Legislative Council

Tuesday, 16 October 1984

THE PRESIDENT (Hon. Clive Griffiths) took the Chair at 4.30 p.m., and read prayers.

BILLS (2): ASSENT

Messages from the Governor received and read notifying assent to the following Bills—

1. Aboriginal Affairs Planning Authority Amendment Bill.
2. *Herd Improvement Service Bill.*

PARLIAMENTARY PRIVILEGE

Statement by President

THE PRESIDENT (Hon. Clive Griffiths): I have received the following letter from Parliament House, Sydney, New South Wales, the Joint Committee Upon Parliamentary Privilege, dated 26 September 1984—

Dear Mr President,

I am enclosing a copy of the front page of the Votes and Proceedings of the Legislative Assembly of New South Wales, dated 19 September 1984, and draw your attention to entry No. 1: Privilege—Screening of a Film in the Parliamentary Theatrette.

The Legislative Assembly has re-asserted unanimously that behaviour and activity within the precincts of the Parliament are matters for the Presiding Officers and the Houses to determine.

The House is further of the opinion that threatening a Member with legal proceedings should he be associated with the screening of a film in the parliamentary theatrette in the pursuit of his parliamentary duties constitutes a grave breach of privilege.

Yours faithfully,

Signed R. M. Cavalier, M.P.
CHAIRMAN.

For the information of members, I read the part concerned as follows—

1. PRIVILEGE—SCREENING OF FILM IN THE PARLIAMENTARY THEATRETTE:

The Honourable Member for Waverley, Mr Page, drew the attention of the House to the fact that he had received a telex at Parliament House, threatening him with legal proceedings should he be associated with the screening of a film in the parliamentary theatrette. Mr Page stated that this constituted a grave breach of privilege.

Mr Speaker stated that the Honourable Member for Waverley had established to his satisfaction a *prima facie* case of breach of privilege—

Whereupon Mr Page moved,

(1) That this House re-asserts that behaviour and activity within the precincts of this Parliament are matters for the Presiding Officers and the Houses to determine.

(2) That in the opinion of this House the despatch of a telex by D. W. Rogers of Arthur Robinson and Hedderwicks to the Honourable Member for Waverley at Parliament House threatening him with legal proceedings should he be associated with the screening of a film in the parliamentary theatrette in the pursuit of his parliamentary duties constitutes a grave breach of privilege.

(3) That this resolution be conveyed by Mr Speaker to Mr D. W. Rogers of Arthur Robinson and Hedderwicks.

HEALTH: DENTAL

Technicians: Petition

On motions by Hon. Fred McKenzie, the following petition bearing the signatures of 287 persons was received, read, and ordered to lie upon the Table of the House—

To:

The Honourable President and Members of the Legislative Council in Parliament assembled. We the undersigned residents in the State of Western Australia do herewith pray that the Parliament of Western Australia will support

(i) The amendment of the Dentist's Act, 1939-1972 to include provision for Dental Technicians who qualify through Legislation to treat members of the public direct in the fitting, manufacture and repair of removable dental prosthesis (dentures), thereby providing members of the public with a free choice of consultation in the matter of fitting, manufacture and repair of removable dental prosthesis; and

(ii) The establishment of a recognised course of clinical training to be undertaken in addition to the

existing Dental Technician's apprenticeship to enable existing and future Dental Technicians to qualify under the term of paragraph (i) above. And your Petitioners, as in duty bound will ever pray.

(See paper No. 198.)

QUESTIONS

Questions were taken at this stage.

ACTS AMENDMENT AND REPEAL (INDUSTRIAL RELATIONS) BILL

Report

Report of Committee adopted.

EQUAL OPPORTUNITY BILL

Second Reading

HON. J. M. BERINSON (North Central Metropolitan—Attorney General) [4.53 p.m.]: I move—

That the Bill be now read a second time.

The Government regards equal opportunity as an integral part of its policy of recognition of the individual worth of each member of society. This Bill asserts the right of any person to be judged according to his or her skills, abilities, and experience. It provides remedies in respect of discrimination on the grounds of sex, marital status, pregnancy, race, religion, or political conviction.

Certain groups in our society continue to experience discrimination. Some discrimination is the result of practices which developed in response to social conditions which existed in earlier times, but which are no longer relevant. For example, when few women had independent incomes, it might have been appropriate to require women to have male guarantors to loan arrangements entered into by them. Today, the capacity to repay should determine whether a person is given access to finance—the sex or marital status of the applicant should be irrelevant.

It is widely accepted that legislation is required to redress discrimination. There is nothing new or unusual about legislation designed to ensure equal opportunity. Antidiscrimination or equal opportunities laws exist in many overseas countries and have been operating in South Australia since 1975, Victoria since 1977, and New South Wales since 1977. At the Federal level, the Racial Discrimination Act was passed in 1975 and the Sex Discrimination Act was proclaimed on 1 August this year.

The Government recognises that laws in themselves are not sufficient to end intolerance, prejudice, and discrimination in our community. The Bill accordingly places strong emphasis on community education. The proposed Commissioner for Equal Opportunity has the task of promoting the recognition and acceptance within our community of the principle or equality of men and women, and of all persons regardless of race, religious or political convictions.

Of the six major functions of the commissioner, four relate to disseminating information, consulting, and developing programmes and policies designed to eliminate discriminatory attitudes in the community. The Government regards this educative function as vital to the success of the legislation.

Action taken already by the Government to promote equal opportunity includes the establishment of the Women's Advisory Council. This body is charged with the task of ascertaining the needs of women in the community. It has indicated that it regards as essential the enactment of equal opportunity legislation.

The Government has established also the women's interests division within the Department of Premier and Cabinet to advise the Government on women's issues and to liaise between the Government, women's groups, and the community. The Women's Information and Referral Exchange, providing women in the community with an up-to-date information service, is now operating also.

The Government has established the Multicultural and Ethnic Affairs Commission. Its role is to ensure that the contribution of the ethnic communities in our State is recognised, and to encourage persons of diverse origins, languages, and cultures to participate fully in community life, while preserving their cultural backgrounds. Through such mechanisms, the Government has laid the groundwork for combating intolerance, prejudice, and discrimination.

