

Legislative Assembly

Wednesday, 17 October 1990

THE SPEAKER (Mr Michael Barnett) took the Chair at 10.00 am, and read prayers.

BILLS (7) - INTRODUCTION AND FIRST READING

1. **Loan Bill**
Bill introduced, on motion by Dr Lawrence (Treasurer), and read a first time.
2. **Financial Institutions Duty Amendment Bill**
3. **Pay-roll Tax Amendment Bill**
4. **Pay-roll Tax Assessment Amendment Bill**
Bills introduced, on motions by Mr Taylor (Minister for Finance and Economic Development), and read a first time.
5. **Housing Agreement (Commonwealth and State) Bill**
Bill introduced, on motion by Mrs Henderson (Minister for Housing), and read a first time.
6. **Land Drainage Repeal Bill**
Bill introduced, on motion by Mr Cowan (Leader of the National Party), and read a first time.
7. **Stock (Brands and Movement) Amendment Bill**
Bill introduced, on motion by Mr Omodei, and read a first time.

BILLS (2) - THIRD READING

1. **Acts Amendment (Parliamentary Secretaries) Bill**
Bill read a third time, on motion by Dr Gallop (Minister for Parliamentary and Electoral Reform), and transmitted to the Council.
2. **Acts Amendment (Betting Tax and Stamp Duty) Bill**
Bill read a third time, on motion by Mrs Beggs (Minister for Racing and Gaming), and transmitted to the Council.

APPROPRIATION (CONSOLIDATED REVENUE FUND) BILL

Second Reading - Budget Debate

Debate resumed from 16 October.

MR COWAN (Merredin - Leader of the National Party) [10.10 am]: It has generally been my practice before making any comments in detail on the Budget to examine the Governor's Speech, which of course is prepared for him by the Ministry of Premier and Cabinet, to ascertain what has been promised in the Premier's notes to the Governor. That shows whether the Budget reflects that the policies outlined in his Speech are in fact being pursued by the appropriation of funds.

It is interesting to note that the Governor's Speech delivered on 1 May this year contained broad and sweeping statements relating to the policies of this Government, particularly to the management of its economic affairs. When giving his summary of the performance of the economy of the State of Western Australia the Governor indicated that the economy was out performing all other States, that employment in Western Australia had expanded strongly in the previous year and that private investment was 50 per cent higher on a per capita basis than in other States.

If we took the North West Shelf Development out of that statement the level of investment in Western Australia would not be all that high. The comment that caught my eye was -

Nevertheless, the Government will continue in its commitment to reducing the burden of Government on the community and is firm in its resolve to reduce expenditure, taxation collection and debt as a share of the economy over the current term of office. Expenditure savings will be sought this year as far as possible through productivity and efficiency gains rather than through a reduction in the level of service provision.

Mr MacKinnon: When was that statement made?

Mr COWAN: That appears in the Governor's Speech to the Parliament of 1 May.

I would like members to pay particular note to the last sentence of the paragraph where the Governor said that expenditure savings would be sought this year as far as possible through productivity and efficiency gains rather than through a reduction in the level of service provision. I think that if we were to examine that and then examine the appropriations for the Department of Agriculture in this year's Budget we would see just how hollow that commitment given by the Government was.

One of the big losers in this year's Budget was the Department of Agriculture. The allocation for Agriculture decreased from \$89.9 million last year to \$84.1 million this year. That is a reduction of 6.5 per cent, and if inflation is applied to that figure that reduction is in excess of 12 per cent. I cannot see how anybody who gave that commitment on 1 May this year could reduce funding to the department which services one of the main wealth creating industries of this State while still claiming to be honouring that commitment given by the Governor on behalf of the Government.

I was interested to hear the Premier last night during the course of a debate refer to her background and claim she was a country person and that her Government had a strong commitment to the country. I suggest to Madam Premier that she had better reread her Budget papers to see how much she has taken from the Department of Agriculture and revise her assessment of her Government's commitment to people who live in the country.

Mr Omodei: The Premier should redraft the Budget.

Mr COWAN: I would not go so far as to say the Premier should redraft the Budget. However, it would be appropriate if appropriations listed for developments such as the old Swan Brewery, for which the Premier has allocated about \$2.7 million, were put on hold and that money were redirected to areas where it is more desperately needed.

I will spend most of my time during this debate talking about the productivity sector of this State and the impact on that sector of this Government's policies and this Budget. I have already outlined the cut in appropriation to the Department of Agriculture. In addition a trend is emerging within the Government's philosophy that causes me much concern; that is, the view that agriculture is cyclical by nature and as a consequence can experience downturns that can never be budgeted for. There are also other disasters, if one likes to call them that, which occur and which place pressure on agriculture. These are natural phenomena. In addition, there is always the pressure of the world economy and international marketplace, which has an impact on us.

As everybody in this Parliament knows, there is something of a crisis in agriculture at the present time. I will deal with that later. I turn, first, to the trends of this Government when agriculture faces a crisis because of some natural phenomenon. A simple example of this is the emergence of the Australian plague locust in some parts of this State. It is estimated that the cost of controlling that locust could run in the vicinity of \$8 million. I acknowledge that the Government has made a contribution to the control of that plague. Again, the contribution made was insufficient, I think about \$800 000.

Dr Lawrence: That is the first round.

Mr COWAN: I am pleased to hear the Treasurer say that.

Dr Lawrence: We have responded every few months during the last 12 months. We have put large sums of money into schemes to support various sectors of the rural industry. We are having trouble with blight, drought and various other things.

Mr COWAN: I am pleased that the Treasurer raised the question of apple scab. That is the next point. The Treasurer has seen that problem, the Government has made a contribution, and I acknowledge it. However, too often pressure is placed on the Department of

Agriculture in the presentation of means to deal with emergencies which arise. The Government says, "We will give you this amount, but the rest you can get out of your department's budget." The department has already had a cut in its appropriation to the tune of \$5 million or more. If the Government were to say, every time an emergency or special situation arose where additional funds were needed, it had to come out of the Department of Agriculture's budget, that would impact on the already depleted funds available to that department.

Dr Lawrence: Special allocations were made to the Department of Agriculture. If you were to add them up you would find that they came to about \$6 million or \$7 million. I shall obtain that figure if you wish; it is very substantial.

Mr COWAN: That has to continue.

Dr Lawrence: I wish there were some way of doing it other than with this ad hoc approach.

Several members interjected.

Dr Lawrence: We almost need some sort of insurance or contingency fund, because it can make a huge difference to a department's budget and to the Government's allocation for a particular year. We have responded flexibly.

Mr MacKinnon: You have not even maintained the status quo.

Dr Lawrence: If you look at the Government's response over the past 10 years it has been very generous.

Mr COWAN: I hope the Treasurer will reinforce my point that there should be special allocations for agriculture in times of need. I acknowledge that has been the practice in the past, not only by this Government but by previous Governments. However it appears to me that there is growing pressure from the Cabinet to say to the Department of Agriculture, when it outlines a method of dealing with this problem, "We will give you this amount, and the rest will have to come out of the department's budget." The Government will compound the problem in the Department of Agriculture, because the department's level of funding is being reduced. If the Government wants to place greater reliance on the department's general appropriation to meet some of the special situations which arise without continuing that program of additional funding, the department will be severely strapped. The \$5 million reduction in funding shown by the Budget papers will be compounded by the fact that funds must be taken out of that general appropriation to deal with special cases. I think the Treasurer can see my point.

Dr Lawrence: Yes, I can. We recognise the need, not only for greater efficiency in the Department of Agriculture, but also to respond to specific needs which are exceptional. We have done that, and will continue to do so, but we will not always say that what the Department of Agriculture wants is the precise funding which should be available. We take advice from the Treasury and other departments about whether what the department is asking for is reasonable. That is proper too.

Mr COWAN: To go back to the other sources of funding which might arise from these difficulties which crop up in agriculture itself, that is the Commonwealth-State agreement Act where the Government can secure funds from the Commonwealth for natural disasters such as drought, cyclones and so on, there has been a drought in the Kimberley this season, but I have not heard the Premier make any comment about an approach to the Federal Government for assistance.

Dr Lawrence: We have done two things. We have allocated funds in our own Budget, and we have also approached the Commonwealth.

Mr COWAN: How much have you allocated?

Dr Lawrence: I do not have the figure.

Mr COWAN: Where is it in the Budget papers?

Dr Lawrence: It is not a specific allocation in the Budget. It was a decision of Cabinet before this Budget was produced.

Mr COWAN: From where will the Government obtain the funds?

Dr Lawrence: From the same place we get all the funds.

Mr COWAN: From the Department of Agriculture's budget?

Dr Lawrence: No. The Minister for Agriculture has sought additional funding, but the criteria for the Commonwealth to provide those funds are very stringent indeed, and we have had to apply other funds in the interim to that purpose. I do not have the details here but I shall get them for you.

Mr COWAN: I appreciate that. No publicity has been given to the fact that the Government has made application to the Commonwealth for financial assistance to deal with that problem - that is news to me - yet the Government has been aware of the problem since the wet season began almost 12 months ago. No action has been taken.

I shall go further. We in the State of Western Australia, like every other State, are incapable of influencing the international marketplace. At the moment we have a serious problem in two of the most prominent agricultural sectors - wheat and wool. In the case of the wool industry, two of our major buyers - Russia and China - are suffering economic difficulty and they have withdrawn from the market. That problem has been compounded by the fact that the Federal Government intervened in the operations of the Australian Wool Corporation and created a degree of uncertainty in that industry which is causing real problems. We have seen a reduction not only in the price of wool, but a reluctance by the international market to purchase wool. We have also seen an increase in the level of taxation imposed on woolgrowers and then returned to the industry. As a consequence there have been significant declines in incomes from wool. The figure of 30 per cent has been suggested. I venture to suggest it would be something like 45 per cent or 50 per cent. The animals which produce wool have no commercial value any more, so the wool industry and its associated livestock trade are in a very serious situation. We can do nothing about the marketplace.

The wheat industry, which is the second biggest industry depending upon international prices, is also suffering a decline for quite a different reason. There has been an excellent production year in the northern hemisphere. The United States and the European Economic Community have engaged in a battle to see who can win the war of subsidisation. Those Governments are prepared to subsidise their wheat industries very heavily. Australia does not have the luxury of a subsidy, and as a consequence we have to compete with heavily subsidised prices in an environment of over supply. We have seen wheat prices fall quite markedly, to the extent where once again there has been a 30 per cent decline in returns to wheat growers.

A number of my relatives are still operating in the farming sector. They have all done their preliminary budgets, and none of them is capable of producing a budget which shows an operating profit at the end of the year. On that basis the options available to them are to produce nothing, or to continue to produce with a system which recognises that there will be some means by which we can lower production costs. We can concentrate on only two things: The lowering of production costs, and an easing of debt burden. My colleague, the Deputy Leader of the National Party, put forward a program which focused attention on those two aspects. The Premier got to her feet in this House and said that that was a silly program. I would like the Premier to tell the House what alternatives she can suggest. She should not tell me that she will give full encouragement to the task force.

In his opportunity to respond to that proposal, which was a 24 point plan designed to lower production costs or ease the level of debt servicing, the Minister for Agriculture told us how popular he was out in the bush. I really do not think that people in the country are all that concerned about popularity ratings, or about hearing their Premier describe a package as silly when she is not capable of putting forward an alternative. We were instructed to be somewhat positive about what should be done, and I thought we were. I thought it was appropriate that we use the auspices of the State Government to make representations to the Commonwealth Government and ask it to examine those areas where it could have a profound impact on the reduction of input costs by a simple stroke of the pen - the reduction of tariffs on goods such as farm chemicals, and the pegging of the oil price so that we do not always have to reflect in petrol prices what is happening as a consequence of the Gulf crisis - yet this Government said that proposal was silly.

I can recall within the last six months two occasions when this Government intervened to try to stimulate construction work within the State's economy. I refer, firstly, to the attempt by the Government to secure the submarine contract. On that occasion the Government sent a

number of people to the Eastern States to lobby the decision makers over there. It made substantial offers of concessions on infrastructure provision to the people who were involved in the bidding for the submarine tenders. I understand - and perhaps someone can interrupt and tell me if I am wrong - that the offer for infrastructure provisions if we secured that contract could have amounted to tens of millions of dollars. That is what the Government was prepared to do to secure the submarine tender, and I agreed with that. Our party supported it. It was vital for the two ocean naval defence policy to have Western Australia secure that contract, and it is unfortunate that we lost it.

Consequent to that, it appeared that the Goodwyn A platform which is to be built for the North West Shelf project was going to pass Western Australia by. Again, that was something which was envisaged would return to the State construction projects to the value of \$80 million to \$100 million. On that occasion we saw the Premier and Treasurer go to Kwinana and address those people who had a stake in the construction of the platform, or parts of it, should we secure the contract here in Western Australia. We saw representations made to the Commonwealth seeking special exemptions from any tariff or import duty that might be applied to those products which had to be imported for the purpose of construction of the modules necessary for that platform. The National and Liberal Parties supported that proposal and that project. The Government quite rightly intervened and made representations to the Commonwealth seeking to gain some construction projects to the tune of \$100 million for this State.

Off-hand I cannot tell the House what agriculture is worth but I suggest it is worth more than 10 times that amount, yet all we have from this Government so far is a response by the Treasurer to our proposal saying that it is silly and a response by the Minister for Agriculture saying that he has established a task force and that he is quite popular in the bush. I really think it is time the Government got things into perspective. We applauded and supported its effort to secure the submarine contract. It did the right thing - it tried very hard to get that contract. We also supported the Government in its efforts to secure those contracts which would enable the State to participate in the construction of the Goodwyn A platform; that was the right thing to do. In both those cases the worth to the State was measured in hundreds of millions of dollars. In this case we have an industry - agriculture - whose impact on the economy of this State can be measured in billions of dollars but which to a large extent is being ignored.

Dr Lawrence: You are saying that the debt burden and the price structure are the things that need to be reduced, given that prices have fallen through the floor and there has been overproduction. I agree with you about that.

Mr COWAN: No, there has not been over-production.

Dr Lawrence: For wool one might argue that there has been.

Mr COWAN: No.

Dr Lawrence: Well, setting aside the fact that we have a wool mountain somewhere that no-one wants to buy - maybe it is a case of under demand rather than over-production; and I am not making light of that - if we were to apply \$7 million or \$8 million, which is the sort of support we were talking about with the Goodwyn A platform and/or the submarine project, to the entire rural sector - and we would have to include rural small business - that would have no effect at all on each individual farming enterprise. The order of magnitude that is required is so substantial that we would have to look at things like interest rates as one of the key elements and, as the member knows, we can do very little about that. We have modest control over fuel prices and so on. Some of what the deputy leader of the National Party said yesterday I think was reasonable. It was the putting together of a whole lot of messages.

Mr COWAN: I am very pleased to hear that. That is much better than saying it is silly.

Dr Lawrence: I do not know whether I used the word silly.

Mr COWAN: I will send the Treasurer back her quotation.

Dr Lawrence: I looked at my transcript this morning, and I do not think I said the approach was silly. A number of the elements there are important. We are taking it very seriously, but we want to make sure it is equitable and that it will really have an effect, if we are spending taxpayers' dollars, and that it will not disadvantage other business sectors which might

reasonably complain that they are also suffering at the moment. They are the three principles.

Mr COWAN: I thank the Treasurer; that really reinforces my argument. Now I can draw some comparisons between what the Government did for the two projects I have mentioned, which we applaud and support, and what it can do now, rather than what it has done. No representation has been made to the Commonwealth in respect of the rural crisis. When the Treasurer made representation to the Commonwealth for exemption of tariffs for those components which were to come to Western Australia for the construction of the platform modules, she was granted that exemption. I have not seen any representation to the Commonwealth seeking tariff exemptions for farm chemicals, for example; I have not seen the Department of Agriculture being asked to put forward a package. We went to the Deputy Premier and the Minister for Agriculture in April and indicated this would be a serious situation about which something would need to be done. It would have been appropriate in April for this task force to be established and to begin the process of identifying what could be done, and to present a package similar to that presented by this Government to its Federal colleagues when it wanted those construction projects in Western Australia, in relation to specific exemptions, infrastructure provisions, and financial assistance that could come across from the Commonwealth to the State for the purpose of providing that infrastructure. That has not been done, but it still can be done.

Dr Lawrence: Do you think it was evident in April that the wheat prices would head for the floor?

Mr COWAN: We were talking then about the wool industry, and the problem in the wool industry was sufficient for us to alert the Government to the fact that there would be a difficulty. We recognised then that we could not affect the supply and demand situation or the price that was being paid in the world market, so we wanted to look at areas where we could lower the cost of production.

Dr Lawrence: How much would you have to lower the cost of production to make a difference to the viability of some of those enterprises?

Mr COWAN: Any percentage point would be an advantage. The removal of tariffs would be an example; pegging the fuel prices would be another factor that would help. Those areas that have been identified that can shave off production costs would assist.

Let us turn to debt servicing. No approach has been made by the State to the Commonwealth for funds. We have in place in Western Australia a corporation which has been assigned the specific task of assisting agriculture. The mission of the Rural Adjustment and Finance Corporation as set out in the Program Statements is quite laudable. It states -

The agency's mission is financing rural people today to help them become self-sufficient tomorrow.

We would all applaud that. I would think that in financing rural people today, and if the system is to be there tomorrow, one would have to anticipate to some extent what will happen in agriculture in the future. The Government was warned that this situation would arise about six months ago. It was not just the National Party that gave this warning; the Liberal Party and industry bodies issued the same warning. It is only now, six months later, that we have seen the task force established to decide what to do. I can tell the House what we should do. The problems have been identified and the solutions have been recommended - we have recommended 24 of them. One of the solutions is that the Government should provide money to the Rural Adjustment and Finance Corporation as quickly as possible so that it can begin the process of giving support to the concept of interest-only loans. I am not expecting the corporation to provide those loans. However, if it had the finances and the capacity to reinforce interest-only loans, most of the commercial lending facilities would be in a position to offer those loans to agriculture. There is a good reason for this; if interest-only loans were offered it would reduce the level of debt servicing over the interim period by 50 per cent. If the principal repayment could be forestalled, it would reduce the debt servicing by 50 per cent. One would have to pick up the principal at a later stage, and because farming is cyclical by nature I would expect that that could be done.

So, two things must be done: Firstly, RAFCOR must be provided with the funds and, secondly, it must be able to deal with this situation to provide support to the community with interest-only loans offered at a fixed interest rate.

Dr Lawrence: I do not see the acquisition of those funds as a monumental problem; but by the way of an almost academic debate -

Mr COWAN: It is certainly not an academic debate.

Dr Lawrence: - if the farmers do not use the funds to restructure their loans the availability of additional funds for borrowing would not be an advantage.

Mr COWAN: They do not need additional funds; they need to have the cost of production reduced and to have the burden of debt servicing eased over an interim period. The Treasurer is correct in that that may require a restructuring in a conversion from interest and principal-type loans to interest-only loans with a view to repaying the principal at the end of the term. The corporation needs to be in a position to do that. If the commercial lenders, the banks, cannot do that because at the end of the five year term the principal must be repaid and they do not believe that the asset backing is sufficient, it is appropriate for RAFCOR to step in and say, "We are backing agriculture and we believe that the assets are there. We will pick up that option for you."

Interest rates need to be fixed at a realistic level. That might require an interest rate subsidy, which is already one of the applications of the Rural Adjustment and Finance Corporation Act. However, the organisation does not have the capacity to issue guarantees. It also does not have the capacity to extend its influence beyond the farm gate to the rural small business sector. Had notice been taken of the warnings given, it would have been possible for legislation to now be introduced in this place to extend the powers of the organisation to issue guarantees. This could be done in a similar manner to that of the Small Business Development Corporation.

Agriculture is feeling the pinch, yet some income will be received from wool and from grain. However, the people who service agriculture have nothing because every farmer I know has thrown the chequebook into the drawer and locked it away. They will not spend any money at all in an attempt to reduce production costs. We will have a repetition of what occurred in the 1970s and the 1980s when many small rural businesses went to the wall.

Dr Lawrence: Where do you draw the line? How do you determine that one business is affected slightly and another is more adversely affected? A number of businesses in the city have felt the same effect.

Mr COWAN: The Small Business Development Corporation does a good job, and most of its work is done in the metropolitan area. If the Treasurer gives me a day or so I will draw up the definitions for her.

I do not want to spend the whole of my allotted time speaking about agriculture as I am sure that my colleagues will speak in greater detail on the subject because they still have a direct involvement with agriculture. There was a time when the task force was appropriate - it is not now. The time has come for action. I suggest that the Premier look seriously at ways and means of taking steps within her power to reduce the cost of production to agriculture. She could remove the 1¢ per tonne per kilometre tax which was applied only to the rail regulated areas. Things of that nature need to be done.

Dr Lawrence: We are not waiting for the task force to report before acting. A series of proposals are being examined.

Mr COWAN: I am aware of that. I am indicating that the task force was established six months too late - the problems have been identified and the solutions have been recommended. It is up to the Government, which has the power, to see that they are implemented. It should go to the Commonwealth Government for -

Dr Lawrence: More money!

Mr COWAN: Oh, yes! The Treasurer can take the steps I have outlined regarding RAFCOR which would help the situation. She can deal with these matters and, if she has not, she should.

The other productive sector is the mining industry. It is a matter of great importance to Western Australia that mining is not undergoing the same depression in the international market place as are agricultural commodities. The demand for minerals is reasonably good. I am quite sure that, if the Gulf crisis is sustained for any length of time, there will be a

decline in the demand for iron ore and possibly alumina, mineral sands and other products. Mining has done particularly well, but concern has been expressed in the mining industry about the services provided by the Department of Mines. The concern is that the department is recovering more than the cost of the provision of its services and the perception seems to be that the Government sees the department as a great source of revenue to the State rather than as a service provider to the industry. The Government should look closely at making sure that the revenue generated through the Department of Mines, and the services it provides, reflect accurately the cost of the provision of that service.

About mining one thing is quite evident: It is appropriate that we in this State do as much as we possibly can to encourage the processing of our minerals. It is unfortunate that very few minerals are processed before they leave our shores. An exception is the mineral sands industry, which produces synthetic rutile for the final production of titanium dioxide. Apart from that, very few of our products are processed. If they were they would give a much greater return to the State of Western Australia. Fundamental to the processing of minerals in this State is the capacity of the State to supply energy. About three months ago, the Harman Report was released, the basis of which was a recommendation to the State that the next base-load power station should be gas-fired. I am sure that even Dr Harman himself would acknowledge that the model he would have used is now no longer accurate, because of the escalation in gas prices.

Dr Lawrence: Are you saying he said that or would say that?

Mr COWAN: I am sure he would say that.

Mr Carr: I am not sure he would. I am not sure the argument follows through. The argument you are making is valid for gas that can be exported. It does not follow for gas in smaller quantities that is unable to be exported.

Mr COWAN: The Minister has commented that a difference exists between gas which can be exported and gas which is perhaps not found in quantities large enough to be exported. The premise of the Harman report was that enough gas would be found upon which to base a gas-fired power station. No State in this nation will encourage processing of minerals on the premise that energy can be supplied using a product which has not yet been discovered at a price which cannot yet be determined. That is basically what the Harman report has recommended. It is ridiculous that the Government is travelling down the path to accepting those recommendations. Were the Government genuine about the development of the State and about the additional processing of the minerals found here, it would be far more appropriate to say what is taking place and how energy will be supplied; it will be a reliable supply and the price can be easily determined. Whether we like it or not; whether it will upset the greens, the fact is the only way the State can do that is to build a coal-fired, base-load power station.

Dr Lawrence: In Collie.

Mr COWAN: Yes, in Collie. If the Government wants to declare the Mt Lesueur national park -

Dr Lawrence: You know that it is off the agenda.

Mr COWAN: The Government can declare the Mt Lesueur national park and advise CRA of the areas with a high conservation value and state that mining should not be carried out in those areas. CRA can then say where it can mine coal and build a coal-fired power station outside those areas. However, the Government has not done that.

Dr Lawrence: It has been assessed. The State Energy Commission has dropped them off a list of viable sites.

Mr COWAN: I am sure the Government has not done any of those things.

Dr Lawrence: Because they are environmental questions. In terms of the coal question, the station -

Mr COWAN: I agree it has to be in Collie.

Mr Pearce: Your environmental interest in Mt Lesueur arose the minute you won the seat of Collie. That is the level of your interest in the environment. Extensive discussions with the company have been held about those matters and they have an environmental review and

management program currently going through the Environmental Protection Authority and when that reaches its proper end, we will make decisions about Mt Lesueur.

Mr COWAN: The genuineness of this Government will be in question until it takes the appropriate step with the Mt Lesueur national park. The point I am making is that this Government appears to be gun-shy. It cannot make any decisions. It has not made a decision on the provision of adequate energy supplies at a guaranteed price which will enhance the prospect of this State's securing mineral processing. The State will be under pretty severe competition from those States which do.

Mr Pearce: That is rubbish.

Mr COWAN: I am very pleased to hear the Minister say that is rubbish. However, he has not declared the Mt Lesueur park as a site and has not made a decision.

Mr Pearce interjected.

Mr COWAN: The Minister had 45 minutes to interject. Because he has left it to the last two minutes I am afraid I will have to ignore him.

Several members interjected.

The SPEAKER: Order! The member is trying to conclude the last few minutes of his speech.

Mr COWAN: I will say again for the benefit of the Minister that this Government is not prepared to make hard decisions, some of which are his responsibility. Other Ministers have not made them. It is lamentable that we still do not know what will be done about an adequate power supply at a price which will attract industry. Now that the Minister for the Environment is here I point out that once upon a time a report called the Bailey report was released which made recommendations about mining in national parks and reserves. I have not heard of a decision being made by this Government on that report.

Mr Pearce: Legislation was introduced into Parliament which your people voted against.

Mr COWAN: That legislation did not implement the recommendations of the Bailey report. Until this Government makes decisions, rather than appointing another committee, it is a goner.

MR C.J. BARNETT (Cottesloe) [10.56 am]: Mr Speaker -

Mr Pearce: Are we here about daylight saving? It is not so necessary today as it was yesterday.

Several members interjected.

The SPEAKER: Order! Is this the member's second speech or has he made a number of speeches since his maiden speech?

Mr MacKinnon: He has made a couple of speeches.

The SPEAKER: That is fair enough, but it is not fair that interjections should be made from both sides of the House before he has even opened his mouth.

Mr Clarko: Unlike the Government, he knows what day it is.

Mr Pearce: He does not know what time it is.

The SPEAKER: Do members have a problem in understanding my language? Those members who cannot hear properly, watch my lips. Please do not interject until the member has at least started his speech.

Mr C.J. BARNETT: I am pleased to have the opportunity to address the subject of the 1990-91 Budget. I will concentrate on three broad areas: Firstly, the state of the Western Australian economy and the context in which the Budget is presented; secondly, the Consolidated Revenue Fund in broad terms; and, thirdly, I will make some broad comments about the Capital Works Program. There is no doubt that the Western Australian economy is currently experiencing the worst recession since 1982-83. It is my view, perhaps not shared by all my colleagues, that the recession of 1990, severe as it is, will not prove to be as severe as 1982-83. Nevertheless, it is an extremely serious downturn and one that will cause a dramatic rise in unemployment over the coming months.

The recession of 1990 may be attributed to the Commonwealth Government's policy of high interest rates. Australia has achieved the seemingly impossible and propelled itself into a recession while the rest of the world has been enjoying generally good economic conditions. Members opposite have also been quick on occasions, when confronted with bad economic news, to blame the high interest rate policy. I agree with them. However, they failed to go back one step and assess why a high interest rate policy exists in Australia. The reason for that policy is that the Federal Government has available to it three broad arms of economic policy: Fiscal policy, which can be implemented through taxation and expenditure measures in the Commonwealth Budget; wages policy through its much publicised accord; and, of course, monetary policy.

It may appear a long time ago that the 1988 Federal Budget was brought down, but members must bear in mind that it was about that time that we experienced an economic boom which created the problems. The 1988 Federal Budget handed down by Treasurer Keating effectively locked into place fiscal policy. It was a generous Budget in terms of spending and tax cuts. However, in a pre-election environment that Budget effectively tied the Government's hands with what it could do with a fiscal policy: It pre-empted the economic situation which might unveil. That error was repeated by Treasurer Keating in his economic statement in May 1989. Having locked fiscal policy into a tight position the error was repeated with respect to wages policy and the accord - I think it was the accord mark V - which foreshadowed wage increases regardless of what economic conditions might have unfolded. As it was, the economy took off. The Commonwealth Government, because it had thrown away its flexibility in fiscal policy and had followed it up in May 1989 by throwing away any flexibility in the wages area, had no choice but to rely entirely on monetary policy. Given the earlier decision with which I agree to deregulate the financial sector, the burden of monetary policy fell almost exclusively on interest rate policy.

While members on both sides of this House are willing to criticise high interest rates, I remind them, particularly members opposite, that it is not only interest rates but also the Federal Government's fiscal policy and the precious accord which have created an over-reliance on monetary policy and interest rates. That is the reason we are in the position we are in today. Members must remember that when they criticise fiscal policy they are, at the same time, criticising the accord between the Australian Labor Party and the ACTU - they are intimately related. That is the reason we are in recession.

Two events beyond anyone's control have added to the recession and have made life more difficult. First is the Middle East crisis, which has resulted and will continue to result in higher energy prices nationally and a slower economic growth in the world environment. The second event, which is more close to home, is the dramatic collapse of the rural industry in Australia, particularly Western Australia. By the Minister for Agriculture's estimates the expected loss of agricultural income in 1990-91 will be \$640 million, which will have an overall impact on the economy of Western Australia to the tune of \$1.6 billion. It is a massive unforeseen blow to the economy.

Unlike the position which prevailed in 1982-83 there is growing evidence that the recession of 1990 is being felt more severely in Western Australia than in Australia as a whole. In 1982-83 the whole world suffered a recession, although Western Australia did not suffer in the same way as did other Australian States. While total employment in every other State in Australia fell in 1982-83, it levelled off in Western Australia. Employment in Western Australia reached a plateau while other States suffered. This year's recession has been felt more severely in Western Australia than elsewhere.

Some of the statistics with which I hope members are familiar illustrate the point. In September 1990 the unemployment figure for Western Australia was 8.3 per cent, while in Australia as a whole it was 7.3 per cent. The ANZ Banking Group Ltd runs an analysis of job vacancies which are advertised in the daily newspapers. Over the past 18 months the number of jobs advertised in Western Australia and Victoria has decreased by 65 per cent: It is a catastrophic fall. In Australia overall that figure has decreased by a lesser amount of 40 per cent. It will be a bleak summer for tertiary school leavers this year. Inflation in Western Australia this year is running at 8.6 per cent, which is above the national average of 7.7 per cent.

Mr MacKinnon: That was before the fuel price increase.

Mr C.J. BARNETT: That is right and the price of fuel will continue to rise throughout the remainder of this year. The Confederation of Australian Industry and Westpac Banking Corporation undertake a survey of manufacturing confidence and it has shown that business confidence is at a seven year low. The National Australia Bank and the Western Australian Chamber of Commerce and Industry undertake a survey of tertiary sector business confidence and that is also at a seven year low. The University of Melbourne and Westpac conduct a survey of consumer confidence and that is at the lowest level since the survey began in 1971. Consumers in this country have less confidence than they have ever had, which is borne out by the fall in the level of retail sales.

Bankruptcies in Western Australia in 1989-90 increased by 43 per cent, which is a massive margin over the national figure of 16 per cent. Regrettably, the evidence shows that Western Australia is suffering far more than other Australian States and it poses the obvious question, "Why is that?"

Mr MacKinnon: A further point you have not made is that worse is yet to come.

Mr C.J. BARNETT: Yes, the situation will certainly get worse for the unemployed, and for those who are currently employed but will soon join the unemployed.

