2.1.3 Secondary schools running their own programmes—25 schools

12 metropolitan schools—

Balga, Carine, Churchlands, Como, Girrawheen, Kalamunda, Kwinana, Lesmurdie, Mirrabooka, Rossmoyne, Safety Bay, Wanneroo.

13 country schools—

Albany, Bunbury, Central Midlands, Eastern Goldfields, Esperance, Geraldton, Hedland, John Willcock, Karratha, Mt Barker, Narrogin, Newton Moore, North Albany.

- 2.2 Primary Extension and Challenge Centres—33 centres

19 metropolitan centres providing for 280 schools—

Balga, Beaconsfield, City Beach, Cloverdale, Craigie, Deanmore, East Hamilton Hill, Embleton, Falls Road, Graylands, Kelmscott, Maddington, Melville, Midland, Rockingham, Rossmoyne, Sorrento, West Greenwood, Wilson.

14 country centres providing for 126 schools—

Albany, Bunbury, Busselton, Carnamah, Collie, Esperance, Geraldton, Kalgoorlie, Karratha, Mandurah, Manjimup, Merredin, Moora, Pt Hedland.

- (3) There are no new programmes planned for 1987 at this stage.

- (4) As needs became defined subsequent to the formation of the gifted and talented children's programme project group in 1980, the rapid development of programmes and provisions up to 1983 received a further boost as it became necessary to broaden the oper-

ation to provide academic extension where necessary.

Changes in 1987 are likely to occur where changing demographic patterns necessitate the relocation of existing programmes to schools more central to the student populations being served. Expansion in 1987 depends on regions and schools prioritising resources to provide academic extension.

In these ways programmes will continue to be responsive to the need to provide academic extension effectively and efficiently to students in metropolitan and country areas as the need arises.

#### ENERGY: GAS

##### *Pipeline: Bennett Brook*

1257. Mr BRADSHAW, to the Minister for Aboriginal Affairs:

- (1) Is the Aboriginal body opposing the gas pipeline being placed under Bennett Brook legally represented?
- (2) If so, who is representing the Aboriginal group?
- (3) If the Aboriginal Legal Service is representing the opponents to the placement of gas pipeline under Bennett Brook or the Government is paying the costs, how much has the dispute cost so far?
- (4) At what stage is the case between the State Energy Commission and the Aboriginal Group?
- (5) In the case of any other issues such as sacred sites or Wagyls, will the Aborigines be allowed to be legally represented by the Aboriginal Legal Service?

Mr BRIDGE replied:

- (1) Yes.
- (2) Dwyer Durack.
- (3) Not applicable.
- (4) The matter is set down for hearing in the Supreme Court on Monday, 20 October 1986.
- (5) The State Government does not determine who is represented by the Aboriginal Legal Service, which is an independent incorporated body funded by

the Federal Department of Aboriginal Affairs.

#### ENERGY: GAS

##### *Pipeline: Bennett Brook*

1258. Mr BRADSHAW, to the Minister for Minerals and Energy:

- (1) At what stage is the dispute regarding the placement of the gas pipeline under Bennett Brook?
- (2) What has been the legal cost to the State Energy Commission to this date?
- (3) Has the State Energy Commission lost money, apart from legal fees, because the State Energy Commission has been unable to complete the project?
- (4) If "Yes" to (3), how much?

Mr PARKER replied:

- (1) The trial is set for 20 October 1986.
- (2) to (4) See my answer to question 1080 of 7 October 1986.

#### HEALTH: NURSES

##### *Promotions: Structure*

1259. Mr BRADSHAW, to the Minister for Health:

- (1) Has he received from the Royal Australian Nursing Federation a submission on promotion or career structure for nurses other than those in administration or education?
- (2) Has the Health Department prepared a report on promotion or career structure for nurses other than those in administration or education?
- (3) Has any agreement been reached between the Royal Australian Nursing Federation and the Health Department with regard to "hand on" nurses in regard to promotion?

Mr TAYLOR replied:

- (1) Yes.
- (2) A working party comprised of Health Department and RANF representatives is preparing a report for consideration by Government.
- (3) The issues relating to promotional opportunities in a clinical career structure for nurses will be canvassed in the working party report.

# INDUSTRIAL RELATIONS COMMISSION

## *Royal Australian Nursing Federation Claim*

1260. Mr BRADSHAW, to the Minister for Health:

- (1) Has the Royal Australian Nursing Federation a claim before the Arbitration Commission?
- (2) If "Yes", does he support the claim?
- (3) If "Yes" to (1), when is the claim expected to be heard?

Mr TAYLOR replied:

- (1) No. However, the Royal Australian Nursing Federation have a claim before the WA Industrial Relations Commission.
- (2) Negotiations are underway.
- (3) Unknown.

# APIARY

## *Honey Pool: Structure*

1261. Mr RUSHTON, to the Minister for Agriculture:

- (1) Is the Western Australian Honey Pool structure to be changed as recommended by the honey industry inquiry?
- (2) If "Yes" to (1), to whom and on what basis are the assets of the Honey Pool to be distributed?

Mr GRILL replied:

- (1) No decision has been made on this issue.
- (2) Not applicable.

# EDUCATION: HOSTELS

## *Fringe Benefits Tax: Hostel Staff*

1262. Mr CRANE, to the Minister for Education:

- (1) Is he aware that country high school hostels will be obliged to pay fringe benefits tax on the value of meals and accommodation provided to hostel supervisory staff?
- (2) As this will be an added cost burden to the administrative costs of said hostels which can only be recouped by additional fees from students, and as there is already great hardship for rural people to pay present fees in the present economic climate, will he bring this matter to the attention of

the Premier to take the following action—

- (a) make the strongest protest to the Federal Government to have this tax waived and if unsuccessful,
- (b) pay this tax as part of a State Government commitment to pay this tax as it affects Government instrumentalities as hostels are a part of Government operations?