Support for equal opportunity legislation transcends party political lines and it has attracted bipartisan support around Australia. A Liberal Government in Victoria initiated such legislation. Liberal members in South Australia, New South Wales, and the Commonwealth, all supported their respective Acts.

In New South Wales, South Australia, and Victoria, where equal opportunity laws have been in place since the 1970s, the number of complaints registered and resolutions effected have proven the efficacy of such legislation. Equal opportunity laws have become widely accepted in these States, being recognised as an effective and efficient

means of ensuring the individual's rights to equal treatment and freedom from discrimination.

The Commonwealth Government has now extended a right of redress in certain areas of discrimination to all Australians, but such a task cannot be left entirely to the Commonwealth. Western Australia needs its own equal opportunity legislation to have a proper say in the affairs of this State, and to ensure a co-operative Federal-State approach to equal opportunity and antidiscrimination.

The Government is conscious that there are areas of discrimination which are not addressed by this Bill, in particular, discrimination resulting from physical and mental impairment, discrimination associated with sexual preference, and discrimination on the basis of age.

In the case of discrimination associated with physical and mental impairment, a great deal more work needs to be done. Outlawing discrimination, without provision for the changes which will be necessary to extend meaningful equal opportunities to all persons suffering an impairment, will not produce the desired effect. The Government has established a committee comprising employer representatives, union representatives, and representatives from the various groups which promote the welfare of handicapped persons to consider this question.

In respect of sexual preference, the New South Wales experience suggests the ineffectiveness of legislation for equal opportunity for homosexuals in advance of the repeal of laws which outlaw homosexual activity between consenting adults in private.

Mr President, the objects of the Bill may be summarised as follows—

> To eliminate, so far as possible, discrimination against persons on the ground of sex, marital status or pregnancy, race or religious or political conviction in the areas of work, accommodation, education, the provision of goods, facilities and services, and the activities of clubs;
>
> to eliminate, so far as is possible, sexual harassment in the workplace, in educational institutions, and in the provision of accommodation;
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> to promote recognition and acceptance within the community of the equality of men and women; and
>
> to promote recognition and acceptance within the community of the equality of persons of all races and of all persons regardless of their religious or political conviction.

The Bill covers both direct and indirect discrimination. Direct discrimination occurs when there is a directed policy or action which treats one group less favourably than another. Indirect discrimination occurs when a policy or practice which, on its face appears to be neutral or non-discriminatory, in practice results in discrimination against one particular group of persons.

Discriminatory sexual harassment—that is, sexual harassment which is linked to a belief that the rejection of unwelcome sexual conduct would disadvantage the person in relation to employment, educational studies, or accommodation—is made unlawful by this Bill.

A basic pattern is repeated in each section of the Bill. A description of situations covered under discrimination on the ground of sex, marital status, or pregnancy, in part II is repeated in part III dealing with discrimination on the ground of race, and again in part IV, which deals with discrimination on the ground of religious or political conviction. These situations include discrimination by employers when offering employment, or in the terms or conditions of work offered, including promotion and in-service training, discrimination in providing access to professional and trade organisations and to educational institutions, discrimination in the provision of access to public places, in the provision of goods and services, including bank loans, and in relation to entry to clubs and applications for accommodation.

The Bill provides a large number of exemptions. It exempts single sex clubs and single sex schools; it exempts voluntary and charitable bodies. It allows clubs which have been established for the purpose of promoting the culture of a particular racial group to continue to restrict membership to people of that race.

Institutions run by religious bodies, such as hospitals, schools, and old peoples' homes, are entitled to select their staff according to the tenets of that religion.

There is a general exemption for those people who accommodate others in their own homes. Similarly, people who employ others in their own homes have complete freedom to choose whom they want as employees. Discrimination on the basis of marital status is exempted where a married couple might be required for a particular job. Various occupations are exempted; for example, actors in a dramatic performance where people of a particular race or sex are required for authenticity. Services which can only be provided to one sex or the other are exempt also.

There are many areas where written laws of the State may have a discriminatory effect. These will

need to be amended to bring them into line with this legislation. A two-year period is allowed for this. Superannuation and insurance schemes are given two years in which to remove discriminatory provisions, except where these are based on actuarial or statistical data.

The machinery set up by this legislation to deal with discrimination is designed to facilitate negotiation, conciliation, and education rather than confrontation. The statutory bodies to be established by this legislation and their mode of functioning have been adapted from models which have worked effectively and efficiently elsewhere for some time.

The Commissioner for Equal Opportunity will have the function of conciliating complaints as well as an educative role—promoting recognition and acceptance of equal opportunity—and a monitoring role—reviewing the laws of the State as well as policies and practices. To help achieve a settlement, the commissioner will have the power to call witnesses, request documentary evidence, and demand attendance at a compulsory conference. Hearings will be held in private. The aim will be to reach a mutually satisfactory settlement as quickly as possible. If the commissioner believes the matter cannot be settled by conciliation, or believes the topic is one for the tribunal to handle, the case can then be referred to the tribunal.

The tribunal established by the Bill will have the same powers as equivalent tribunals or boards in South Australia, New South Wales, and Victoria. The tribunal will be able to receive evidence on oath, summon witnesses, and demand documents.

The tribunal is not bound by the ordinary rules of evidence. This is considered to be appropriate because the thrust of the Bill is to promote conciliation rather than the adversary procedures of the courts. It is designed to promote goodwill and the achievement of a settlement rather than lengthy litigation on legal technicalities.

Any party may request the assistance of legal, union, or other representation, and the tribunal will decide if such assistance is appropriate. If conciliation has not been possible and a complaint has been substantiated, the tribunal may order the respondent to pay damages, to cease the conduct, or to redress any loss. Alternatively, the tribunal may declare void a contract made in contravention of the Bill, or decline to take any further action. Persons making complaints deemed to be mischievous or malicious may be required to pay the costs of the inquiry. The aim is to ensure that a satisfactory settlement is reached, that civil liberties are protected, and that vexatious litigants are deterred.

The Bill, like its New South Wales equivalent, covers equal employment opportunity in Government service. This Government, as a responsible employer, has the responsibility to ensure that employment practices in the public sector are based on principles of equity and justice and administrative effectiveness and efficiency.

The Government has already announced its commitment to provide equal employment opportunity in the public sector. In fact, equal opportunity programmes have already been introduced into some departments. This section of the legislation is designed to co-ordinate existing programmes and to ensure fair and equitable procedures throughout Government employment.