Western Australia is suffering for a number of reasons: First, there has been a gap in resource development in this State. Projects have not been coming on-stream and our economy is driven by new developments in the resources sector. By far the dominant factor has been a loss of confidence in this State by consumers and, more importantly, by the business community. Even more importantly, there has been a loss of confidence in Western Australia by business people in other States and overseas. No-one in this House would be surprised that I ascribe entirely that lack of confidence to the activities of WA Inc and the independent corporate collapses which have occurred. The combination of the appalling performance of this Government, the loss of money, the loss of credibility of the Government and the loss of similar credibility in the corporate sector have damaged this State enormously and Western Australia will continue to suffer because of that.

I am not a total pessimist about the future of the Western Australian economy. I have said that the 1990 recession is very severe and, as the Leader of the Opposition says, things will get worse. I regret that unemployment will rise to the order of 10 per cent from the end of this year into early next year. It will be a sad situation and there will be virtually no employment opportunities for this year's school leavers. However, there are some grounds for optimism. The recession is not as bad as it was in 1982-83. I believe that early next year we may see signs that some sectors of the economy have passed through the worst of the recession. We may well see an improvement in the housing industry and we have seen a possible improvement in capital projects in the private sector - I refer to Alcoa's extension at Wagerup valued at \$300 million. There is no way we will see any sort of economic growth in Western Australia in 1991-92 that will bring down the rate of unemployment. We will reach an unemployment rate of 10 per cent and it may level off at that figure, but it will not decrease until the Government can restore confidence and strong economic growth. While in 1990 we may have the worst of this recession, 1991 will be an extremely sluggish year, a poor year for business and the unemployment rate will unfortunately remain high. The problem will persist.

I refer now to some elements of the Consolidated Revenue Fund, which measures the current revenue and expenditure of the State Government. This year the Consolidated Revenue Fund is a little over \$5 billion and the nominal or dollar value increase in spending is 4.8 per cent which, after inflation, represents a real cut of 2.5 per cent. This year's Budget has very much been an exercise in spreading as widely as possible the losses associated with WA Inc and those losses have been spread across all levels of Government spending.

To look at some historical context of this Budget, while there is, in a statistical sense, a restraint in this year's Budget which has been forced on the Government because it had no money and a declining economy, I draw to the attention of members that in each of the last three years, after allowing for inflation, the average real increase in Government spending was seven per cent. The past three years have been a period of relatively buoyant activity with easily generated revenue for the State Government. That money has been squandered. The position now is that when the economy is turning down the Government does not have the money to spend on things because it has wasted the opportunities presented to it by a buoyant economy over the past three years.

Mr Blaikie: That is a telling point. It had a profound effect on the former Premier, Deputy Premier and Leader of the House, who are no longer here.

Mr C.J. BARNETT: Yes. The point should not be lost. Over the past three years the spending of the Western Australian Government, in real terms, has exceeded that of all other States and the Commonwealth. A revenue boom occurred in Western Australia which was wasted. The Treasurer has taken great pride in presenting a balanced Budget. That balance has been achieved, as all members would appreciate, by bringing forward interest earnings and, I concede, by some tightening of current expenditure as the year progressed.

In preparing the 1990-91 Budget the Government was faced with some fairly obvious difficulties. It was looking at a \$235 million shortfall between expected revenue and planned expenditure. It also had the problem of a declining economy - a two edged sword, one of falling revenues as economic activity slowed, and increasing demand in areas of social welfare as unemployment and related problems tended to rise. The other way in which the Budget was balanced last year was by reducing cash balances, which were run down from \$160 million to \$48 million this year.

Mr Lewis: And they did not pay their accounts for the last two months.

Mr C.J. BARNETT: That helped the Government, but it did not help its clients or customers. The Budget includes some obvious relationship within the Consolidated Revenue Fund to the so-called excesses of WA Inc. One could argue what should be included in WA Inc and that debate could go on forever. A reasonable estimate, prepared by this side of the House, indicates that in the Budget last year \$141 million in expenditure, spread across the Consolidated Revenue Fund and the Capital Works Program went into WA Inc. This year that will be of the order of \$71 million.

A question I draw to the attention of the House which has not received any attention, to my knowledge, in this House or in the media is whether the Government has got it right on its WA Inc sums for this year. It is true that some \$50 million has been allocated to payments associated with WA Government Holdings. However, mysteriously, in this year's Budget we find another \$50 million allocated to future wage increases. This has not attracted any attention or discussion up to this point. To my knowledge, and I am willing to be corrected, no previous State Budget has put \$50 million into some sort of contingency fund to cover future wage increases. In this so-called environment of centralised wage fixation under the accord wage increases are predictable, certainly as predictable this year as in previous years, so why the extra \$50 million?

Mr Troy: Are you saying wage increases have always been predictable in previous years? They have been far more predictable under a Labor Government than ever before.

Several members interjected.

The ACTING SPEAKER (Mr Ripper): Order! The member for Cottesloe has the call.

Mr C.J. BARNETT: The interjection from the Minister for Productivity and Labour Relations deserves a response. The accord, of which he is obviously extremely fond, I would agree -

Several members interjected.

The ACTING SPEAKER: Order! We are failing to make progress with this speech as there are too many interjections. Let us hear from the member for Cottesloe.

Mr C.J. BARNETT: I was about to pay a compliment to the accord, but members opposite did not want to hear it. The only element of the accord in which I see any merit is that it should by all accounts allow, as the Minister for Productivity and Labour Relations has said, wage increases to be more predictable. Therefore, why in this Budget has an additional \$50 million been put to one side for wage increases? We have not seen that in previous Budgets, so why is it there? If any sector of the community can predict wage increases, surely it is the public or Government sector, so why this contingency figure of \$50 million? I put to the House that it has as much to do with a complete lack of confidence in what the final liability will be this year for WA Inc as it has to do with wages. It is another \$50 million that may well be needed for WA Inc.

Mr Troy: One of the key elements of the accord Mark 6 in terms of productivity, which is a

basis people opposite have always pursued, is that there should be a productivity related component in wages.

Mr C.J. BARNETT: Is the Minister referring to award restructuring?

Mr Troy: Yes, and the productivity benefits that flow from that.

Mr C.J. BARNETT: I would be delighted to debate that matter, but I will stick to the Budget.

Mr Troy: Then acknowledge it.

Mr MacKinnon: I would have thought that productivity related wage increases would have a net effect on the Budget of zero.

Mr C.J. BARNETT: I did just acknowledge that. The point made by the Leader of the Opposition is correct because, if award restructuring occurred properly, as productivity is achieved it should have zero impact on the Budget.

The other aspect of the Consolidated Revenue Fund which deserves some scrutiny, and which will get it in terms of individual votes for individual areas, relates to the question: How solid are the Budget Estimates? In the Budget speech and the Budget papers the Treasurer referred to a forecast of a real rate of economic growth in Western Australia in 1990-91 of four per cent. It does not sound all that much, but that means, given that the inflation rate is likely to be about nine per cent, we are talking about a nominal dollar increase in economic growth of 13 per cent in 1990-91. That is ludicrous; it will not happen! There is no way in which a real growth rate of four per cent will be achieved in the current financial year. The best that Western Australia can hope for is a rate of economic growth of the order of two per cent, and if we get that we will be damned lucky in the current environment!

Mr Lewis: That means a \$100 million miscalculation.

Mr C.J. BARNETT: It means a massive miscalculation. Should members of the Government not be concerned about that, I draw their attention to the fact that Treasury does not believe that four per cent figure. The four per cent appears in the Budget speech presented by the Treasurer, but the Budget papers and the Budget calculations are not based on that. Treasury used different figures in estimating the revenue. It does not believe the growth forecast. The four per cent forecast is there for popular consumption only.

There is a real cut in expenditure of about 2.5 per cent. It is fairly widely distributed. We have some doubts, however, whether the Government will achieve some of the expenditure cuts it has foreshadowed in the Budget. It is difficult to find actual programs in the Budget that have been terminated or cut significantly. Most of the cuts in expenditure relate to what one can call corporate services - the administrative side of Government departments. It very much remains to be seen whether those cuts can be achieved. If one could identify programs that had been stopped one could have some confidence that the so-called expenditure restraints will actually occur. We have grave doubts whether those expenditure cuts will be achieved.

Mr Blaikie: One thing we can be sure about is that the Deputy Premier will be listening intently on his office speaker.

Mr C.J. BARNETT: As we all know, the Deputy Premier worked in Treasury so he, more than anyone in this House, would know that Treasury does not believe the four per cent growth forecast. He would not have used that figure in his day. How he can stand in this House and suggest, along with the Treasurer, that that is what will happen is quite amazing.

The third aspect of the Budget on which I focus is capital works. In any year a State Government spends funds on current purposes. It also has some commitment and obligation to the future - to build capital works that are important for both economic and social development. We need roads, railways and harbours for economic development. Social development and the efficient delivery of welfare services require a capital structure. We need hospitals, schools and child care centres. All these things are part of a Capital Works Program. They are not things to do only with business or economic development; they are just as important for the delivery of community services.

This year's Capital Works Program is \$1.387 billion. When the Treasurer delivered her

Budget speech she boasted about the size of the Capital Works Program. That size deserves some scrutiny by members of this House. It represents a cut of 3.8 per cent in dollar or nominal terms. After allowing for inflation, the Capital Works Program this year is down by 10.3 per cent. The State Government is cutting the Capital Works Program at a time when the private sector is in recession. For those opposite who still have a fancy for Keynesian economics and the role of the public sector as a counter cyclical force, Government programs for capital works should, if anything, increase during recessionary times, not decrease.

Mr MacKinnon: There is some argument to show that that is the role of the State Government.

Mr C.J. BARNETT: Yes, because capital works is a State responsibility.

Dr Gallop: How will you fund it?

Mr C.J. BARNETT: I shall return to that. The Capital Works Program has been cut by \$55 million. After allowing for inflation, the real cut in capital works this year is a massive \$163 million. That is a lot of money when the building and construction industry is in recession. It is a lot of money when the economy is slumping and unemployment is rising.

Mr MacKinnon: It is a lot of money when a lot of people are using second class classrooms.

Several members interjected.

The ACTING SPEAKER (Mr Ripper): Order!

Mr C.J. BARNETT: I welcome the comments made by the Minister for Education, because he will be aware that the Capital Works Program in the education area is down by \$15.7 million, or 22 per cent, which is a real cut of 29.7 per cent.

Dr Gallop: What was it last year? A record in the history of our State!

Several members interjected.

The ACTING SPEAKER: Order!

Mr C.J. BARNETT: I am not critical of the schools in the State; I am pointing to what has happened this year. I am critical of Homeswest.

Mr Troy: You are being selective.

Mr C.J. BARNETT: This is the 1990-91 Budget. Of course it is selective.

Several members interjected.

Mr C.J. BARNETT: I have been very fair in assessing the economic position. Other areas of capital works involve Homeswest. I shall come back to the longer term picture in a moment. Spending on Homeswest is down by \$104.6 million, which is a 33 per cent nominal cut - after inflation, a 40.8 per cent real cut - at a time when the housing industry is at its lowest level for quite some time. We will return to the housing area when we get to the more detailed debates. As members on this side of the House know, Homeswest has been too interested in becoming a property developer rather than getting on with its prime task of providing welfare housing for people in need. It has not done all that well in the property market either.

I will now comment on the longer term performance of capital works. My point of reference is 1982-83, the last Budget presented by a coalition Government. In that year, for every \$1 spent on current purposes in the Consolidated Revenue Fund, 44¢ was put towards capital works. That was devoted to uses for future generations. In this year's Budget, for every \$1 allocated to current purposes in the Consolidated Revenue Fund, only 27¢ is put towards the future. There has been a continual run down by the Labor Government in the priority for capital works. Since 1982-83, in dollar value, the Consolidated Revenue Fund has increased by 216 per cent. Over the same period the Capital Works Program has increased by a miserly 36 per cent. After allowing for inflation, there has been a real cut of 40 per cent in the size of the Capital Works Program in the last eight years.

Mrs Henderson: Are you including the Federal tied money?

Mr C.J. BARNETT: I am talking about the Capital Works Program as detailed in the Budget.

Mr MacKinnon: It is even worse than that, because the Government is actually selling assets and pumping money into the Consolidated Revenue Fund. The total capital of this State has been squandered.

Several members interjected.

Mr C.J. BARNETT: I am talking about the Capital Works Program referred to by the Premier and by previous Premiers.

Mr Clarko: Why don't you call it selling off the farm?

Mrs Henderson: When you talk about the Capital Works Program, are you referring to the Federal allocation for capital works?

Mr C.J. BARNETT: I am talking about Capital Works Programs. It is the total Capital Works Program.

Several members interjected.

Mr C.J. BARNETT: The final line in the Capital Works Program is the final figure used by successive Governments. Another point about the Capital Works Program is that not only has the size of the Capital Works Program been cut by a real 40 per cent over the last eight years, in any given year over the last eight years of Labor Government the Capital Works Program has been dramatically underspent.

Mr Lewis: Deliberately so, to give the impression that the Government was going to do things, but it never had any intention of doing them.

Mr C.J. BARNETT: Exactly. The member for Applecross is very aware of this position as a result of his responsibilities. The average degree of underspending on capital works has been 13.3 per cent over each of the last eight years. Programs have been cut or they have not proceeded. In fact, as we will show when we come to the detailed debates, in almost all areas where capital works have been put in the program one year, they have not proceeded, they have been put in the program the next year and they have not proceeded, and so it has gone on. That is why the Capital Works Program is underspent.

Mrs Henderson: Are you talking about capital works in progress?

Mr C.J. BARNETT: The Minister for Housing will be delighted when we get to the housing area. I shall go into a great deal of detail.

Mrs Henderson: When you say that the money is underspent, are you talking about projects which are not completed on 30 June but for which allocations are made?

Dr Turnbull: We are talking about those which are left out and not done.

Several members interjected.

The ACTING SPEAKER: Order! I think this debate is proceeding in an unfortunate manner where three or four members from the Opposition side are making speeches and a number of interjections are coming from the Government side. I ask members to cooperate so that we can hear a full explanation from the member for Cottesloe.

Mr C.J. BARNETT: I wish now to move on to some of the accounting framework aspects of the Budget. The Consolidated Revenue Fund was discussed in question time last night. The Deputy Premier was challenged about whether Budgets were balanced or not. I am of the opinion that points of view expressed from both sides of the House were accurate. The Budget is not balanced. Indeed it has not been balanced for a number of years.

The Consolidated Revenue Fund is in a sense the cash account of the operations of Government. By necessity it can very easily be balanced. It does not show, however, the true position of Government. If members look at the accounting framework explained by the Leader of the Opposition yesterday, they will realise it is similar to that which has been used by a number of other States for a long time, and by the Commonwealth. It brings all the capital and current items together, and we get a true picture of the operations of Government. In that sense there is not a balanced Budget in this State. For 1990-91, the deficit will be in the order of \$487 million. That deficit is reflected by the net financing requirements of Government, so we do not have a balanced Budget.

It is about time, as the Leader of the Opposition said yesterday, that we changed the format

of State Budgets and stopped deluding the media and the public into believing that the balances on the Consolidated Revenue Fund represent a balanced Budget. In a cash sense the Consolidated Revenue Fund is balanced, and that has been done by this Government and by previous Governments. That point is not in dispute. We are now in the 1990s, and we need a consolidated set of accounts in the form presented by the Commonwealth Government. That gives a real position as to the operation of Government and as to the financing requirement in every given year, and therefore a real understanding of the level of State debt. In the same way that we have moved towards program budgeting this year - about which there are some concerns; nevertheless it is a positive move - I hope that next year's Budget will be produced in a consolidated form and that we might move into the 1990s with an updated accounting framework, which was advocated strongly by the Leader of the Opposition yesterday.

To conclude my remarks on the Budget, we look forward to examining in far greater detail the various provisions contained in the Budget papers. One area to which we will give a great deal of attention is the Capital Works Program. One of the prime responsibilities of State Governments is to deliver services in the economic, the community and the social areas. That is the prime delivery function of State Governments. By not providing for capital works adequately over the term of this Government, a great problem has been created for the Governments of the 1990s. I put it to members of this House that the greatest problem we will face in the 1990s - and it will not be a Labor Government, it will be ours - will be making up for the backlog in capital works; and I am referring to sewerage programs and those other unglamorous things that have not been done. The infrastructure that we need to attract industry and create jobs has not been provided. That capital works neglect will rival WA Inc as the greatest failure of this Labor Government.

MR McNEE (Moore) [11.31 am]: In addressing some remarks to the Budget, I sometimes wonder if we should even pay it the compliment of calling it a Budget. It is a collection of figures that the Treasurer claims is balanced. Balanced it might well be, yet how much is it behind target already? Something like \$32 million. And how many weeks are we into this new financial year? Not very many. It really is a pathetic attempt by this Government to mislead the people of Western Australia once again.

If members need any evidence that the Treasurer's Budget will not work, all they have to do is look at it. For instance, the Treasurer has included a four per cent growth in the Budget. That in itself surely would be difficult to justify in the present climate. I do not like to be pessimistic at all; I would much prefer to be optimistic. Indeed, in the industry I come from, if we were not optimistic we would not be in it. However, I must say that, day by day, it becomes increasingly difficult to be optimistic. Of course, the Treasurer does not really believe the Budget will work either, because one of the things she has been doing since she introduced it - and I do not recall her mentioning this on Budget day - is to have a fire sale of some cars. Members can well imagine a situation where a businessman approaches his banker with a budget - which is rubbery to say the least, but good enough to con him into passing it - knowing full well the damned thing will not work but that it is a matter of getting it passed and getting the banker's imprimatur on it so that he can stay in business for another year. He then rushes out quietly and has a fire sale of some of the machinery from the business. If he has overcapitalised to that extent, that is bad management in itself; it is absolutely pathetic management. That would be bad enough, but on the other hand, if it had been good management - and I doubt that in the Government's case it ever was - and if the businessman had been caught in a set of circumstances where he was under such pressure that he had to flog some of the machinery, I would not give that enterprise much hope of succeeding.

I might say that in all areas of this State people are really starting to hurt. I feel I must mention the situation now being experienced by many farmers because they, along with fishermen, miners and anyone else who uses a large amount of fuel, are paying the penalty of high fuel prices. I do not blame the Federal Government for all of the fuel increases that are happening just now because I am aware of the seriousness of the Middle East situation and the effect that is having on fuel prices. However, I am also aware that the Federal Government is creaming off large amounts of money as windfall taxes which it really should not be doing. I can well remember the current Federal Treasurer saying when he was in Opposition that the Fraser Government had made a tax collector out of every petrol pump.

Well, if he did not believe it when he said it he certainly should believe it now, because he has become more expert at it than anybody who has ever preceded him or who is likely to succeed him.

This Government has failed the people again - not only the primary producers and people living in country areas, but also the people of Western Australia who depend largely on our export income being generated by those who are producing wealth from the land, be it by farming, mining or fishing. This Government has failed dismally to recognise that, because not only has it given a clear indication that it will tax those people again, but also it has given no relief and no concrete suggestions of what could be done to ease the pain. It has given nothing at all. The Government has resorted to the old trick of setting up a task force. Certainly I am not critical of the people who constitute that task force because I am sure they have the will to do the best they can, but it is just another pedantic trick by a Government which does not really care. It simply wants to move the issue aside for a few weeks until some other issue comes along to divert the people's attention again; so nothing will happen.

Although we are approaching a harvest period, the Minister for Transport still will not tell us whether she will lift the one cent per tonne per kilometre charge she wants to impose on primary producers. Can members believe that? We have an industry on its knees, yet the Government says it will tax that industry some more. It has said, "We have a bright new idea. We will tax those people more, and now we will set up a task force to see if we should take off a tax we have just put on." In all sincerity the Minister cannot tell us yet how she will administer the tax. I will bet London to a brick that when I sit down she will not stand and tell us how she is going to do it. It took me 10 days to get information from the Minister's office about which section and subsection of the Act she intends to use. I do not want the Minister to tell me how she will use the money raised from this tax; I want her to tell me that she will remove it.

Mr Bradshaw: How much do they expect to raise from it in the Budget?

Mr McNEE: She is looking at \$3 million or \$4 million, which is peanuts.

Mr Bradshaw: How do they work that out?

Mr McNEE: How did the Government work out the Budget? The Minister just had a guess; she has no idea about what she will do. If the Government is genuine in its efforts to help rural people who are feeling the lash, the Minister should instruct her department to forget about introducing that tax.

Mr Bradshaw: They want to put in the final blow; that is the trouble.

Mr McNEE: Of course it is. In recent times we have had deregulation. I wonder whether the Government really understands what deregulation is all about.

Mr Wiese: It means that you get a permit.

Mr McNEE: Indeed! I thank the member for his comment.

The ACTING SPEAKER (Mr Ripper): Order! There is a fair amount of extraneous conversation taking place which makes it difficult for Hansard.

Mr McNEE: Thank you, Mr Acting Speaker. I do not mind some help from time to time, but I appreciate Hansard's difficulties.

Deregulation means obtaining a permit. I cannot understand the Minister's attitude to Westrail. I am the first person to say that we need a highly competitive, efficient Westrail, because without an excellent, top class rail transport system our primary producers - including miners - will be placed at a disadvantage. Also, I recognise that we should allow road transport to operate efficiently and to be a real competitor. If people are to be provided with the best price, that is not done through regulation, for that will ensure that they receive the worst service at the highest price. With limited competition and deregulation we have achieved an objective. However, on her present course the Minister for Transport will go down in history as standing by while Westrail is destroyed. Not only have we seen sidings close - we users all agreed on that in the name of greater efficiency - but also we now hear about the closure of lines. This is ridiculous! We hear talk about the Minister being prepared to concede a loss of 500 000 tonnes of grain and 250 000 tonnes of fertiliser.

The Minister says that Westrail needs some restructuring, which it does, but the Minister

should grapple with some of the union problems she faces, which she does not seem able to tackle. This would allow Westrail to properly schedule its crews. Presently it is at a disadvantage. If things which are reasonable cannot be done, how in the name of fortune can a reasonable service be offered? It cannot be done. If the Minister is sincere in talking about reasonable freight rates, she should look at the cost of operating the Midland Workshops. In answer to one of my questions she said that the cost of running the Midland Workshops was about \$43 million a year. That is fine. However, a report from her own department questions the function of that unit. While we recognise the necessity for the workshop, it must be efficient. It cannot be an addendum to Westrail which pulls down the whole operation. The Minister will never offer a reasonable freight service which is reflective of competition if that is the case. The Minister can introduce all of the new locomotives she likes - I congratulate her on that important move - but she will never realise the full benefits available until she acts on the important issues. If she fails to do that, she will continue to preside over the destruction of Westrail.

I received a number of telephone calls today from people who were upset about the Government's latest suggested cuts. My understanding is that people have expressed their concerns because this morning's newspaper indicated that the State Government would reduce the service provided by Transperth. That would seem to be the sort of budgeting to which I referred earlier; that is, bottom of the bucket bookkeeping. I cannot understand the Government's thinking on the matter. The Main Roads Department this year is to receive a \$3.6 million increase. That is fair enough. That is a one per cent increase. However, if the inflation factor is taken into account - this Government's inflation - its allocation has actually declined by about six and a half per cent. If that is the Minister's and the Government's judgment, fair enough, but the Government and the Minister are also cutting the services provided by Transperth. This is to be done by cutting the bus driver staffing level; when people leave they will not be replaced. The Government will not continue with its program of development into the fast growing suburbs. I guess that the member for Marangaroo is not pleased about this cutback. The services to the growing suburbs to the north such as Ballajura and Marangaroo will not be developed. The people in these areas are feeling the lash of this Government, yet this Government claims to support these people who are suffering.

Perhaps I should again run past members the figures which my leader used yesterday. In the last 12 months, unemployment - including the people who live in those growing northern suburbs - has increased by 18 000, or 37 per cent. However, the Government now intends to cut the service to these areas and people are living in fear of what will happen to them. An amount of \$34 million has been allocated for construction of the bus station, which has been criticised by the public. We know that this deal was done to solve a problem of one of the Government's mates, and, of course, the Government has no hesitation in cutting back on the bus service where it is most needed.

I received a copy of a letter addressed to Transperth yesterday from the Bindoon and Districts Progress Association in my electorate which reads -

With regard to your early morning and afternoon bus service to Bullsbrook from Midland and return each day, the above Association would like to ask you to give serious consideration to extending this service to Bindoon.

With the dramatic increase in our local population -

A dramatic increase in population has occurred; in fact the school is bursting at the seams. I pay tribute to the Minister for Education. He is tackling his job very well. It is a pity some of the other Ministers are not doing so well. The letter goes on -

- a real need is seen for such a service. Some schoolchildren are now having to be ferried by private car to Bullsbrook to catch this bus and more would like to be able to avail themselves of the service as too would the general public.

The letter goes on to ask if that service can be extended. A note on the letter says that Transperth rang to say that the Transport Co-ordination Act precludes buses travelling to Bindoon because it is outside the metropolitan area.

Mrs Beggs: That is the rule.

Mr McNEE: I am not arguing about that. The Government likes rules; the Opposition

knows that. The people are supportive of Transperth. These people are merely asking the Government to consider a service to Bindoon once in the morning and once in the evening because it is a growing area. This will generate extra revenue. However, the Government prefers to stick to its rules, which is clearly illustrated in this instance.

To digress for a moment, the Government's sticking to the rules is one of the reasons the farmers cannot export mutton. The Government should be getting rid of those rules. As long as this Government is around it will stick to those rules. It is not prepared to look at how to generate extra capital. It will not make an honest attempt to help people who need assistance. In addition, the Government is proposing to reduce bus services, despite the congestion of the inner city. It is important that it reconsider its position. The people who need Government services most are the people who are hurting the most.

The Government ran a publicity program some years ago saying "Dowding was working". He worked, but I wonder whether Dr Lawrence is working. Before implementing any further cuts in services, the Minister should consider that country folk will be hurt the most and the Government should be looking to expand businesses in outer areas where significant growth has taken place. One day the Government must confront the necessity to extend services beyond those areas that are now serviced.

Mrs Beggs: There is no argument about that.

Mr McNEE: The Minister has no argument. An urgent need exists to take that action because the Bindoon Progress Association said in its letter that it is transporting children by car. That creates the problem of Western Australians using more fuel, which will eventually add to our overseas debt. It was the Minister who attracted the greenies' vote, not me. I would have thought she would be on the antipollution hike, not on the side of adding to the problem, but that is where she is firmly fixed. Despite that, the Minister has talked about reducing services in the metropolitan area.

The only way to clean up the mess that Australia is in - which the Government has been very effective in bringing about - is for it to produce its way out. The Government will not solve the problem by making cuts in essential areas. If the Government were honest it would decrease its number of political appointees. However, it has not done that; it will not release its mates who are political appointees.

Mrs Beggs: Who are they?

Mr McNEE: There are plenty of them.

Mrs Beggs: I do not know of any.

Mr McNEE: Those are the areas in which the Government should start making changes - not in essential services - if it wants to achieve results.

The Government has no effective transport policy, particularly on rail; its policy is negative and will lead to the reduction of a service, which is the wrong way to go. If the Government wishes to preserve rail - it should be preserved - it needs to improve its performance. It is not good enough to form yet another committee to examine the situation. The Minister has a report which clearly indicates which path to take. I do not believe the Government is interested in resolving the problems. If it were sincere about the problems that beset Westrail, it would establish an effective railway system. Indeed, on the other side of the freight situation, which is so important to the production of this country - and the Minister does not understand how important - road freight charges are being increased massively as a result of the increase in fuel prices. I am told that even Stateships' services look respectable. If that is the case, we are in a serious situation.

Rock lobster fishermen tell me they are considering air freighting their product because road freight is becoming so expensive. It is to the State's disadvantage that that should be happening. The Government's lust for tax is causing a great many of the difficulties. If the Government were sincere about correcting the situation it would examine the areas in which it could help. However, because it chooses not to help, the difficulties will continue.

While I am talking about the general situation, the graziers have a problem which the Government needs to address concerning land security. People are unable to borrow money because they can offer no security. That problem needs to be addressed by the Government. Regardless of the smokescreens which the Government has put up pretending it is sorting out

these problems, it must look at this problem, which has a ready made answer. The Government must change the land tenure agreement to solve the pastoralists' concerns. The Government should have a close look at the situation. The Budget as presented by this Government is not sustainable and there are certainly clear indicators that it is failing. In light of the deteriorating situation in Western Australia the Government should go back to the drawing board and recast the Budget. If it fails to do this now, it will have to do it at some other date and it will continue to introduce changes to taxes and charges to the annoyance of country people and to all Western Australians.

As a final plug for my electorate I will mention teachers' housing. Some teachers live in houses which are little more than dog boxes and some have no housing at all. They have to go out into the private market for their accommodation, which in coastal towns is very expensive. This Government must assist in that very real problem, but I can see no progress in that direction. I hope the Government will find the necessary funds for the Government Employees Housing Authority.

Debate adjourned, on motion by Mr Pearce (Leader of the House).

GRIEVANCE - EDUCATION

Children With Learning Disabilities

MRS EDWARDES (Kingsley) [12.03 pm]: I have a grievance directed to the Minister for Education. I will show that this Government is not doing enough for children who have specific learning disabilities and that the cost of assisting children in their early years of education will save money later in terms of juvenile delinquent programs, the Children's Court and the like. Parents are being fobbed off and told that their children are lazy, inattentive and disruptive when, in fact, their children have a learning disability. Early assessment and inclusion in a program will greatly assist the quality of life of these children, their families and the community. I have taken this issue to heart in the last 18 months and if I do nothing else in the time I am a member of Parliament but rectify this problem, I will have succeeded.

The Government must give priority to identifying specific learning difficulties at an early age. These children are often referred to in report cards as lazy, inattentive and disruptive. When one looks at children with specific learning disabilities it is important to recognise that they are of average or above average intelligence. I am not talking about children who have physical or mental handicaps, but those children who are classified as having in one form or another a learning disability. Ten years ago the World Health Organisation provided a definition of children who are classified as having specific learning disabilities. The international classification of impairment, disabilities and handicaps is -

A child with a specific disability is one with average or above-average intelligence and with no evidence of major motor disorder, neurosensory loss, primary emotional disorder or environmental disadvantage, who exhibits difficulties in understanding or using spoken or written language as manifested by disorders of listening, thinking, writing, spelling or arithmetic.

Members on the Government side have commented that enough is being done for children with specific learning disabilities. However, one cannot tell the families of children, who in year one are told that their child is being disruptive, lazy and could work harder, that their child is receiving proper education. Often they are taught in an open class design which the experts have proved is of no assistance to these students, especially if the student is seated at the back of the class. Those children need to be identified by the teachers, brought forward and looked after individually so that when there is a problem in coping with what is on the blackboard and what is being copied down they can receive the care that is needed. Early assessment is very important because programs can immediately be implemented. By the time the child is nine or 10 he will have difficulties with his peer relationships and the cycle will perpetuate itself. These children lack self-esteem, they are not concentrating or coping in the classroom, and they are not able to equip themselves adequately to deal with their peers. When they become teenagers the problem is perpetuated even further because of the difficulty they have coping with their peers. It has been recognised that six out of 10 children who go through the Children's Court have specific learning difficulties. That is

even more pronounced with adults in the prison system. The Joint Select Committee on Parole was told that 80 per cent of prisoners had specific learning difficulties of one form or another and that education programs were being put in place to assist those prisoners so that they could go out into the community and be able to fit into a job and to live with their families.

Parents of children with specific learning difficulties become frustrated. First of all, they are angry with themselves because they do not understand why their children are not behaving like all the rest. It is not their fault; it is an assessment problem. If children were assessed at an early age the proper program could be put in place to assist those children. It makes no sense for teachers to tell parents that their child needs more discipline at home, or that they should give him a little bit more time; once the problem has been identified and a program put in place the children will cope. However, there is a long waiting list for that form of attention. Once the child is on the waiting list - he may have been identified as having a specific learning difficulty in year one - it is not until year two that the child is placed in a program. Often the programs do not cater for parent participation. Parents are with those children during the evening and weekends and they need to be involved with the program. Teachers need to be involved in the programs as well as parents. While certain SPER groups and schools are highly recommended, and parents are very appreciative of the help and assistance they receive, there is insufficient liaison with the parents in these programs.