Mr PEARCE replied:

- (1) The Minister for Education is aware that the Country High School Hostels Authority hostels will have to pay fringe benefits tax for its residential supervisory staff. However, due to their isolation all hostels except two—Albany and Geraldton—are eligible for the exemption allowance of 40 per cent. This means that tax payable for a full year averages out at \$3 500 per annum per hostel.
- (2) As the average turnover for hostels is in the region of \$400 000 per annum, it is felt that the cost for fringe benefits tax will be absorbed within this expenditure.

Application for the two hostels that do not qualify for the isolation exemption allowance, Albany and Geraldton, is being sought by the Country High School Hostels Authority.

# COMMUNITY SERVICES: ADOPTIONS

## *Act: Amendments*

1263. Mr BRADSHAW, to the Minister representing the Minister for Community Services:

Adverting to question 1112, Wednesday 8 October 1986, what date will the amendments to the Adoption Act No. 108 of 1985 be proclaimed?

Mr WILSON replied:

The amendments to the Adoption Act No. 108 of 1985 will be proclaimed on Friday, 24 October 1986. The Act stipulates that the section dealing with access to original birth information by adult adoptees does not come into effect until six months after promulgation of the Act.

## FORESTS

*Timber Sales*

1264. Mr RUSHTON, to the Minister for Conservation and Land Management:

- (1) In the financial year 1985-86 to what companies did the Department of Conservation and Land Management sell—
  - (a) Hardwoods;
  - (b) softwoods?
- (2) When is it anticipated that the next working plan for State forests and timber reserves will be released for public comment?
- (3) Will public comments be invited on the contents of the draft working plan before it is adopted?

Mr HODGE replied:

- (1) (a) Hardwoods—
  - Adelaide Timber Co Ltd
  - Amalgamated Timber Products
  - Aramini J S
  - Archibald
  - Ardwick Pty Ltd
  - Beulah Industries
  - Brookes A G
  - Bunning Bros Pty Ltd
  - Cardoso Pty Ltd
  - Coli Sawmills Pty Ltd
  - Coli Timber Merchants
  - Colli and Sons
  - Dale Timber Co
  - Drake A
  - Franey and Thompson
  - Gandy Timbers Pty Ltd
  - Hartnett
  - McLeans Sawmills (1966) Pty Ltd
  - Midway Sawmills
  - Millars WA Pty Ltd
  - Monier Ltd
  - Muller Wandering
  - Northcliffe Timber
  - R & N Palmer
  - Panelli Sawmills
  - Pickering Brook Sawmills
  - K D Power
  - Preston Timber Co
  - V & D Ridolfo
  - Rijavec J
  - Saunders G W & N L
  - Small Sawmillers' Association
  - Southwest Sawmills Co Pty Ltd
  - Southwest Timber Supplies
  - SW Timber Supply
  - Taylor

WA Chip & Pulp Co Ltd  
 Wesfi Pty Ltd  
 Whiteland N & J  
 Whittakers Ltd  
 Wood C V  
 Worrell  
 Worsley Timber Pty Ltd  
 State Energy Commission  
 Main Roads Department  
 Department of Marine & Harbours

- (b) Softwoods—
  - Bunning Bros Pty Ltd
  - Colli & Sons
  - Consolidated Pine Industries
  - Jensen
  - Koppers Australia Pty Ltd
  - Pearls Pty Ltd
  - Potter
  - Ryan G T
  - State Energy Commission
  - Sofwood Products of WA Pty Ltd
  - Timber Treaters (WA) Pty Ltd
  - Wesfi
  - Wesfi Pine Pty Ltd
  - Western Case & Joinery Works
- (2) It is expected that draft management plans for each of the three forest regions will be available in March-April 1987.
- (3) Yes.

EMPLOYMENT AND TRAINING:  
SKILLSWEST*Pastoral Industry Training School*

1265. Mr CRANE, to the Minister for Employment and Training:

Is it intended that there will be funds available through Skillswest for the continuation of the training school for stockpersons intending to work on stations in the north of the State, operated by Mr Doughty of Pippidinn, in view of the fact that last year 56 trainees went through the school and 54 were successful in obtaining employment?

Mr PETER DOWDING replied:

The Skillswest '85 scheme has concluded and funds are no longer available under that scheme. Applications for training assistance will have to be made to my department, and they will be considered in the light



of prevailing labour market demand within the particular industry.

### PAWNBROKERS

#### *Secondhand Jewellery: Holding Period*

1266. Mr CASH, to the Minister for Consumer Affairs:

- (1) Do jewellers or pawnbrokers have to hold secondhand jewellery and precious metals which they have purchased for a specific period of time before disposing of or altering such jewellery?
- (2) If "Yes", what is the prescribed period?
- (3) What is the justification for this requirement, and is it intended to extend the current prescribed period of time?
- (4) Has he received any requests from the police or other interested parties for an extension to the prescribed time?

Mr WILSON replied:

- (1) Yes. Under section 10 of the Second-Hand Dealers Act.
- (2) Four days.
- (3) This provides a period in which to establish whether the goods are stolen.
- (4) No.

### TAXES AND CHARGES: LAND TAX

#### *Liability: Previous Owners*

1269. Mr CASH, to the Minister representing the Minister for Budget Management:

- (1) Is a current land owner responsible for outstanding land tax incurred by a previous land owner?
- (2) If "Yes", will he advise which section of which Act applies?

Mr BRIAN BURKE replied:

- (1) Yes.
- (2) Section 45 (1) of the Land Tax Assessment Act.

### PLANNING

#### *Boundary Realignment: Parmelia*

1270. Mr CASH, to the Minister for Housing:

- (1) Is he aware of the problems surrounding the realignment of the common boundary between Lots 325 and 326 Adamson Road, Parmelia?