To achieve these aims, a statutory authority will be established with the functions of supporting, advising, and monitoring equal employment opportunity initiatives in the public sector. The Government does not intend to broaden this jurisdiction to the private sector.

It is important to note that equal opportunity in public employment in this Bill in no way involves positive discrimination, quota systems, or reverse discriminiation. Equal employment opportunity programmes under this Bill will be based firmly on the principle of merit. The best person for the job, based on skills, qualifications, and experience, should be the person hired or promoted to the job.

Legislation of this kind is also not new in Australia. Most of the States have provided some mechanism for instituting equal opportunity in Government employment and the New South Wales system, in particular, has been shown to be most effective in providing equality of treatment for all Government employees.

Mr President, this is a Bill of which we can all be proud. It adapts the most effective of the provisions of existing legislation in Australia. It is legislation which should attract the bipartisan support of this Parliament.

The eradication of intolerance, prejudice, and discrimination, and the effective and efficient utilisation of our human resources are goals which transcend party politics. They are principles which all members of this House ought to support.

I commend the Bill to the House.

Debate adjourned, on motion by Hon. I. G. Medcalf.

CREDIT UNIONS AMENDMENT BILL

Second Reading

Debate resumed from 19 September.

HON. I. G. MEDCALF (Metropolitan) [5.09 p.m.]: This Bill is designed to give legal clothing to the expansion of the role of credit unions in Western Australia. It is quite clear that that role has expanded very considerably since credit unions were first established here a few years ago.

The Minister, in his second reading speech, has referred to the new areas which are now covered by credit unions and which embrace financial counselling, insurance, travel, legal and property management. One cannot help thinking that some of the credit unions may well need to take great care and exercise considerable caution when embarking upon some of these new areas. Financial counselling, in particular, is one area which requires a great deal of skill indeed as does the area of legal and property management. I know that some credit unions have solicitors close at hand, if not on their immediate staff.

No doubt the credit unions have expert advisers who are able to provide the nucleus of the staff to supply financial counselling and to advise on property management and on other legal matters.

However, I believe that those advisers should be aware of the dangers inherent in taking on that type of work, such as the dangers of giving wrong advice, the dangers of exposing themselves to legal actions for negligence, and also the question of financial advantage which might accrue to the credit union as a result of some of the advice which may have been given.

My comments are not specifically directed at credit unions, but rather, they are directed at all those bodies which provide free financial advice, legal advice, and advice in relation to property management. That particularly applies to people who advise the elderly, the infirm, and persons who have received substantial funds by way of damages, in respect of their investments.

We have become aware, in recent times, that there is a large group of people in the community called financial and investment advisers who receive commission from companies and organisations to which the investment is directed. This is something which must be and should be revealed to the potential investors who consult the advisers, otherwise those commissions could be impugned under various laws.

Likewise, if and when the adviser is a credit union and it advises people to invest in that credit union, the adviser should, strictly speaking, weigh up the advantages of investing in other organisations besides the credit union.

I wonder, sometimes, to what extent there is any genuine financial counselling. I only hope that credit unions, generally, take heed of the risks that they run when they embark on this course.

However, one of the facts of life is that the work of credit unions has expanded very greatly and it now embraces those fields. The Opposition does not wish to impede that expansion in any way and will support the legislation. However, it supports it with a note of warning in regard to the dangers and problems inherent in credit unions entering some of those areas.

In addition, of course, under some of the new concepts which are embraced by this Bill, particularly that of continuing credit arrangements, the credit unions will have a cheque issuing facility. Admittedly, that will not be their own facility. They will be able to obtain that facility from a bank or from a finance house. Nevertheless, they will now be able to obtain cheques through friendly banking arrangements.

They will also, quite directly, have the use of their own credit cards similar to Visa, Bankcard, Mastercard, or one of the other types of credit cards. They will be able to have line-of-credit loans or revolving credit loans, all of which sound very complicated to the uninitiated, and which will require a high degree of financial expertise.

Further, as the Minister said, bridging finance will now come within the scope of the credit unions. That is a scheme whereby only the interest has to be repaid on temporary loans with the principal being repaid at the end of a specific period.

Of course, there are other variable arrangements. This Bill will enable a high degree of flexibility to be given to the financial arrangements of credit unions.

The proposals have been recommended by the credit union advisory committee and supported by the Credit Union Association. One need not be surprised at that because the membership of the credit union advisory committee comprises a number of people closely associated with credit unions. Of course, the Credit Union Association is simply an association of credit unions. I have its annual report in front of me. Quite a few credit unions operate in Western Australia, some of which are very well-known, such as the CSA Credit Union, and quite a number of which we hear about very frequently in connection with financial transactions. However, there are a number of others which are not particularly well-known and which serve rather limited groups in the community. I do not propose to name them; they are all listed in the annual report amongst the member credit unions of the associaton.

Not surprisingly, they are all unanimous in supporting these proposals. Once again, I emphasise that there are dangers in this legislation. Not the least of those dangers is the fact that one of these days, credit unions may be held to be carrying on banking under the provisions of the Commonwealth Constitution. If that should happen, of course, the State legislation would cease to apply and would be superseded by the Commonwealth legislation. That would be a serious thing.

Many people have advocated that all financial institutions should be brought within the scope of the Commonwealth power. At the moment, they are not. However, the closer credit unions get to carrying on additional banking transactions, the nearer they get, in my view, to coming within the scope of the Commonwealth banking powers laid down in section 51 of the Constitution. That section provides that the Commonwealth shall have the power to legislate in respect of banking, with the exception of State banking. Banking is a pretty broad term. So far, it seems to have been taken to mean that it must import an element of overdraft banking and current account banking and the issuing of cheques.

However, I think that may well be held to be taking too narrow an interpretation of the word "banking" in the Constitution, just as the Constitution seems to be interpreted as giving the Commonwealth greater and greater powers. I can foresee, therefore, that the closer credit unions and other similar institutions, such as building societies, come to additional banking arrangements, the closer they will come to take over by the Commonwealth. By that I mean that there could be a legal or constitutional take over whereby credit unions would come within the Commonwealth banking powers and be subject to Commonwealth banking legislation.