The question of giving Rhetolin medication needs to be looked at. Rhetolin is often given to these children to help them with their hypertensivity. That is a treatment that some parents wish their children to have; others do not. Some children are in the position where they cannot receive such medication and accordingly their problem is exacerbated.

I call on the Government to give children with specific learning disabilities priority. We need to assess these children at a young age. If that means going to child care centres, kindergartens and preprimaries, it is important that we do that in the first instance. Let us look at all children who have been identified as being lazy, inattentive and disruptive to see whether they have other problems instead of just saying that they come from low socioeconomic backgrounds. The World Health Organisation has said that that is not necessarily the case. Many of those children who exhibit learning difficulties are not economically disadvantaged. Each child needs to be considered separately.

The programs that are put in place need sufficient resources to ensure that they do not cater for 50 per cent of kids only but that they cater for every child in this position, because if parents cannot get their children into the programs which are presently available, they have to go to private programs. Many of those parents are paying large sums of money for medication and they cannot afford to cope with payments for private programs.

The Specific Learning Difficulties Association is worthy of mention. It does a tremendous job with volunteers. I encourage the Government to ensure that funds are given to SPELD and that it and other organisations, including one that recently began at Joondalup, are looked after because many of these parents have nowhere else to go. They feel frustrated and angry because they know that not enough is being done to assist their child's education at school. Education is a right and these kids are being discriminated against. They have as much right as every other child to receive a proper and adequate education to ensure their quality of life.

DR GALLOP (Victoria Park - Minister for Education) [12.13 pm]: The matter raised by the member for Kingsley takes us into a very complex area; that is, our understanding of human psychology and what makes one person different from another person. There is a large number of different theories relating to this matter. As a result of those different theories, different approaches are being taken to enable the psychologists, teachers or social workers to intervene in a situation in order to assist a person's behaviour and general position in the world. This matter is enormously complex and focusing on a particular behavioural disposition will not necessarily lead us to conclude that one cause or theory will explain that type of behaviour.

The differences that exist between individuals in our society are enormous. In many ways, one of the great problems that we have in dealing with education is that we begin with a notion that there is somehow a pattern of normality and surrounding that pattern of normality are those who are different. In many cases it would be appropriate - I am sure the member for Kingsley would agree with me - if we could gear our thinking along the lines that we are

all different, that we are all handicapped in certain ways, and that it is the role of the education system to help us overcome that handicap. That would mean our focusing attention specifically on an individual rather than on treating people as normal or abnormal.

In our education system at present we have a whole range of education support facilities. I mention those not because I am trying to avoid the issues raised by the member for Kingsley, but there is, I am sure she would appreciate, some overlap between people identified as having specific learning disabilities and those who have a specific intellectual or physical handicap who are being dealt with in the education system through education support units, education support centres and specific schools that have been set up to deal with handicapped children. Our general philosophy is to encourage as much integration as possible.

The issues raised by the member relate to children who are in classrooms currently and who experience specific difficulties. We are trying to address those problems by looking at them from the point of view of, firstly, the school and, secondly, the classroom because ultimately they are the basic and most important areas in which education takes place in our system. The member knows that we are trying to encourage our schools to look at their school populations and at the variety of needs that exist in those school populations and, in respect of the grants that they get, to try to focus the educational programs within their schools to deal with the range of people in those school environments. That can mean targeting some of their resources to deal with issues like this and some schools do that. However, more important than the school level is the classroom level. We should make a distinction here between our preprimary and primary schools on one side and secondary schools on the other.

The member for Kingsley referred to something that appealed to me and it is true in this issue; that is, early intervention. If there is one area that needs our attention it is early intervention. We need to focus on our primary schools, and not so much on our preprimaries. The preprimary level should be more relaxed than the primary levels where we focus more specifically on educational programs. The member was right; we need to look at it from the point of view of early intervention but our focus should be on the classroom system. Our teachers should be able to look at the individual needs of all of their students and provide a program appropriate for them. First steps - I know the member knows a lot about first steps - are part of that process. The development of individual learning profiles within the primary sector and provision of professionally developed teachers who are capable of seeing an individual student's needs are part of those first steps. The complexity of that, though, is enormous. There may be a specific learning disability, but it may also be that social issues are at stake, including family background issues and complex psychological issues.

Even with all of the goodwill and skills in the world, it still may not be easy to identify an appropriate program for those kids. Inasmuch as the program within the classroom needs to be supplemented by more school-based resource support, I agree with the member that there can always be areas of improvement.

At the moment, we provide allocations for reading resource teachers in our secondary schools who help out with specific learning disabilities in our young people. However, I agree that the focus should be earlier in our primary school system and it is very important that we do not label people. In our desire to treat the needs of everyone, we have to be very careful that we do not target people and label them as being different from other people and take them out of the mainstream system. It may well be that through the processes of labelling and bringing people out of the system we may compound the problems rather than solve them. I would prefer that mainstream school programs be assisted in various ways, with support provided where it is needed for individual students. It may mean special activities outside the classroom for some students from time to time. As I visit schools I see that occurring now. Children with specific learning difficulties spend part of their day with a special teacher who focuses on their needs. However, inasmuch as we focus on them, it is important that we do not label them and restrict their options.

In summary, the issues raised by the member for Kingsley are issues which have been raised over the years by organisations such as the Specific Learning Difficulties Association; they are very important and complex issues. Inasmuch as I am thinking about this subject I want the education system to think about it at a school level and at a classroom level. In regard to our new decision making processes at a school level I am encouraged by schools addressing

the question of the needs of all the children within the school community and, at a classroom level, the teacher asking, "What are the needs of the students in my classroom?" Teachers need the specialist skills to cope and the schools need the sensitivity within the school decision making process to ensure that it is not only the so-called mainstream children with which they have to deal, but all the children. In that respect we need ministry policies which will back up the school decision making framework and clearly state that equal opportunities for all the children should be at the forefront of our education system.

I do not know whether I have answered all the queries raised by the member for Kingsley, but I have tried to indicate the general philosophical direction I believe we should take on this issue. I strongly agree with early intervention in our primary schools in order to tackle the problems posed.

GRIEVANCE - MIRRABOOKA TOWN CENTRE

Future Development

MR KOBELKE (Nollamara) [12.22 pm]: My grievance is to the Minister for Transport representing the Minister for Planning in another place and it relates to future development of the Mirrabooka town centre, which is an excellent facility which has undergone tremendous growth. I will refer briefly to some aspects of planning in relation to the area and explain the reason it is important that we have a review of planning considerations which relate to the area and consider what might be achieved through such a review.

Mirrabooka Shopping Centre, as it was previously known, was planned and built in the middle of bushland with very little housing development in its immediate vicinity. Things have changed quite considerably since the initial establishment of that shopping centre; development in the surrounding suburbs of Dianella, Noranda and Mirrabooka has gone ahead and we now find that there is little land which has not been developed or for which planning is not well advanced. What was a new growth area in the bush is now in the middle of established suburbs. This is reflected in the expansion of the retail shopping space to 40 000 square metres at the Mirrabooka Shopping Square, as it is now known. The blocks of land in the new trade centre to the east of the shopping square which have languished for some time have now been taken up and a number of them currently have buildings under construction.

The area boasts excellent sporting facilities. The Herb Graham Regional Recreation Centre is a major recreational facility and is certainly a credit to the City of Stirling. In addition the State softball centre is under construction. The area has a major ice skating rink, a bowling centre and a large squash centre. A gymnasium recently closed. Members can see that it is a recreation centre as well as a centre for commerce and trade. A large number of Government departments and services operate out of the area. The surrounding area has a large number of schools and, in the very near future, it is likely that two new private schools will be constructed within one kilometre of the Mirrabooka Shopping Square. Across the road from the square is the Balga campus of TAFE. It has under construction a \$14 million furniture trades workshop which will draw students from across the metropolitan area. The surrounding education institutions help to intensify the transport needs of the area. In addition a large range of professional services, including child care, are available in the area. Transperth has a bus station there which has routes radiating out into surrounding suburbs and back into the city. The Reid Highway, for which a contract has recently been let, will be completed within 12 months and it will bring traffic from the electorate represented by you, Mr Acting Speaker (Mr Donovan), to Mirrabooka Avenue, which is adjacent to the shopping square.

Whereas previous planning may have considered that the catchment for this centre had a small radius, the growth in the road system is likely to bring patrons and customers from an even wider area. Recently there was a suggestion that a large Government office block, initially housing the State Government Insurance Office, would be established in the area, and when it did not proceed the Commonwealth Taxation Office looked seriously at a site. While neither of those Government building projects has gone ahead it is likely that at some time in the future a major Government office block will be developed in the area. With this level of growth, it is obvious one has concerns about whether the facility will continue to serve the interests of the people in the best way possible. It is my intention, through this

grievance, that by improving the planning process through a review and coordination between the City of Stirling and Government departments we can hopefully ensure that what exists at the Mirrabooka town centre is a facility of the highest possible standard.

The status of what I call the Mirrabooka town centre is something which is unclear. It is not recommended that it be considered a regional centre, even though the amount of retail shopping space exceeds that which would normally be considered sufficient for a regional centre. However, sound planning considerations relating to the road structure suggest that it should not take on that status. My concern is that if it becomes caught between what it is in effect and what are the planning guidelines we may see developments which will not work properly. The actual status of the centre and the direction it should take in regard to the land which is still available should be reconsidered.

Traffic problems in the area are already being experienced. However, with the rate of growth and the possible continuing rapid development in the area it is time we had another look at the road system to ensure that it will not only meet the present needs, but also that adaptations can be made so that as there is a continuing growth in the volume of traffic the road systems will be able to cater for that growth. One existing problem is that the bus station has an egress onto Yirrigan Drive and it has been suggested that the egress be changed to another street, Chesterfield Drive. While a second set of traffic lights was put in as a temporary measure in order to allow the buses to go in and out through another route, agreement has not been reached between the City of Stirling and Transperth. Therefore, at present there are two sets of traffic lights instead of one and, to my knowledge, no resolution of the problem.

Another difficulty that arises is due to a number of different land-holders owning properties which have been developed on one side of the shopping centre. This means there is no clear demarcation between the various landowners, and I receive continual complaints about litter which blows from one property to another. It is difficult for any one owner to take responsibility for cleaning up the various areas. I acknowledge that the officers of the City of Stirling have been most cooperative in trying to address this problem, but the problem remains. I hope some cooperative arrangement can be made between the land-holders as part of this review so that the general amenity and beautification of this area are not spoilt by an accumulation of rubbish.

With the possibility of further developments in the area it is important to ensure that they are integrated into the existing facilities so that there will not be bits and pieces of buildings everywhere, with no proper relationship that suits the human needs. We should ensure there is a total concept for the Mirrabooka town centre.

This also relates to the need for general safety and policing considerations. One alleyway between some buildings is regularly used as a hang-out at all hours of the day and night by unsavoury elements. We want to ensure in any future plans which may be approved that we do not encourage that sort of antisocial activity by the way in which buildings abut one another.

I have approached the City of Stirling requesting it to consider a planning review and I hope the Minister will support any initiative taken by the City of Stirling to review the planning of its area, both in terms of zonings and the road structure that serves the area. It is my sincere hope that future developments in this area will achieve a community centre of the highest standard that will fully serve the needs of the people who live in the area, and the many thousands of people who will come from a wider area to use this excellent facility.

MRS BEGGS (Whitford - Minister for Transport) [12.32 pm]: I thank the member for Nollamara for bringing this matter to the attention of the Parliament. On behalf of the Minister for Planning I congratulate him on the interest he has taken in the development of what is loosely termed the Mirrabooka regional centre. I think the actual zoning of that area is somewhat clouded. Anyone who has visited the Mirrabooka regional centre will know how important it is. The member for Nollamara very adequately explained the sorts of facilities and services now offered which serve not only people in the immediate district but also a large percentage of those living in the northern suburbs. The prospect of further Government offices being established in that area will certainly receive attention in the not too distant future.

The land is actually zoned as the Mirrabooka regional centre in the City of Stirling district planning scheme No 2, and the centre is zoned urban under the metropolitan region scheme. It is situated between the northern perimeter highway and Yirrigan Drive. The role of the Department of Planning and Urban Development with regard to the City of Stirling is that the department reports to the State Planning Commission on those aspects of development that impact on the amount of floor space and the role of the centre within the Perth metropolitan region, which is set out in the retail shopping policy. As the member for Nollamara knows, the design aspects of the centre are the responsibility of the City of Stirling, pursuant to the zoning and the outline structure of the regional centre zone, and that is indicated in the City of Stirling district scheme No 2. The fact that the member has raised the need for review of the planning of the centre is an indication of just how important he regards that centre to the future growth of the whole area.

The Minister for Planning has indicated that she looks forward to discussing with the City of Stirling how it intends to address the future growth of that region. I am sure that a constructive approach by the City of Stirling and the Department of Planning and Urban Development will result in some of the developing problems being eliminated altogether. That coordination is essential because this is such a big centre and, of course, centres of that size bring certain problems with them.

Some of the problems that have arisen as a result of the growth of this centre have been brought to my attention as Minister for Transport. A Transperth bus station is located in the south west corner of the shopping precinct between Ilkeston Place and Chesterfield Road. Access to the station is assisted by traffic signals at the junction of Ilkeston Place and Yirrigan Drive. It is an important bus station because it is the coordination point for feeder services from areas such as Balga, Girrawheen, Koondoola, Alinjarra, and Ballajura, with express and all stop services going through to the city.

In 1985 Transperth was approached by the developers of the Mirrabooka shopping complex, Homeswest, to give consideration to a proposal to access the station via Bathone Road from Chesterfield Road and to withdraw from Ilkeston Place. Transperth agreed on the basis that the new entry and exit gave improved access to suburbs to the north, while retaining access to the south, east and west via Chesterfield Road and Yirrigan Drive. A condition of that approval was for traffic signals at the junction of Ilkeston Place and Yirrigan Drive to be relocated to the junction of Chesterfield Road and Yirrigan Drive. It was subsequently agreed to transfer the land and to construct the road. However, negotiations on the funds required for the relocation of the traffic signals have been continuing for a long time. Those signals were provided in July 1989. Later on the Main Roads Department agreed not to remove the signals at the corner of Ilkeston Place and Yirrigan Drive until such time as Transperth could address the safety problems related to a new access road.

The City of Stirling was advised of the intention to fence the bus station and access boundaries, at the same time leaving controlled access from the nearby tavern to the shopping precinct. Transperth determined that it was correct to fence the area because it had carried out surveys which indicated that more than 300 pedestrians and cyclists were using the bus station as a thoroughfare and with more than 520 bus movements a day that constituted a severe safety hazard. It commenced fencing on 27 November 1989. However, during that construction period Transperth was requested by the City of Stirling not to proceed and, unfortunately, the work ceased on 30 November 1989. The current position is that the City of Stirling does not want the Mirrabooka access drive to be fenced, and it feels dense plantings of shrubs would be equally effective and more aesthetically pleasing. That demonstrates that with some cooperation between the various departments some of the coordination and planning of these matters could be better addressed.

The Government is very mindful of the concerns expressed by the council with regard to the total development, and it is aware of all the issues raised by the member for Nollamara today. The Minister for Planning and I are anxious to become involved in any review which considers the current situation and makes contingency plans for the future growth so that we can ensure it is one of the best regional centres in the metropolitan area, because it serves such a wide population. I am sure the member for Nollamara will present the proposal from the City of Stirling to us as soon as possible, and it will be given very favourable consideration.

GRIEVANCE - EMERGENCY WATER RESCUE GROUPS*Running Costs and Fuel Costs*

MR NICHOLLS (Mandurah) [12.39 pm]: I address my grievance to the Minister for Finance and Economic Development representing the Minister for Emergency Services. I ask that the Minister for Transport also listen because this grievance needs to be addressed. It is not in any way an attack on what the Government is doing and merely highlights a major problem.

The emergency services and volunteer groups in our State are competent and valuable to the community. They need to be analysed not only for their worth to the community but also for their cost effectiveness in providing a service that the community benefits from. My major concern relates to running costs, and in particular fuel costs, for emergency water rescue groups.

As members may know, the emergency water rescue groups receive partial funding from the Government on an annual basis. That funding is designed, I believe, to cover running costs incurred by the groups so that they can provide their services. Due to the recent rise in fuel costs they have to carry a heavy financial burden. Some groups will be placed in a precarious situation because of that burden. An example of that at Mandurah is the emergency water rescue group which in August was paying 80¢ a litre for its boat fuel when most of us were still dreading the cost of fuel rising to 70¢ a litre. During one rescue on 15 September the group used 920 litres of fuel, costing \$730. That was for one search. Members should understand that the funds used to purchase fuel, boats and associated equipment are raised in the community through donations or sponsorships, which allow these organisations to continue.

The real problem is that these groups are paying in excess of what motorists pay at the bowser for their fuel. My question when this matter first came to my attention was: Why was a group providing such a valuable service to our community paying State and Federal taxes and charges? There are ways in which those taxes and charges could be removed so that these groups would pay only the basic cost of fuel. I am led to believe that in previous years attempts were made to draw this matter to the attention of various people. I hope that the Minister for Finance and Economic Development, as a former Minister responsible for that area, will be able to enlighten me as to why the issue has not been addressed and whether the matter has been drawn to his attention.

A major problem arises when volunteer groups such as this one, which have to raise funds through donations from the community, are forced to pay State and Federal taxes on the fuel used to provide a service to the community and are unable to obtain a rebate or an exemption from those taxes and charges. If one goes through the various needs and roles of emergency water rescue groups one finds a problem related to expenditure for equipment and the capital cost of boats.

On 3 July this year we debated in this House the Lotteries Commission Act amendments relating to grants. In particular I remind the Minister for Transport that during the debate on clause 19 of the Bill when in Committee I raised the matter of emergency service groups being able to apply to the Lotteries Commission for funding of capital expenditure items. The Minister responded in a way which led me to believe that she supported the logic that State emergency service groups should be able to apply to the Lotteries Commission, along with other groups, for grants to buy capital items.

During that debate the Minister said the following-

I have been advised that the new definition contained in this legislation will enable those organisation to be eligible; that is definite.

I asked the Minister -

Is there no doubt that they will be able to apply now?

The Minister replied -

No. I will check that matter before the Bill reaches the upper House. I am happy to advise upper House members of my party about what I have agreed to and the fact that that amendment would be acceptable.

I left that debate with a clear understanding that the new definition would apply and that would be allowed to happen.

Mrs Beggs: It has happened. The Bill has not received assent.

Mr NICHOLLS: I have a notice which indicates the Bill passed the upper House on 11 July and was assented to on 31 July 1990. Therefore, I assumed the legislation was in force.

Mrs Beggs: The Minister for Emergency Services and the Lotteries Commission are to meet to work out guidelines.

Mr NICHOLLS: I was shocked when it was drawn to my attention that a letter had been received from the Lotteries Commission indicating that it did not make grants to emergency services but that it would meet in the near future to determine an overall policy.

Mrs Beggs: That is correct.

Mr NICHOLLS: I was concerned that the amendments were not in the Act.

Mrs Beggs: They are.

Mr NICHOLLS: I seek support, clarity and direction from the Minister for Finance and Economic Development as to whether it is possible for emergency water rescue groups to obtain fuel without having to pay State and Federal taxes. If we reached a point where they had authorisation criteria and paid the retail price of the fuel and then were refunded those taxes and charges at the end of the month, that would be acceptable. It would be absolutely catastrophic if we reached a point where sea rescue groups around Western Australia were unable to participate in rescues because they could not fund the purchase of fuel. If we follow the logic further we start to ask how much a human life is worth and get into the more emotional and irrational arguments. There is an urgent need to address this matter. I hope all members in this and the other House know and understand the needs of emergency service groups and will be willing to participate in any avenue which will allow them relief from these taxes and charges.

MR TAYLOR (Kalgoorlie - Minister for Finance and Economic Development) [12.49 pm]: I thank the member for Mandurah for some short notice of the nature of his grievance. I suppose in relation to some of these issues I can call in part on my experience as Minister for Police and Emergency Services for a number of years. I congratulate the member for raising this issue. He did so in a helpful and appropriate way. This is an appropriate grievance to bring before the House, as opposed to some of the matters that are raised on these occasions.

I will talk about the nature of sea rescue before turning to the points raised in the grievance. When I was Minister for Police and Emergency Services I received on a daily basis the occurrence sheets for most of the operations which the police were undertaking. It was particularly interesting on Mondays during summer when the operations sheet for the weekend came out. I was absolutely astonished at the number of rescues off our coast - particularly off Fremantle, but also off Mandurah, and further north - which the Department of Marine and Harbours, the police and the voluntary emergency services were called upon to undertake. The overwhelming majority of those rescues were not reported by the Press because there were so many of them that unless the television stations happened to have some good pictures of a boat sinking, under tow or on fire they would not report them. Most of the rescues occurred because people got lost, ran out of fuel, or had flat batteries or dirty spark plugs so their motor would not start. The range of factors quite often came down to no more than commonsense maintenance of a boat, and all too often people went to sea in circumstances where they were not aware of the real dangers involved, and when they did become aware of them they relied on the sea rescue people to rescue them. A couple of weeks ago I happened to be at Rottnest and witnessed a boat which had, for whatever reason, taken on quite a lot of water and had sunk, to the stage where they had to pump out the water and the boat had to be towed back to Fremantle by the sea rescue service. I saw the boat being towed back to Fremantle, and I noticed that the young people in that boat, apart from the fact that it seemed to be a joke to them, spent most of their time drinking. I do not know what sort of thanks the sea rescue people got at the end of it all but it really is of concern when people take that sort of attitude to their safety at sea.

Another example that was passed on to me during the course of my stay at Rottnest was the

rescue which took place a few weeks ago of two fellows who went to sea to go fishing and ended up at the pub at Rottnest. They were at the pub late into the afternoon, to the extent that the people with whom they were talking and drinking said, "Don't you think it would be a good idea to let your families know where you are?" They laughed it off, as they drank more and more, and said it was unnecessary. It got to the stage later in the day, by the time the sun had gone down, and when it was obvious that they would not be able to go back to the mainland because a large storm had blown up, that the manager of the hotel placed the telephone in front of one of the fellows and said, "Ring your wife and tell her where you are." He said, "No, it will be all right." So he said, "Give me her phone number at home and I will ring her and let her know where you are." He said, "No, it does not matter." They stayed the night at Rottnest, and as a result the sea rescue services - the Department of Marine and Harbours, the police and the voluntary rescue people - went to sea in an extraordinary and dangerous storm, and put their lives at risk, at an enormous cost to the taxpayers of this State, while those two fellows had a good night out at Rottnest and no-one knew where they were.

Mr Lewis: They had a terrible morning.

Mr TAYLOR: Yes, and deservedly so. Their morning should have been made a lot more terrible than it was. I came to the view by the time I finished being Minister for Police and Emergency Services that there is now an obligation on the Government to say to people who go to sea in those circumstances, and who show a complete and utter disregard for the cost and for the lives that are at risk with sea rescue, that they should be charged the full cost of that rescue, and if possible they should be charged by the police for putting other people's lives at risk. If they cannot pay the cost of that rescue they should be made to sell their boat and pay for it in that way, because unless we adopt that hard line people will continue to go to sea in the sorts of circumstances where they disregard the cost, and the lives of those who are prepared to look for them and try to rescue them. There must be a change. That change will not come about as a result of education. It will come about only as a result of legislation which says to people, "If you do those sorts of things you will be faced with paying for them."

I turn now to the issue raised by the member for Mandurah about the volunteer emergency services and particularly the sea rescue services. I have been told by the office of the Minister for Police that in 1989-90 the Government allocated \$133 000 for the voluntary sea search and rescue groups in Western Australia. At the moment the police and the Department of Marine and Harbours people are meeting to decide this year's allocation. I am advised that the ministerial advisory committee will be meeting next week to put together the basis for the proposed allocation for the search and rescue groups for this financial year, and the police and the Department of Marine and Harbours are also surveying the needs of all the marine rescue centres in the State in relation to both equipment and training. That information will be made available in the near future to either the Minister for Police or the Minister for Transport.

I cannot recall the issue of fuel arising when I was Minister for Police and Emergency Services. It is likely that it was drawn to my attention by one or two groups, but I cannot recall that. The member is right in saying that with the high price of fuel today, in the future the allocation may not be sufficient to meet fuel costs. I will pass to the Minister for Police a copy of this grievance and suggest that the emergency services groups be given access to the Government fuel outlets on the basis that they pay a Government rate for fuel. I do not know whether that will be possible, but it makes good sense for them to use that fuel for emergency purposes, not for running around. There must be a way that we can enable them to pay the State Government price for that fuel rather than paying the maximum retail price, as is possibly now the case.

Mr Nicholls: It is very important that rather than just giving an allocation over the top there be some mechanism for the cost of fuel to be rebated, because one group may do 100 rescues and be under enormous pressure and not be able to fund itself.

Mr TAYLOR: I understand from information I have received that the Mandurah sea rescue service was involved in two very heavy fuel-use rescues recently, one on 15 September from 11.00 pm to 4.30 pm the next day - and we can imagine the amount of fuel that was used - and the other involving a long tow a week or so ago which required an enormous amount of fuel.

In 1990-91 the sea search and rescue groups will be allocated \$175 000, which is a fairly substantial increase on last year's allocation. I am pleased that is the case; it will assist those groups a little. The important issue is, of course, the price of fuel. I will pass the member's concern to the Minister for Police and indicate to him from my point of view as Minister for Finance and Economic Development that if we can find a way around those problems we should certainly do so.

Sitting suspended from 12.58 to 2.00 pm

GRIEVANCE - ABC RADIO

Country Sporting Services

MR GRAHAM (Pilbara) [2.00 pm]: My grievance is to the Premier, although it is not a matter which falls directly under her portfolio. However, I am raising this matter with her as head of the Government. It concerns the ABC radio and its delivery of sporting services to the country areas of Western Australia. There are three institutions in the bush, those being the ABC, the Royal Flying Doctor Service, and the School of the Air. The three have maintained good services to country areas for many years.

Mr House: And the National Party.

Mr GRAHAM: I used to think that, but we now have more seats in the bush than the National Party has. We are talking about the current institutions in the bush. There are now four. Last weekend the ABC radio started a program called "Grandstand", which is a sporting radio service networked out of Sydney. The aim of that program is to provide ABC listeners access to sporting events in the country. That is an aim which is long overdue, and the program is a mechanism for doing it which I fully support. In essence, "Grandstand" was not a bad show. There were interviews with prominent Australian sportspeople, which we normally do not get, and there were some very good stories. I am not complaining about the introduction of the show. Western Australia still has a top sporting section on ABC radio. The Saturday ABC "Sports Talk" program is one of the most widely listened to programs in country areas of Western Australia. Country people are able to take part in that radio program and raise matters of concern and interest to them. The ABC must be congratulated for picking up national sporting issues, Western Australian sporting issues, and, where they are of importance to local areas, local sporting issues.

The problem with the show "Grandstand" is that it does not operate as it should. Once again there is a heavy Eastern States bias in the programming and content of the shows and the sporting events scheduled out of Sydney and Melbourne. That is not of great concern to people in the city. Last weekend, for example, the FAI Cup between Western Australia and Victoria was played in Perth. It was covered by commercial television, but we did not have that luxury in the country. For some reason it was not covered by GWN. For commercial reasons the ABC lost its ability to cover cricket long ago. Whether the match was on or off the air, city people could have chosen to go down to the WACA and watch the game. It was a record breaking game. Country people, particularly those in the more remote areas of the State, do not have that luxury. None of us has the time or the money to travel down to Perth for major sporting events. What happened on that day was that we were stuck with a broadcast of the game between Queensland and New South Wales, which I am sure was of great interest to some people.

Mrs Watkins: There was the grand final of the soccer.

Mr GRAHAM: When the Queensland-New South Wales game finished we shot away to some bike race in New South Wales which I am sure was of great interest to people in the city. As the member for Wanneroo says, we then had the British soccer results, which I am sure were of intense interest to people with some connection with England. I do not have such a connection.

Mr Blaikie: Hang on. You would not have been too impressed if you happened to be of Greek, Spanish or Italian origin.

Mr GRAHAM: I am sure that makes a point for someone. I do not have a connection there either. The point I am trying to make is that our Western Australian team was playing our arch enemies, Victoria, and as a result of a networking system coming out of the Eastern States we were locked into other sporting events.

Mr Pearce: Everyone else was in the grandstand but we were in the outer.

Mr GRAHAM: That other event may have been of interest to some people, but I would argue with the ABC that it was not of prime importance. When we have a major sporting event involving a Western Australian team, city people are able to watch it and listen to it, but country people should have access to it also. In the past we have had access, but we do not now, as a result of this new format.

Mr Bradshaw: You could have changed the station.

Mr GRAHAM: The member for Wellington bothers me sometimes. There is no alternative in the bush. We have ABC radio, we have local commercial radio, we have ABC television and we have GWN television. That is the sum total of what is available to us. I do not understand why country people are not allowed to exercise the same choices as city people. We have the same intelligence to be able to change the radio station if we like, but those facilities are not available to us.

The problem with networking out of Sydney and Melbourne comes with the prime cricket events. If the system is maintained as it is currently, I do not know what will happen during the football season. No-one has been able to put my mind at rest. When "Grandstand" comes out of Sydney, we may have a broadcast of Canterbury versus Manly in rugby league. That may be of interest to some people. Some of us may well miss out when East Perth wins next year. That will be extremely unfortunate. We will also have the problem of whether the Eagles will have coverage. Will the well known parochial Victorians cut off Western Australian country people from coverage of Eagles games? It would come as a horrible shock if that occurred.

What I am asking by way of this grievance is for the Premier to take on board the comments I have made. I am sure, notwithstanding the jocular interjections from members around the House, that other country members share my concerns. Perhaps the Premier can raise the matter with the ABC and see whether something can be done to get a little more local flavour back into our service for the bush.

DR LAWRENCE (Glendalough - Premier) [2.09 pm]: This is a matter which must be of regional significance, on the face of it. However, that does not diminish its importance. It is a more general problem. My staff have been in touch with the ABC this morning and the radio manager, Mr Glenn Darlington, informed them that the ABC has responded to listener demand - I expect the ABC received a lot of rude telephone calls - and will ensure that all major matches at the WACA are broadcast in future. The ABC will continue to network "Grandstand" apparently, a decision that it says is based on funding cuts, but will revert to Western Australian broadcasts for major WA cricket matches. For instance, Western Australians will be able to hear the match between Western Australia and Queensland broadcast on 6WF and ABC regional stations this Saturday. That is some small consolation; however, it does allow me to address the more general problem - although I have no control in this matter I will certainly be drawing it again to the attention of ABC management and to the Federal Government - of the increasing tendency to network out of Sydney and other States.

If we had genuinely national broadcasting or genuinely Statewide broadcasting that would be less of a problem than it is. Increasingly, the programs that one hears and, indeed, the coverage in some of our national newspapers as well, is often predicated on the view that Western Australia is not part of the nation. If one listens to the content and reads the content of some of those programs it is clear that there is a view that once a person steps over the Western Australian border he or she has stepped into oblivion.

It is obvious that the ABC has had to cut back on its local programming. That is an example that has just been brought to our attention. I am also aware that there is an intention over the summer, as part of these cutbacks, to reduce the local content on 6WF - in current affairs and talkback radio in particular. Therefore, we can expect a very bland networked program and I presume some locally produced music - tapes in the can - as our summer fare. I hope that proposition is not correct but the information I have to date suggests that it is. So, it is an extension of the more general problem of the ABC, in the interest apparently of funding economy and efficiency, continuing to diminish the local product.

That is very damaging for a number of reasons, not least of which is that it provides no

training and employment opportunities for our local journalists, producers, sports broadcasters and so on. It provides no opportunity for people in the State to see reflected in the key medium from the point of view of the ABC - ABC radio and 6WF - their views and their concerns. If we had truly national radio I would not be so concerned but it is very much the case, in my view, that products produced on the eastern seaboard are spectacularly unsuccessful in Western Australia as well because they often fail to capture local events and local concerns. I am sure all members remember well an attempt by ABC television to conduct a current affairs program on that basis. Their ratings plummeted to the point where they were so severely embarrassed that they had to withdraw that program.