- (2) If "Yes", will he outline the history of the need to realign this boundary?
- (3) Will he reconsider the request of Mr and Mrs G. Forrest, the owners of Lot 326 Adamson Road, Parmelia, to have their costs incurred in this matter reimbursed?

Mr WILSON replied:

As the question involves matters of a personal nature, the member will be advised of the present position by letter.

### EDUCATION: HIGH SCHOOL

#### *Churchlands: Music Facilities*

1272. Mr MENSAROS, to the Minister for Education:

- (1) Referring to his reply to question 1038 of 1986 respecting the music facilities at Churchlands, what proportion of the "same upgrading" mentioned in his reply is required to stage 2 development of the music facilities at Churchlands Senior High School?
- (2) Is it possible to leave the balance of general upgrading not required to stage 2 development of the music facilities to be done at other times and still proceed with developing the music facilities?
- (3) Considering the discussion and correspondence which occurred on the subject of development of music facilities, can he indicate when and in which form the Churchlands Senior High School or the special joint committee with Perth Modern School has been informed that the general development has to go conjointly with stage 2 of the development of the music facilities?

Mr PEARCE replied:

- (1) and (2) The details of the necessary upgrading will not be finalised until architectural work associated with stage 2 development of the music facilities has been undertaken.
- (3) The issue has been raised with the school on occasions when on-site meetings have been held with departmental personnel.

## WORKERS' COMPENSATION PREMIUMS

*Payment: Advice*

1273. Mr MENSAROS, to the Minister for Industrial Relations:

- (1) Adverting to his reply to question 1040 of 1986 respecting workers' compensation premiums payment advice, would he find out and inform the House whether the Workers Assistance Commission does or does not give advice to employers regarding their liability to pay insurance premiums for certain people depending on whether they are classified as "workers" or not?
- (2) Would he please say—even though he is not aware of the attitude and practice of the Workers Assistance Commission—whether it is the Government's intention to legislate to repeal or amend section 104 of the Workers' Compensation and Assistance Act so that information could freely flow from the commission to inquirers?

Mr PETER DOWDING replied:

- (1) The Workers Assistance Commission informs employers as to their liability to obtain employers' indemnity insurance, but in doing so does not give or purport to give legal advice.
- (2) See answer to question 1040 part (3).

## METROPOLITAN WATER AUTHORITY

*Properties Sold*

1274. Mr MENSAROS, to the Minister for Water Resources:

As apparently he did not interpret my question 1041 of 1986 respecting Water Authority properties as having included the predecessors of the Water Authority of Western Australia, would he please inform the House in a similar manner as he did to the above question of all properties sold during the financial years 1983-84 and 1984-85 by the Metropolitan Water Authority, but not the Public Works Department?

Mr BRIDGE replied:

The information is provided in the following schedules—

YEAR	DESCRIPTION OF LAND	AREA	PURCHASERS	HOW SOLD	AMOUNT PAID
83-84	Portion of Canning Location 32 and being part of the land in Certificates of Title Volume 322 Folio 92 and Volume 452 Folio 154	6 401 m <sup>2</sup>	TIMOTHY MICHAEL and BINOLIAN GRAVES (Owners of Contiguous land)	Private Treaty	\$640.00
	Portion of Canning Location 32 and being part of the land in Certificate of Title Volume 762 Folio 48	5 460 m <sup>2</sup>	STANLEY GEORGE STEADMAN (Owners of contiguous land)	Private Treaty	\$546.00
	Portion of Canning Location 33 and being part of the land in Certificates of Title Volume 1040 Folio 958, Volume 502 Folio 34 and Volume 521 Folio 113	1.34 ha	RAYMOND HOOKWAY and SHIRLEY MYRTLE POUND (Owners of contiguous land)	Private Treaty	\$1 340.00
84-85	Portion of Canning Location 32 and being part of land in Certificates of Title Volume 542 Folio 102 and Volume 358 Folio 50	2 159 m <sup>2</sup>	DAVID EDWARD and SHEILA JOHN ROBLEY (Owners of contiguous land)	Private Treaty	\$216.00
	Portion of Canning Location 33 and being part of the land in Certificate of Title Volume 1049 Folio 370	1.626 ha	LEONARD BRYAN ILEY (Owner of contiguous land)	Private Treaty	\$1 627.00
	Portion of Canning Location 32 and being part of the land in Certificate of Title Volume 431 Folio 65	3 336 m <sup>2</sup>	KASHAN PTY LTD (Owners of contiguous land)	Private Treaty	\$333.00
	Portion of Canning Location 32 and being part of the land in Certificates of Title Volume 547 Folio 44 and Volume 559 Folio 41	2 320 m <sup>2</sup>	GARY EDWARD and MARGARET ANN YOUNG (Owners of contiguous land)	Private Treaty	\$232.00
	Portion of Canning Location 33 and being part of the land in Certificate of Title Volume 1049 Folio 370	9 500 m <sup>2</sup>	PETRUS JACOBUS ALBERTUS and DONJA JANSSEN (Owners of contiguous land)	Private Treaty	\$950.00

## WATER RESOURCES

*Country Schemes: Reticulation*

1275. Mr MENSAROS, to the Minister for Water Resources:

- (1) How many town water supply schemes are presently in operation in the non-metropolitan areas of the

Water Authority of Western Australia?

- (2) How many townships or collective settlements are not provided with reticulated water supplies?
- (3) How many of these under (2)—
  - (a) are capable of connection to existing sources by pipeline; and

- (b) can only be supplied from a new and independent source of water—dam or bore—for reticulation?

Mr BRIDGE replied:

- (1) 276.  
 (2) and (3) It is not possible to answer these questions as there are no established criteria which define townships or collective settlements; and only economic, not engineering, factors preclude the provision of a water supply to any community in the State.