I am not sure to what extent people give consideration to that when they make arrangements in regard to extending the banking facilities and extending the financial powers of some of our institutions, even though one may find the extension of those arrangements desirable from other points of view.

I note that the reserve account which credit unions are required to keep is only at the level of 2.5 per cent. Likewise, their liquid assets have to amount to only seven per cent. I think those are the figures which apply from what I have been able to glean from the information available to me. I find those percentages are not very high and, no doubt, some attention will have to be given to them as credit unions continue to expand.

With those comments I indicate that the Opposition supports this Bill. However, it does sound a note of warning as to some of the inherent dangers in this area and the need to be continually watchful to ensure that all these financial institutions, in fact, keep a careful watch on their activities, on the activities of some of their members, and on the powers which they may seek from time to time. They must ensure that the public, who support them and who provide the funds, are protected at all times.

HON. PETER DOWDING (North—Minister for Planning) [5.21 p.m.]: I thank the Opposition for its support of this measure.

As I recall, the leading case on negligence of Hedley v Byrne involved financial advice vicariously given by a bank manager. Therefore, the points made by Hon. Ian Medcalf are well taken.

The Government feels the extensions of the ambit of the role of the credit unions is an appropriate one at this stage and accepts the caveat that Mr Medcalf has sounded.

Question put and passed.

Bill read a second time.

In Committee

The Chairman of Committees (Hon. D. J. Wordsworth) in the Chair; Hon. Peter Dowding (Minister for Planning) in charge of the Bill.

Clauses 1 to 3 put and passed.

Clause 4: Section 4 amended—

Hon. I. G. MEDCALF: I draw attention to the fact that the phrase "in respect of" has been used four times in the definitions. I would have hoped that the Parliamentary Counsel would show more ingenuity in changing some of the words merely for the sake of grammatical harmony. Part of the clause reads as follows—

> "continuing credit arrangement" means an agreement whereby a credit union agrees with a member to provide credit to that member in respect of payment by the member to the credit union of amounts owing from time to time to the credit union in respect of—
>
> (a) cash (including cheques) supplied by the credit union to that member from time to time; or
>
> (b) the satisfaction by the credit union of liabilities of the member to other persons in respect of payment for goods, services or cash (including cheques) supplied by those other persons to the member from time to time,
>
> and agrees to calculate the amount owing to it from time to time under the agreement on

the basis that all amounts owing and all payments made by the member under or in respect of the agreement, are entered in the same account; "

It may be said that this point need not necessarily be raised because we are accustomed to excess verbiage. However, in view of the Government's enthusiasm, which the Attorney General has mentioned on a number of occasions, for ensuring that the wording of these Statutes in the future will be much simplified and easier to understand, perhaps it is not out of place for me to draw attention to these points.

Hon. Peter Dowding: I will tell the Attorney General.

Clause put and passed.

Clause 5 put and passed.

Clause 6: Section 10 amended—

Hon. I. G. MEDCALF: In reading through this clause, I had a sinking feeling that one of the words was wrong. I refer to page 4, line 20 and the phrase "or all promissory notes". It may have been overlooked by the Parliamentary Counsel, but I think the wording should have been "and promissory notes". That makes quite a significant difference to the meaning.

Section 10(4) of the principal Act as it will be amended reads as follows—

> (4) A credit union shall not in any month raise on loan or by negotiation of bills of exchange or by issue of promissory notes an amount that, if added to the amount owing as at the last day of the next preceding month by the credit union in respect of all loans made to it and all bills of exchange negotiated by it or all promissory notes issued by it . . .

I think the last phrase should be "and all promissory notes issued by it".

I think that the reference to promissory notes should be added where last indicated to make sure that the credit union does not break the limit. I suggest we proceed at this stage and I would be grateful if the Minister would consider this point and perhaps at the third reading stage provide further information.

Hon. PETER DOWDING: If we proceed at this stage, I will give an undertaking to seek to recommit the Bill if the parliamentary draftsman advises that the point taken by Mr Medcalf is correct. In any event I will refer to this matter in the third reading stage.

Clause put and passed.

Clauses 7 and 8 put and passed.

Clause 9: Section 20 amended—

Hon. I. G. MEDCALF: The point I raise on this clause is also a fairly minor one, but it is quite important in some respects. I refer to section 20 of the principal Act which states that the registrar must be satisfied about certain things before he will register a credit union. There is an additional paragraph which provides that he must now be satisfied about a further matter; that is, proposed paragraph (ba) appearing on page 5. He must be satisfied that there are reasonable grounds for believing that "the credit union, if registered, will have available to it by way of share subscriptions or deposits, within 30 days of the issue of a certificate of incorporation, not less than $1 000 000".

I do not object to that; I think it is very good and a necessary requirement on which the registrar should be satisfied. However, I wonder whether the figure of $1 million should be left as it stands or whether it would be better to have added "or such greater amount as may be subscribed". At one time $1 million may be satisfactory, but it may not be a relevant reference four or five years later.

I would have hoped that a greater amount could be prescribed. I am not worried about it; and I merely draw attention to the fact that perhaps that might have been a more satisfactory way to deal with it.

Hon. PETER DOWDING: I do not have an officer available to comment on that suggestion. From a policy point of view, the ability to move those amounts in line with changes in the value of money and commercial practice, other than by legislation, is desirable.

I will treat the honourable member's suggestion as I have treated the previous one, and I will take it on notice. I will make comment on it either at or before the third reading stage.

Clause put and passed.

Clauses 10 to 39 put and passed.

Title put and passed.

Bill reported without amendment.

ACTS AMENDMENT (CONSUMER AFFAIRS) BILL

Second Reading

HON. PETER DOWDING (North—Minister for Consumer Affairs) [5.32 p.m.]: I move—

That the Bill be now read a second time.

This Bill principally gives statutory recognition to the establishment of the Department of Consumer Affairs which was created following the election of the Labor Government in 1983. The Bill seeks to amend the Consumer Affairs Act by replacing reference to the Bureau of Consumer Affairs by a

reference instead to the department, and by giving to the department the additional and proper functions of assisting the Minister in the administration of the Consumer Affairs Act and other legislation for which the Minister for Consumer Affairs is responsible. This is in addition to the existing functions carried out by the Bureau of Consumer Affairs and now transferred to the department.