That is not to say that Western Australians are parochial. We have a good listening audience for the "Radio National" programs which have a general flavour. A lot of music, current affairs, scientific and other information is provided on that station and it is well received. However, the local productions of 6WF, in particular, deserve the support of the ABC and the community generally. They are a lifeline to many people in the community, especially those in the country, to whom the regional version of that program is one of two, at best, and sometimes the only choice that they have. To have that program coming out of Sydney or Melbourne is not to reflect the community's interest.

Certainly I will be urging the ABC and the Federal Government to ensure that we do have a genuinely Western Australian product, whether it is in sport and current affairs or in the access of local listeners to talkback radio, not to mention coverage of areas such as the arts and sciences which are also substantially neglected in some of the national programs.

Mr Clarko: It has been very disappointing to see the cutbacks to the ABC. In addition to the matters the member has raised the relevance to rural Western Australia also has been quite significant and very disappointing. I am mindful of what the Premier has said and all members should support her.

Dr LAWRENCE: My impression is that far from being parochial, Western Australians are better informed by and large about what happens on the eastern seaboard; we of necessity get a good diet of that. But if a person goes to Sydney, people there ask, "What, where, who?" They do not get that sort of coverage. Admittedly, Western Australia is a small State in population at the moment but it will become a dominant force in population terms, as it is in economic terms. It is time they sat up and listened. In some respects if the centralised networking concepts that the ABC is developing in relation to its radio and television programs is representative - this is drawing a bit of a long bow - of what we can expect through centralised control and regulation and cooperation through Canberra, frankly, Western Australians will have the right to be anxious about that prospect. I will certainly be pursuing the specific matters that have been raised. At least I am glad that they will be broadcasting the cricket and raising the general problem of decline in product, particularly in the ABC, for local consumption and production.

The ACTING SPEAKER (Mr Ripper): Grievances noted.

MOTION - BANKS

Small Business and Farming - Interest Rates Reduction

MR HOUSE (Stirling) [2.16 pm]: I move -

That this House deplores the attitude of the banking sector towards the small business and farm sectors, and -

- (1) calls on the banks to abolish -
 - (a) penalty interest rates for small businesses and farmers;
 - (b) six monthly loan establishment and loan renewal fees;
- (2) requests the banks to reduce the gap between deposit interest rates and loan interest rates, and
- (3) requests the State Government to abolish stamp duty on refinancing loans.

This motion simply requests that the Government play a part in bringing together those people involved in this matter. I understand that the State Government's role can only be

one of persuasion. It can only express a point of view that would hopefully be the point of view of this Parliament after this motion is accepted today; that is, a fairly wide ranging view of opinion. The motion is not meant to be critical of the Government. It is aimed at using the Government as a catalyst to bring those people together who have the ability to make decisions that will change the problems which I intend to outline.

Over the past 10 days I have held discussions with senior people in almost all the trading banks in Western Australia. I have spoken to other people in finance houses, in areas of finance that lend to rural people and to small business in Western Australia. I have received some assurances that they will move to correct some of the problems that we have been facing in this State in regard to borrowed money. Although those assurances have been given we need some concrete results and that needs to be backed up by the support of this Parliament.

Obviously, this motion goes further than addressing the problems being faced by rural industry and farmers in Western Australia. In other words, while the motion is a direct result of the financing squeeze in which we in small business and farming have found ourselves, it is an action that needs to be applied not just in times of financial stress but also as a permanent measure to correct what is considered to be problems between those who have money to lend and those who borrow it to further their businesses. It is interesting to note that while, in the farming sector particularly, most farmers have an equity, the average farm equity in Western Australia is now about 84 per cent of farm assets; so if we take an across the board figure we could not say that farmers are individually heavily in debt on an average basis. Only 50 per cent of farmers have to borrow some money each year, and 60 to 70 per cent of farmers still have what might be called some hard-core debt. Therefore most people operate on some form of borrowed money and are reliant on borrowing money to keep their businesses afloat. There has been an historical change in farming which has meant that to stay in business a farmer has had to expand his business and to borrow money to do so. I do not think we can be critical of farmers who have expanded their operations in order to stay in business. I make that point because I know some schools of thought consider that farmers have got themselves into trouble by overborrowing.

Mr Taylor: Some have, indeed.

Mr HOUSE: Yes, some have, but the figure of 84 per cent equity on average - and that is an official Australian Bureau of Statistics figure - is a pretty decent equity. I would venture to say that the average person in this State would be struggling to have an 84 per cent equity in his house. I think most people would owe more than 16 per cent of what their house is worth.

Mr Taylor: You have to be a bit careful with average figures.

Mr HOUSE: I accept that, and I acknowledge that some farmers have overborrowed; that is quite true.

I want to deal with this motion point by point. First I will deal with the penalty interest rates that have been applied by banks to the small business and farm sectors of our economy. My discussions with the banks this week indicated that most of them deny any major loading of loans to farmers. It is probably fair to say that the average farm loan does not attract a very heavy penalty by way of loading. The problem arises when farmers or small businessmen miss a capital repayment and therefore break the contract they make with the bank for an annual commitment of repayment. Specifically in regard to that, when people face times such as those which small business people are facing now, while they might be able to meet the interest repayments they often cannot make a capital repayment, and banks take that opportunity to say, "You have broken the contract and therefore you must pay a further penalty by paying a higher interest rate." That seems to me to be self-defeating; it will not get that business back on a decent trading basis.

The banks admit they have a number of clients who have been paying well above the advertised interest rates. I will come to the gap interest rate in a moment, but first, it is interesting to note that the interest rate as of a couple of days ago was 17.25 per cent for the average term loan. Plenty of examples exist of farmers paying in excess of that interest rate in order to meet their commitments to banks. The majority of the banks have told me that they are prepared to look at those clients one by one and make an assessment about their

ability to repay the loans at a lower rate. That appears to be a contradictory statement, but that is the term somebody used and I suppose the banks are trying to cover any supposed loss that they might make. However, not very many farmers, and very few rural businesses, go out of business owing the banks tremendous amounts of money. Usually their equity is sufficient to pay the bank loan, and most banks have the first mortgage in any event, so it is not a matter of penalising them to any great degree.

The establishment and loan renewal fees charged by banks appear to me to be just another way of charging interest. The National Bank of Australia gave me some figures this week on establishment and loan fees. By loan fees I mean that, for a term loan, every six months the banks put what they call a term fee against that loan. There appears to be no reason for charging a six-monthly fee against an established loan. No extra costs are involved, no extra servicing is needed, and in many cases the banks do not even send out a bank statement every six months. However, all the trading banks charge some sort of term loan fee and in my opinion that should be abolished. It is another way of charging an interest rate that is hidden, and in many cases it adds up to one per cent to the existing interest rate. For example, if I borrow \$50 000 over 10 years and contract to pay back \$5 000 a year for 10 years, the term loan fee does not reduce even when I owe that bank the last \$5 000. It stays at the same amount as it was when the loan was established and it is debited to me every six months. Members can call it what they like, but it is a way of hiding what really is an inbuilt interest rate.

I believe establishment fees fall into the same category, and some of them are very high. In fact, most banks are charging in the order of 1.5 per cent and that is another cost which need not be borne by the end user of the loan. In other words, I believe the interest charged by banks on loans is sufficient to cover those sorts of costs and the banks should not charge establishment fees. Indeed, there are some examples of banks which have been charging application fees, not just loan establishment fees. That is to say, even if someone submits an application for a loan and then does not proceed with it, he is charged a fee simply for submitting the application. Clearly that is wrong too.

The gap between deposit interest rates and the amount at which banks lend money out is in the order of 5.5 per cent, on average. If I go to deposit money today in a normal trading bank term deposit, depending on the length of time for which I make that deposit and the amount of money I wish to deposit I will receive interest of between 10 and 12 per cent; in fact, some savings bank accounts now attract interest of below nine per cent at today's date. However, the banks are lending that money back at around 16.5 per cent and, at today's date, in some cases are still charging 17.25 per cent on term loans despite the fact that the Federal Government announced an initiative earlier this week to try to reduce interest rates. I compliment it for that, but the banks are sometimes slow to react. I also compliment the ANZ Bank for ensuring that that interest rate reduction was passed on quickly.

If members read the financial pages of today's *The West Australian* they will see that bills were trading at 12.9 to 13 per cent today, yet people are still paying over 17 per cent interest on loans. Clearly everybody has to make a profit, and I acknowledge that, but somewhere along the line those of us who are still trading viably are making up the gap for the enormous loans which were made to people who have gone bankrupt. It is very fair to say that the judgment of the banks in lending to some of the entrepreneurial people in Australia was absolutely and totally astray. Their judgment in lending millions of dollars to people for schemes that did not benefit this country one bit - for schemes that resulted only in the takeover of companies which were trading profitably to conglomerate them into great organisations like Elders DXL, Bond Corporation and many other accumulated corporations -

Mr Taylor: The Channel 10 and Channel 7 networks.

Mr HOUSE: Exactly. That has not benefited this nation one iota. The people who are still trading profitably are being penalised. The banks use those people to make up for their enormous losses. The judgment of the banks went sadly astray.

Mrs Henderson: The member has a lot in common with Paul Keating.

Mr HOUSE: Probably only the colour of our skin and the five o'clock shadow we both have.

It is time for the banks to make a statement about when they intend to shrink the gap between deposit interest rates and loan interest rates. Banks should also review loan establishment

and loan renewal fees. Small businessmen and farmers have alternatives, one of which is to deal with the Primary Industries Bank which was set up some years ago. I have discovered that bank is the quickest to react to markets of the day compared with other banks that facilitate small business in the rural sector. I compliment that bank for being a pacesetter. Presently, a person could save about three per cent by borrowing from the Primary Industries Bank as against borrowing from any other trading bank.

The final portion of this motion requests the State Government to abolish stamp duty applied to the refinancing of loans. When a person attempts to refinance a loan, one major problem is the large number of costs involved such as the loan establishment fee. That fee is charged unfairly. I have been through that process. Governments should liaise with banks at the highest level on that point; Governments should use their influence to eliminate loan establishment fees.

Mr Taylor: Let us say a person wishes to refinance with National Australia Bank, is an establishment fee charged for the refinancing of that loan?

Mr HOUSE: Yes. Last year a person with three small loans with the same bank wished to amalgamate those loans; the National Australia Bank quoted a 1.5 per cent establishment fee to refinance such a loan.

Mr Taylor: Even if the three loans were with the National Bank?

Mr HOUSE: Yes. The example I used applies to one of my constituents.

Mr Taylor: That is disgraceful.

Mr HOUSE: That is an extra 1.5 per cent; then a six monthly fee is applied. Some fees are the same, but they have different names such as a maintenance fee; they are structured on the amount of the loan so one could not give an exact figure.

Mr Lewis: So two per cent is added to the prime rate, in effect.

Mr HOUSE: Yes.

The request has been made for the State Government to abolish stamp duty on the refinance of loans because it represents another impost pertaining to the provision of loans. If I wished to change from one bank to another I would have to pay stamp duty to the State Government on the re-establishment of the loan with that other institution. My understanding is that in New South Wales the Government has attempted to change that situation by legislation, although not a lot of loans have been transferred. It represents more of a threat to the financial institution in an attempt to bring those institutions into line. It has had the effect of being revenue neutral. Were the person wishing to transfer a loan from one bank to another able to make such a threat he would hold the whip hand rather than the bank.

An article in today's *The Australian Financial Review* in the national affairs section states -

The executive director of the Australian Bankers Association, Mr Alan Cullen, said . . .

"If they make a lousy borrowing decision that's their problem . . . The bank will pay for it by not getting its money back."

I do not agree with that statement. The average small business loan over any farm is generally less than 20 per cent of the capital value of the business. Some go over, but not on average. One needs to be wary when quoting averages.

I do not mind banks making a profit; profits are necessary in order to remain in business. However, I object to statements suggesting that farmers have made major loans and borrowing decisions on a wide basis. To enlarge on that point, bank managers sent to rural areas do not understand agriculture. They might understand banking but they should also understand agriculture in order to provide loans to agriculture. Bank managers should be educated more so that they are aware of how loans to rural Australia should be structured. It could be said that some farmers have over borrowed and therefore have found themselves in trouble. However, equally we must ensure the people making decisions to lend money should be aware of the serious positions in which they may place farmers. The situation can be improved by widening the education of bank managers in regard to the fluctuations that occur in rural Australia. The banks stand condemned for not having spent time and money in educating managers in rural areas.

The old Commonwealth Development Bank had a good system when lending to rural areas. Seldom did it lend on an equity basis. It operated on an ability to repay basis. I venture to say that few people who used the old Commonwealth Development Bank scheme to finance the purchase of farms went bankrupt. The system was a good one and contained a network of well trained people. Almost all of the bank officers in those days had attended some sort of agricultural college; they had a rural background and understood the finance side of business as well. I compliment that system in the strongest way. Unfortunately the CDB does not play the same role as in the past in rural areas. It does not specialise in the same way.

I use that as an example of the expertise that can be drawn together. Banks should pull together if they are to continue to service rural Australia. It is no good making statements such as that by the Executive Director of the Australian Bankers Association, Alan Cullen, that it is all the operators' fault. I do not buy that; it is not all their fault at all. A number of accusations have been levelled at the banks about a range of matters, such as how much is the penalty rate and how much profit is made, and what the banks should or should not do. The time has come for the Government to bring these organisations together at some sort of seminar, to sit down and thrash out some positive suggestions regarding the advice they could give to clients. The relevant expertise could be collected at such meetings. It is time we sought an agreement whereby bank managers will be sent to courses to upgrade their knowledge of rural Australia.

It is time that we talked to the Federal Treasurer about the sorts of things he might initiate at that level. I have a range of examples of what the banks claim to have done. For example, I have a letter from the Rural and Industries Bank, which put out a statement earlier this week about what it would do for its rural clients. The case I have made would stand the test if the Government would accept it. It would be a great help for those of us who have to borrow money at a time when we desperately need all the assistance we can get. Even farmers without any great financing requirements will experience losses in the coming year. It is time for the Government to act. I assure the Government that if it is prepared to take up some of the initiative, or at least hold discussions with the banks, the Opposition will be prepared to assist in any positive move toward addressing some of the problems we face at the moment.

MR MINSON (Greenough - Deputy Leader of the Opposition) [2.41 pm]: On behalf of the Opposition I second the motion by the deputy leader of the National Party.

I will read to the House a fax I obtained during lunchtime. It is from one of Australia's largest accounting firms, which has considerable international connections. It is the advice of one of the senior partners of that accounting firm who deals with the farming sector and with rural small business. On the subjects outlined in the motion he says -

The following comments re Notice of Motion No.18 may be of assistance:

- 1(a) In particular, when a business falls into arrears in payment of interest or loan repayments, banks are imposing penalty clauses under their loan agreements to impose an even higher rate of interest. This only exacerbates the problem and makes business failure more likely. Banks would be better served by providing more assistance and proactive advice to problem customers which may help them to meet their commitments and stay in business.
- 1(b) The practice of loan establishment and loan renewal fees being charged 6 monthly is a disguised form of additional interest. These fees should not be charged during the currency of a loan.
2. The gap between deposit interest rates and loan interest rates has increased as deposit rates have fallen. This means that banks are not passing on the full benefit of the drop in interest rates to their customers.

That bears out substantially what the deputy leader of the National Party was saying. I acknowledge that as interest rates change there is a lag while the bank alters its interest rate. That is a tradition and I am not sure why it exists, but it has always existed. This lag has become so long that it is virtually permanent. The message I receive from that accounting

firm regarding proactive advice is that rural areas were much better served by their bank managers in years gone by. Bank managers were very important people. They were not only bank managers but financial advisers. They were happy to provide that service and there are many tales of bank managers having liaised with not only the farmer but also his accountant to work out a package that would help the farmer. Many other people in rural areas who run small businesses are in a similar situation to the farming fraternity. It is time that the banks turned the clocks back and country managers resumed that role and kept an eye on farmers' accounts and when farmers present their budgets give helpful advice and perhaps liaise with the farmers' accountants. The banks and their clients would be better off.

Members should cast their minds back in history about a quarter of a century to when the farming industry was virtually blue chip and money was easily available at a very competitive interest rate. There had not been a severe recession since the 1930s. Banks had become used to the escalation in the value of land and they saw any loan to a farmer as being a blue chip investment and they were happy to lend at the prime rate or very close to it. Of late we have seen a practice that concerns me somewhat. Despite high interest rates a lot of money is available and perhaps banks and other lending institutions are lending money far too easily. They are lending to people they should not lend to. They are allowing people in business and in farming to get out of their depth without offering help or advice. The banks should push the clock back and resume some of their former practices and responsibilities when advising clients or approving loans.

Another practice which has arisen in the last decade or two and which concerns me is that nearly all banks have credit agencies associated with them. Many of them such as the National Australia Bank and Westpac have credit companies which are subsidiaries of those banks. A farmer might come in to borrow, let us say, \$100 000. The bank says that money is tight and that \$50 000 is available at a particular interest rate, and it cannot lend the rest. However, it says that it is associated with a fantastic credit company, these people are particularly good, and if the farmer talks to them in the right way the money might be advanced. Two things are wrong with that: The first is that in the main the banks do have the money to lend; and, secondly, the interest rate that the subsidiary charges is considerably above that which the bank would charge. I regard that practice with some disdain, and I believe that it is more than a little dishonest. The banks should not follow that course of action.

The second part of the motion concerns stamp duty charges on refinancing and mortgages. This is probably more important than the last part because if we can get the Government to regard a mortgage on a farm and a business, particularly in these crisis times, as an entity in itself, once it has been registered it can be hawked from place to place, and many of the other problems that have confronted rural people in their financing arrangements would disappear. It is interesting that the last Western Australian Farmers Federation newsletter quoted a wide range of interest rates available when it went shopping around. I cannot remember the figures, but in another publication I read recently the range of interest rates on a first mortgage went from 15.5 to 23 per cent. That is the sort of disparity one is finding in interest rates. I acknowledge that most of the time we are not talking about interest rates of anything like that amount. However, we are certainly talking about interest rates in the order of 22 per cent and 23 per cent, and members will understand that on loans of \$100 000 or \$200 000 those interest payments are extremely high.

The Government should allow farmers and other rural business people to negotiate with their banks and lending institutions in an attempt to gain finance at a much more realistic rate, say down the road. They could hawk their business around knowing they could set up another loan using that same registered mortgage but without having to pay stamp duty. The only amount they should have to pay would be a minimal loan establishment fee.

Two things will help the rural industry. The first I have already mentioned; that is, farmers and small businesses should be able to shop around for the best loan conditions. Because a farmer has to pay thousands of dollars stamp duty in remortgaging his farm, the lending institutions know that they hold that farmer captive. Therefore, they are not likely to renegotiate the interest rates, terms and conditions of that loan once it has been negotiated. If the client could pick up his mortgage and tell the bank that he will go down the street, that lending institution would be a little more careful in the way it treats those people.

I believe that will also keep the banks a little more honest than they are at the moment. Some people describe "usury" as any interest charged on money. We cannot adopt that attitude in the modern world. I suggest that usury exists when a lender lends to somebody at a rate that that person cannot possibly afford to pay back; in other words, when it is beyond the capacity of the borrower to repay the loan. Certainly, if things are so tight at the banks that they must charge those fees and interest rates, it is probably okay. Maybe the borrower has made a bad commercial decision. However, there is considerable evidence at the moment to suggest that the finance industry is charging interest rates it does not have to charge. When it does not have to charge those rates but charges them anyway, it is usury and the industry should have a good look at its morals.

I wish to reinforce the big tie up between the banks, the charges and the interest rates they charge and the ability of the borrower to transport his collateral around the place without incurring Government penalties. While I realise that the State Government, rightly or wrongly, gains a large part of its income from stamp duty, in crisis times like this it would be very positive if it reviewed that policy. Farmers should be allowed to transport their mortgages to obtain better rates of interest. Perhaps that principle should be extended to cover all mortgages for all businesses. That would introduce an element of competition into the financial industry which does not exist at the moment.

I urge the House to support the motion.

MR TAYLOR (Kalgoorlie - Minister for Finance and Economic Development) [2.55 pm]: I have two things to say. First, it seems that members on both sides of this House have at last found a common enemy. It is the same enemy that has been around for many years and it is the banking institutions of Australia. It is a case of *deja vu* for me because in 1984 I chaired the parliamentary Select Committee on Rural Hardship. Part of what I gained from being on that committee was knowledge about the rural community's relationship with the banks that operate in Western Australia. Comments by the deputy leader of the National Party and the Deputy Leader of the Liberal Party today remind me of what I heard as chairman of that committee; that is, that the banks show a complete lack of understanding of the needs of the rural community.

It has been suggested by the deputy leader of the National Party that we should bring the banks together and ask them to have a good look at their role and relationship with the rural community. In 1985, at the end of the Select Committee's inquiries, there was no doubt that the issue that stood out among all others was the relationship between the banks and rural people and the way the banks treated the farming community. As a result, we called together a mini summit of senior banking people in Western Australia. It sat in this Chamber and we raised these matters with those senior banking people. The attitude of many of the banks at that stage was that it was not worthwhile their attending the summit. In fact, the manager of one of the biggest banks in Western Australia indicated that he would not come and it was not until I spoke to him and told him that I would subpoena him if he did not come that he turned up. I am concerned that, four or five years later, we are dealing with much the same issues relating to the banking community.

Australians must be pretty slow learners. The same thing happened in the share boom, the gold boom and the nickel boom. The same people were involved each time. Rural industries are experiencing a severe downturn at this time and we have the same sorts of concerns. We, as politicians, have not learnt too much and/or the banks have not learnt very much.

The Deputy Leader of the Liberal Party referred to the lack of knowledge and understanding of the rural industries and of the people involved in those industries by the people put in charge of the banks in rural areas. He referred also to the relationship between the banks and their associated credit companies and how those companies are used by the banks to charge people higher rates of interest. He also referred to how the banks should deal with people who want to borrow too much and how they should be giving better advice. We have not learned our lessons from those things which happened in years gone by. It concerns me now, as it did then, that we see banks as the common enemy. However, there is every justification for thinking that way. There is no doubt about the comments of the deputy leader of the National Party that in retrospect - of course, we can all benefit from hindsight - the way the banks have carried out their lending role in recent years has been an abysmal performance by any standards. They were prepared to lend money to anyone who walked through the doors

for any proposition put forward. They lost money hand over fist, and there is no doubt that people in the rural sector and people in the general community are now paying the price for those losses. At the time the banks were providing those loans they were making unbelievable profits of hundreds of millions of dollars. The Australian banks had never seen the like of it. They benefited enormously at the time. Then came the day of reckoning with regard to those loans and they started to realise that huge losses were inevitable.

As has been pointed out by both Opposition members who spoke, a wide gap exists between the prime rate, the rate that banks are prepared to pay on deposits and the rates they are prepared to lend on. There is a gap of up to five per cent or more in these rates. The Federal Treasurer has pointed out that the gap is far too great and this Parliament should also point that out.

Mr House: That does not include the gap in the rates offered by the wholly owned subsidiaries of banking companies.

Mr TAYLOR: That is the point raised by the Deputy Leader of the Opposition. Of course, added to that gap are the extraordinary fees being charged by banks. That indicates the reason for the concern being expressed in the small business sector and the rural community as far as the role of banks is concerned.

I refer to the small business sector and to notes given to me by the Small Business Development Corporation on how it sees the small business sector and its relationship with the banks today. I heartily agree with these comments.

Interest rates are an area of major concern among small business operators. In addition to the direct effects sustained high interest rates have produced on loan and overdraft repayments, the resultant downturn in consumer spending is having a substantial impact on the State's small business sector.

The Small Business Development Corporation recently conducted an opinion survey which showed that most small firms in this State indicated the downturn in consumer spending and sustained high interest rates as the most critical issues facing their businesses at present. What irks the majority of small businesses the most is the lack of understanding from their bank managers, with interest rates remaining at anything between four per cent and 5.5 per cent above the prime lending rates. In addition, no comprehensible explanation is being provided by bank managers at the lower level or those at the very highest level of banking in Australia.

I have no doubt that all those involved in the business sector would say that they have yet to see the effect of the full benefit of the four per cent drop in the official interest rates this year. When a drop in prime lending rates is published, the small margin that non-prime customers pay does not drop very much. More often than not, they see no result but they very quickly see a drop in the rates paid on deposits in those banking institutions. The report continues as follows -

Now that official interest rates have fallen along with prime lending and overdraft, banks are charging a margin above the prime rate to claw back missed opportunity for profit. Therefore, many business customers have seen their interest rates remain static despite nothing in the press but stories about interest rate reductions.

The people involved in business generally in Western Australia have not seen the results of falls in the prime interest rate in this country in recent times. Retail customers are being forced to carry the can for the banks' poor investment decisions a couple of years ago, despite the fact that at those times the banks were making record profits on any basis so far as Australia is concerned.

The member for Balcatta will deal in some detail with interest rates themselves, and I am pleased that the Minister for Consumer Affairs is able to comment on some of the issues associated with charges imposed by banks throughout Australia. In many ways this State has been leading the way in trying to cut back banking charges. I am pleased that the Minister for Consumer Affairs today assured consumers in Western Australia that the Government will not allow the introduction of up-front fees and charges for credit cards as far as it is able. The State Government plays a significant role in the law relating to this issue. We indicate to organisations that operate Bankcard, Mastercard and Visa, which suggest that these annual fees are inevitable, that they should think again on this matter because under the

provisions of the Western Australian Credit Act this Government is able to prohibit the imposition of extra charges on these credit cards. I leave it to the Minister for Consumer Affairs to say more on that subject.

I also refer to the role of the Government in its dealings with banks to date. The Minister for Agriculture wrote to the banks a few months ago in connection with the downturn in the wool industry and its effect on wool producers in Western Australia. Following a debate on the subject in this place it was suggested that the Minister seek an undertaking from the banks that they would retain the level of services to the rural industry in Western Australia. The replies from the banks were very disappointing; those replies were no more than statements that the banks were doing the best they could, they have always taken an interest in the rural industry, and would see whether they could continue to do so. There was a lack of interest in this whole issue. Perhaps the suggestion by the deputy leader of the National Party was appropriate; that is, we need to get the banking people together around a table, bang their heads together, and strongly indicate that the sorts of issues of concern to farmers and small business people today in relation to financial institutions are those that have been of concern to people in this State and throughout Australia for many years. It is about time the banking people learned those lessons and recognised that changes must be made.

I am pleased to say that at least the State-owned Rural and Industries Bank has addressed the issue. I refer to the Press release of 10 October in which the R & I Bank announced the support package for farmers facing the rural crisis. Most members will be aware of the nature of that package. The R & I Bank has at least in part recognised the responsibility it has as far as Western Australia is concerned. That does not exempt the bank from the sort of criticism that has been levelled today by both Opposition members who have spoken or from my comments. It also must recognise its role in Western Australia. I am pleased that the R & I Bank was able to say that the majority of farm loans were currently being charged either the base overdraft rate, or with a one per cent margin on that base rate. Mr Kent, the managing director, said also that -

Contrary to claims that some financial institutions were levying margins of up to 5% on rural loans, . . . this was not the case with any R & I rural customer and nor would it be.

That is a very pleasing result.

Mr Lewis: What about small business?

Mr TAYLOR: This is not dealing directly with small business.

It is also important from the R & I Bank's point of view, and to give credit where credit is due, to note that the R & I Bank has a strong team of rural consultants, who are available to assist managers in country branches and also to directly advise their farming clients. Those people are able to deal with those sorts of issues face to face with the manager, who may be inexperienced, or with the clients. The R & I Bank has recognised that that role is important for banking in Western Australia.

The Minister for Agriculture has approached me about abolishing stamp duty on refinancing loans, and I have asked the Commissioner of State Taxation in Western Australia to deal with that issue and to report on how we may best face up to that problem. The deputy leader of the National Party explained that the rate of stamp duty that may be levied - for example, \$3 000 or \$4 000 on a normal refinancing proposition - can inhibit that sort of refinancing, and I recognise that situation, but if farmers and banks are made aware that stamp duty may not be chargeable, and that we are able to change it, it will provide a real weapon to them and to others who may want to negotiate a refinancing to go to the bank and say, "Sort it out or I will go somewhere else to get it refinanced." There is no doubt that if people were to put that pressure on their bank and if they had that sort of weapon in their armoury it would make a difference to their refinancing propositions. The State Government will treat that very seriously. I will be reporting to the Minister for Agriculture on the outcome of that, and he will report to his rural task force.

I have no doubt that there is every reason for the banks to recognise that they are regarded as the common enemy by the business community, and the small business community in particular, and also by the rural community. If they do not recognise that, and I do not think they have recognised it yet, it is an indication -

Mr Blaikie: I suggest you be very careful how you choose your words when you talk about the common enemy. Your speech in this House three weeks ago did enormous damage to the R & I Bank and I think you should rephrase your words.

Mr TAYLOR: What does the member mean by my speech three weeks ago?

Mr Blaikie: About privatising the R & I Bank. That bank had all sorts of problems afterwards.

Mr TAYLOR: Absolutely not. The problems that caused the R & I Bank to put an advertisement in the newspaper were in no way related to that issue. I have made my position very clear about the privatisation of the R & I Bank, to the extent of saying that it will not be privatised. I am well aware that is also the bank's position. The bank is more than happy with 100 per cent Government ownership and a 100 per cent Government guarantee. That is what the bank wants to see now and that is what the bank has got. As I have said, and I have never changed my point of view, as long as I am the Minister responsible that will continue to be the case. So do not suggest to me, member for Vasse, that anything I have said in this House has in any way impacted on the role of the R & I Bank. What I said in this House has in fact strengthened the role of the R & I Bank, but I will not stand up here and get stuck into every other bank in Australia and exclude the R & I Bank from the sort of criticism that we have heard today. It would be dishonest of me to do so because I am aware that the R & I Bank and all the other banks have got some shaping up to do. However, I am also being fair to the R & I Bank by pointing out that at least it was one of the first to wake up on this issue and pay attention to the rural industry. Some of the other banks would do well to follow its lead.

Mr Blaikie: When the Deputy Premier says that the banks are the common enemies of the people I think you want to have a look -

Mr TAYLOR: Do not put words in my mouth. Let us see whether the member will vote for the motion because if he votes for the motion that is what he will be saying. The motion says that this House deplores the attitude of the banking sector. If the member wants to amend it, he had better talk to the people on his side of the House because that is what the motion says and that is what we will support. So perhaps the member should familiarise himself with the matter that is being debated.

The banks have got a lot of waking up to do. They have not learnt the lesson of the last rural downturn in 1982-83, and that is a great indictment on the banking institutions of Australia. That is why the banks are the common enemy. That is why it is easy for us to stand here and get stuck into them. That is why it is easy for the Federal Treasurer, in Federal Parliament and at major addresses to the business community, to get stuck into the banks. The banks have not shaped up on these issues. It is time that they shaped up and realised that people are saying they are not doing the right thing by Australia. That is my view, and I will not resile from that view for one moment.

It appears that the Government and the Opposition are of the view that we deplore the attitude of the banking sector towards the small business and farm sectors in Western Australia and that we call on them to do what the deputy leader of the National Party has suggested. The Government supports the motion before the House, with one exception in relation to point (3). I believe the amendment I will move is a fair amendment, given that the State Government is in fact looking at the role it can play in this area.

Amendment to Motion

Mr TAYLOR: I move -

To delete paragraph (3) and substitute the following -

- (3) notes that the State Government is currently considering the request of the Minister for Agriculture to abolish stamp duty on refinancing loans.

MR CATANIA (Balcatta) [3.17 pm]: I second the amendment. I support the comments made by the deputy leader of the National Party. The member's motion was directed towards the small business and farm sectors. I would like to concentrate on the small business sector as I have a number of small businesses in my electorate, and over the last couple of years in this Parliament I have expressed concern on a number of occasions about the plight of the small business sector. I appreciate the concerns expressed by the deputy

leader of the National Party about the plight of the rural sector, but I believe the small business sector has been as hard hit as the farmers and the rural sector by the actions and imposts of the banks. Their plight has been deepened - and when I talk about plight I am talking about the receding demand for goods, particularly in the retail sector - and their hardship has been increased by the attitude of banks. I have read in various publications the reasons that banks have taken this action, and I add to what the deputy leader of the National Party said and deplore those actions. Those words are worth emphasising, because I think the banks have acted without consideration for the plight of the small business sector.