## HEALTH: REHABILITATION CENTRE

### *Melville: Utilisation*

1277. Mr BRADSHAW, to the Minister for Health:

- (1) Adverting to question 1113 of 1986, what type of services would the Health Department be investigating to utilise the Melville Rehabilitation Centre?  
 (2) Does Western Australia have any "regional rehabilitation units"?  
 (3) If "Yes" to (2), where?

Mr TAYLOR replied:

- (1) Existing clinical therapy services.  
 (2) and (3) The local office of the Commonwealth Department for Community Services has informed officers of the Health Department of Western Australia that it has regional rehabilitation units located at Bunbury, Geraldton, Mirrabooka, Shenton Park, Perth, and Cannington. In the future the Commonwealth plans to develop these units at Fremantle, Rockingham, Midland, and Wanneroo.

## ENVIRONMENT

### *Benger Swamp: Management Plan*

1280. Mr BRADSHAW, to the Minister for Conservation and Land Management:

- (1) Adverting to question 1051 of 1986, when was the plan for the Benger Swamp due?  
 (2) When is the management plan now expected?

Mr HODGE replied:

I refer the member to his question 1202 of 14 October 1986.

## ROAD TRAFFIC ACT

### *Amendments*

1281. Mr MacKINNON, to the Minister for Police and Emergency Services:

- (1) When will the Government be introducing the legislation that will make "sweeping changes to traffic laws" in Western Australia as reported in the *Sunday Times* of 10 August?  
 (2) What changes are proposed to be included in that legislation?

Mr GORDON HILL replied:

- (1) and (2) It is anticipated that some legislation to amend the Road Traffic Act will be introduced into Parliament as soon as it is drafted.

## TRAVEL AGENTS ACT

### *Regulations: Gazetted*

1282. Mr MacKINNON, to the Minister for Consumer Affairs:

- (1) When were the regulations under the Travel Agents Bill gazetted?  
 (2) When were the members of the tribunal proposed under the Bill appointed?  
 (3) Who were those people appointed to the tribunal and for what period of time?

Mr WILSON replied:

- (1) The regulations are not yet gazetted.  
 (2) 14 July 1986.  
 (3) Gregory Wayne Underdown, Anthony John Coulson, Peter Fleay, Judith Anne O'Neill, Nicholas Catania; two years.

## EDUCATION: PRIMARY SCHOOL

### *Canning Vale: Relocation*

1283. Mr MacKINNON, to the Minister for Education:

When will a decision be made on whether or not the Canning Vale primary school is to be relocated?

Mr PEARCE replied:

1987.

## INDUSTRIAL LANDS DEVELOPMENT AUTHORITY

### *Canning Vale Primary School*

1284. Mr MacKINNON, to the Deputy Premier:

- (1) When did the Industrial Lands Development Authority purchase the land on which the Canning Vale primary school is located?
- (2) How much did the Industrial Lands Development Authority pay for the purchase of that land?

Mr BRYCE replied:

- (1) The school site was resumed by the Metropolitan Region Planning Authority, as part of the land acquisition programme to create the Canning Vale industrial estate, by gazettal on 20 December 1974. The site was transferred by the State Planning Commission—successor to the MRPA—to the Industrial Lands Development Authority on 29 May 1986.
- (2) \$47 000.

## HILLARYS BOAT HARBOUR

### *Boat Pens*

1286. Mr MacKINNON, to the Minister for Transport:

- (1) How many boat pens are to be constructed in the Hillarys Boat Harbour?
- (2) How will these pens be disposed of and at what cost?

Mr TROY replied:

- (1) The Hillarys Boat Harbour can accommodate up to 1 000 boat pens. Currently, the first stage construction of about 400 boat pens is in progress.
- (2) At this time the Department of Marine and Harbours is proposing to lease the first stage pens at commercial rates for both short and long-term occupancy of up to 3 years' duration. As the demand for additional pens arises, further stages of development will be undertaken.

Negotiations are in progress with potential harbour users—including the Hillarys Boat Harbour Association—for the provision of boat pens upon conditions and at rates yet to be determined.

## HORTICULTURE: CASHEWS

### *Ord River: Progress*

1287. Mr MacKINNON, to the Minister for Agriculture:

What progress has been made by Twentieth Century Foods Pty Ltd, the successful applicants for the Ord River cashew project reference question 779, 19 September 1984 on their cashew nut development project?

Mr GRILL replied:

An interdepartmental committee has been negotiating an appropriate agreement with Twentieth Century Foods. I am advised that the price of water is the only detail to be resolved before presentation to Government for consideration. This matter is likely to be resolved in the next two months.

## STATE ENERGY COMMISSION

### *Meter Reading Surcharge*

1288. Mr MacKINNON, to the Minister for Minerals and Energy:

- (1) Does the State Energy Commission's meter reading surcharge vary between different areas?
- (2) If so, what is that variation and why?

Mr PARKER replied:

- (1) and (2) The State Energy Commission does not have a meter reading surcharge.

If the member is referring to the supply charge, the answer is "No". If he is referring to the fee for a special meter reading at the request of a customer, the answer is again "No".

## MINERAL: COAL

### *Stockpile: Disposal*

1289. Mr MacKINNON, to the Minister for Minerals and Energy:

- (1) Is the Government currently taking any steps to dispose of the Collie coal stockpile?
- (2) If so, what are those steps and what progress is being made?

Mr PARKER replied:

I do not propose to discuss the commercial strategies of the State Energy Commission publicly.

## ITALIAN EXPO

### *Bayswater Shire Council Approval*

1291. Mr CLARKO, to the Minister for Local Government:

- (1) Has the Bayswater Shire Council requested his approval for an Italian Expo to be held on land located between King William Street and Wyatt Road, Bayswater?
- (2) If "Yes", what are the details of the application?
- (3) Has he approved the application, and if so, for what reason?