In addition, it is proposed to strengthen the penalty provision contained in section 21 of the Consumer Affairs Act by altering the level of the penalty from $200 to $1 000. Section 21 creates an offence for failing to respond to a request made by the Commissioner for Consumer Affairs or his authorised officers. The reports of the commissioner indicate that formal requests for information or for answers to questions are infrequently used and then only as a last effort in the course of attempted resolution of consumer complaints. The section currently imposes a penalty of $200. Such a level is inappropriate, recognising that the level of penalty was set many years ago and its deterrent effect has now been whittled away by inflation. A penalty of $1 000 is considered more appropriate in today's context.

The Bill provides also for the permanent head of the department, as well as the Minister for Consumer Affairs, to have authority to appoint authorised officers under the Consumer Affairs Act, the Hire-Purchase Act, the Motor Vehicle Dealers Act, the Petroleum Products Pricing Act, and the Petroleum Retailers Rights and Liabilities Act. In addition, section 48 of the Motor Vehicle Dealers Act is amended to permit the delegation by the commissioner to an authorised officer of the power to waive warranty entitlements. These provisions will assist in facilitating the administration of the respective Acts.

I commend the Bill to the House.

Debate adjourned, on motion by Hon. G. E. Masters (Leader of the Opposition).

METROPOLITAN MARKET AMENDMENT BILL

Second Reading

Debate resumed from 19 September.

HON. P. H. LOCKYER (Lower North) [5.35 p.m.]: The Opposition supports this Bill, but not without some hesitation. Prior to the introduction of the Bill in this House, I spoke with people at the Metropolitan Markets, people who are involved in this area and affected by this legislation.

All members would be aware of a recent serious altercation between the buyers' association and the Metropolitan Markets Trust. I have been concerned for several reasons that that problem should be resolved prior to this legislation being allowed to pass through the House. Firstly, the Select Committee, of which I am Chairman, is concerned about shortcomings in the negotiations between the various parties because not enough round-table conferences were held. That is recognised by the parties, particularly the trust and the buyers. It seems that that altercation has now been settled satisfactorily.

However, the buyers are concerned that, once again the legislation tightens up the regulations applying to the very people who make the markets operate. Without the buyers, as with the growers, there would be no market. For that reason, the Select Committee will have considerable words to say on this subject.

At present, the Bill is tidying up an area so that the trust has power to do what it already was doing by preventing the buyers obtaining an unfair advantage by going into the market before the opening time. I know the problem has disturbed people for some time.

The findings of our Select Committee should be given close consideration. When they are brought to the Parliament, we will have much more to say on this subject.

At this stage, the Opposition supports the Bill.

Question put and passed.

Bill read a second time.

In Committee, etc.

Bill passed through Committee without debate, reported without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon. D. K. Dans (Leader of the House), and passed.

STOCK (BRANDS AND MOVEMENT) AMENDMENT BILL

Second Reading

Debate resumed from 25 September.

HON. D. J. WORDSWORTH (South) [5.41 p.m.]: The Opposition believes in the basic principle of this Bill; that is, to have goats branded or earmarked in the same way that sheep are branded. Whether this will help to sort out the sheep from the goats, I am not sure, and up to now this has not been considered necessary. Certainly goats have been considered to be feral animals.

We are now developing a cashmere wool industry in Australia, and those people participating in

it feel that there will be some benefit in being able to identify their animals. I am somewhat surprised that they should be keen on this because I would have thought that with the price they can get for angora hair, they would not want to use too much branding fluid. While the sheep industry has been able to live with this practice, one would not expect the people involved in the goat industry to be anything but concerned about something which may affect the high price they can receive.

I wonder about the future of the industry, because when I was in America some 15 years ago, I saw that the goat industry was very big and the animals were being slaughtered, I think I can fairly say, by the millions, because the industry had suddenly collapsed. One of the difficulties with goats is that they must be shorn twice a year, so costs are so much higher unless one gets a commensurate income to make them profitable.

Unfortunately, goats can be very destructive, and they have probably done more damage to our environment than has any other animal in the world. While one wants to encourage the development of this industry, one hopes that the people in it will be careful. I have some sympathy for the people in the pastoral industry because they have major problems with feral animals.

Question put and passed.

Bill read a second time.

In Committee, etc.

Bill passed through Committee without debate, reported without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon. D. K. Dans (Leader of the House), and passed.

CREDIT BILL
CREDIT (ADMINISTRATION) BILL
ACTS AMENDMENT AND REPEAL (CREDIT) BILL

Second Readings: Cognate Debate

Debate resumed from 11 October.

HON. I. G. MEDCALF (Metropolitan) [5.45 p.m.]: It is quite proper that we should deal with these Bills as cognate Bills because they all relate to a particularly relevant matter and they are all interrelated; therefore they should be dealt with together, even though there will be points to be raised separately in connection with each of the Bills in the Committee stages. I will briefly refer to the history of this credit legislation because I was involved in quite a bit of it, one way or another.

There was an initial committee established in South Australia, but I suppose the public generally first became aware of the subject on a national scale when it was dealt with by a Standing Committee of the Law Council of Australia, a committee which was established and which reported in the early 1970s. Mr Tom Molomby who was formerly President of the Law Institute of Victoria was appointed as chairman of this committee. He was very expert in this field. He had on his committee representatives of what was then called the Hire-Purchase Conference, later to become the Australian Finance Conference, and quite a lot of other representatives of industry, consumer, and legal groups. They produced a very good report which really started off the public's interest in having some kind of co-ordinated approach to credit law.

The Attorneys General conference had set up a committee before I became Attorney General, but the committee had not got very far. I can remember this matter first being raised at a number of conferences I attended shortly after my appointment. The Victorian and New South Wales people were pushing very hard to have some kind of consumer credit laws on their Statute books, and they were basing their proposals on the South Australian law.

The South Australian law provided that instead of registering loan contracts or mortgages of goods, there should be a system of insurance whereby the people who lent the public money on the goods could insure their repayments; in other words, instead of registering their mortgages or bills of sale, they simply insured with an insurance company in case they did not get paid back or could not repossess the goods and chattels, whether they were motor cars, refrigerators, or anything else.

It appeared that the insurance premium paid in South Australia was very low, and it was proposed at our conferences that this should be adopted as a national arrangement. I must say that I had grave doubts that when the insurance was extended on a national scale, the premium would still remain low; but my doubts were, generally speaking, overruled by most of the others present.