Mr Wiese: Don't you think it is also a reflection of the current interest rates and interest rate policy?

Mr CATANIA: That is another argument. We are dealing with a motion moved by the deputy leader of the National Party, and I am stating the effects the actions of the banks have had on the small business sector.

The small business sector is highly geared. The banks must be flexible and must make allowances for the plight of small businesses when they get into financial difficulty. I have heard several members today mention the traditional role of banks, which was to be a financial adviser to small businesses. Over the past two years, on top of the hardships small businesses have encountered due to shrinking demand, especially in the retail sector, the banks have adopted a hard line because of the rash investment and financing policies they themselves had adopted before 1987. I saw an interesting article in the *Executive News* which stated the position of those banks quite lucidly and appropriately. It said in part -

When people invest in a bank they expect those in charge to use as much care and prudence with the bank's money as with their own personal life-long savings. If the banks are incapable of this sort of responsible management, we don't need banks any more.

This is the level certain small businesses and individuals have reached. They have been trodden upon by the attitude some banks have adopted. The article goes on to say -

It appears the banks were using double standards - one for the high-profile entrepreneur who could apparently raise hundreds of millions if not billions, with a single phone call to a chief banking honcho. As an issue of concern, security didn't rate!

Now, business people want to know why the loans were given and how banks will avoid the same mistakes in the future.

We recommend that instead of trying to be risk takers, banks should become bankers again.

I said earlier that this is the traditional role small businesses expect of those banks but in the past few years that role has not been played by the banks at all. All the banks have been doing is trying to squeeze small businesses to make their repayments on time and if they default by just one day in many cases notices are sent to those people saying they are overdrawn, in some cases by as little as a few dollars. This is a pressure which small businesses do not need and should not have in hard times. Surely if a small business has had a good record of repayment over the years the banks should not tread upon those businesses, and cause them to go out of business in many cases, simply to cover up the mistakes the banks have made in their rash business investments over the last couple of years.

The deputy leader of the National Party alluded to some of the bank charges small businesses have to meet, and I am sure the Minister for Consumer Affairs will deal with some of those charges more fully than I. However, I will mention some of them because they are important. Small businesses are charged loan renewal fees, penalty interest rates, term fees, fixed fees, establishment fees, application fees, overdraft loan fees, loan fees and transaction fees. If someone uses his account a lot, the banks charge a transaction fee; they charge another fee, which is also called a transaction fee, if someone does not use his account enough. All these fees have been developed by the banks and imposed on the business sector, especially small businesses, which need their banks' services so much. As I said before, small businesses are highly geared and the banks should consider their position, especially when they are suffering a downturn in demand.

Many people in the Balcatta area, which is characterised by a great many small businesses, have come to me and shown me letters from banks about their overdrafts. In one case a business was \$3.33 overdrawn and the bank advised that if the business did not keep to its overdraft conditions the next cheque would be bounced; so it would suffer the indignity and the loss of face and relationship with the businesses with which it dealt. Members should consider that - \$3.33 in the case of a small business which probably turned over half a million dollars a year. That is the sort of action which the deputy leader of the National Party rightly called deplorable, and the banks should be given notice that that sort of behaviour will not be accepted.

I go further, to state that the plight of the small business sector is so evident that unless consideration is given to lowering interest rates, and unless these various bank charges are either completely taken away or are reduced over the next six months, even more businesses will fail, not necessarily through bad management. In many cases the primary cause of small businesses failing is the stress put upon them to perform, and the stress put upon them by their banks to repay loans that in the past did not seem a problem to the banks at all. In their greed, and to recoup the money they lost in their unwise and irrational investments in high flying entrepreneurs, the banks are trying to recover money from the small business sector.

Mr Fred Tubby: It sounds like the State Government with its taxes and charges.

Mr CATANIA: I think the member for Roleystone, as the Opposition spokesman for small business, should listen carefully to what I am saying. This is not a frivolous argument, this is an expression of concern about the small business sector in this State.

Mr Fred Tubby: If you were so concerned about it you would say something in the Caucus room about taxes and charges.

Mr CATANIA: Has the member looked at the Budget? What increases have been made in taxes and charges?

Mr Fred Tubby: Have a look back over the last couple of years, while the Government has been getting into strife. Taxes and charges on small business have been going up like a rocket and now you say there have been no increases.

Mr CATANIA: We are now talking about one of the biggest problems small business has, which is the imposts banks are putting on them. Does the member for Roleystone not agree with that? Obviously he does not understand small business at all.

I support the amendment and request the banks to adopt a more lenient and considerate approach, because it will pay them to keep the doors of small businesses open. In the long run they will benefit and, more importantly, in the long run it will be of benefit to the economy if we have a large and thriving small business sector. For the employment, retailing and service areas it is a very important sector and we should ensure that it receives the correct treatment from financial institutions - treatment which will enable small businesses to keep their doors open. I support the amendment and sincerely hope that all members in the House will do the same.

MRS HENDERSON (Thornlie - Minister for Consumer Affairs) [3.30 pm]: While my Ministry of Consumer Affairs does not cover the kind of trading and business loans taken out by farmers and small business, perhaps one of the most important items I can draw into the debate this afternoon relates to the personal and other loans which are creating a burden for farmers and small business people. These finance company and bank loans add to these difficulties. I take this opportunity to draw to the attention of members some advances in this area which resulted from a meeting of all Australian Ministers of Consumer Affairs held in Perth in July. At that meeting extensive discussions occurred regarding establishment fees, which was a matter raised by the deputy leader of the National Party this afternoon. The general view of all Ministers was that an enormous concern related to the proliferation of fees by financial institutions, and this applied particularly to banks.

Members may or may not be aware that in this State the Credit Act outlaws any establishment fees or any incidental fees on any loan taken out with a finance company. This applies to loans taken out with credit unions, building societies and banks where those loans have interest calculated in a particular manner. However, the current Credit Act does not cover the vast majority of loans such as bank overdrafts, fully drawn advances and some personal loans. At this meeting Ministers of all political persuasions agreed that the Credit

Act should be extended in every State to cover all types of consumer loans through banks. This will make a difference to farmers, to people in small business and to others throughout the length and breadth of the country.

One of the results of this move will be, as agreed by all Ministers, that one regulated establishment fee be permitted for any consumer loan. That establishment fee should reflect the actual cost of drawing up the document for the loan, the legal fees with statutory and stamp duties and any other fees which can be documented and justified. Once the legislation is drafted it will outline the way in which this establishment fee can be calculated. This means that personal loans through banks, finance companies, building societies and credit unions will not be able to have loan maintenance fees, procurement fees, account keeping fees, loan review fees and termination fees because those fees will be prohibited. That will be a great benefit to the situation as has been discussed this afternoon.

Mr C.J. Barnett: You will have higher interest rates, unfortunately; but I agree with the sentiment.

Mrs HENDERSON: That question was raised at the Ministers' meeting. When the Credit Act was introduced, 78 per cent of all consumer credit was with finance companies. All of the establishment and other such fees were prohibited and those finance companies had to use a fixed rate of interest; so, they built a substantial buffer into their interest rates. Traditionally the interest rates with finance companies are significantly higher than the variable rates charged by the banks.

Mr Lewis: What is the reason for that?

Mrs HENDERSON: I just explained that. It was to provide a buffer to be built in to allow for the change in interest rate during the term of the loan.

Mr Lewis: The interest is relative to the risk.

Mrs HENDERSON: An amendment to the Credit Act will allow for variable interest rate loans to be covered for the first time. This has not been the situation in the past. Since the establishment of the Credit Act 14 per cent of all consumer credit has been through finance companies and the vast majority of borrowings has been through banks, which are not covered by the Credit Act. So all of the Ministers agreed that the Act should apply to variable interest rate loans so it would not be necessary for the institutions to create a buffer in the form of higher interest rates.

Most people would agree that interest rates should cover the cost of the funds, the cost of the service and the cost of other functions during the term of the loan. It should also cover the profit; after all, the commodity the bank is selling is money. All of these factors should be built into the interest rate for that is a measure that most people can understand. It is not reasonable that people should say that the interest rates should comprise only the cost of the funds because all the other costs must be added in a user pays system. All the Ministers believed that that was not a reasonable way to go. Interest rates are clear. Everyone understands what they are and people can make comparisons between financial institutions. That could not be done if there was a \$500 up-front establishment fee, a maintenance fee every quarter, other fees and an interest rate on top of that. One would need to carry around a calculator to work out what one was paying for the loan from the institution.

This move will be a step forward and will be of assistance to small business and farmers. I look forward to the support of everybody in this House when the legislation regarding the uniform Credit Act is introduced. To reiterate what many members have said in this House, many people in the community suffered after the 1987 crash and there is no reason whatsoever that bank shareholders should be shielded and immune from suffering the losses that other businesses and corporations have had to suffer. There is a belief in the community that the banks have been tardy in bringing down their interest rates in line with official rates of interest. It is believed that this is because the banks want to make up their losses acquired in the mid to late 1980s.

I strongly support this motion. The message should get through to the banks that it is not reasonable for them to maintain the interest rates they have on deposit loans. The community expects them to act responsibly. When there is a change to the official interest rate, the bank interest rates should be brought down as quickly as possible.

MR WIESE (Wagin) [3.37 pm]: I would like to bring the debate back to the subject under discussion rather than getting drawn onto the track which the previous speaker took. The Minister foreshadowed some alterations to the Credit Act which we can deal with in good time when they are introduced into the House. We should not debate them now.

The SPEAKER: Order! I have a dilemma and I ask for the help of members. In actual fact we are debating an amendment which says that section (3) of the motion be deleted. I could pursue the course of allowing everybody who speaks to discuss the matter of the deletion until we reach the vote, or I could obtain a general agreement from members that we will have a normal debate of the subject.

Mr Lewis: If there is a motion to delete a certain section, can members still debate that section in explaining why it should remain? With respect, I cannot see the problem.

The SPEAKER: The problem is that the member has indicated that he wants to talk about the subject of the original motion and technically I should not allow that. However, members seem to think that we can go ahead with the intention expressed by the member; that is all right by me. Therefore, everyone is in agreement that we should not debate the matter twice and once we put the amendment we shall put the motion.

Mr WIESE: I assure you, Mr Speaker, that I do not intend to debate the matter twice. I hope that I will receive the same treatment afforded the previous two speakers when referring to the amendment.

The SPEAKER: No, better!

Mr WIESE: Are we talking about the new words to be inserted as well as those to be deleted?

The SPEAKER: Technically, no. However, we have come to the arrangement that we can talk about any of the three points.

Mr WIESE: That is a marvellous arrangement. Sir, you really are very easy to get on with. I assure you that I will not debate changes to the Credit Act.

I am disappointed with the way in which the amendment was prepared because it proposes to delete the words in paragraph (3) of the motion. That is a pity because that is what the Opposition wants to do - to request the Government to abolish stamp duty on refinancing loans. The Minister for Finance and Economic Development proposes to insert in their place other words which note that the State Government is currently considering the request by the Minister for Agriculture to abolish stamp duty on refinancing loans. I am happy about that. However, I hope that we go a long way further than merely considering a request. I hope that we are able to abolish stamp duty on refinanced loans. I am disappointed because it would have been good to retain the original paragraph and add the words of the amendment because that would have meant that the Parliament had backed the Government. Nevertheless, in order to have the motion passed, we will accept the amendment. The important thing is that we ultimately achieve the goal of abolishing stamp duty on refinanced loans for the reasons better expressed by the Minister for Finance and Economic Development; that is, farmers and small business will find it very helpful when they approach their bank managers and try to persuade them that they should not include penalty interest payments or penalise them in any way. They will be able to tell the banks that, if they are threatened with a penalty, they will take their business elsewhere. That will place the borrower in a position of being able to have some influence on the bank manager and place pressure on him to consider these matters sympathetically. The farmer is not in that position at the moment because he knows that if he took his business to another bank, he would be lumbered with the extra stamp duty charges which, as the Minister for Finance and Economic Development said, could total \$3 000 or \$4 000. Having that impost removed will allow small business people and farmers to come to better arrangements with their bankers because they will know that they will not be forced to pay extra charges if they carry out their threat to take their business to another bank.

The member for Balcatta referred to the effects of bank policies on small businesses. He said that the imposts that the banks have placed on them are one of the major disincentives to small business and farmers to make their businesses work. I tried by interjection to make the point to the member for Balcatta that the real problem that small businesses and the farming communities have is the Commonwealth Government's policy of using high interest rates to

govern the economy, and to set it on the track it believes it should be on. The member was less than frank with this House when he refused to discuss that aspect of what I believe is the real problem faced by farming and small businesses in today's economic climate. The interest rates that we are working under in Australia and which we have been working under for the last couple of years are a major problem. I was at the Outlook Conference in Katanning yesterday and listened to speakers from the Australian Bureau of Agricultural Resource Economics draw comparisons between interest rates paid by Australian business proprietors and interest rates paid by business proprietors in the United States of America. The gap is somewhere between seven per cent and 10 per cent on the same loan. Australians should be asking why such a huge gap is being paid by the same businesses on the same loan. In answering that question, one has to return to the real problem in Australia which is the rates of interest being charged to control the Australian economy. They are crippling this country as they are crippling small businesses and farming industries. Things will not change until those interest rates are brought back to the far more acceptable levels being charged in other countries of the world.

Mr Bridge interjected.

Mr WIESE: Many factors are built into it including the inflation factor. That is another reason why the gap is so wide between rates paid in the United States and interest rates paid here. The interest rates paid here and the overall Australian economy are the problem.

A comment was made earlier that farmers have over-borrowed. I question that statement very strongly. I question whether farmers have over-borrowed or whether the real problem is that banks have over-lent. I place the source of the problem at the doors of the banks. When the banks have considered applications for loans from farmers or from small business people, they have not looked closely enough at the propositions.

Mr Gordon Hill: Either way, the debt-asset ratio is often inappropriate.

Mr WIESE: That is right. They have not considered the ability of the enterprise to service the loan. They look at the asset that is being pledged by the borrower and say that it does not matter too much what happens, they will be covered because the borrower has sufficient assets to pay them if the loan goes wrong. That is the real problem: The problem is not with the borrower; it is with the banking institutions. They have not been doing their homework and have not looked closely at the propositions being put to them in order to determine whether the borrower was able to service his loan. They know that if they do not lend the money to him he will go to another institution. Therefore, the institution will lend to him in the full knowledge that the asset backing is there and it cannot lose. That is the attitude which has been adopted by banking institutions and it has caused enormous problems for the borrower and, ultimately, for the banks. In many cases the borrowers have not been able to service their loans and have found themselves in financial trouble. As a result, they go into bankruptcy and nine times out of 10 the bank does not miss out. It is said that the borrower ends up losing his business, his life savings and his assets and must start all over again. The bank is not worried about that and it adopts the attitude, "I'm all right Jack". I strongly condemn the banks for allowing that to happen. If proper prudent banking practice had been adopted many of the people who are now in dire straits would never have found themselves in that situation.

Reference has been made to the difference between the interest paid by the borrower and that paid to the depositor. I join with other members in their condemnation of banks, especially for the way in which they have treated many people who deposit money with them. The Federal Treasurer acknowledged the existing situation when he said that all those people who have their money deposited in bank accounts and who receive interest rates between three and five per cent will be treated for taxation purposes as receiving an interest rate of 10 per cent. It is an acknowledgment of the unfair way in which banks are treating deposits from aged persons in our community. Many banks have been on-lending funds which have been deposited with them by aged people, at an interest rate of between three and five per cent, to small business at an interest rate of 15 per cent or more. Another section of our community which is treated in a similar way is our children. Many of them have small bank accounts into which their parents pay their child allowance. Many of those accounts have in them between \$500 and \$1 000 and they are earning interest from the bank of between five and seven per cent. When one totals it up, one finds that it is an enormous

amount of money and it is being on-lent by banks at an interest rate of between 15 and 20 per cent. It is a shocking state of affairs and the banks should stand condemned for their action.

The argument has been well canvassed and I express my support for the motion before the House. Again I express my disappointment that the amendment will remove paragraph (3) of the motion. However, the Government has the numbers and we accept the amendment as an acceptable alternative to what is a better motion if paragraph (3) remained.

DR TURNBULL (Collie) [3.55 pm]: The motion deplores the banking charges incurred by small business and the farming sector of Western Australia. The Government has moved an amendment, the effect of which would be to remove paragraph (3) which calls on the State Government to abolish stamp duty on refinancing loans. Members are aware that the Collie electorate is a diverse one and covers the areas of Donnybrook, Boyup Brook, Greenbushes, Boddington and Collie.

Mrs Beggs: Greenbushes is a great place.

Dr TURNBULL: Yes. The industries in those areas are farming, mining and, at the moment, small business. It has been said that the mining sector has functioned reasonably well during this recession, but people in those areas are having trouble meeting the interest rates charged on their bank loans, as well as the various imposts related to them. The most important point about the balance between the different areas within a rural town, such as farming and small business, is the symbiotic nature of people within these communities. When farmers, miners or timber workers are facing a downturn in their industry the small business in that area will also suffer a downturn. We must link rural industry and small business closely together and I will accentuate that later in my speech.

I fully endorse the remarks of the member for Wagin in relation to charges imposed by banks. We all know that interest rates in Australia are far too high. The member for Wagin said that they are seven to 10 per cent higher than interest rates in the United States for the same type of loan for the same type of business. We all know that Australian rates are due to the policies of the Federal Government. The problem started when the current Labor Government gained power in Canberra and deregulated the banks. The great push forward by the new Labor Party was deregulation, redistribution of finance throughout Australia and redistribution of wealth. It has redistributed Australia's wealth overseas which has increased our debt enormously. That is the reason our interest rates are high. The reason we cannot risk decreasing interest rates is that there will be an outpouring of foreign money invested in Australia. We find ourselves in a very parlous state, not only because of the banks, but also because of Government policies.

I refer now to stamp duty. Although I will not refer to refinancing loans I will refer to overdraft facilities. Stamp duty on overdraft facilities in Western Australia will not only affect every small business, but also it will affect large business in Western Australia and this Government will reap the benefits from it. Like the leader of the National Party, I have visited a number of bank managers in my area in past weeks. On talking to those managers I discovered something that I did not know previously and that many other people did not know; that is, if someone seeks to increase their overdraft facility they have to pay stamp duty on that increase. We have always had to do that, but as from the middle of last year, the 1989 Budget, not only do applicants have to pay the stamp duty on the increased amount but also the difference between the duty paid on the original overdraft and the new duty payable on the increased overdraft.

For example, if a borrower goes to the bank to increase an existing \$100 000 overdraft to \$200 000 he has to pay stamp duty at 40¢ per \$100 on the new amount and also pay further stamp duty on the \$100 000 already in place. This is called a backdating of the new variation between the previous stamp duty paid and the stamp duty due on the new amount. If a person took out the \$100 000 loan in 1981, the stamp duty was 15¢ per \$100. There is now a 25¢ per \$100 difference and that extra 25¢ must be paid on the original loan when the new overdraft is arranged. This means that when a person goes to the bank to get their increased overdraft the extra stamp duty on the first \$100 000 is \$250, which goes straight into consolidated revenue.

If the applicant were to say to the bank that he needed an extra term loan to get him through

this difficult period and said, "I want \$100 000 for that term loan," he would have to pay 40¢ in the \$100 stamp duty for that facility. The applicant would pay on that \$100 000 but would have nothing extra applied to the overdraft he took out in 1981. Why has this little stamp duty extra been stuck in? People may say that \$250 on \$100 000 taken out in 1981 is not very much. However, when one is strapped for cash \$250 is \$250. Why should the State Government get \$250 for absolutely nothing? There need be no change in the bank's action or any activity by the collectors of revenue, so why should that cost be applied?

I have checked this matter in Perth as well. When I asked the bankers, "Is this going to be a big problem? Will there be a lot of people in this situation?" the reply was, "Yes, there are. By January next year there will be thousands of businesses and people in Western Australia increasing their overdraft facility." For argument's sake, if a person had a \$100 000 overdraft taken out in 1987 when stamp duty was 35¢ per \$100 and he wanted to increase that overdraft to \$100 001 he would have to pay the 15¢ extra per \$100 on the \$100 000 overdraft taken out in 1987. This is a sheer revenue collecting process.

In the Premier's Budget speech presented in this House on 27 September, she said in relation to stamp duty -

Following the Government's announcement last year of a major review of stamp duties, the working group established to conduct the study has now completed a preliminary examination of the submissions that have been received from the private sector. Meetings with interested parties are planned and it is expected that recommendations will be made to government early in 1991.

I have not raised this matter previously because I did not know about it. I do not think any member here knew about it. I do not think many people in the whole of Western Australia know about it. In fact, when I spoke to the local bank manager he did not know about it. He did not realise that this small adjustment would be required for the total overdraft facility instead of just on the increase in that facility, or that it would affect people so badly.

I will present the case for having included this factor in the stamp duty review during this debate. I would like the Treasurer and the Minister for Finance and Economic Development, who has just addressed us, to take this case into account. It is not a large amount, but when people are in desperate need of cash \$100 or \$250 all adds up. Even the big Western Australian companies are hard stretched at the moment. To say that it is only small businesses or farmers who are affected is not true; everybody is affected by the current downturn and recession in Western Australia.

Another point raised by the bank managers I visited is that they are prepared to talk about all these factors that the deputy leader of the National Party mentioned in relation to changes to these facilities; that is, to abolish penalty interest rates for small business and farmers and six monthly loan establishment and loan renewal fees. The banks are prepared to consider this and also consider such things as interest only loans for five years without any repayment of principal during that time.

However, they have to consider individual cases and when one starts raising those individual cases, as I did, such as those of some farmers in the Boyup Brook area, they start to say, "Oh, well, we have to know all the ins and outs. There is a difficult problem in the case of that person and we have to look at that closely. Everyone will have to have a budget flow sheet and projection for next year's income; their repayment possibilities, etc." It is a threatening and difficult job for people to go to their bank manager and demand the same facilities that commercial borrowers have. Small businessmen and farmers have to demand what other commercial borrowers can get, which are things like restructured loans and interest only repayments.

The bank managers said to me that they believe quite a lot of people are in need of an advocate. The Rural Adjustment and Finance Corporation of Western Australia can provide rural officers. Those rural officers are to assist farmers in preparing their case for finance. That corporation also is able to bring in special advisers. They will pay anything from \$2 000 for private consultations and discussions about individual cases, and that figure will increase to \$3 000. I contend that the Rural Adjustment and Finance Corporation of Western Australia should widen the area in which it is able to function, and it should make this facility available to more people in the rural areas of Western Australia. We will have to

look to the Minister for Finance and Economic Development and to the Treasurer, and the Minister for Agriculture should consider very strongly including small businesses in rural areas as being eligible for these services of financial consultants which are available from the Rural Adjustment and Finance Corporation.

When one goes to the bank, armed with all one's facts so that the bank manager cannot shoot one down in flames, the bank manager will say, "We are being considerate to the rural areas, but your case does not fit the situation at the moment." Every case must be put on an individual basis. These decisions which the Cabinet has to make in relation to the submissions put up by the Minister for Agriculture must be made soon. Everyone in the Government of Western Australia must realise that the situation is drastic. Auctions of small businesses and farms are going on all over Western Australia at the moment. If this Government does not hurry and make these decisions rapidly, the recession in Western Australia will get worse and worse. Saving the country towns from further decline should be a top priority.

Not very long ago the Country Shire Councils Association of Western Australia, together with the Country Urban Councils Association, put out a working paper titled *A Future or a Funeral?* That is what the Government must face up to. The Government must face up to offering assistance in order to reduce the debt burden, and it must remove Government imposts from the rural sector as outlined by the deputy leader of the National Party. If that is not done rapidly, the result will be a funeral. Then all the talk fests, all the working parties, all the nice little morning teas, afternoon teas and lunches, will have been wasted, because there will be a funeral out in the bush.

MR BLAIKIE (Vasse) [4.13 pm]: I support the motion. While the amendment moved by the Minister for Finance and Economic Development indicates that the Government is considering the request to abolish stamp duty on the refinancing of loans, I believe it has taken the soft way out. It should be clearly understood that there is a crisis in the bush. The short-term outlook for people in rural Western Australia is very bleak, and the long-term outlook for the next 12 or 18 months looks even bleaker. If it is proposed to slaughter sheep now as a result of the absence of markets, when March, April, May and June next year come around, in the event of adverse conditions, the prosperity of people on the land will be irrelevant; the problem will be their ability to survive.

The Leader of the National Party said yesterday that this recession has had a profound effect on rural Western Australia, because farmers have locked up their cheque books because they have no money to spend. That will affect the business community, the rural community and, in fact, the entire community. While some farmers may survive, many will not. Whole communities will not get through these difficult times. That is the dilemma facing this State. The motion calls on banks to be sensitive to the crisis facing rural Western Australia. It deplores the attitude of the banking sector and calls on banks to abolish penalty interest rates and so on. There is a very real reason why this motion is so important. The banking institutions must understand the crisis facing this State and ensure that they match that understanding with sensitivity on the part of their respective managers involved with lending so that they can help people through this moment of crisis. It is important that banking policies are reviewed and changed.

The Minister for Finance and Economic Development said that banks were the common enemy of the people. That was a most deplorable statement. I questioned the Minister for Finance and Economic Development by way of interjection and said that he should be far more circumspect in what he said; those statements could have a profound effect on the community. Not only did he restate his opinion, but also he carried on at some length to reinforce those views. One tragedy facing Western Australia is the lack of confidence on the part of the business community in the State Government. The statement of the Minister for Finance and Economic Development that the banks are the common enemy of the people will need to be redressed by the Government and by the Premier, because statements of that sort will do profound damage and harm. What the Minister for Finance and Economic Development was doing by making those sorts of statements, damaging as they might have been, was trying to get himself and his Government and his Federal colleagues off the hook, and divert attention from their policies which have led Australia down this path which have so profoundly affected all Australians.

After the 1988 Budget, the Federal Treasurer, Mr Keating, made a number of comments. One was, referring to the Budget, "This is the one which brings home the bacon." Let me assure the House the only thing we have seen out of that Budget has been the lard; we have not seen any bacon. In *The Sun News-Pictorial* of 24 August Mr Keating said of his Budget, "We are now well on our way back to prosperity." What has happened? Australia has plunged further and further into an economic morass. The tragedy in which Australians find themselves is due to the policies of the Federal Government of high interest rates, high taxation and high charges. These are the matters which have contributed in a substantial way to the demise we are facing today.

I support the motion, but I disassociate myself from the remarks made by the Deputy Premier. I call on other members of the House to indicate their stance on the issue of banks being, in his words "the common enemy of the people of Western Australia".

Mr Carr: Are you going to vote against the motion?

Mr BLAIKIE: No, I have already indicated why I will support the motion.

Mr Carr: Are you going to vote for the motion, but disassociate yourself from the remarks of the Deputy Premier?

Mr BLAIKIE: I disassociate myself from the remarks made by the Deputy Premier.

Mr Carr: You cannot do both those things.

Mr BLAIKIE: I assure the Minister that I will do both. It is not only irresponsible for a Minister of the Crown to make that statement, but also it shows a lack of understanding by a Minister. Banks are undergoing a difficult time; the community is undergoing a difficult time. Such statements do nothing to engender confidence.

Mr Carr: Banks are going through a difficult time?

Mr BLAIKIE: Does the Minister think banks are going through a rosy time?

Mr Carr: A lot of people are going through a worse time than banks.

Mr BLAIKIE: Would the Minister say that the R & I Bank is the common enemy of the people of Western Australia? I reject that comment. I will make an issue of it if the Minister wishes. I do not believe that the R & I Bank is the common enemy of Western Australians and I am not aware that that is the case with any of the other major banks. Banks need to look carefully at their policies and be far more sensitive to the community. I support the motion moved by the deputy leader of the National Party, but that does not mean that I believe the banking organisations are the common enemy of the people. The Deputy Premier made that statement and it needs to be redressed.

Mr Carr: You should read the motion.

Mr BLAIKIE: Not only did I read it, I questioned him on that point.

MR HOUSE (Stirling) [4.23 pm]: I thank all members who took part in the debate, particularly the Deputy Premier. In accepting his amendment, I acknowledge his contribution to the debate. The debate has been positive and has highlighted some of the problems of which we have been aware. I hope the Government will honour its undertaking to try to put in place some of the recommendations in the motion. Many positive achievements could come out of a summit of representatives of the State and Federal Governments and the banking sector. It is not much good talking to people on a State level. We need to be talking to people like Bernie Fraser, the Governor of the Reserve Bank, and people with the ability to influence major trading banks. I thank those who have contributed to this debate in a positive way.

Amendment put and passed.

Motion, as Amended

Motion, as amended, put and passed.

MOTION - JOONDALUP DEVELOPMENT CORPORATION *Office of Land Services Incorporation Condemnation*

MRS EDWARDES (Kingsley) [4.25 pm]: I move -

That this Government stands condemned -

- (1) for planning to incorporate Joondalup Development Corporation into the Office of Land Services whose first priority is East Perth;
- (2) for not allowing the Joondalup Development Corporation to complete its independent charter and thereby ignoring its achievements to date and future planned community and business projects;
- (3) for disregarding and ignoring the needs and demands of the people within the City of Wanneroo;

and further if the Government does not reverse its decision it will deny the Joondalup Development Corporation the opportunity to maximise the potential expected by the people of Wanneroo as we approach the year 2001.

Tucked away in the Budget Speech by the Treasurer is a point which was overlooked when the speech was made. On page 8, the speech covers the East Perth project and further on page 9 it refers to the project as one of the first to be addressed by the Office of Land Services incorporating LandCorp, the Industrial Lands Development Authority and the Joondalup Development Corporation. Tucked away in the middle of the Budget speech and in some of the supplementary papers is one comment about the incorporation of the Joondalup Development Corporation into the Office of Land Services. Other than the points made about expenditure under Capital Works by the Joondalup Development Corporation, no other comment is made about what is intended by that statement. Does it mean the winding up of the Joondalup Development Corporation? Does it mean that the Joondalup Development Corporation's functions will be absorbed into a new Government department, namely, the Office of Land Services? Does it mean that the board will be scrapped; that local representation will be removed; that the people of Wanneroo will be disadvantaged; that the assets of the Joondalup Development Corporation will be stripped and plundered for other uses such as the East Perth development; that the \$7 million for the East Perth development will be funded by money transferred from the Joondalup Development Corporation? The people of Wanneroo, the business community, the Wanneroo City Council and the wider community will not let that happen without a fight. They will not accept lightly the decision by the Government to incorporate the Joondalup Development Corporation's assets and functions into a Government department which department's priority is the development of East Perth. The decision has nothing to do with rationalisation; it has nothing to do with the fact that the Joondalup Development Corporation has completed its charter - it has not; it has nothing to do with the fact that the Corporation has not done a good job - it has.

Mrs Beggs: Has anyone suggested that?

Mrs EDWARDES: I hope the Minister will respond to that point. The decision has more to do with the Joondalup Development Corporation providing the Government, which is short of cash, with an ideal source of funding. No guarantee can be made that, once the assets and cash reserves reach the melting pot of ILD or the new Office of Land Services, that Wanneroo will benefit from them.

Mr Pearce: Would you like a separate State Government of Wanneroo? The rest of the Government departments operate on the basis of different circumstances across the State.

Mrs EDWARDES: The Corporation was established in 1976 - 14 years ago. I refer to page 2858 of the *Hansard* of that time in which the Minister at the time explains that the Joondalup Development Corporation was established to oversee what the Government saw as a specialist task. I quote from the *Hansard* -

The Government has concluded that this is a specialist task and should be entrusted to a new statutory body of limited life with sufficient powers to ensure that development is started in time to meet initial estimated timetables.

Mr Pearce: It says "limited life".