Mr CARR replied:

- (1) to (3) I have not been asked to approve the holding of an Italian Expo in the terms referred to. The Bayswater Council sought my approval under section 267 of the Local Government Act for a lease to be entered into between the council and the organisers of the expo, without the need to go to tender for the lease.

I gave my approval to the lease enabling the council to seek the necessary statutory approvals from other Government agencies.

It is a requirement that health, town planning, and any other statutory requirements be complied with.

## HEALTH

### *In Vitro Fertilisation: Review Committee*

1292. Mr BRADSHAW, to the Minister for Health:

- (1) Has the review committee investigating legislation for in vitro fertilisation been finalised?
- (2) If so, when can we expect legislation pertaining to in vitro fertilisation?
- (3) If "No" to (1), when is the review expected to be completed?

Mr TAYLOR replied:

- (1) Yes. Investigations of the committee have been completed. I expect a report will be finalised shortly.
- (2) Recommendations contained in the report will need to be studied before any legislation can be prepared.
- (3) Not applicable.

## HEALTH: MENTAL

### *Heathcote Hospital: Closure*

1293. Mr BRADSHAW, to the Minister for Health:

- (1) With the closure of Heathcote Hospital, will more psychiatric patients be admitted to Fremantle Hospital?
- (2) If so, will the bed numbers be increased at the hospital?
- (3) Where will the psychiatric patients from Heathcote be placed?

Mr TAYLOR replied:

- (1) to (3) The decision as to the future location of patients from Heathcote Hospital is currently under consideration.

## MINERALS

### *Royalties: Report*

1294. Mr HASSELL, to the Minister for Minerals and Energy:

- (1) How long has he had the report on mining royalties in his hands?
- (2) When will it be released?

Mr PARKER replied:

See answer to question 1232.

## LAND

### *National Parks Rangers: Fire Management*

1295. Mr RUSHTON, to the Minister for Conservation and Land Management:

- (1) What input into fire management do national park rangers have in the parks in which they are located?
- (2) Is he aware that the forestry section of CALM has carried out a controlled burn of Yonderup Lake area in the Yanchep National Park?
- (3) Is he aware that the area is a waterfowl breeding area and it is now the breeding season with the result that many chicks were burned while on the nest?
- (4) Is he aware that CALM officers also set fire to the koala eucalypt plantation and that the fire was only extinguished by the quick action of the national park rangers?
- (5) Is he also aware that there is considerable concern among park rangers about these incidents?
- (6) What steps will be taken to ensure that similar incidents are not repeated?

Mr HODGE replied:

- (1) Rangers including those at Yanchep assist with the compilation of fire management programmes for national parks and they attend prescribed burns.
- (2) Yes, in collaboration with ranger staff.
- (3) The area is one of many waterfowl breeding areas at Yanchep. The programme includes some spring burns to provide a diversity of fire regimes which favour a broad range of flora and fauna in the park.
- (4) An accidental lighting on a small area of one plantation was extinguished by the forest officer and senior ranger who were in attendance at the burn.
- (5) Refer to (1).
- (6) The fire management programme at Yanchep National Park will continue unless there are valid reasons for change.

#### ENERGY: GAS

##### *Pipeline: Dongara-Perth*

1298. Mr MacKINNON, to the Minister for Minerals and Energy:

- (1) Is the State Energy Commission presently negotiating to purchase the Perth to Dongara natural gas pipeline?
- (2) When did those negotiations commence?
- (3) Who initiated the negotiations?
- (4) When is it likely that those negotiations will be concluded?

Mr PARKER replied:

- (1) to (4) Confidential commercial discussions are currently under way between the State Energy Commission and the CTAS joint venturers concerning the Dongara to Pinjarra gas pipeline and the Dongara gas field.

#### FREMANTLE GAS AND COKE CO LTD

##### *System Upgrading*

1299. Mr MacKINNON, to the Minister for Minerals and Energy:

- (1) Is it correct that the State Energy Commission will have to spend a significant sum to upgrade or replace large sections of the Fremantle Gas and Coke gas reticulation system?

- (2) What percentage of the reticulation piping is still constructed of cast iron?
- (3) What is the estimated percentage of gas lost by the Fremantle Gas and Coke company through its present reticulation system?

Mr PARKER replied:

- (1) to (3) The Energy Commission has started assessments of the Fremantle Gas and Coke distribution system. The information sought by the member is not available at this time.

#### FREMANTLE GAS AND COKE CO LTD

##### *SEC Commissioners*

1300. Mr MacKINNON, to the Minister for Minerals and Energy:

- (1) Were any of the Commissioners of the State Energy Commission involved in the negotiations to purchase the Fremantle Gas and Coke Co Ltd?
- (2) If not, why not?

Mr PARKER replied:

- (1) There is only one Commissioner of the State Energy Commission. As has previously been stated, commission staff provided information and assistance to me in the negotiation process. All of the detailed negotiations on acquisition terms, contractual details etc were undertaken by commission personnel.
- (2) Not applicable.

#### FREMANTLE GAS AND COKE CO LTD

##### *Share Capital: Cabinet Approval*

1302. Mr MacKINNON, to the Minister for Minerals and Energy:

- (1) Did Cabinet approve the increase in the share capital of Fremantle Gas and Coke Company from \$5 million to \$15 million?
- (2) If so, when was the approval given?

Mr PARKER replied:

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

**FREMANTLE GAS AND COKE CO LTD**

*Minister's Meeting*

1303. Mr MacKINNON, to the Minister for Minerals and Energy:

Did he meet with any director of Western Continental Corporation between the date on which the increased share capital was requested for the Fremantle Gas and Coke Company—i.e. 8 April 1986—and the date on which he first approved the increase—i.e. 20 May 1986?