I maintained that we should not abandon the system of registration of chattel securities for all bills of sale and so on because it was a well-recognised system which gave priority to those who registered their securities and it enabled proper searches to be made to see whether chattels were already encumbered. I am afraid my argument received scant attention and the Victorian Government decided to proceed willy-nilly with its proposals.

At the time I prophesised that the Victorian Government would have to eat its words or Statue, and within 12 months it had withdrawn it from the Statute book and was proceeding along another tack. Finally, on the change of Government the new Government brought in new legislation.

The New South Wales Government were also proceeding, post-haste. There seemed to be a race between Victoria and New South Wales to see who could get on the Statute book first. The race was on and Victoria did beat New South Wales by a nose, but both Bills were useless, because they did not cater properly for the requirements of credit legislation.

The experience in Western Australia was that our bills of sale register was just unable to keep up with the increased demand being made upon it. There was a poky little office situated in the Supreme Court and a couple of clerks did their best. They wrote everything out by hand in a whole series of books which lined the underneath of the counter and all around the walls. It was difficult for any one to make a proper search and it was difficult for the clerks to keep up with the needs of those who wanted to register their securities.

My suggestion was that the whole show should be computerised and that this should apply on a national basis. Of course, that would cost money. The minute one mentioned paying the cost of computers, one invoked the opposition of the Treasury. So, that did not get very far. However, I managed to interest the Australian Finance Conference Ltd. in investigating computerisation. I am pleased to say the conference took that on of its own accord. It went further and finally managed to convince the Victorian and New South Wales Governments that a new approach should be adopted on this subject.

Now we have the situation where we have before us Bills which go a long way towards correcting many of the problems we had with a whole heap of legislation which has been passed on an historical basis, but which did not fit in very well. Generally speaking, I have been one who has advocated that we do need uniform credit laws in Australia, because credit laws are particularly suited to uniformity. Not all subjects are, but commercial matters such as credit laws are laws which affect consumers throughout the country. So, that is an example of an area we can embrace on a uniform basis, without fear that we are giving away something in our own laws which we should retain.

There was one other unfortunate situation in relation to the searches of motor vehicle records which occurred during the course of these years. It had previously been possible, if one wished to know who owned a particular vehicle, to ring the Police Department, or go to the traffic office, pay a pretty cheap search fee and one received the information as to the name, address, and occupation of the owner of the vehicle. This of course was invaluable information if security was required.

Unfortunately, the police, in an excess of zeal in relation to maintaining privacy, decided to refuse to give this information to the public. The police were quite right in some respects in refusing to divulge certain information from their files, but this was not one of the items they should have refused to divulge.

Unfortunately, the whole lot was put into one area and it was not possible to obtain this information. This was quite a serious matter, because one could no longer find out who owned a particular car or truck. One had to rely on what one was told by the person who claimed to be the owner.

That objection will now be overcome as a result of this arrangement. Henceforth the police will supply information concerning vehicles. I am not certain to what extent they will actually supply the name, but they will at least advise whether the vehicle is encumbered, and that is vital information for someone who is proposing to lend money on a car or truck. That objection will be overcome as a result of this new arrangement.

The Credit Bill is the first of three. This Bill provides for the regulation of sales contracts, excluding bodies corporate. The sales contracts must be for a figure below $20 000 or relate to farm vehicles or machinery.

The credit provider supplying the goods or the services is likewise affected. So, in addition to the regulation of certain sales contracts, we have the regulation of loan contracts, excluding loans made to bodies corporate, where the finance amounts to less than $20 000 or where the interest rate exceeds 14 per cent.

In addition, there is provision for regulating continuing credit agreements—as they are called—which includes such financial transactions as Bankcard, Visa, and probably a few others, depending upon the exact nature of the transactions and the charges, the interest, and various other factors such as that. It is quite complicated, but the people in the trade will very soon work out where they stand in relation to it.

Overdrafts granted on a current account will not be included, even where the debtor is not a body corporate, and of course, they are excluded where the maximum amount of the loan exceeds $20 000 or the rate is below 14 per cent per an-

num. There are certain fairly well-defined procedures in relation to each of these various transactions.

A very salutory advantage of the Credit Bill—that is, when compared with the legislation in New South Wales and Victoria—is the inclusion of credit unions and building societies. It is quite clear that credit unions and building societies ought to be included, if on no other ground than that they are in competition with other financial institutions which are covered. There is a new concept—when I say a new concept it is already included in other legislation, but new to this State—of the linked credit provider. That is, the person who provides the credit under a business arrangement—because only business arrangements are included—can also be liable for damages along with the supplier, so, if there is misrepresentation in relation to the nature of the goods, or a breach of contract. There is to be joint and several liability, as between the supplier and the linked credit provider in the average situation, provided there is in fact a real link. There are, however, some defences which can be used in those circumstances.

Sitting suspended from 6.00 to 7.30 p.m.

Hon. I. G. MEDCALF: I was referring to the Credit Bill before the dinner suspension and I will now briefly refer to the other two Bills included in this trilogy.

The Credit (Administration) Bill provides a system of licensing. Its purpose is adequately set out in the Minister's second reading speech and it is unnecessary for me to repeat any of that. It is quite plain and it is quite comprehensible. I would like to note further that the position of banks may need a little attention in that they are one of the financial groups which are excluded from the licensing provisions of this legislation, no doubt, for the very good reason I mentioned earlier this evening; that is, that banks are covered by Commonwealth legislation and for that reason are excluded from State licensing. A number of other financial groups are excluded, but they are included in other State legislation. However, it may be desirable that financial groups should be included in some way under some system of registration if they cannot be included under the normal State provisions for licensing.

Hon. Peter Dowding: You mean to be dual licensed?

Hon. I. G. MEDCALF: I mean they can be registered, not licensed, so that they pay a fee equivalent to that paid by their competitors.

The third Bill is the Acts Amendment and Repeal (Credit) Bill which has caused me some concern because of the very substantial issues which are raised by it.

I have already said that I am in favour of these proposals, and I stand by that, and it means that we do have to change some of the old State Acts. I do not mean we should preserve the Money Lenders Act in the same way in which we should preserve the Palace Hotel, but I believe that there are some aspects of the Money Lenders Act which should be preserved, for example, the maximum amount of interest permitted under that Act.