Mrs EDWARDES: I will come to that; please wait. The quote goes on -

It will also have to plan continuing growth of the centre with plans flexible enough to respond to fluctuations in demand due to varying development rates. This is a

challenging role and the Government - while not wishing to proliferate the establishment of new bodies - could not see this as a secondary role for an existing body.

It was not seen at that time as a secondary role to an existing body and it will certainly not fulfil a secondary role now to a new Government body. The quote went on to say -

Its objects will be to promote, co-ordinate, and secure the laying out and development of a centre at Joondalup.

I ask members to remember the words "development of".

Mr Pearce: Which year is the member referring to?

Mrs EDWARDES: To 1976.

Mr Pearce: That is 14 years ago! When will the member come to the definition of "limited".

Mrs EDWARDES: I will get to that; I will come to section 51. The quote continues -

... its functions will be to prepare and submit for approval by the Minister, a development plan and to cause development of the facilities necessary for servicing a sub-regional centre of population.

The reference to limited life incorporated in section 51 provides that it will be wound up when its task of developing the centre is substantially completed.

Mr Pearce: Does the member propose it will disappear altogether at that point? We will ensure that work will go on.

Mrs EDWARDES: We will see. Section 5 of the Joondalup Centre Act reads -

There shall be developed on the land described in the Schedule such infrastructure and residential, recreation, community, commercial, business, professional, industrial, trade and any other facilities as are necessary or desirable for housing and servicing a centre of population.

Members should realise I am dealing in depth with the facts surrounding the development of the Joondalup Development Corporation.

Section 11 refers to the objects of the corporation and I refer members to *Hansard* debates. Section 51 is interesting because it refers to the winding up of the corporation. That section reads -

When, in the opinion of the Corporation, it has substantially fulfilled its objects, it shall advise the Minister accordingly and the Corporation shall be wound up in accordance with such directions as the Governor shall approve.

In going to the projected plans I will show that the corporation has not substantially completed its projects. I refer now to the definition of "substantially". *Legal Words and Phrases* refers to "substantially" as it relates to a case report re Bonny (1986) 2 Qld R 80 at page 82, where Mr Justice Ambrose states -

In my view when considered in the context of a definition that talks of a person who is "wholly or substantially dependent on" another, the term "substantially" connotes "in the main", or "essentially".

We are saying that the Joondalup Development Corporation has not as yet in the main or essentially completed its charter under the Joondalup Centre Act. Later on I will go through the plans relating to what remains to be done.

The achievements of the Joondalup Development Corporation are enormous. Criticism was made when the JDC had its office in St George's Terrace. Under the chairmanship of David Hatt, the corporation has progressed in leaps and bounds. Members should consider what has already been achieved. In doing so they can refer to the Connolly Golf Course Country Estate, the residential lots created for affordable housing, the service and the industrial business park which is very well managed and is affordable for the business community. The corporation contributed \$1 million to the extension of the Mitchell Freeway from Hepburn Avenue to Ocean Reef Road; it has built an office development which is a three storey development at the town site to which the JDC has shifted.

The development and the planning in the area is unique. People refer to the development as something exceptional. The Society of Land Economists will present a seminar on 29 October 1990, and in its invitation to people, referring to "Multifunction Joondalup, City of the Nineties", it states -

Joondalup is one of the "bright lights" in the property industry as it forges quietly ahead and will become an employer of many planning, design and construction consultants, contractors, and will be a source of income for real estate advisors and valuers providing an investment opportunity for many owners, property trusts and companies.

That society holds the development of Joondalup in high esteem. A group of high calibre speakers will be assembled to talk to business people about how important Joondalup will be in the next 10 years.

I turn now to the 1989 annual report of the corporation and the performance indicators of that year. The 1990 report is not available to us presently. In that report it refers to the principal aim of the corporation being to promote, coordinate, and secure as soon as practicable the planning and development of the Joondalup Centre and adjacent district as a major regional community facility in cooperation with the City of Wanneroo, relevant public authorities, adjacent landowners and other interested persons in accordance with the Joondalup Centre Act 1976.

I refer now to the indicator, "the extent overall to which the corporation has made progress in achieving its principal aims and objectives". The comment is that the corporation has made considerable progress and development. The report refers to the 380 residential lots, the 24 service/industry sites, the construction of the third 9 holes of the golf course, the completion of the joint venture stage 1 of the regional shopping centre, and the review of the city centre plan. All these activities were carried out in cooperation and consultation with the Wanneroo City Council and relevant Government agencies. The corporation also undertook several plans and studies, such as Joondalup open space, regional open space, the city centre, a traffic study, a retail study, and the review of the city centre plan. All these works have been met satisfactorily; all targets have been achieved.

Other people also hold JDC in high esteem. In *The West Australian* on 15 October an article referred to a new planning authority. I assume that reference is to the new Office of Land Services, although that is not specifically stated. The article reads -

Details of a new planning authority to be set up under special legislation to oversee the billion-dollar East Perth rejuvenation project are still to be decided.

But experts believe that if the authority is set up on lines similar to the successful Joondalup Development Corporation, the project will be a goer.

The article continues to go through the types of projects the JDC has undertaken. People believe that if the concept for East Perth is set up on similar lines the visionary complex would work. The JDC commenced in 1976 with a vision. It has not completed that vision.

I turn now to the assets of the corporation. I refer to the balance sheet as at 30 June 1989 where the net assets amount to \$21 million. By today's values the figure would be higher than that. In 1989 a \$12 million profit was made. Further, the corporation has cash reserves of \$10 million - not a bad little corporation to be incorporated into a new Government department which will probably lack funds!

Mrs Watkins: The member should look at section 45 of the Joondalup Centre Act as well.

Mrs EDWARDES: I am sure the member will refer to it.

The Minister responded to the concerns raised by the City of Wanneroo and other people. She stated that a capital works program of \$26.5 million has been allocated to the Joondalup Development Corporation for this financial year, with \$17.6 million to be spent on the development of the city centre. She also mentioned the roadworks in the northern suburbs rapid transit system and the northern suburbs electric railway. Page 43 of the General Loan and Capital Works Fund Estimates of Expenditure shows the allocation of the Joondalup Development Corporation. An amount of \$26 million will be spent on works in progress and completed works, but these funds will not come from the Consolidated Revenue Fund; they will come from land and property sales and from some internal funds and balances of

\$780 000. The \$26 million that the Minister has been reported as saying will be allocated to the JDC is not coming from CRF but from the JDC. The JDC costs this Government nothing. It is working at a profit and is highly successful; so why does the Government want to put such a project in the hands of a Government department? It is for no other reason than to get its hands on the funds available and the assets of the JDC.

Mrs Beggs: The member for Kingsley is misrepresenting the Budget papers. She knows very well that those moneys are CRF funds because any surplus funds can be taken and paid in. Every year JDC puts in its budget and asks to retain funds for its proposed expenditure. The member has made a crazy analysis.

Mrs EDWARDES: I will go one step further, Minister. The Capital Works Fund Estimates of Expenditure show how the JDC wants to spend its money. Under JDC's own board and charter it will expend those funds. It is not always the case that what has been written in the Budget is what is actually expended and I refer to the Joondalup police complex. An analysis of the Budget papers from July 1987 to July 1990 reveals that in 1987-88 it was proposed to spend \$500 000 on the complex. The 1988 Budget papers reveal that nothing was expended. In 1987-88 the people of Wanneroo got not one cent of that \$500 000 which was to have been spent on the Joondalup police complex. Was that \$500 000 spent in the next year? The estimated total cost for 1988 was put at \$4.51 million; the proposed expenditure for 1988-89 was \$626 000. What did the Government do?

Mr MacKinnon: It put a sign up.

Mrs EDWARDES: I am not sure what else it did. Did it spend the \$500 000 which was proposed in the first year, or the \$626 000 which was proposed in the second year? No; the people of Wanneroo received \$56 838, which was a little less than was proposed.

Mr MacKinnon: What happened on site for \$56 000?

Mrs EDWARDES: I think it was still the sign. By 1989 the estimated total cost of the complex had risen to \$6.710 million, a percentage increase of 48.78. The estimated total cost in 1990 is set at \$7.3 million which is an increase on the 1987-88 figure of 61.86 per cent. In the 1989 Budget papers the proposed expenditure for 1989-90 was \$1.655 million. Do members know what the actual expenditure was? It was \$617 180. The total expenditure in five years was \$674 000. The proposed expenditure in 1990-91 is \$4.7 million. I do not take that away from the Government but we will have to look at what is actually expended next year. In July 1987 the initial proposed expenditure was \$500 000, but all that has been spent by July 1990 is \$674 000. The people of Wanneroo know they will get their money if the funds are under the control of the Joondalup Development Corporation. They know they will get their money's worth and will get their projects and programs. We have no hope of any real commitment, let alone any hard cash, if those assets and funds are transferred into CRF. It has taken the Government five years to spend \$674 000 when in 1987 it promised to spend \$500 000. The people of Wanneroo have no confidence in the Government if the money is taken into the big kitty of the Office of Land Services.

Why has the Joondalup Development Corporation not fulfilled its charter? The Joondalup City Centre development plan is available for those people who do not have a copy, for a small cost. Page 2 of the plan refers to Joondalup and what it will mean to be the second largest city in the Perth metropolitan region. I will draw members' attention to a few facts rather than go through all the details. Page 6 refers to trends and demographics. It says -

The Joondalup City Centre's catchment for the North-West Region equates broadly to the boundaries of the City of Wanneroo. Between 1976 and 1988 the City of Wanneroo had the highest population growth rate for a local government authority in Australia. The resident population within the City is expected to increase at a rate of 36 percent between 1986 and 1991, and a rate of 27 percent between 1991 and 1996.

It is anticipated that by 1991 the City of Wanneroo will contain a population of 178,000 and by 1996 this will have reached approximately 227,000 and by 2001, almost 300,000 people. This indicates a growth rate of around 10 percent per annum.

The future of the development of Joondalup is extremely important to the people who live in the northern suburbs and Wanneroo. It continues -

Although the opening of this area for intensive suburban development would not

greatly impact on the City of Wanneroo population up till 2001, it could increase the ultimate population of the region by an additional 140,000 persons. This would reinforce the Joondalup City Centre's, "centre of gravity" to its catchment population.

An ultimate workforce population of 40,000 is projected for the Joondalup City Centre including Business Parks.

The development plan outlines community expectations in respect of such things as parks, bushland, transport systems, a retail centre, schools, medical centres and residential development. All those things are happening at the moment.

Mrs Beggs: They are all planned for, done, finished!

Mrs EDWARDES: What is the current situation? We have a wonderful plan submitted for stage one of the shopping centre complex. The JDC has undertaken a range of studies, but some of those are interim studies and as yet have not been taken into account in the development plan. Work in the planning stage has not finished, let alone the development stage. It is a continuing project. The Joondalup Centre must get under way. It is only starting, but in five years it is likely the JDC will be starting to wind down.

At the moment many business people and many developers are investing and want to develop in the area. Those people are already expressing concern about the possibility of the JDC being removed from the Joondalup and Wanneroo areas because they are aware of what happened with the police complex. They do not trust the Government to continue development at the same rate that the JDC has. Some of the plans have yet to be revised and these studies relate to areas such as transportation, car parking, public transport, a cyclist/pedestrian plan, comprehensive transportation policy, landscape master plan, civic/cultural needs, other human services and a regional sporting complex feasibility study. Many of the studies to which I refer are in the draft stage and are awaiting assessment. They have yet to be incorporated in the plan. That is the current position with the JDC. It has not started on its final track, but it is getting there. Agreement has been reached, and hopefully it will be carried out next year. The rest must be finalised in the planning stage and the JDC has not finished overseeing this development. The charter of the 1976 Act refers to planning and development and section 51 of that Act refers to substantial completion. The development has not been substantially completed; its final plan has not yet been completed, let alone its final development. Therefore, how can the Government say that it has been substantially completed?

When did the corporation write to the Government in relation to the provisions of section 51 saying that the JDC no longer had a function and that it had substantially completed its work? That corporation was very surprised to read the news in *The West Australian*.

Mrs Beggs: They did not hear about it from *The West Australian*. Do not be silly. Discussions were held with the chairman.

Mrs EDWARDES: When? What about the member for Wanneroo? She led us to believe that she did not know much about it either.

Mrs Watkins: That is not right. You do bend the truth somewhat.

Mrs EDWARDES: When was the member for Wanneroo told about it?

Mrs Watkins: Wait until I speak in this debate.

Mrs EDWARDES: I shall be pleased to know the answer, as will the people of Wanneroo.

Mrs Watkins: Do you have any idea why it took so long for the trade sector of Joondalup to get off the ground?

Mrs EDWARDES: It is irrelevant because at the moment it is up and going. I acknowledge that under the chairmanship of David Hatt it has been very successfully established.

Mrs Watkins: Do you have any idea why it took so long?

Mrs EDWARDES: Tell me.

Mrs Watkins: The Shire of Wanneroo released the land at Wangara and there was open slather to try to stymie the development at Joondalup. It has now turned around completely and is being very supportive. It is beyond comprehension.

Mrs EDWARDES: The business community is very happy with the activities of the JDC at present. Wangara is almost, if not completely, full. Enterprise Park has not sold one block, although it has been open for a year.

Mrs Watkins: It is certainly taking some time to sell.

Mrs EDWARDES: I wonder why. Joondalup is proceeding at a fast rate. Is the problem at Enterprise Park because of the costs placed on the land by the Industrial Lands Development Authority or because of the conditions it has placed on development? The Government should seriously consider that aspect because at the moment Enterprise Park is not achieving its objectives.

With regard to how the Government will use its funds, I refer to *The West Australian* of Friday, 12 October and an article showing the magnificent plan for the East Perth development. That will cost approximately \$7.5 million, but the Budget papers do not clearly identify where the money for that development will come from. An amount of \$11 million has been allocated in the Budget for development, but it is not clear whether that will be allocated to the East Perth development. It can only be assumed that the Government will use money from the funds of the JDC.

Mrs Beggs: The East Perth project has a separate allocation. It has nothing to do with Joondalup and you know that.

Mrs EDWARDES: No, I do not know that and neither do the people of Wanneroo who have telephoned and written to me with regard to the Joondalup police complex. They look at the promise made by the Government to spend \$500 000 on that complex. What has been spent? Nothing. The Minister cannot tell me or those people that the amount proposed to be spent from the CRF will necessarily be expended. At the end of the year it could be that the Government will not have spent a cent in certain areas to which allocations have been made. The people know that, and that is why they are concerned about the Government's getting its hands on funds which were to be used for development in the Wanneroo area.

With regard to questions without notice asked in the other place last night, it seems the Minister for Lands is not clear about where the funds will be spent and how much will be spent. She continues to evade questions and she finally said that the Government would abide by the Act. Let us hope it will, because the JDC has not yet finished its development. It has not yet overseen the full development of the Joondalup civic centre. The business people with an interest in land in that area are concerned, and they want the rest of the centre to be developed because the passing trade and the traffic will be important to their businesses. They had confidence that the development would proceed under the JDC but they do not have the same confidence in the Government.

Mrs Watkins: It depends on who you speak to. Are you talking about the businessmen at Joondalup?

Mrs EDWARDES: I am speaking of those who have just purchased their land. I attended a function the other night at which three such businessmen were present and they are not happy about the decision to move the JDC. They have confidence in that organisation but not in the Government. The procedure could take another four or five years, for the plan to be finalised.

It is extremely rude to the people of Wanneroo to incorporate the Joondalup Development Corporation in the Office of Land Services. The Budget papers do not provide any comfort whatsoever to those people with regard to the future of the JDC. They were led to believe that the capital works listed under the authority of the JDC would be proceeded with, even when it is included in the Office of Land Services. The events involving the Joondalup police complex have been of no comfort to the people and they do not inspire any confidence. No guarantee or commitment has been given. The Government should leave the JDC where it is. It is doing well. It should allow the potential of Wanneroo to be maximised. It is not necessary for a Government agency to take the place of the JDC. The people in that area want it to continue to do the good job it is presently doing, and they want it to complete its charter. Section 51 of the Act refers to substantial completion, and the development has not been substantially completed. Changes are still to be made because of the draft reports which are being assessed at present. They must be incorporated before further development takes place. The Government should leave the Joondalup Development Corporation where it is.

MR COURT (Nedlands) [4.59 pm]: I formally second the motion. I will be brief because it is important to hear the Government's views on this issue. The member for Kingsley is an extremely strong advocate for interests in the northern suburbs, and the presentation she has just given setting out why we should be concerned about the Government's proposal for the Joondalup Development Corporation will, I hope, be supported by other members in the area.

The decision which was announced in the Budget to bring the Joondalup Development Corporation under the control of the Office of Land Services is cause for concern, and I will be interested to see what is the attitude of members opposite. The concept of the JDC was that it would plan for the future and provide a long term perspective to ensure that the area would satisfy the needs of a rapidly growing corridor. We have seen this concept go through teething problems, where development has been reasonably slow, and in recent years we have seen it start to take off, largely because of the rapid growth that has taken place in that area. It is becoming a highly sought after area in which to live and work, land values are increasing, and a large cash flow will result from the developments that are taking place.

The member for Kingsley said this move by the Government is simply a cash grab. It is the old "hollow log" exercise whereby when a Government body starts to create a large cash flow, it is a good time for the Government to move in and take control of that money so that it can be allocated elsewhere.

Mrs Beggs: The Government can do that at this time anyway.

Mrs Edwardes: At the moment the JDC has an independent board but if you put it into the Office of Land Services that independent board and independent charter will go.

Mr COURT: I think the Minister would agree that the JDC has been concentrating on land development and providing the necessary services and infrastructure. The JDC has fulfilled its charter to put in place the infrastructure and the things required for a regional centre, so what is the reason for changing that?

Mrs Beggs: Because the work is substantially completed and the people who are there -

Mr COURT: Nothing could be further from the truth. In recent years the JDC has performed well. It has established its own identity. The City of Wanneroo is keen to continue to operate with the corporation and to support the work that it undertakes.

Mrs Beggs: The work of the corporation will not diminish.

Mr COURT: It will diminish the minute the Government starts milking money from that area - the good old "milk cow" - and starts pumping it into other areas. People have suggested that it is the Government's intention to use the money that can be generated for projects like the East Perth development. The member for Kingsley is quite rightly fighting for the people in that area, who want the money to be spent in their area to provide the services that are required.

In 1976, when the Joondalup Development Corporation legislation was introduced, the then Minister for Urban Development and Town Planning, Mr Rushton, said in his second reading speech -

The corridor concept for the future growth of the metropolitan region was adopted by the Metropolitan Region Planning Authority in 1970 and has been endorsed by successive Governments. One of the elements of that concept is the development of subregional centres at Fremantle, Armadale, Midland, Rockingham, and Joondalup, to provide the civic, cultural, commercial and retail needs of a large population.

If the Minister is telling me that these things have been provided, and that the work has been done, she is misleading this House because a great deal more has to be done to ensure that the original concept takes place.

As the member for Kingsley said, a number of good projects have been established in that area. I had occasion recently to travel to the Joondalup campus of the Western Australian College of Advanced Education, and I heard a complaint from some people who live near Rockingham who wanted to change some courses and who had to travel from Rockingham to Joondalup. However, I must say that the developments that have taken place have added a great deal to the area. I do not know why the Government would want to harm that momentum by the possibility that it may rip funds out of the area and put them elsewhere.

The concept of the Joondalup Development Corporation was that people would show foresight for the future and take a long term perspective. Now that the cash is starting to come in, the Government wants to take a short term perspective, grab the money, and use it elsewhere. We know only too well the problems that arise when we take a short term perspective on planning matters. We are now seeing the problems that have arisen because of the Government's lack of vision in creating new industrial sites during the seven years it has been in office. It is only now belatedly starting to do things, but it is too late.

The JDC was slow to get off the ground but it is now working extremely well. The Government wants to put it within the Office of Land Services. Who knows how it will operate and how effective it will be under that office when it is already a success story? This change will not be in the best interests of the people in that area. The Leader of the House asked whether we want a separate State Government for the Joondalup area. That is a stupid comment because there is a lot of pride in the work that is being carried out. Why the Government would want to harm that good work by putting the JDC under the banner of a new body I really do not know.

I fully support the motion moved by the member for Kingsley. She is to be congratulated for having the courage to defend the operations of that body and the good work that it can do in the future. I bet the money that the Government will grab out of the JDC and spend elsewhere will be to the detriment of the local people.

MRS WATKINS (Wanneroo) [5.08 pm]: In opposing this motion it is very difficult to know exactly where to start so perhaps I should -

Mrs Edwardes: Just try the facts - no emotion.

Mrs WATKINS: I do not need a comment from the member for Kingsley. Perhaps I should start by looking at section 45 of the Joondalup Centre Act which says that where any surplus is available in cash in the account at the end of any financial year, the Treasurer may require the corporation to pay to the public account the whole or any part of that surplus, and the corporation shall comply with any such requirement. The Treasurer has never asked the corporation to return any of the accumulated surpluses.

Mrs Edwardes: So what is the point of that? We are talking about the future.

Mrs WATKINS: The member can interpret it as she likes. The member can do as she pleases; she generally does. The member does not normally stick to the truth very well.

The member for Kingsley has a habit of receiving letters from the City of Wanneroo which make a number of assertions. Instead of researching and finding out the truth, she shoots from the hip and puts an article in the paper which causes consternation to people in the community. That is exactly what she has done in this motion. It is extremely irresponsible of the member and it is also extremely irresponsible of the City of Wanneroo. The late Robert Holmes a Court when attending a symposium on "Joondalup: A System City" stated -

I think the first important thing is that the Corporation is simply an instrument of the State government. If it is seen in any other role it becomes very, very misleading.

Robert Holmes a Court was the Chairman of the Joondalup Development Corporation for a number of years.

It is difficult to decide which point of the motion I will argue against first. The member for Kingsley's motion states that if the Government does not allow the Joondalup Development Corporation to complete its independent charter it therefore ignores its achievements to date and future planned community and business projects. I find that difficult to understand. How can achievements be ignored? That is a fallacious argument.

I will outline some of the achievements to date. The developments between 1977 to 1983 were designed to introduce major infrastructure including the construction of services and future centres, the opening of the shire administration centre of the City of Wanneroo, development of Wanneroo Hospital, the development of the service trade estates and the basketball stadium. All of that occurred before 1983. The Labor Party then came into power and between 1983 and 1990 the achievements and the development of Joondalup have been absolutely enormous.

I will list some of those achievements: The Joondalup bus depot was opened in 1983; the

first stage of the basketball stadium was opened in September 1983; the first stage of the Connolly residential settlement was sold out by September 1985; in October 1985 the Joondalup Country Club opened; in 1986 a joint venture for the Joondalup city centre was negotiated; and in 1987 stage one of the Joondalup Western Australian College of Advanced Education was opened. In 1987-88 stages 1 and 2 of the Joondalup subdivision was opened, the international college was opened, and the Connolly Neighbourhood Centre, the medical centre and the service station were completed. In July 1988 the freeway extension to Ocean Reef Road was completed well before time. In 1988-89 the new offices housing the Joondalup Development Corporation, the Water Authority of Western Australia and the Ministry of Education were opened and work commenced on the police station and law courts. Of course, it was later than expected but it has been commenced. I suggest that the member for Kingsley have a look at how far the corporation has gone.

Mrs Beggs: Hon George Cash had his photo taken outside and took credit for it.

Mrs WATKINS: He did.

Mrs Edwardes: I do not apologise for that. So what?

Mrs WATKINS: Then there was the commitment to build the Perth-Joondalup rapid transit line.

Mr MacKinnon: What was that about the commitment to the railway?

The SPEAKER: Order!

Mrs WATKINS: The infrastructure is in place for the railway line, as the Leader of the Opposition well knows.

Mr MacKinnon: Have you seen any railway lines out there?

Mrs WATKINS: Has the Leader of the Opposition bothered to research it? Has he bothered to have a look? Has he talked to the people?

Mr MacKinnon: Have you seen any railway lines out there?

Mrs WATKINS: Of course I have not seen the railway lines.

The SPEAKER: Order! I think we have got the point.

Mrs WATKINS: I bet the Leader of the Opposition was an awful child.

On top of all that, building of Homeswest pensioner housing has commenced as has the construction of neighbourhood centres. A refuge centre and a large community centre will be established. The corporation had a painfully slow beginning with no thanks to the Liberal Party when it was in Government prior to 1983. The Joondalup Development Corporation has almost completed its tasks thanks to the support of the Labor Government.

I have already referred to the criticism of the Joondalup Development Corporation and back in 1983-84 the then Councillor Bradshaw came out attacking the Joondalup Development Corporation as he has done ad infinitum.

Mrs Edwardes: Because JDC was situated in St George's Terrace and we wanted the office out there. That was the reason.

Mrs WATKINS: The member for Kingsley was not living in the area in 1983-84, she was living in Tuart Hill. In 1983-84 Councillor Bradshaw was criticising Robert Holmes a Court for his lack of attendance at the corporation.

Mr Bradshaw: What is wrong with that? Is it true or false?

Mrs WATKINS: Am I having a go at the member's brother? I am sorry.

Mr Bradshaw: Just because he is upsetting you lately.

Mrs WATKINS: I do not think so. Ask him what my friend had in her hat on Sunday; it was a white feather with a yellow streak.

The SPEAKER: Order! Let us get back to the motion.

Mrs WATKINS: I apologise Mr Speaker. It is awfully difficult because the Opposition is being very naughty. It was a pity that even back in the early days of 1983-84 Councillor Bradshaw was criticising the Joondalup Development Corporation's achievements. He was not supporting it then and he has not supported it until now.

Mrs Edwardes: How many times since 1983 have you spoken in this House about the JDC let alone in support of it?

Mrs WATKINS: I will tell the member what I will do.

Mrs Edwardes: The only time was when a question was asked in 1983, a Dorothy Dix question, about the football facilities.

Mrs Beggs: Actions speak louder than words. Speaking in here does not achieve too many results.

Mrs Edwardes: That is my logo.

Mrs WATKINS: That is precisely right. I have spoken to the community on a number of occasions. The JDC has certainly been successful. In the relatively short space of 14 years it has carved from the virgin bushland a very good urban centre. I know all about the Connolly estate because I walked most of it with Bob Sharkey when he was its marketing manager. Therefore, I know how it has developed and I know how hard I have worked to ensure that the corporation has achieved its aims.

It really irks me to hear the member for Kingsley supporting the corporation now. I have not seen her near Joondalup before now and I have not heard her say a dicky bird about Joondalup. I would like to think that she was sincere in moving this motion.

Mrs Edwardes: Do not doubt my sincerity about this.

Mrs WATKINS: I do doubt the member's sincerity. In those 14 years the corporation has developed about 1 730 residential lots. That is almost 89 per cent of the anticipated total residential land. That is a remarkable achievement. However, the corporation has certainly identified a number of developments that it would like to complete. I think the member for Kingsley was suggesting that if the Joondalup Development Corporation was to come under the umbrella of the Office of Land Services that somehow the Government would suddenly say, "All right Joondalup, you have had your lot. We are not going to give you any more money." Nothing could be further from the truth. Why is the member for Kingsley laughing?

Mrs Edwardes: Sorry, I just think of the Joondalup police complex.

Mrs WATKINS: Does the member think about that? The residential area has been developed. The member for Kingsley has actually seen the plans for the city centre and if she has a look at those plans she would see that they are designed to link up with the railway system and with the bus station. The member should think again if she thinks that the Government would be stupid and foolish enough to back off from those plans. I would be sincerely happy if the Opposition gave a commitment to support the Government in its aims and objectives for the Joondalup centre.

Mrs Edwardes: Well, leave JDC where it is. Why are you taking it out?

Mrs WATKINS: I will get to that.

Mrs Edwardes: I hope it will be tonight.

Mrs WATKINS: For how long did the member for Kingsley speak?

Mr Bradshaw: You have only got 10 minutes.

Mrs WATKINS: No, I have not. We are going to adjourn this tonight. The following are developments that the Joondalup Development Corporation has identified: The completion and sale of all residential land; the development in Connolly and Joondalup and the neighbourhood city centre; the substantial completion of the major infrastructure program in the city centre; and the completion and operation of the Perth-Joondalup rapid transit system. There are many others. It could certainly be said that in practical terms JDC has made good the laying out of the Joondalup regional centre through the adoption of the Stephenson plan.

In March 1989, in an edition of *Australian Planner* Michael Kerry, the General Manager of Joondalup Development Corporation, said that -

Past and current activity of the corporation has gone a long way towards meeting its primary objects.

The member for Kingsley has suggested that there is something sinister in the Government's motives in incorporating the Joondalup Development Corporation into the Office of Land

Services. I do not believe there is anything sinister in it at all. I think one of the most positive moves the Government can make is to locate the Office of Land Services at Joondalup and to call on the expertise of people involved in the Joondalup Development Corporation to ensure that the local flavour stays there.

One of the things the Joondalup Centre Act says - and the member for Kingsley mentioned it on a number of occasions - is that once the corporation has substantially fulfilled its objectives it shall advise the Minister accordingly and the corporation shall be wound up in accordance with such directions. I put it to the member for Kingsley that, given the amount of development that has gone on there, and the infrastructure plans that have gone through, those objectives certainly have been substantially fulfilled. When asked about that winding up clause the Minister of the day, Hon Cyril Rushton, actually said the corporation would have a limited life, and that the Bill provided that it would be wound up when its task of developing the centre was substantially completed. I believe its task is substantially completed, although I think there is still a little way to go.

Mrs Edwardes: Quite a way to go, when you look at that city centre. Would you accept that it will take four to five years before that city centre is substantially completed?

Mrs WATKINS: I wish I had had a crystal ball in 1983 to estimate the amount of development that was going to happen.

Mrs Edwardes: So we really do not know how long, do we?

Mrs WATKINS: I suggest it would probably be a darned sight shorter than five years.

Mrs Edwardes: Even three or four years? Then it is not substantially completed.

Mrs WATKINS: As I said, I do not have a crystal ball; but I really do not believe the incorporation of Joondalup Development Corporation into the Office of Land Services would mean that the operations of the corporation would cease.

The ACTING SPEAKER (Mr Donovan): Order! Could I please have some cooperation from members? The Hansard reporter is having some difficulty hearing this member. I ask members to be somewhat quieter and to allow this member, whose voice is perhaps softer than those of certain other members in the House, to be heard.

Mrs Beggs: I think the member interjecting has her microphone on, which should not be the case, because she is speaking through her microphone over the top of the member on her feet.

Mr Clarko: The member on her feet should speak up a bit, as well.

The ACTING SPEAKER: Order! Whatever be the case, I am seeking the cooperation of members so that the Hansard reporter can hear the member for Wanneroo, as indeed I myself would like to.

Mrs WATKINS: Thank you, Mr Acting Speaker. What I am suggesting is that the incorporation of Joondalup Development Corporation into the Office of Land Services would not mean that the operations would cease. I suggest they would certainly continue on a much greater scale under the Office of Land Services; but the Office of Land Services certainly must be located at Joondalup. There is no other way, and I trust that the member for Kingsley, who tells us she has such a large knowledge of my electorate, will join me in my efforts to have the Office of Land Services situated at Joondalup.

Mr MacKinnon: The member for Kingsley is not going to be swayed from her opposition to the change in the first place, and neither are we.

Mrs WATKINS: I could say a great deal more but I would like to give the Minister representing the Minister for Planning an opportunity to say a few words before the debate is adjourned. I oppose the motion.

MRS BEGGS (Whitford - Minister for Transport) [5.23 pm]: I hoped we would be able to finish this debate today but unfortunately, as I have only about six minutes in which to speak, I will be able to make a start but then will have to adjourn the debate.

Mr Clarko: You can do that now if you do not want to start - if it suits you.

The ACTING SPEAKER (Mr Donovan): Order! That is highly disorderly. I think it is at least courteous, and certainly orderly, to allow the member on her feet to start her speech. I call the Minister for Transport and no-one else.