Mr PARKER replied:

It is not my practice to detail my day to day movements or discussions, whether with company directors or anyone else. As I have stated, the discussions on the share capital issue were conducted on Fremantle Gas' part by Mr Pope of Price Waterhouse.

**GOVERNMENT CHEMICAL LABORATORIES**

*Future*

1306. Mr MacKINNON, to the Minister for Minerals and Energy:

- (1) Has the Government yet made a decision on the future operations of the Government Chemical Laboratories?
- (2) If so, what was the nature of that decision?
- (3) If not, when is it likely that this decision will be made?

Mr PARKER replied:

The member is referred to my reply to question 1235.

**QUESTIONS WITHOUT NOTICE**

**STATE FINANCE**

*Budget Papers: Delivery*

265. Mr HASSELL, to the Premier:

- (1) At what time is he delivering the Budget tomorrow?
- (2) At what time or times will he be briefing or making Budget documents available to the media and other persons?
- (3) Will he make the Budget documents available on a similar confidential basis to the Opposition at the earliest of those times?

Mr BRIAN BURKE replied:

- (1) to (3) Quite frankly I have not addressed this question, but the normal practice will be followed. I am not sure what that is—I do not recollect immediately—but whatever it is the courtesy will be extended to the Opposition. I will be delivering the Budget as the first item of business.

Mr Hassell: At 10.45 a.m.?

Mr BRIAN BURKE: Perhaps at 10.55 a.m.

Mr Hassell: It will not be 2.15 p.m.?

Mr BRIAN BURKE: No, it is the first item of business in the morning.

**MIDLAND ABATTOIR SELECT COMMITTEE**

*Witnesses: Information*

266. Mr MacKINNON, to the Minister for Agriculture:

- (1) Is he aware of a statutory declaration made public on Thursday, 9 October, which alleges that a Mr Paul Regan, an adviser to the Minister, has been attempting to gain information on witnesses appearing before the Select Committee of this House?
- (2) Has Mr Regan been directed to take this action by the Minister?

Mr GRILL replied:

- (1) No.
- (2) Paul Regan helps generally in respect of a whole range of matters in relation to my portfolio. That particular matter was one of them. I did not give him any specific direction in that regard—it was part of his duties to help generally.

**APIARY**

*Honey Pool: Abolition*

267. Mr COWAN, to the Minister for Agriculture:

- (1) Is it the Minister's intention to wind up the Honey Pool?
- (2) If, "Yes", when?
- (3) Has the Minister received a submission from the Commercial Beekeepers Co Op Pty Ltd drawing his attention to its objection to section 26 (2) of the Act relating to the distribution of Honey Pool assets?

- (4) What action, if any, does he intend to take?

Mr GRILL replied:

- (1) to (4) I thank the member for his question which is slightly different in text from the question he gave to my office.

Mr Cowan: I am sorry, but if you answer the written question you can go for your life.

Mr GRILL: The committee inquiring into the marketing of honey and bee products in Western Australia recommends that the Honey Pool be converted to a more commercial mode. I am currently having discussions with various sectors of the industry concerning this issue.

No decision has been made concerning section 26 (2) of the Act. However, I indicate that there are various legal interpretations in relation to that position. I have received an opinion from the Crown Law Department which seems fairly clear to me. It lays down, in fairly clear terms, the effect of winding up the pool as far as the assets of the pool are concerned.

There is another group of beekeepers outside the pool who, while appreciating the clear nature of those provisions, dispute that it would be morally correct if we distribute the assets in the event of the winding up of the pool in accordance with that provision. They have also alluded to the fact that they have received a legal opinion on the matter. I do not believe they have received a written legal opinion and I have asked them to produce a copy if, in fact, they do have one.

As things stand at the moment I am legally bound by the provisions of the Act and I cannot go much further than that.

#### FREMANTLE GAS AND COKE CO LTD

##### *Purchase: Discussions*

268. Mr COURT, to the Minister for Minerals and Energy:

Did the Minister meet with the Chairman of the Western Continental Group on 17 April to discuss the pur-

chase of the Fremantle Gas and Coke Co Ltd?

Mr PARKER replied:

As I have indicated in previous statements I have made and answers that I have given—I have made the points before and I will make them again.

Mr Brian Burke: Can you make them a little louder because he has trouble.

Mr PARKER: It was suggested a while ago that I was not speaking loudly enough. I have not received that sort of complaint before, and although I do not fall into the same category as the member for Collie or the member for Scarborough, perhaps I should speak louder or a little more slowly in order that people can understand the points I make.

I have said consistently on a number of occasions, in answer to questions about whom I meet, that I have meetings with a whole range of people. I even meet quite regularly, on quite an amicable basis and often privately, with a brother of the member for Nedlands. Members may be surprised to hear that, but he is the chairman of a company.

Mr MacKinnon: At least you are getting off his father for a while.

Mr PARKER: The brother I mean is the one who is in the mineral sands industry. The brother with whom I meet is someone for whom I have quite a high regard as a businessman, and he is someone with whom I deal in his capacity as Chairman of Westralian Sands Ltd. I meet with him from time to time when I want to or when he wants to. We meet on a very good basis and there are hundreds of businessmen in this town with whom I do that.

I am not 100 per cent certain who is the Chairman of the Western Continental Group. I know who the majority owner is, and I know he is a director. Let us presume for a moment that the person about whom the member for Nedlands is talking is Mr Goldberg. I presume, without really knowing, that he is the Chairman of Western Continental. It is quite possible, for the purpose of this debate,



that I met with him on 17 April or 17 May. I do not know when I met with him and I will not go through my records to find out when I met with him. He is involved in a lot of things in this State in the same way as the brother of the member for Nedlands does a lot of things in this State.