I hope the Minister will correct me and tell me I am wrong, but it appears there is no longer a maximum rate of interest. If this legislation provides for that, I will stand corrected. The old provision under the Money Lenders Act provided for a maximum rate of interest and that did have its beneficial side because it did tend to keep interest rates down. There are two sides to the argument, I know, and some people have said that the Act never kept interest rates down, but I have many examples of that happening when we were in Government. By retaining that provision we managed to keep the interest rate below the level prescribed. Lenders still went about their business and they still wanted to make loans in Western Australia even though there was no maximum rate of interest in some of the other States in Victoria and it was as high as 45 per cent. It is, not a good thing, in my view, that we are abolishing a maximum rate of interest.

It is true that we had to increase the maximum rate of interest from time to time. When I first became interested in this subject the maximum rate of interest under the Money Lenders Act was 20 per cent. There was a minimum rate of 15 per cent. If a person lent money at 20 per cent he had to register as a money lender. If a person did not register the consequences were drastic as the contract would be void. It was a deterrent in order that people would not lend at excessive rates.

There was a period in this State's history where the Government had to legislate to stop people charging exorbitant rates of interest and 20 per cent was considered exorbitant. The legislation had to be changed from time to time because of changing economic circumstances. It appears that the maximum rate has been abandoned and I have some difficulty in accepting that. While, on the other hand I can appreciate that we do not need the other provisions contained in the Money Lenders Act, many of which are complex, technical, and very confining, in the sense that the Bill deals only with certain situations and leaves out others which should have been included.

While going along generally with what the Government has done, I feel that if there is no ceiling on interest rates, it is a disadvantage. It is an incidental and unfortunate result of the repeal of the whole of the Money Lenders Act.

The Government under this Bill—the third in this trilogy—has not repealed the whole of the Hire-Purchase Act. Quite sensibly and rightly the Government has approved of the Hire-Purchase Act's continuing for non-regulated transactions; that is, those not regulated under the credit legislation. That is a sensible arrangement. Indeed the Government has been able to borrow quite heavily from the Hire-Purchase Act in terms of a number of much fairer provisions for the consumer, borrower, hirer, or whatever one might call him. I approve of the retention of the Hire-Purchase Act as it applies to non-regulated contracts.

One thing further does concern me and I now come to the fact that in the Minister's second reading speech there is no reference whatsoever to the Bills of Sale Act. While this Act is to remain in much the same form, with one or two minor amendments which are set out in the Bill, I would have thought the Minister would have pointed out the significance of retaining the Bills of Sale Act.

Over the years there has been a great deal of criticism of the Bills of Sale Act. It has not attracted as much criticism as that levelled at the Money Lenders Act; however, it has been recorded as being a difficult and complex Act for the average person to understand and indeed it is. Many lawyers have shuddered at the Bills of Sale Act because they have been caught up in its complexities. The Bills of Sale Act is to remain, with the exception of one or two minor changes of which I approve.

It seems that the system of registration as we now have it will continue and that regulated mortgages and loan agreements, indeed regulated contracts generally, which were formally liable to be registered under the Bills of Sale Act, will continue to be registered. I am not objecting to this, but merely observing and proving it and indicating that it would have been worth a mention by the Minister in his second reading speech.

Although this Bill has been approached primarily from the point of view of the interests of the consumer, there are at stake in this area principles of law which are vital to the community and one is the registration of securities. It may seem academic to talk about the registration of securities, but it is terribly important and vital. Boiled down to its essence, what it means is that if there is an Act of Parliament that provides for a public office to register securities and documents and a person avails himself of it and registers documents, he has a legal title that is unassailable at law and one that puts him ahead of anyone else who has a lesser title. That is very important to both borrowers and lenders. They both want to know where they stand and be sure that no-one can defeat the arrangements they have made between themselves. The principle of registration is one that gives them both security.

In Victoria and New South Wales, when the respective Governments were legislating, they simply ignored the registration of securities which is a vital, basic, and fundamental area. It appears that the Government does not seek to change in substance the Bills of Sale Act and therefore it is still included, but why has it not been referred to? It is important. It is an unfortunate omission from the second reading speech because it is not likely that members of Parliament or the public will understand what the Government is doing. That is unfortunate because a lot of people would understand if it were explained in simple terms.

The system of registration will continue and I applaud that even though it is under the rather antiquated Bills of Sale Act. I suppose the time will come when the Government decides to bring in a new Act such as, for example, the Chattel Security Act of Victoria where the old-fashioned Instruments Act of that State, which is equivalent to our Bills of Sale Act, has been abandoned. In Victoria they have brought in a new Act and I suppose this Government is proposing to do just that, but I did not read anything about it in the second reading speech.

I am on rather slippery ground because I have no way of knowing that the Government will do just that, but I suppose it would be logical that it will do so at some future date. Certainly, it would have been the course I would have taken if I had been in Government and in charge of this area.

I do commend to the Government that if it considers bringing in a new Chattels Security Act at a future date, it should go further than the Victorian Government has gone. The Victorian Act deals mostly with motor vehicles because they are valuable chattels.

Hon. Peter Dowding: We have announced our intention to move towards chattels security legislation in relation to motor vehicles, legislation which will be in line with the Victorian concept. I am not commenting to that extent, but we have announced it.

Hon. I. G. MEDCALF: I am pleased to hear that. I reiterate my comment that I trust the Government will go one step further than the Victorian legislation.

If one is really doing this properly, one should bring in a Chattels Security Act which deals with other chattels besides motor vehicles. A motor vehicle is not the be-all and end-all in the chattel area. Many securities which have nothing to do with motor vehicles require registration. I am referring to things such as securities over machinery, computer aids, and other sorts of hardware machinery. These items may be subject to various loan contracts, sales contracts, and so on. It should be quite possible, by analogy with the existing system and registration under the Bills of Sale Act—which, for all its handwritten problems, is basically sound—to institute a system of registration of securities, a system which includes not only motor vehicles, but also all the other items which are the subject of chattel securities.