Mrs BEGGS: The Joondalup Development Corporation has played a very valuable role in the development of the northern suburbs. As other speakers this afternoon have pointed out, the Stephenson plan identified that the northern corridor would be one of the major growth corridors in the metropolitan area, which meant there would have to be some very specialised planning to accommodate that rapid growth. I think Professor Stephenson had great vision for what was to be metropolitan Perth into the future. As we know, in recent years there has been much criticism of that corridor plan and the planning recently has been to infill those corridors so that the urban expansion does not proceed faster than we can provide the services which are necessary.

I can remember when I first moved out to the northern suburbs in 1977. I lived in a Liberal electorate; all the seats out there were held by Liberals at the time. One of the things which struck me most about the northern suburbs was the fact that there was a very young population. There was a common interest that I had not experienced in other suburbs where I had lived.

Mr MacKinnon: What about Greenbushes?

Mrs BEGGS: Greenbushes had absolutely everything one would ever want.

Dr Turnbull: Unfortunately Greenbushes does not have everything it needs at the moment.

Mrs BEGGS: I do not know about that; all the nice people live in Greenbushes.

The common interest to which I referred was based around the sorts of activities that people could create for themselves in the northern suburbs at that time. There was no preschool education to speak of, there was a lack of public transport, and access to the city was very poor. The northern suburbs had a range of problems which created a great many social implications in those days. Of course, the Joondalup Development Corporation was not set up to look at improving the social aspects of the northern suburbs, but it was designed to ensure that as the residential areas increased it was able to develop the sorts of services required to support that increase in population. It was interesting to note as I read the *Hansard* of the debate on the Joondalup Centre Bill that Hon A.D. Taylor, a former Labor member for Cockburn and Minister in the Tonkin Government, who responded to the Minister in that debate, actually started talking about how the northern suburbs seem to be growing like Topsy. He said it was like little boxes after little boxes going out along the roads that had been established and not much thought had been given to what would be required in the years to come. He said at that time that the northern corridor appeared to be developing at a faster rate than any other section within the corridors. That was true. He said also that he did not know the area well enough, but the northern corridor was advancing at too fast a rate and was becoming a corridor of little boxes. He said the suburbs were proliferating one after the other, to the extent that the corridor was becoming one continuous row of houses which one had to pass through in order to reach areas of work or recreation.

Mr Lewis: What has changed?

Mrs BEGGS: A great deal has changed in the northern suburbs. That is a very naive statement from the member for Applecross. I do not know when he last went past Roe Street, but much has changed in the northern suburbs, and those changes have been outlined very clearly.

Mr Lewis: Roe Street? You are old!

Mrs BEGGS: It took the member a long time to get onto that. He was very slow and I was not going to point it out to him.

Mrs Edwardes: Before you sit down tonight, because I know your time is short, can you just tell me why -

Mrs BEGGS: No, I will make my speech as the member made hers, and I will make it in my time. I allowed the member to develop her argument and I will develop mine. I have a full 25 minutes left in which to speak and I intend to use it, but not tonight.

[Leave granted for speech to be continued.]

Debate thus adjourned.

CENTENARY OF THE STATE CONSTITUTION

Council's Message - Joint Sitting Agreement

Message from the Council received and read notifying that it had agreed to the resolution regarding the joint sitting of the Legislative Assembly and the Legislative Council on Sunday, 21 October 1990 to celebrate the centenary of the State Constitution.

JOINT SELECT COMMITTEE ON THE CONSTITUTION

Council's Message

Message from the Council received and read notifying that it had agreed to the resolution regarding the extension of reporting time for the Joint Select Committee on the Constitution.

[Questions without notice taken.]

House adjourned at 6.02 pm

QUESTIONS ON NOTICE

NATIONAL PARKS - NATURE RESERVES AND MARINE PARKS

Recommendations List

1236. Mr MINSON to the Minister for the Environment:

- (1) Is there a list of all proposed or anticipated national parks, marine parks, nature reserves and/or marine nature reserves?
- (2) If yes -
 - (a) what are these proposed or anticipated national parks, marine parks, nature reserves and/or marine nature reserves;
 - (b) when is it proposed to publicly advise the Notice of Intent for each of those proposed or anticipated national parks, marine parks, nature reserves and/or marine nature reserves;
 - (c) is there an approximate schedule for the proposals for any such parks or reserves being put before the Parliament, consistent with the provisions of the Conservation and Land Management Act;
 - (d) if yes to (c), what is this schedule;
 - (e) will complementary information on zoning and management of any such parks or reserves be provided concurrently with the tabling of any proposed Notice of Intent before the Parliament;
 - (f) will there be an amendment to the Conservation and Land Management Act to ensure that if there were such proposals for parks and nature reserves they would be accompanied by management plans and internal proposals?

Mr PEARCE replied:

- (1) Recommendations for new national parks, nature reserves, and marine parks were contained in the so-called "Red-Book Reports" adopted and published by the Environmental Protection Authority over a period during the late 1970s and early 1980s. Since then the EPA has established what is known as the "Red-Book Task Force" which has sought to put those recommendations into effect. A proportion of the recommended reserves remains to be implemented.

In addition there have been several land use studies conducted by the planning and other authorities which have included recommendations for reserves; for example, Shark Bay region plan, Abrolhos Islands study, and an update of the Red-Book Report pertaining to the Kimberley.

- (2)
 - (a) The member should consult the above documents for details.
 - (b) Notices of Intent are not published for national parks or nature reserves declared under the Land Act. Marine parks and marine nature reserves declared under the CALM Act require Notices of Intent to be published and require details of boundaries. Future Notices of Intent for CALM Act marine reserves will be issued as boundary details are prepared.
 - (c) There is no schedule for proposals for new reserves. Proposals are brought forward as resources permit.
 - (d) Not relevant.
 - (e) The CALM Act does not require that information be published in the Notice of Intent about proposed zoning of marine parks or marine nature reserves. That information is provided to the public in draft management plans issued after the reserves are declared.
 - (f) No such amendments are proposed. It would be a pointless exercise going through the complex planning process for a reserve which might not ever be declared.

PETROCHEMICAL INDUSTRIES CO LTD - DEAL

Main Reason

1293. Mr COWAN to the Premier:

- (1) What does the Premier now understand was the main reason for the Petrochemical Industries Company Limited deal?
- (2) What did she understand to be the main reason at the time?

Dr LAWRENCE replied:

- (1) I refer the member to my ministerial statement to the Legislative Assembly on 30 August 1990.
- (2) I refer the member to the Press statement of the Premier P88/327 dated 6 October 1988.

MULTICULTURAL AND ETHNIC AFFAIRS COMMISSION - REVIEW

Ethnic Community Organisations and Welfare Agencies Submissions

1399. Mr STRICKLAND to the Minister assisting the Minister for Multicultural and Ethnic Affairs:

- (1) Did the following major umbrella ethnic community organisations and welfare delivery agencies make submissions to the Multicultural and Ethnic Affairs Commission review -
 - (a) Ethnic Communities Council of Western Australia;
 - (b) North Perth Migrant Resource Centre;
 - (c) Fremantle Migrant Resource Centre;
 - (d) Migrant Welfare Workers Association now known as the Multicultural Council of Social Services;
 - (e) Catholic Migrant Centre?
- (2)
 - (a) Have reasons for not making a submission been sought or indicated;
 - (b) if so, with what reasons?
- (3)
 - (a) Has the Minister been approached to appoint a representative nominated by the Trades and Labor Council of Western Australia to the Commission;
 - (b) if so, on what occasions and with what result?
- (4) If yes to (3), what rationale was used in support of the approach?
- (5)
 - (a) Was a review of MEAC conducted in 1986-87;
 - (b) what was the cost and terms of reference?
- (6)
 - (a) Are individual agencies required to report annually on progress with regards to the implementation of access and equity;
 - (b) if not, how is feedback on this matter obtained by MEAC?

Mr GORDON HILL replied:

- (1) (a)-(e)
No.
- (2) (a)-(b)
One association indicated that it was unable to respond due to time constraints.
- (3) (a)-(b)
At the last round of appointments there was no approach on behalf of the Trades and Labor Council.
- (4) Not applicable.
- (5) (a) Yes.

- (b) \$13 420.

To review the future of ethnic affairs in Western Australia and identify the role of the Multicultural and Ethnic Affairs Commission within this.

To review the legislative remit underpinning the MEAC in relation to the powers, objectives and functions of the commission, and to identify where legislative change may be required.

To review the structure, administration and resources of the MEAC to ensure, with respect to proposed legislative amendments, that it is the most effective and efficient organisation to meet Government's objectives and the needs of ethnic communities living in Western Australia.

To review the relationship between the MEAC with other Government, non-Government services and community organisations in order to identify the level of liaison and interaction between these bodies and to clarify perceptions about the objectives and function of the commission.

- (6) (a) No.

- (b) Through ongoing liaison, meetings and discussions with individual public sector organisations and through negotiated joint projects. The commission is currently developing access and equity strategies in the Government sector on a whole of Government approach.

AGOCs, MR - EDUCATION LIAISON OFFICER SECONDMENT

Job Description

1400. Mr STRICKLAND to the Minister assisting the Minister for Multicultural and Ethnic Affairs:

- (1) What is the job description of the position "Education Liaison" Officer to which Mr Agocs was seconded?
- (2) What is the job description for the position "Executive Officer" to the Interim Community Relations Advisory Council?
- (3) Has there been any move to upgrade Mr Agocs' appointment from level 4 to level 5 and, if so, what are the details and reasons?
- (4) Have the duties required of Mr Agocs been changed and, if so, how?
- (5) In view of the lack of job advertising in the Gazette and a consequential lack of other applicants, was this secondment of Mr Agocs initiated by the Minister?
- (6) If not initiated by the Minister, can the Minister indicate the background to the secondment?
- (7) In view of the secondment being short term, can the Minister indicate the likely time frame for the secondment?

Mr GORDON HILL replied:

- (1) To liaise with the Ministry of Education and advise on a range of education related issues relevant to the needs of non-English speaking students, including resourcing the Multicultural and Ethnic Affairs Commission's Education Reference Committee and undertaking relevant projects as required.
- (2) To provide secretariat services to the Interim Ministerial Community Relations Advisory Council.
- (3) When a public sector employee is seconded from one agency to another, their salary is maintained at an equivalent level to that of their previous position. School teachers within the Ministry of Education were granted a salary increase by the Industrial Relations Commission with effect from 12 July

1990. In order that the seconded officer did not retrogress in salary and to ensure salary maintenance to the level that he would have been entitled to as a school teacher, his salary was increased to an equivalent level to his salary as a school teacher under the new school teacher's salary rates with effect from 23 July 1990.

- (4) Whilst acting as Education Liaison Officer, the officer was requested to provide 0.5 of his duties to act as Acting Executive Officer to the Interim Community Relations Advisory Council.
- (5) No.
- (6) The officer was interviewed for an advertised vacant policy position at the commission for which he was unsuccessful. During this process the selection panel noted that he possessed skills that would be invaluable in the commission's work with the Ministry of Education. On this basis the commission liaised with the Ministry of Education to secure his short term secondment to act in an education liaison capacity to further the objectives of educational needs of non-English speaking background students.
- (7) December 1990.

MULTICULTURAL AND ETHNIC AFFAIRS COMMISSION - MEMBERSHIP

1401. Mr STRICKLAND to the Minister assisting the Minister for Multicultural and Ethnic Affairs:

- (1) What is the present status of members of the Multicultural and Ethnic Affairs Commission who were appointed for a three year term expiring in July 1991?
- (2) Does the Minister have the power to terminate commission members' appointments and, if so, by what authority?
- (3) Has the Minister written to commission members to either explain their situation or to give thanks for services rendered?
- (4) Were commission members entitled to remuneration and, if so, what are the details and/or criteria which allow a claim to be lodged?
- (5) What remunerations, if any, were paid on an annual basis to members of MEAC by member for each year since 1983?

Mr GORDON HILL replied:

- (1) Commission members who have been appointed on terms which expire on 30 June 1991 maintain their status.
- (2) Please refer to the Multicultural and Ethnic Affairs Commission Act (1983).
- (3) Verbal advice was given at a special meeting convened at Parliament House and the Minister will be hosting a further function in the near future.
- (4) As outlined in ministerial circular No 2/88 entitled, "Remuneration - Part time Members of Boards and Committees".
- (5) Commission members have been paid according to the remunerations outlined in the regulations cited in question (4) and in accordance with the Multicultural and Ethnic Affairs Commission Act.

MULTICULTURAL AND ETHNIC AFFAIRS COMMISSION - INCITEMENT TO RACIAL HATRED LEGISLATION

1402. Mr STRICKLAND to the Minister assisting the Minister for Multicultural and Ethnic Affairs:

- (1) When did the Multicultural and Ethnic Affairs Commission first raise the question of the need for Incitement to Racial Hatred legislation?
- (2) On what occasions was the matter raised and referred to in the minutes of MEAC?
- (3) Did the members of the Commission request and/or receive deputations to the Minister to raise matters direct with the Minister?

- (4) If yes to (3), on what occasions did deputations occur and what was the main thrust of matters raised?

Mr GORDON HILL replied:

- (1) Please refer to formal notification in the Multicultural and Ethnic Affairs Commission's annual reports for -

1986-87

1987-88

1988-89.

- (2) The issue of legislation was discussed many times at meetings of the commission. These discussions are too numerous to be specific.

- (3) Yes.

- (4) Commission members are entitled to discuss matters with the Minister on a private basis and have done so on numerous occasions.

BELL GROUP SHARES - NATIONAL COMPANIES AND SECURITIES COMMISSION INQUIRY

State Government Insurance Commission - False Evidence

1405. Mr COURT to the Premier:

- (1) Is the Premier aware that -

- (a) in a memorandum prepared by the National Companies and Securities Commission in relation to their inquiry into the purchase of Bell Group shares by the State Government Insurance Commission and Bond Corporation, they clearly explained that the SGIC had given false evidence to the Commission in a reply to their request of 5 May when they asked for "details of any contact between members or staff of the SGIC and Bond, Mr Skase or any parties representing those persons, or any other persons concerning the shares in the Bell Group, Bell Resources or any associated or related companies in relation to any negotiations or discussions with Mr Holmes a Court and his representatives during the period leading up to the acquisition";

- (b) that the SGIC replied to this request the following day, 6 May 1988 and advised "the State Government Insurance Commission negotiations and discussions with Mr Robert Holmes a Court for the purpose of the subject shares were conducted by it independently of any other party, and there was no contact as referred to in relation to any such negotiation or discussions";

- (c) the NCSC proved that this information was misleading and they spelt out in detail where collusion had in fact occurred?

- (2) Will the Government now table all the correspondence in relation to the false information given to the NCSC inquiry?

- (3) Who was responsible for providing this false information?

- (4) Does the Government accept that this offence is extremely serious and requires the responsible people to be brought to account?

- (5) If yes to (4), when will this occur, and what action does the Government propose taking?

Dr LAWRENCE replied:

- (1) I am advised that the memorandum was prepared and released by the NCSC on 3 June 1988 at the conclusion of its inquiry into the circumstances of the sale by Mr Robert Holmes a Court of the major part of his shareholding in the Bell Group Limited. The NCSC said that it had come to the tentative view that there might have been some understanding between the SGIC and Bond Corporation in relation to the future management control of BGL. In particular, that Bond Corporation would assume that control with at least the

tacit acquiescence of the SGIC. The NCSC also said that, "It should be pointed out, however, that no final views had been formed."

These statements by the NCSC were made without affording any party the opportunity to answer any allegations which the NCSC might have been inclined to make, as would have been required had the NCSC been inclined to make any determinations or findings of fact. Neither the Chairman of the SGIC nor any of its executives were called as witnesses. I understand that correspondence passed between the NCSC and the SGIC in early May 1988 in which the NCSC asked questions of the SGIC in connection with its acquisition of shares in Bell and the SGIC answered those questions.

I direct the member to the statement of the NCSC from which he purports to derive his material and also to the answers to questions without notice Nos 362 and 404.

(2)-(4)

These questions would appear to be based on a false premise.

(5) Not applicable.

PACRIM CONFERENCE - BUSINESS ACTIVITIES AND EXPORTS INCREASE
Future and Tangible Measurable Results

1486. Mr MENSAROS to the Premier:

Would the Premier inform the House what are the -

- (a) already tangible measurable results;
- (b) results to be expected in the future;

from the recent PACRIM Conference by way of increasing business activities in and exports from Western Australia?

Dr LAWRENCE replied:

It is a little premature to quantify the trade results for Western Australia from the PACRIM 1990 Conference. However, through the business opportunities program this State has been able to extend its database on corporate activity and trade investment opportunities. Obviously a high percentage of investment and trade arrangement which result from PACRIM conferences are developed between the private sector participants and are therefore difficult to measure by Government.

**PORTS AND HARBOURS - ROUS HEAD COMMERCIAL BOAT HARBOUR
AND INDUSTRIAL PARK**
Completion

1495. Mr COURT to the Minister for Transport:

- (1) Has the Rous Head Commercial Boat Harbour and Industrial Park been completed?
- (2) If yes, what has been the total cost of this development?
- (3) How much land is available for lease?
- (4) What is the cost of leasing the land?
- (5) Did the Government prepare a commercial feasibility on this development prior to its construction commencing?
- (6) Is the Government achieving the budget of figures in the feasibility?

Mrs BEGGS replied:

- (1) Yes.
- (2) The total cost of the Rous Head commercial boat harbour and industrial park development is approximately \$17 million.
- (3) Of a total reclamation area of approximately 30 hectares, about 22 hectares is available for lease.

(4) Rental prices vary from \$7 to \$12 per square metre per annum.

(5)-(6)

Yes.

URANIUM MINING - GOVERNMENT POLICY

1497. Mr COURT to the Premier:

- (1) Now that the Federal Minister for the Environment, Hon R. Kelly, has backed uranium mining in Kakadu National Park, provided strict environmental standards were met, will the Premier change her attitude to uranium mining in Western Australia?
- (2) If yes, when would the Premier grant approval for the first mine to commence operations?

Dr LAWRENCE replied:

- (1) It is my understanding that the Federal Minister for the Environment made comments about Kakadu National Park in response to a hypothetical question. The Federal Government's policy on uranium mining in Australia remains unchanged and the Federal Minister for the Environment adheres to that policy. The State Government's policy is that there will be no uranium mining in Western Australia. I have publicly stated that I will uphold that policy during my term in office.
- (2) Not applicable.

HOSPITALS - MT HENRY HOSPITAL

AIDS Patient Ward

1511. Mr BRADSHAW to the Minister for Health:

- (1) When was the Acquired Immune Deficiency Syndrome patient ward completed at Mt Henry Hospital?
- (2) What was the cost to convert the ward?
- (3) How many AIDS patients have been admitted to this ward since it was completed?
- (4) Have any staff been specially trained to work in this ward?
- (5) If yes to (4), how many and at what cost?

Mr WILSON replied:

- (1) 29 April 1988.
- (2) \$380 000.
- (3) None. The Commonwealth funds made available to develop facilities for AIDS patients were used for this purpose on the expectation that rapidly rising numbers of AIDS patients would overwhelm inpatient services at Royal Perth Hospital. In the event, three factors changed the picture for AIDS patient management.

Firstly, the rise in the number of AIDS patients was less than anticipated. Secondly, marked improvements in 1988 in the treatment of acute crises in AIDS patients and the more widespread use of AZT meant that most AIDS patients began to spend only short periods of time in hospital with long intervals under home care. Thirdly, the availability of support for domiciling care rose sharply with full participation of Silver Chain commencing in 1988 and the availability of a large cohort of AIDS Council volunteers. This meant that in most cases AIDS patients could stay out of hospital and receive adequate nursing care at home.

In short, the need for facilities at the Manning Unit was overtaken by unanticipated changes in the demand for inpatient services such as were available at Mt Henry. For these reasons, the Manning Unit is now used for the care of terminally ill youth.

- (4) No special training program was involved. Some staff were given a chance to review some aspects of infection control but this represents only an upgrading of skills that are not specific to AIDS.
- (5) Not applicable.

DEFAMATION ACTIONS - MINISTERS OF THE CROWN
Legal Expenses Policy

1513. Mr WATT to the Premier:

- (1) What is the Government's policy in relation to the payment of legal expenses in each of the following circumstances -
 - (a) when a Minister sues or is sued for defamation in a matter relating to Ministerial responsibilities;
 - (b) when a Minister sues or is sued for defamation in a matter not relating to Ministerial responsibilities;
 - (c) when a Government member sues or is sued for defamation;
 - (d) when a shadow Minister sues or is sued for defamation in a matter relating to shadow Ministerial responsibilities;
 - (e) when a shadow Minister sues or is sued for defamation in a matter not relating to shadow Ministerial responsibilities;
 - (f) when an Opposition member sues or is sued for defamation?
- (2) What is the Government's policy in relation to the payment of damages where a successful libel action is brought against -
 - (a) a Minister in an action relating to Ministerial responsibilities;
 - (b) a Minister in an action not relating to Ministerial responsibilities;
 - (c) a Government member;
 - (d) a shadow Minister in an action relating to shadow Ministerial responsibilities;
 - (e) a shadow Minister in an action not relating to shadow Ministerial responsibilities;
 - (f) an Opposition member?
- (3)
 - (a) Where the legal expenses are paid by the Government for a successful defamation action, taken by a Minister in relation to the Minister's responsibilities, what is the Government's policy regarding reimbursement of legal expenses or retention of the amount of damages awarded;
 - (b) where the legal expenses are paid by the Government for a successful defamation action, taken by a Minister other than in relation to the Minister's responsibilities, what is the Government's policy regarding reimbursement of legal expenses or retention of the amount of damages awarded?

Dr LAWRENCE replied:

- (1)(a)-(b), (2)(a)-(b), (3)(a)-(b)

The State's policy in respect of the circumstances in which it may meet the legal expenses and damages awarded against Ministers of the Crown and public servants, and may provide an indemnity as to legal costs in respect of actions by Ministers and public servants, has previously been tabled.

- (1)(c)-(f), (2)(c)-(f)

The State would not normally contemplate the reimbursement of legal expenses or damages in respect of actions for defamation against any other member of Parliament.

**CRIMINAL CODE AMENDMENT (RACIAL HARASSMENT AND INCITEMENT TO
RACIAL HATRED BILL - AMENDMENT PROPOSALS**

Community Reaction Survey

1514. Mr STRICKLAND to the Minister assisting the Minister for Multicultural and Ethnic Affairs:

- (1) Has the ministerial committee advising on community relations recently conducted a survey to gauge reactions to amendments proposed by the legislation committee of the Legislative Council on the Incitement to Racial Hatred bill?
- (2) What were the questions asked in this survey?
- (3) How was the survey undertaken?
- (4) How many respondents were there to the survey and how many people and/or groups were surveyed?
- (5) Was the sample for the survey limited to any particular ethnic groups and if so, which groups?
- (6) In consideration of the fact that the bill will impact on all Western Australians, will the survey be extended to a representative sample of the community as a whole, and if not, why not?
- (7) Was professional advice taken in the preparation of the survey to prevent bias and if so what was the advice?
- (8) Which body or who produced the survey and does the Minister endorse the form of the survey and the methodology used in carrying it out?

Mr GORDON HILL replied:

- (1) Yes.
- (2) The questions asked relate to whether respondents favoured the Government's proposed Bill, or favoured the Legislation Committee's proposed amendments.
- (3) By telephone.
- (4) 101 responses were made.
- (5) No.
- (6) No, the survey and the report have been completed and the Act proclaimed.
- (7) Yes, advice was provided by the officers of the Multicultural and Ethnic Affairs Commission.
- (8) The Ministerial Advisory Council on Community Relations produced the survey with the assistance of the Multicultural and Ethnic Affairs Commission. The Minister in Cabinet has endorsed the findings of the survey.

**CRIMINAL CODE AMENDMENT (RACIAL HARASSMENT AND INCITEMENT TO
RACIAL HATRED BILL - AMENDMENT PROPOSALS**

Community Reaction Survey

1515. Mr STRICKLAND to the Minister assisting the Minister for Multicultural and Ethnic Affairs:

- (1) With respect to the recent survey seeking responses to proposed amendments to the Incitement to Racial Hatred Act were only supporting comments or rationale used as part of the survey?
- (2) Will the Minister supply me with a copy of the complete survey documentation and if not why not?
- (3) Will the Minister's advisory committee on Community Relations be monitoring the impact of the legislation over the next 24 months, and if so what methodology will be used?

- (4) Will the Minister be prepared to provide me with a copy of any survey undertaken, along with the results of the survey when the results have been reported and if not, how then will the information be conveyed to the Opposition?

Mr GORDON HILL replied:

- (1) No.
 (2) No. The survey forms part of a confidential Cabinet document.
 (3) Yes. The methodology has yet to be decided.
 (4) If warranted, I am prepared to brief the Opposition on these matters at their request. If the member is referring to the results of the Ministerial Advisory Council on Community Relations' monitoring of the legislation, it is expected that the results will be made available to the Parliament.

STATE LIBRARY - BOOK LABELS

Computerib Australia, Osborne Park - New South Wales Printing

1517. Mr MENSAROS to the Minister representing the Minister for The Arts:

- (1) Does the State Library use book labels supplied by Computerib Australia in Osborne Park?
 (2) Are these labels printed in New South Wales?
 (3) Is it the Government's policy to give preference to local goods and services particularly if available for the same cost?
 (4) If yes to (3), would the Minister make endeavours for the Government departments and agencies to use locally printed labels?

Mrs BEGGS replied:

- (1) The Library and Information Service of Western Australia uses book labels supplied by Computerib Australia.
 (2) The labels are not printed.
 (3)-(4) Yes.

WESTRAIL - MARSH TRANSPORT

Involvement

1520. Mr McNEE to the Minister for Transport:

- (1) Does Westrail have any involvement, either directly or indirectly, through its joint venture partners, with Marsh Transport?
 (2) If yes to (1), what is the nature of the relationship and when did it begin?

Mrs BEGGS replied:

- (1)-(2) Marsh Transport became part of Total Western Transport Pty Ltd on 3 May 1988. Westrail has a 50 per cent interest in Total Western Transport Pty Ltd.

WESTERN AUSTRALIAN TOURISM COMMISSION - MARKETING AND PROMOTION EXPENDITURE

1527. Mr MacKINNON to the Minister for Tourism:

- (1) How much was expended by the Western Australian Tourism Commission on marketing and promotion during the year ending 30 June 1990?
 (2) Would the Minister break down that expenditure into the areas of -
 (a) international marketing and promotion;
 (b) interstate marketing and promotion;
 (c) intrastate marketing and promotion;

- (3) Would the Minister further break that down into the areas in which the marketing and promotion expenditure was concentrated - i.e. through which form of media?

Mrs BEGGS replied:

- (1) \$14.943 million.
- (2) (a) \$2.806 million.
(b) \$4.002 million.
(c) \$8.135 million.
- (3)
- | | |
|------------------|------------|
| Trade media | 228 537 |
| Newspapers | 845 879 |
| Magazines | 407 667 |
| Radio | 113 295 |
| Television | 627 510 |
| Public relations | 281 107 |
| Direct mail | 133 005 |
| Brochures | 1 282 747 |
| Media production | 855 772 |
| Direct sales | 10 167 481 |

Total \$14 943 000

WESTERN AUSTRALIAN TOURISM COMMISSION - RAINBOW COAST
TOURISM DIRECTORATE

Funding

1529. Mr MacKINNON to the Minister for Tourism:

What funding either direct or indirect was provided by the Western Australian Tourist Commission to the Rainbow Coast Tourism Directorate during the year ending 30 June 1990?

Mrs BEGGS replied:

The Rainbow Coast Tourism Directorate received a total of \$46 800 in funding from the Western Australian Tourism Commission.

LAND - MITCHELL FALLS AREA

Camper and Tourist Damage

1533. Mr KIERATH to the Minister for the Environment:

- (1) Has the Minister received a letter dated 6 August 1990, from a resident of Riverton Drive, Shelley, expressing concern at damage being done in the Mitchell Falls area by campers and other tourists?
- (2) Are there any proposals aimed at reducing such damage in the area and, if so, what are these proposals?

Mr PEARCE replied:

- (1) Yes.
- (2) To raise public awareness of how to see and appreciate the area without placing undue pressure on it, through the dissemination of leaflets, recent publication of the book *North West Bound* and through personal contact by CALM staff where possible.

ENVIRONMENTAL PROTECTION ACT - BREACHES

Legal Proceedings Delay

1535. Mr KIERATH to the Minister representing the Attorney General:

- (1) What is the general length of time taken currently for the institution of legal proceedings against those who breach the Environmental Protection Act?
- (2) Is the Minister aware of the concern among environmental groups that delays in the institution of legal proceedings for breaches of the Act are far too long?

- (3) Can anything be done to expedite such legal proceedings so that prosecutions have maximum affect on the companies concerned and the community is assured that environmental prosecutions are being acted upon in a responsible manner?

Mr D.L. SMITH replied:

- (1) Twelve months.

(2)-(3)

Some concern has been expressed, but I do not agree that delays are too long. Environmental prosecutions are taken responsibly. I am advised that the time for commencement of proceedings reflects the complexity in the gathering of evidence, including the time required for analysis of material.

HOSPITALS - BUNBURY REGIONAL HOSPITAL
Extra Staff

1539. Mr BRADSHAW to the Minister for Health:

- (1) Were extra staff promised for the Bunbury Regional Hospital in either late 1988 or early 1989 when a number of beds were closed because of a nurse shortage?
- (2) If so, were those extra staff employed and funded?
- (3) If not, why not?

Mr WILSON replied:

- (1) 11.88 FTE extra staff were promised in 1988-89.
- (2) Yes.
- (3) Not applicable.

MINERAL SANDS - BHP-UTAH MINERALS INTERNATIONAL (IRON ORE)
Beenup Proposal - Environmental Protection Authority Assessment

1554. Mr KIERATH to the Minister for the Environment:

- (1) Is the Environmental Protection Authority currently assessing a proposal by BHP/Utah to mine for heavy mineral sands at Beenup near Augusta?
- (2) Did the EPA, in its report on the Jangardup project, express its concern about heavy haulage routes from the lower south west to the port of Bunbury?
- (3) Did the former Minister for Resources Development, Mr Parker, release a South West Mineral Sands Strategy which supports the use of rail transport for mineral sands from the Beenup and Jangardup projects?
- (4) Is the EPA currently assessing this strategy in its study of the Beenup proposal?
- (5)
 - (a) Does it appear to the Minister that his colleague, the Minister for Transport, has pre-empted the EPA's decision on transport options by announcing that the transport of mineral sands from the south coast will be by road;
 - (b) if so, is the Minister concerned at that action?
- (6) Can the Minister reassure the Parliament that the EPA's role in the assessment of the project has not been pre-empted by the action of the Minister for Transport?

Mr PEARCE replied:

- (1) Yes.
- (2) Yes.
- (3) The question should be referred to the Minister for Resources.
- (4) The Environmental Protection Authority - EPA - is considering all relevant information available.

- (5) (a) The EPA evaluates proposals put to it. Transport routes are to be further considered in a separate assessment.
- (b) Not applicable.
- (6) Yes.

PORT KENNEDY PROJECT - COASTAL PLANNING AND MANAGEMENT POLICY

1556. Mr KIERATH to the Minister for the Environment:

- (1) Did the Burke Government release a coastal planning and management policy in October 1983?
- (2) As clause 7 of this policy states that "places of unique landscape, scientific and cultural significance should be conserved and managed, including geomorphological, ecological, anthropological and historic sites", is the Minister aware that the scientific community believes that Port Kennedy is an area of outstanding scientific and ecological importance (see Environmental Protection Authority Bulletin 429)?
- (3) Why therefore has the Minister approved a tourist development at Port Kennedy?
- (4) Is the area of Wambro Sound adjacent to the proposed Port Kennedy tourist development an important fish breeding area?
- (5) As clause 8 of the policy referred to in (1) above states, "Coastal waters support primary food production upon which fish depend. Their habitats and particularly areas of high biological productivity, should be protected", can the Minister please explain how his approval of the Port Kennedy proposal is consistent with clauses 7 and 8 of the Government's own policy on coastal planning and management?