The fact that from time to time I have had lunch with the brother of the member for Nedlands does not mean when I consider a tenement allocation applied for by Westralian Sands that there is some impropriety in that. Not at all. The suggestion which has been made by the member for Nedlands is that there is some impropriety when I meet with Mr Goldberg.

I have probably met with Mr Goldberg on a number of occasions. I certainly have, but I could not tell members whether 17 April was one of those occasions.

So far as the question of when discussions commenced on the acquisition of Fremantle Gas is concerned, I have answered that question repeatedly on a number of occasions. The point of the matter is that the offer to the Government to sell Fremantle Gas and Coke Co Ltd was made—I cannot remember the precise date—some time in June, and the valuation which I had done before any further discussions took place about negotiating the amounts involved was asked for on 4 July and received by me on 15 July.

They are the facts of the matter. That, together with what the Premier has said about whether or not the State obtained a fair value for the company, shows that we have demonstrated clearly—the Premier has demonstrated it very clearly this evening—that there is absolutely no question that that is the case.

## AGRICULTURE

### *Farm Subsidies: Advertising Campaign*

269. Mr SCHELL, to the Minister for Agriculture:

Mr Speaker—

Mr Brian Burke: May I say that your predecessor was much louder than you are. We knew he was from Mt Marshall, but he was labelled many other things apart from the member for Mt Marshall. You have earned the proper title of the member for Mt Marshall.

Mr SCHELL: I assure the Premier that I will bring decorum to the position of the member for Mt Marshall.

In encouraging the Federal Government to indulge in hip-pocket diplomacy by mounting a \$100 million advertising campaign against farm subsidies in the EEC as recorded in the *WA Government Notes* No. 61, can he advise—

- (1) Who would fund such a campaign?
- (2) Would it not be more appropriate for the Minister to advocate that rather than increasing the burden of taxes on primary producers he calls on the Federal Government to withdraw taxes, such as those on fuel and tariff protection, which already cost primary producers hundreds of millions of dollars?

Mr GRILL replied:

- (1) and (2) I did not specify, when I indicated that there should be a campaign against the high protection policies and dumping policies of the EEC, how it should be funded. I would have thought that, given the importance to Australia of our agricultural exports, the Federal Government would have come to the party with some of that funding. It is not necessarily the duty of Australia to endeavour to knock down the barriers in Europe alone. One would have thought that it would have been appropriate for other countries to join in that campaign. I am not saying that the whole campaign should be funded by the Australian taxpayers. However, it is a worthwhile investment for Australian taxpayers.

The biggest problem facing agriculture today is not so much in the area of costs, although costs are still a problem and the cost spiral over the last decade has been very severe, but it is

in relation to returns, which have been cut very dramatically.

Mr Cowan interjected.

Mr GRILL: Certainly the gross return has been reduced very dramatically over the last three or four years and the return in a number of our major commodities has plummeted in the last couple of years as a result of the policies adopted by the EEC and by the United States. By and large, costs have been brought under control. Unit labour costs in the last year or two have gone down, for instance. The price of fuel, which was a matter of concern for the honourable member who asked the question, has gone down in real terms. The level of taxing by the Federal Government—

Mr Spriggs: It has gone up to 59 cents a litre!

Mr Brian Burke: We are talking about farmers, George, not flower growers.

Mr GRILL: We are talking about farmers and any fair and reasonable analysis of the fuel problem would come to the conclusion that the Federal Government has reduced the incidence of taxation on farm fuel.

I am surprised that the member raised the matter of tariffs. The only Government ever to have done anything about reducing tariffs has been a Labor Government. The Whitlam Government reduced tariffs by 25 per cent across the board and got no credit for it.

Mr Cowan: They put it back up again.

Mr Brian Burke: You left the coalition because it would not take any notice of your policy. We have taken more notice of your policy than your new-found friends.

Mr Cowan: Yes, you have.

Mr Brian Burke: Thank you for that admission. I hope *Hansard* got that. That will now go to every constituent in every National Party electorate in this State.

Mr GRILL: The present Federal Government is going about dismantling tariffs in a much more thorough way. It should be applauded for its attitude to tariffs rather than kicked. The Minister for Minerals and Energy has

reminded me that even John Hyde, the driest of the dries, has commended the present Government in that particular respect.

I suggest to the member that there should be a degree of cooperation in respect of this question. Unless we can convince the Europeans that they should do away with their inimical policies with respect to dumping of agricultural produce, there will not be a great future for grain farmers or any other types of farmers in Australia in time to come.

The SPEAKER: I thank the Minister for his short and concise answer!

#### TOTALISATOR AGENCY BOARD

##### *Telephone Operations: Hotels*

270. Mr BURKETT, to the Minister for Racing and Gaming:

I am alarmed to hear that some hotels are apparently running their own telephone TAB operations, whereas the existing licensed TAB agencies are in most instances situated on land adjacent to the hotels. What can the Minister do to protect the businesses of these existing TAB agents?

Mrs BEGGS replied:

This practice came to my attention some months ago, although in a different form. At that stage, publicans were actually using their telephone betting account to give service to some of their drinking clients.

It has now been brought to my attention that some publicans have bought a machine which they call "Instabet". This practice falls into a similar category to that of their using telephone betting accounts. The only real difference is that this machine actually issues a ticket. It must be understood that this ticket is not an authorised TAB ticket.

Section 37(c) of the Act states that a person commits an offence if such a person—

not being a person lawfully managing or controlling or being employed in any totalisator agency sells or offers to sell any totalisator ticket purporting to be issued by the Board;

The question is whether the publican actually says that the ticket is an accredited one authorised by the TAB. I am concerned about the matter, and I assure the member for Scarborough that if the legal opinion now being sought by the TAB indicates that the practice is illegal, it will be stopped at once.

We are concerned about the ongoing profitability of those agents who have paid for goodwill and leases for their TAB agencies. In view of that concern, if the practice is illegal I will ensure that it is stopped as soon as possible.

### FISHERIES

#### *Shark: Future*

271. Mr BLAIKIE, to the Minister for Fisheries:

- (1) Who does the Minister expect to make a final decision on the future management of the southern shark fishing industry?
- (2) What financial or other assistance is the Government prepared to offer those shark fishermen who will be in a critically financially disadvantaged position should the Government adopt the working party's recommendation that will severely curtail the current level of shark fishing?

Mr GRILL replied:

- (1) and (2) There is a proposal to create a limited entry fishery in respect of the southern shark fishery. That proposal does not come from the Government; it comes from the industry itself. The working party was set up by my predecessor in about September of last year. The committee asked to inquire into the setting up of that limited fishery was composed basically of fishermen from that industry. Their recommendations have not as yet reached me. I understand that I will receive them fairly shortly, and I will then have a chance to consider them.

The industry will have a chance to consult with me in respect of those proposals before a decision is made. Even after I make a decision, representatives of the industry will have a right to appeal. Any aggrieved party will have the right to appeal in respect

of any decision that is made in relation to that limited entry fishery.

Those disadvantaged will be treated in the same way as others have been treated in relation to other limited fisheries set up by this Government and by previous Governments—that is, where possible they will be given fishing rights commensurate with their share of the industry. Without pre-empting tomorrow's Budget, I indicate that the Government is looking at bringing in a scheme whereby there will be a limited buy-back financed by the industry and by the Government to get boats out of the industry when a particular industry is being overfished.

### FREMANTLE GAS AND COKE CO LTD

#### *Directors: Premier's Apology*

272. Mr BRADSHAW, to the Premier:

Will the Premier apologise to the directors of the Fremantle Gas and Coke Co Ltd for his recent remarks in this House when he called them "dopey" and "Liberal Party hacks"? If not, will he repeat the remarks outside the House to give the directors the opportunity to take action to protect their reputations?

Mr BRIAN BURKE replied:

Where has the member for Murray-Wellington been for the last two days? I do not want to cause unnecessary offence to the former directors of Fremantle Gas and Coke Co Ltd, but I think members of this Parliament should be aware that the former chairman of that company was the one who initially accused the Government of being in league with Robert Holmes a Court in trying to take over his company. Will he apologise to my Minister and this Government for having made that claim, or will the member for Murray-Wellington apologise for it?

Mr Bradshaw: I will not apologise for anybody else.

Mr BRIAN BURKE: As far as I am concerned, that apology should predate any retreat that I make for the things that I said about the former directors of Fremantle Gas and Coke Co Ltd.

The Board of Fremantle Gas and Coke Co Ltd recommended against a cash offer of \$6, only to see the person making that offer accept an offer for his shares of a cash amount less than \$6. I do not want to repeat that that seems to me to be a dopey thing to do, but it does not seem to me to be excessively bright. I do not know what the member for Murray-Wellington would do with his shares or with his company directors if they recommended accepting an offer that was less than that which was on the table from another person.

With respect to the directors being "Liberal Party hacks", I do not want to inflame the situation, so I will merely say that we are now seeing in this State a small group of cosseted and privileged business people. I am not talking about the directors or ex-directors of Fremantle Gas and Coke Co Ltd, but about a small part of the business community which existed to its own satisfaction and protection under successive Liberal Governments that played favourites in this State. We have now ended that.

Let me tell members what it is like. We have two sets of waiters in this State; they both come from the same kitchen and neither of them is Labor. But one set of waiters is the establishment, highly political, not very able, but a profit-motivated and Liberal-supporting group. The waiters in the other set are apolitical, new rich, profit-orientated and not really in support of the Liberal Party but tending that way because they think they are free enterprise.

The two sets of waiters—the brother of the member for Gascoyne happens to be a member of one group—hate each other as much as they both hate us. We have two sets of waiters, both serving food from the same kitchen in competition with each other. We have decided to maximise their respective talents for the benefit of the State.

We have a set of old-style waiters, who could not get out of their own shadows to save their lives, looking at these Visigoths and saying, "We do not want them over our parapets but, worst of all, we do not want the social-

ist monsters in Government, so let us throw stones at both the new rich, those Visigoths who are threatening us, and the socialist Government."

Meanwhile, they are waiting for their knighthoods. This group is saying, "We can cope with this for three years. Three years is an aberration; suffering is good for the soul. But hang on, there has been another election. It is six years and, God help us, we might die before we become Sir Athol or Sir something else." I do not know who Athol is, so please do not report to him.

The other set of waiters is saying, "We can have them for breakfast because they do not have any ability at all." One set of waiters casting stones at us is trying to hit the other set as well, and we are enjoying the spectacle of two sets of waiters vying for the ability to cook and serve the food.

However, we are under no illusion; it is tickling us pink to see the way in which the Opposition has joined with the shrinking violets to stop the new rich set of waiters becoming part of them. The result is that as the Liberal Party attacks them, this mob does not have any ability anyway—they are very short of ability—and it is becoming completely disenchanted with the Opposition.

The Fremantle Gas and Coke Co Ltd former directors are in one of those mobs. I did say that they were Liberal Party hacks. I think it is particularly unfortunate that people let their political affiliations get in the way. The defence of the former board was to say that collectively they were nothing. That is what they said when I made the criticism: "It is very unfair of the Premier because collectively we are nothing." That begs the question about what they are individually, does it not? I did not say that they were a collective Liberal Party hack.

I guess the answer to the question is "No".

The SPEAKER: I do not think that answer strictly complied with my ruling yesterday. Nonetheless, it was fairly interesting.