Mr PEARCE replied:

- (1) Yes.
- (2) Yes.
- (3) My conditional approval is consistent with the policy.
- (4)-(5) Again, the conditions attached to the approval will, I believe, protect habitats and areas of high biological productivity and are consistent with the policy.

CONSERVATION AND LAND MANAGEMENT DEPARTMENT- OFFICERS *Water and Birdlife Monitoring Activities - Private Landowner Contact Requirement*

1560. Mr TUBBY to the Minister for the Environment:

- (1) Are Department of Conservation and Land Management officers required to contact landowners before venturing onto private property for testing of wetland water quality and the counting of birdlife?
- (2) If so, what procedures are followed to locate absentee landowners?

Mr PEARCE replied:

- (1)-(2) Officers engaged in ongoing monitoring activities seek the consent of the land occupier prior to conducting a survey when entry onto a property by vehicle is necessary. Where an occupier is not present, the surveyor will attempt to make contact on subsequent visits.

Where vehicle access is not required, or a property residence is not within close proximity to a wetland, a survey may be carried out without contact with the land occupier.

**MINISTERS OF THE CROWN - MINISTERS FOR CONSERVATION AND LAND
MANAGEMENT AND THE ENVIRONMENT**

Separate Minister Cessation

1575. Mr MINSON to the Premier:

- (1) When did there cease to be a separate Minister for Conservation and Land Management and the Environment?
- (2) Why did the Government decide not to have a separate Minister for Conservation and Land Management and the Environment?
- (3) Now that the Minister with responsibility for the Environmental Protection Authority and the Minister with responsibility for the Department of Conservation and Land Management are combined as a single Minister for the Environment, how will the Minister proceed in situations of conflict of interest, such as now exists, with the Chief Executive Officer of the EPA requiring the consent of his Minister before he can institute a prosecution against the Department of CALM for causing or allowing pollution by causing or allowing logging in Shannon National Park?

Dr LAWRENCE replied:

- (1) 19 February 1990.
- (2) The title "Minister for the Environment" better expressed the Government's integrated approach to environmental matters.
- (3) All decisions will be in accordance with my ministerial oath -

I, ROBERT JOHN PEARCE

do solemnly and sincerely affirm and declare that I will well and truly serve Our Sovereign Lady Queen Elizabeth the Second, Her Heirs and Successors, in the office of Minister for the Environment and I will do right to all manner of people after the laws and usages of this realm, without fear or favour, affection or ill-will.

**COMPANY AUDITORS AND LIQUIDATORS DISCIPLINARY BOARD -
AUDITORS**

Deregistration

1584. Mr GRAYDEN to the Minister representing the Attorney General:

Has the Companies Auditors and Liquidators Disciplinary Board ever had occasion to deregister any Western Australian auditors for failing to properly carry out their duties under the Companies Code?

Mr D.L. SMITH replied:

Yes.

AUDITORS - CORPORATE MISDEMEANOUR REPORTS

Policy Statement Effects

1585. Mr GRAYDEN to the Minister representing the Attorney General:

Has the policy statement, warning auditors of their duties to report corporate misdemeanours, which was recently issued by the National Companies and Securities Commission had any discernable effect as yet in Western Australia and, if so, to what extent?

Mr D.L. SMITH replied:

No.

DUCKS - SPECIES STATISTICS

1586. Mr GRAYDEN to the Minister for the Environment:

- (1) Has there been any attempt to estimate the approximate number of -
 - (a) Australian Shelduck;
 - (b) Pacific Black Duck;

- (c) Gray Teal;
- (d) Chestnut Teal;
- (e) Australasian Shoveler;
- (f) Pink-eared Duck;
- (g) Hardhead;
- (h) Maned Duck

in Western Australia during an average year?

- (2) If so, what is the approximate number for each of the species listed?

Mr PEARCE replied:

- (1)-(2)

At the beginning of the 1990 shooting season the Department of Conservation and Land Management's estimates of game ducks were -

(a)	Australia Shelduck	150 000
(b)	Pacific Black Duck	250 000
(c)	Gray Teal	400 000
(d)	Chestnut Teal	10 000
(e)	Australasian Shoveler	12 000
(f)	Pink-eared Duck	40 000
(g)	Hardhead	84 000
(h)	Maned Duck	40 000

DANS, HON D. - GOVERNMENT EMPLOYMENT

1594. Mr MacKINNON to the Premier:

- (1) What positions does the former Leader of the Legislative Council, Hon D. Dans, now hold with Government or semi-Government agencies?
- (2) How much is Hon D. Dans paid for those services?
- (3) What do those services entail?

Dr LAWRENCE replied:

- (1) Chairman, Western Australian Port Operations Task Force.
- (2) \$36 000 per annum.
- (3) Chairing the Western Australian Port Operations Task Force, a tripartite group concerned with operational problems at the State's ports, and representing the Task Force on Waterfront Reform Working Group.

RALLY AUSTRALIA - OSBORN, MR JOHN

Captor Nominees Pty Ltd Interest

1596. Mr MacKINNON to the Minister for Tourism:

- (1) Is the Minister aware of the report in *The West Australian* of Saturday, September 22 that John Osborn, Chairman of Eventscorp, the organisation responsible for the conduct of Rally Australia, has an interest in the company, Captor Nominees Pty Ltd, which handled the mobile catering for this event?
- (2) Prior to that article, was the Minister aware of this outside business interest of Mr Osborn?
- (3) Does that private investment of Mr Osborn's meet with Public Service guidelines set down for this type of pecuniary interest held by senior public officials?
- (4) If not, or if the Minister is not aware of this involvement by Mr Osborn in the private sector, will the Minister launch an immediate inquiry into these outside interests of Mr Osborn and report to the House on their propriety or otherwise?

Mrs BEGGS replied:

(1)-(2)

Yes.

(3) Mr Osborn's interest is allowable within the context of the Western Australian Tourism Commission Act 1983, under which he was appointed chairman. The Act calls for commissioners to declare any pecuniary interest in matters which are before the commission. Mr Osborn declared his interest and abstained from voting on the issue related to Captor Nominees Pty Ltd.

(4) Not applicable.

LAND - CANNING LOCATION 1073 RESERVE No 27598
Government Policy Review - Future Use Decision

1601. Mr MacKINNON to the Minister representing the Minister for Lands:

(1) Has the Government's review of policy, as referred to in answer to question 326 of 1989, yet been completed?

(2) If not, when is it likely this review will be completed?

(3) Is the Minister aware that the Canning Location 1073 Reserve No 27598 still remains vacant, idle land as a consequence of this review?

(4) Will the Minister indicate when it is likely that a decision will be made with respect to this land?

(5) If not, why not?

Mrs BEGGS replied:

(1)-(5)

Cabinet has approved changes to the existing guidelines for the disposal of reserves created under the subdivisional process. All local governments have recently been advised of these changes. In view of these changes, the Department of Land Administration will be approaching the City of Canning in the near future to resolve problems in relation to Reserve No 27598.

TRANSPORT - FUTURE PERTH TRANSPORT STRATEGY COMMITTEE
Meetings

1621. Mr MacKINNON to the Minister for Transport:

(1) How many times have the members of the Future Perth Transport Strategy Committee met since it was established in October 1989?

(2) What has been the result of those meetings to date?

Mrs BEGGS replied:

(1) Nine times.

(2) The committee has presented me with an interim report on its work. Based on initial strategy development and assessments, a public discussion paper will be produced shortly. Surveys of community and individual attitudes and expectations, with respect to transport issues, are currently being undertaken.

TRANSPORT - INTERNATIONAL AIRPORTS FOR THE NORTH OF THE STATE
TRANSPORT STRATEGY COMMITTEE
Meetings

1622. Mr MacKINNON to the Minister for Transport:

(1) How many times have the members of the International Airports for the North of the State Transport Strategy Committee met since its establishment?

(2) When was it established?

(3) What has been the outcome of those meetings?

Mrs BEGGS replied:

(1) Four times.

- (2) 28 November 1988.
- (3) The committee published a report at the end of its deliberations. This was subsequently accepted by Government and is presently being acted upon.

TRANSPORT - GRAIN TRANSPORT STRATEGY COMMITTEE

Meetings

1623. Mr MacKINNON to the Minister for Transport:

- (1) How many times since February 1987 have the members of the Grain Transport Strategy Committee met?
- (2) What has been the outcome and result of those meetings?

Mrs BEGGS replied:

(1)-(2)

I am advised that the strategy committee met twice after February 1987, culminating in the production of an interim report in November 1987. That report formed the basis of State Government submissions to the Grain Royal Commission. The strategy committee's work was terminated following the presentation of the Royal Commission report in early 1988.

PETROLEUM EXPLORATION - LICENCE APPLICATIONS

1624. Mr MENSAROS to the Minister for Mines:

Will the Minister inform the House as to the extra effort and/or incentives being applied by the Minister and the Mines Department to obtain petroleum exploration licence applications in view of the increased prices of petroleum products?

Mr CARR replied:

This Government has always recognised the need to encourage and assist exploration for and development of our petroleum resources. It is necessary for Australia to increase its petroleum search to identify all of its available petroleum resources and not only because of the situation in the Middle East.

Prior to 1983, there were only four producing oil and gasfields in Western Australia; soon there will be 20, a 500 per cent increase since this Government came into office. The Government has been developing various strategies for some time and is hopeful that they will result in further petroleum discoveries being made.

In August this year, I announced a new strategy which enables all of the vacant area on the State's oil and gas regions to be made available for exploration. This strategy is designed to encourage Statewide exploration. The Department of Mines has been aggressive in encouraging speculative seismic surveying in Western Australia and its offshore areas. Western Australia leads the nation in this type of petroleum exploration which is often a prelude to the award of exploration permits and accelerated drilling.

Next month I will be inviting applications for new exploration permits in our adjacent areas. I understand that Western Australia is the only State nominating exploration acreage in this first call for offshore applications since the Iraq-Kuwait conflict.

This Parliament has recently endorsed substantial amendments to the petroleum legislation to improve efficiency and responsiveness to industry requirements. Further amendments are presently being drafted which will allow for drilling reservations; a short term title to encourage the early drilling of prospects.

NATURAL GAS - CONSUMPTION

Future Demand Increase

1625. Mr MENSAROS to the Minister for Fuel and Energy:

- (1) What is the quantity of natural gas consumption per year expressed in cubic feet per day within the State -

- (a) supplied by the State Energy Commission of Western Australia;
- (b) supplied by private sources?
- (2) How is future demand expected to increase within the next 10 years?
- (3) Will supply be able to cover this expected increased demand?

Mr CARR replied:

- (1) For 1989-90 -
 - (a) the quantity of natural gas supplied within Western Australia by the State Energy Commission was the equivalent of 360 million cubic feet per day of which approximately 280 million cubic feet relates to non-power station consumption;
 - (b) the quantity supplied by private sources is estimated to have been around 12 to 13 million cubic feet per day.
- (2) Over the next 10 years, to 1999-2000, natural gas demand is expected to rise to around 340 million cubic feet per day excluding gas used in power stations. The quantity of gas to be used in power stations cannot be estimated until the decision in relation to the State's next major power station has been made.
- (3) Yes.

QUESTIONS WITHOUT NOTICE

DAYLIGHT SAVING LEGISLATION - LIBERAL MEMBERS DIVIDED VIEWS

448. Mr CUNNINGHAM to the Premier:

- (1) Is the Premier aware of reported statements made today by the Deputy Leader of the Opposition that Liberal Party members were divided on whether daylight saving should be introduced this summer?
- (2) How does this affect the Government's decision not to introduce daylight saving legislation?

Dr LAWRENCE replied:

(1)-(2)

As members would be aware, over a great many years the Government has supported the principle of daylight saving and daylight saving legislation. We were amazed yesterday to hear the Opposition telling the people of Western Australia that we would have to live with the three hour time difference in perpetuity. The Opposition is trying to keep us apart from the rest of Australia on some very strange presumption of keeping us in line with some parts of South East Asia. As I said yesterday and earlier in the week, unless there was some commitment from the Opposition parties, I was not prepared to waste the time of the Parliament with legislation. However, it is clear from reports in the media today, and from statements by the Deputy Leader of the Opposition, that there are some Liberal Party members, possibly in the upper House, who have some good sense. Therefore, the Government proposes in the interests of the people of Western Australia to introduce legislation to test the will of that House. We well know that members opposite are not able to control their members in the other House and that they move around willy-nilly on issues; if this is an issue on which they will move, we will be delighted. The people of Western Australia would welcome the possibility - briefly entertained as it may be because I have no confidence in members of the upper House - of daylight saving being tested thoroughly. It would have enormous advantages in Western Australia for business, as members of the Opposition have argued, for the media, as those in the Press Gallery would know, for Government, as we need to deal frequently across State borders, and indeed for the leisure time activities of the people of Western Australia.

TRANSPORT - ONE CENT PER TONNE PER KILOMETRE CHARGE

Legislation Section

449. Mr MINSON to the Minister for Transport:

- (1) Under which section of which Act of Parliament and under which regulation has the Government introduced the one cent per tonne per kilometre tax on fertiliser carted on roads in areas serviced by rail?
- (2) The determination under the Transport Coordination Act - section 21(1)(b) - applies; when was this determination made, the schedule printed and the information promulgated?

Mrs BEGGS replied:

(1)-(2)

This question was asked of me by the member for Moore and I provided him with the information. I cannot recall which section of the Transport Co-ordination Act is the relevant one, but I am sure that if the member asks the member for Moore the question he will provide the information. I do not have it here - I am sorry.

Mr Minson: Has it been promulgated?

Mrs BEGGS: It is part of the Transport Co-ordination Act. It would have been promulgated because the Act came into effect on 1 October.

Mr Minson: Can I have an answer in the morning?

Mrs BEGGS: Yes, the member can.

BUDGET - MISCELLANEOUS SERVICES DIVISION ITEM 91

\$50 million

450. Mr CATANIA to the Deputy Premier:

I refer him to comments made by the member for Cottesloe in this House today which suggested that the \$50 million in item 91 of the Consolidated Revenue Fund Budget was "extraordinary", "has never been done before", and was "another WA Inc funding measure". Could the Deputy Premier please comment?

Mr TAYLOR replied:

Mr Acting Speaker -

An Opposition member interjected.

Mr TAYLOR: Yes, the speech by the member for Cottesloe was quite a reasonable speech.

Mr Clarko: He will stitch you up!

Mr TAYLOR: We will see about that.

Even though the member gave a reasonable speech on the economic issues of today, it is important to indicate to the member that the \$50 million allocated under item 91 of the Miscellaneous Services Division of the Budget is set aside for the estimated cost of wage and salary award increases which may be granted in 1990-91.

Mr Blaikie: You were not even here when he made his speech.

Mr TAYLOR: I was in my office listening very closely, as a matter of fact.

No allowance has been made by individual agencies for award increases during the financial year and this practice of making provision for global award increases has not always occurred in all preceding years because it was largely discontinued in 1981-82. However, the practice of providing global provisions for new staff appointments occurred in the Budget as late as 1984-85. The other important point to be made is that it was done this year because it relates to the Financial Administration and Audit Act; in other words, that reflects the requirements of the Financial Administration and

Audit Act amendments which are currently before the Legislative Council and the proposed inclusion of new section 25A which will empower the Treasurer to transfer central appropriations to other Divisions within the Estimates. I will not read section 25A as the matter is before the Legislative Council. However, the practice of allocating award provisions to individual votes in the 1990-91 Budget was not considered inappropriate given the proposed amendments before the other place. So, it is not trickery or financial wizardry; it is quite straightforward and it is shown in the Estimates, as known by the member for Cottesloe, as "proposed provision for salary and award wage adjustment". That is what we will do with that amount and I just hope that we will not use the entire \$50 million.

LAND - MT LESUEUR NATIONAL PARK PROPOSAL

Government Decision Date

451. Mr COWAN to the Minister for the Environment:

The Minister might recall that I asked him a question last year seeking information about when the Government was likely to declare the Mt Lesueur area a national park. The answer was that the decision was likely to be made some time after August this year. As it is now October, can he advise the House when the Government will make a decision regarding the Mt Lesueur land?

Mr PEARCE replied:

Some time after August this year. That is pretty clear. Regarding the Mt Lesueur land, we said that we would make all the decisions involved at the same time. One of those decisions is to do with the coal fired power station.

Mr Cowan: You told me today that you had made that decision.

Mr PEARCE: Yes.

Mr Cowan: You said that all the decisions would be made at the same time - now come on!

Mr PEARCE: That is right. We could take that decision back and make all of these decisions a little later on. We felt it was useful to let people know where they stood in the whole process.

Although the State Energy Commission of Western Australia has decided that it will not be taking up the offer made by CRA to mine coal and produce power at Mt Lesueur, the company is still seeking environmental approval. It has put forward an environmental review and management program, I guess at great expense, and it is being assessed by the Environmental Protection Authority at the present time. As soon as SECWA announced its decision on the Hill River proposal, I asked the EPA to check with CRA to ask it if it wanted to withdraw the ERMP; that is, if CRA wants to pull out of the process now that it knows it will not get the contract. I understand that CRA has not responded. If it does respond and says that it will withdraw the ERMP, the Government will consider making that area a national park. If CRA does not, it will be given the opportunity of going through the whole process of public assessment of its proposal before we make a decision about the national park.

The decision about the national park will be made at the same time as the decision on the ERMP. All comparable decisions will be made at the same time which is what we have always said. That is fair because I do not think it would be right, as strong a supporter as I am for having a national park at Mt Lesueur, to declare a national park halfway through an environmental assessment process. It is proper to make all of those decisions at the same time when all the information is on the table. We have always said that is what we will do and it is what we will do.

GREENHOUSE GAS EMISSIONS - REDUCTION POLICY

452. Mr KOBELKE to the Minister for the Environment:

How will the Commonwealth's newly adopted proposal to reduce greenhouse gas emissions affect Western Australia?

Mr PEARCE replied:

Fundamentally, it will not, because the Commonwealth has adopted the same policy on greenhouse gas emissions as did this State with a couple of exceptions. In 1988 we gave a commitment that we would set in train a system of reducing greenhouse gas emissions by 20 per cent by 2000. Two and a half years after that the Commonwealth has adopted the same policy with an extra five years to do it plus a number of loopholes which we did not put into our proposals.

The approach taken by this State was unique when compared with the approach taken by other States although some of them have moved since that time to a greenhouse gas emission reduction policy of their own. The Commonwealth picked up our policy and has put that in place. As I said, it will have no effect on Western Australia because we are grappling already with these problems.

I was disappointed, therefore, after the Commonwealth followed Western Australia's lead in this matter, to find that the Conservation Council of Western Australia, in commenting on that, sought to draw a distinction between the efforts being made by the Commonwealth and those of Western Australia. We are leading in this matter. The Conservation Council spokesperson, Ms Rachael Siewert, said that the Federal Government could expect little help from Western Australia because the State Government had failed to honour its own greenhouse policy. She said also that the Greenhouse Coordination Council set up by the Dowding Government to develop a future greenhouse strategy as part of a 1989 State election promise had failed to recommend any immediate action on moves promised by former Premier Peter Dowding. That is an amazing statement.

Mr Lewis: No it is not, it is correct.

Mr PEARCE: Ms Siewert is a member of the Greenhouse Coordination Council.

Mr Lewis: Yes. Aren't you converting the Kwinana power station back to coal? It is gas fired and you are turning it back to coal. Isn't your Government doing that?

Mr PEARCE: No. I have been organising some medical advice for the member.

Mr Lewis: Isn't it true?

The ACTING SPEAKER (Mr Donovan): Order! Perhaps if the Minister answers the question.

Mr PEARCE: It is not even relevant to what we are discussing.

Mr Lewis: Is it true or not?

Mr MacKinnon: It is not even relevant! I think it is highly relevant.

Mr PEARCE: It is not relevant. I met today -

Mr Lewis: You hypocrites.

The ACTING SPEAKER: Order!

Mr PEARCE: - with the Greenhouse Coordination Council set up by the Dowding Government which gave me in draft form its final report. It recommends a series of measures to be undertaken. That has occurred within a week of the statement by Ms Siewert and she, being a member of that committee -

Mr Cowan: Did it recommend that we put a limit on the gas emissions from this place or anything of that nature?

Mr PEARCE: The National Party would do remarkably well in that event because they are only ever here to emit gas.

Mr Carr: Are they coming on Sunday?

Mr PEARCE: In order to get some of them down, we are prepared to plant wheat instead of trees.

Mr Cowan: It doesn't sell, I would not recommend it.

Mr PEARCE: The second aspect of the greenhouse policy which I think is important is that we will meet that reduction which was promised. There is no lack of action. We will meet it by taking measures which we have put in place already because a significant contributor to greenhouse gas emissions in Western Australia are chlorofluorocarbons. This was the first State in Australia to move to ban the use of CFCs in almost every domestic application. The cutting out of CFCs will reduce greenhouse gas emissions by 20 per cent. By the time we get to 2000, we will have done a lot better than that with a range of other measures that we are putting in place.

It is a bit unfair, therefore, to suggest that the Western Australian Government will not be assisting the Commonwealth Government in this matter. We have given the lead to the Commonwealth Government and we are well down the track to achieving it.

SCHOOLS - PEMBERTON SCHOOL
Secondary Schooling

453. Mr OMODEI to the Minister for Education:

- (1) Will there be a secondary section of the new Pemberton school?
- (2) If not, where will the students in the secondary part of the Pemberton District High School be educated?
- (3) What measures has the Government put in place to provide the necessary school buildings to house these students?
- (4) Has the Government conducted a social impact study on the Pemberton community should the Government close the high school?
- (5) If not, why not?

Dr GALLOP replied:

(1)-(5)

I recently received an assessment of the future numbers that would attend the schools in the Pemberton region. I am happy to make that available to the member.

The question of whether there will be upper secondary schooling in Pemberton is a complex one. At this stage, on the evidence that I have available to me, it is not appropriate to try to achieve that because the number of students involved will not make it possible for us to provide a good program of education for them and there are schools close by.

Mr MacKinnon: Where are they being educated now?

Dr GALLOP: There are students at Pemberton but we are working out what will be an appropriate offering for those students in the future.

The member has received some correspondence from me relating to the overall strategy contained in that report to which I referred. I am happy to provide him with a copy of the social demographic report on the area.

**BAYSWATER MAIN DRAIN, SWAN RIVER - INTEGRATED CATCHMENT
MANAGEMENT PLAN**
Committee Establishment

454. Dr EDWARDS to the Minister for the Environment:

- (1) When will the committee for the integrated catchment management plan for the Bayswater main drain be formally established?

(2) How will the public be involved in this management plan?

Mr PEARCE replied:

(1)-(2)

That is a good question and I thank the member for Maylands for some notice of it. Before the member for Applecross gets going again, can I say that the Government has no plans at all for the kinds of power station conversions about which he is talking. That emission is not only bad environmentally but it is bad truthwise as well.

Mr Lewis: So you are not converting Kwinana to coal?

Mr PEARCE: We are not converting. There are no plans to convert. Is that clear?

Mr Lewis: It is not what I have heard.

Mr PEARCE: The member's source is wrong.

Mr Lewis: I don't think so.

Mr PEARCE: The member should produce evidence for that kind of statement. It is no good the member nodding his head and looking wise. He looks stupid and I can hear it every time he nods - rattle, rattle, rattle.

The Bayswater City Council is convening a meeting of councillors from the local government areas of Bayswater, Stirling and Bassendean on 24 October 1990. Representation has also been invited from the Swan River Trust, the Water Authority of Western Australia and a local member, who I hope will be the member for Maylands. The aim of the meeting is to agree to establishing a steering committee comprising representatives from the City of Bayswater, City of Stirling, Town of Bassendean, Swan River Trust, the Water Authority, a local member and two community representatives.

The steering community will oversee the activities of the task groups specifically formed to address relevant issues within the catchment of the Bayswater main drain. Community involvement in these task groups will be sought. It is envisaged that the steering committee will meet formally in November 1990 and will begin to identify issues that will require investigation.

The aim of this will be to move towards an integrated management plan for that area. I know there has been a lot of concern in that area about the potential impact of the Bayswater main drain on the Swan River. Recent studies that we have undertaken have shown that that impact is not as great as some people claimed, but nevertheless there are potential problems. The area needs to be closely watched.

We are anxious to see that group working closely with the public. I know that they are already planning a seminar and are seeking public submissions. A number of members with seats around the area have discussed their interest with me and I am sure that working together with the community we can maintain and improve the quality of the Swan River in the way all our people want.

STATE GOVERNMENT INSURANCE COMMISSION - SPEDLEY SECURITIES LTD

Rothwells Ltd - Rees, Mr-Back to Back Loans Report Tabling

455. Mr COURT to the Premier:

(1) When will the Government table Mr Rees' report on the SGIC's back to back loans to Spedleys and Rothwells?

(2) Is it still the Government's plan to edit that report?

Dr LAWRENCE replied:

(1)-(2)

That is a classic, "When did you stop beating your wife" question. We have

said all along that was a misinterpretation. It will be tabled tomorrow. The only impediment to any of it being tabled will be legal advice and the member will have to wait and see precisely what the outcome is.

TOURISM - WESTERN AUSTRALIA *Promotions*

456. Mr LEAHY to the Minister for Tourism:

What plans are there to boost tourism in Western Australia in coming months?

Mrs BEGGS replied:

I thank the member for his question. I am pleased to say that the Western Australian Tourism Commission has decided to offer "Double Value WA" again this year. Members will recall that was a successful tourism promotion last year which was introduced as a marketing strategy to offset the downturn in regional tourism caused by the pilots' dispute.

More than 7 000 people took advantage of the offer of two holidays for the price of one at many of our tourist facilities throughout the State. The offer this year will be even better because there will be fewer limitations on when people can take the second holiday and they will not necessarily have to holiday in the same place twice. This campaign benefits not only tourists but also the hotel industry, restaurants and service industries which cater for tourists. I urge the member for Northern Rivers to ensure hospitality outlets and tourist operators in his region contact the Tourism Commission to take advantage of this offer so that they get adequate promotion.

POWER STATIONS - NEW BASE LOAD POWER STATION *Timetable Change*

457. Dr TURNBULL to the Minister for Fuel and Energy:

Will the Minister confirm whether -

- (1) There has been a change in the timetable for a decision on the establishment of a new base load power station in Western Australia?
- (2) The Government will announce the decision before the end of 1990?

Mr CARR replied:

(1)-(2)

There has been no change in the timetable. It is expected that a recommendation will come from SECWA to the Government in the next month or so and a decision will be made by the end of the year.

STATE GOVERNMENT INSURANCE OFFICE - CAPITAL INCREASE REGULATION *Opposition Members' Disallowance - Closure*

458. Mr LEWIS to the Minister for Finance and Economic Development:

- (1) Is it a fact that in May of this year when the Minister became aware that the Opposition parties were going to disallow a regulation to increase the authorised capital of the State Government Insurance Office he approached the Opposition members involved and said words to the effect that if there were a disallowance motion the SGIO would have to close its doors?
- (2) If yes, is it true that the Opposition parties only agreed to allow the regulations authorising the capital increase on the condition that the Government would do certain things, including introducing legislation to separate the corporate structures of the SGIO and the SGIC in terms of a signed agreement?
- (3) If yes to (1), has the Government, after five months, honoured that agreement?

Mr TAYLOR replied:

(1)-(3)

That is much the same question that the member for Applecross asked me last night, if I remember rightly.

Mr Lewis: No, I did not.

Mr TAYLOR: In fact, it was the Leader of the Opposition who asked the question. I had pleasure in pointing out to him that what we are doing in corporatising the SGIC/SGIO goes much further than was ever visualised.

Mr Lewis: I am asking whether the Minister said that the SGIO would have to close its doors.

Mr TAYLOR: I will answer that question when I get to it. The member should listen. He should also not point his finger at me. As I said in relation to the issue, we have in fact decided to go much further in the corporatisation of the SGIC/SGIO than was ever envisaged in that document. That is why I took the time of the House last night to read out the proposed directions that whoever does that job for us will be guided by.

Mr Lewis: Have you honoured that agreement? Who are the signatories to it?

Mr TAYLOR: As I pointed out last night, there is nothing in that agreement that says "forthwith". It is a pity that the member for Avon is not here because he well knows that he has been kept informed of the actions I have taken on this issue, and on a regular basis, as indeed have members such as Mr Foss and Mr Evans in the upper House. Much work has been done to ensure that those points have been undertaken.

Mr Lewis: Don't point your finger at me.

Mr TAYLOR: I am not pointing at the member, but at the agreement in his hand. I said this would be the case when I signed that agreement some four or five months ago. There were two issues relating to the future of that organisation. One was an increase in capital that had already taken place from \$40 million to \$60 million which needed to be approved by both Houses in the regulations, or in fact be disallowed. The other matter involved a figure of \$60 million to \$100 million which has, in fact - if I remember rightly - been taken up in part, but certainly not wholly.

As I pointed out at the time, as they had already gone to \$60 million to say to an organisation, "Now we are taking it away from you," would have caused it great pain.

Mr Court: If any corporation did that the people would be in jail.

Mr TAYLOR: The member for Nedlands should not bounce up and down. I made it clear to members in the upper House what was being put forward at that time and what the consequences would be. At least they shaped up in relation to that issue and agreed to the matter. So far as I am concerned, we have in fact gone further than the Legislative Councillors could have ever expected in relation to that statement.

JUVENILE OFFENDERS - KARRATHA POLICE *Juvenile Custody - Community Correction Centres*

459. Mr STRICKLAND to the Minister for Community Services:

With regard to the media announcement relating to a juvenile being detained and held in custody by Karratha police last week -

- (1) Will the Minister say what actions were taken and/or are proposed by the Government in recognition of the fact that that action was contrary to present law?
- (2) Does the Government consider community correction centres as suitable for juvenile custody purposes?

- (3) When will the Karratha community corrections centre become functional?

Mr D.L. SMITH replied:

(1)-(3)

I can quickly outline the problem. The Act prohibits the imprisonment of juveniles for non-payment of fines or restitution. Effectively that means that they cannot be held in prison but must be held in detention centres. The only authorised detention centres are in the metropolitan area. The decision as to whether an order of commitment issues for non-payment of a fine or restitution rests with the clerk of courts. There are various policy guidelines that each clerk is meant to follow.

The clerk of courts has been issuing orders of commitment for non-payment of fines and/or restitution. In the cases in question the amounts involved were quite small and the children concerned were taken into custody. The police then sought to make arrangements to transfer them to Perth to a detention centre. Those arrangements could not be made in time for them to be transferred prior to serving out the time required by the order of commitment. Effectively, they served their time in the police lockup.

The problem in such areas is simply that of logistics; the police cannot arrange the transfer to Perth quickly enough because of the transport arrangements required. Therefore, the police cannot be criticised for acting illegally by holding them in what was, effectively, non-approved detention centres. The first thing we will do to rectify that situation is legitimise what the police are doing by allowing them to be held in lockups but requiring that the police transfer them to detention centres as soon as practicable.

The second thing we will do is to cast a stricter onus on the clerk of courts to require him to examine the possibility of issuing a summons to have a community service order imposed by the court in lieu of the fine or restitution. The third thing we will do is examine the possibility of providing non-secure hostels in some of those locations like Port Hedland which would not only be used for juveniles to serve out warrants of commitment, but also as a base for conditional release orders or CSOs, or as a bail hostel. They would be new facilities; they would not be utilising existing facilities. It will take a long time to plan and supply the resources necessary. The first thing which needs to be done is to legitimise what is being done already. It would still be necessary for the police to transfer as soon as practicable. We want to discourage what has been happening, and provide an alternative form of hostel.

Mr Strickland: They are community correction centres?

Mr D.L. SMITH: I am not sure about the position in relation to the Port Hedland community correction centre. That is the province of the Minister for Corrective Services. If the member puts that question on notice I shall have it answered by that Minister.

Mr Strickland: He indicated to me that it would be running in September.

Several members interjected.

The ACTING SPEAKER (Mr Donovan): Order! We have done well. We have averaged almost one question asked and answered every two minutes tonight. The Leader of the House.

Mr D.L. SMITH: May I finish off by saying -

Several members interjected.

Mr D.L. SMITH: May I -

The ACTING SPEAKER: No. Order! The Minister may not.