That is where I started out on this exercise, after I became aware of the chaotic situation which applied under our Bills of Sale Act. As I indicated earlier, the clerks worked in a poky little office with inadequate accommodation for themselves or the public to enable them to make proper searches. But at least the securities were registered under separate names. If I had purchased some mechanical equipment—not a motor vehicle—I could have given a bill of sale over that, and that bill of sale would have been registered against my name. Although that sort of equipment may have no serial number, nevertheless it is important that the public should be able to search in the register in my name to see if there are any encumbrances over that asset I have given security for.

Hon. Peter Dowding: The motor vehicle registration is directed at that, plus linking it with the registration number of the vehicle. That is the particular purpose of motor vehicle registration.

Hon. I. G. MEDCALF: I appreciate that. What I am advocating is that the register should go beyond motor vehicles to include all other chattels, in the same way as the bills of sale register included any chattels—not only motor vehicles—in fact, any goods at all other than land.

I commend that to the Government. I would suggest the Government should not be blinded by computer experts or people looking at the subject from the point of view of motor vehicles only. I realise that motor vehicles are the principal chattels most people are interested in and borrow money on. But it would still be beneficial to have a comprehensive register of all the other items besides motor vehicles.

I am delighted that the system of registration of securities has predominated over what, at one stage, appeared to be an entirely new and unsatisfactory approach of simply insuring the items and charging the premium to the consumer, and then, if necessary, claiming damages from the insurance company if the deal went bad. I am pleased that that system has been abandoned and we will still have a system off basic registration for those who want to avail themselves of it.

I have a few queries in connection with this legislation. I have had some difficulty in following the reference to the prohibition of procurement charges. I could not see where these were specifically prohibited, except by inference, in that it appears they must be brought into account when calculating the interest charge. I have also had some difficulty in following the reference to a 40 days' billing cycle in clauses 55 and 56.

I also had some doubt about the exact interrelationship of the provisions in regard to entering into possession in order to recover chattels on default. It seems to me that there are one or two clauses which appear, on the face of it, to conflict.

Clause 95 prohibits entry into possession without a court order or the consent of the borrower or purchaser, whatever he might be called, but there are other clauses which allow entry into possession in certain circumstances, and I suppose they interrelate adequately. The Minister's assurance on that would be desirable.

There are, of course, some disadvantages in this whole arrangement, although I have indicated my general support for it. I suppose anyone who took a fairly absolute view of the need for less government, less bureaucracy, and more deregulation, would take the view that we were going in the opposite direction in that we are increasing regulation, even though we are standardising many of the procedures.

Also, as I have said, this is a consumer approach. I do not object to that at all. I see the need for it, but I hope that we will get around to approaching this subject as well from the point of view of the law which will give us a comprehensive way of registering all our securities—not only motor vehicles, but machinery, other goods, and so on—in the name of the borrower or consumer.

Those, in general are the major disadvantages of the legislation; but there are, of course, many advantages. I have already mentioned them. Briefly, they are that we will have uniformity throughout Australia. There are some minor differences between the laws of different States, but that is unavoidable.

So far as the major operators are concerned, and those who undertake inter-State transactions—not only big-time operators, but citizens who move from State to State—it will

certainly provide a more convenient medium in which to conclude their financial transactions.

For those reasons I indicate my support for the Bill.

HON. PETER DOWDING (North—Minister for Planning) (7.53 p.m.): I thank the member for his support of the legislation and his thoughtful contribution to the second reading debate. I give him an assurance that during the course of the Committee stage I will give specific responses to the points which have been raised and his general observations in relation to policy issues, particularly in relation to the registration of chattels generally. I will give careful consideration to them, and at some stage I will make a statement about the Government's intention in relation to that issue.

I make the point that the Government has sought to co-operate with the commercial community in relation to the introduction of this legislation. The legislation was a long time in conception, and the birth has been postponed since early August. I think the member was away then, but I did give notice to the Opposition and to others of the existence of the Bill and its imminent production. I invited involvement at that stage.

The Government has sought to co-operate with the commercial community to try to introduce this legislation so that it can be digested by the commercial community in time for what I hope will be its proclamation at some date early in the new year to coincide with proclamations in other States so as to gain the maximum benefit from a unique opportunity for the introduction of the type of documentation and resource material which I understand some of the larger companies involved in the inter-State trade area would wish.

I would like, if I may, just to comment on the proposals in respect of the registration of chattel securities. The focus of this proposal has been in the area of motor vehicles for two reasons, firstly, because of the resources available to the Government. When one is in Opposition one assumes they are unlimited. When one sits on these benches one finds that is not quite the correct position. But the proposal which has emanated from the finance companies has been a self-funding proposal, which has of course, been attractive to Government. Fairly substantial setting-up costs have been given, because it is a major departure in terms of registration procedure, and also because, as the Hon. I. G. Medcalf observed, the motor vehicle is the principal family asset after the home, and the home is well-catered for in terms of registration. One's focus is therefore at the moment on the motor vehicle.

The ability of that system to expand and encompass computerised and inter-State industry as regards the registration of chattels is a very sensible and logical step to be inhibited only by the availability of resources and funds once the system is under way.

Since I am also responding to some comments made by the Hon. Peter Wells, may I say that I have not wished to deprive either the Opposition or other people of the opportunity to comment on this legislation. I hope that Hon. Peter Wells, who issued a Press release this morning, I understand calling for further delays in relation to the processing of this legislation, will understand that the conception has been long and the birth has been delayed. Every facility that I could reasonably offer has been given, both to the Hon. Peter Wells, and, indeed, to any member of the Opposition.

It is desirable that the business community should have an opportunity to look at the legislation, bearing in mind that we have, by and large followed the policy decisions of New South Wales in the drafting of this legislation. The commercial community should not be unfamiliar with these problems. What is really needed is a period between the passage of this legislation through the House and its introduction so that all the elements of the business community which will need to operate under this legislation should have plenty of opportunity to familiarise themselves with it. If during the early days of the operation of the legislation, wide-ranging and important as it is, practical problems are thrown up, or policy issues need to be resolved, then I expect my Government—and I have no doubt any Government—would be very willing to review the legislation from time to time.

Mr Wells raised certain problems. I do not wish to demean the point raised in respect of some of the clauses, but I do not think that the client of the red-light district who wished to pay by Bankcard will, in fact, be caught by the linked credit provisions as he suggested. If he really has any further concern about that aspect of the legislation I will deal with it at the Committee stage.

Hon. Ian Medcalf raised some substantive points. He certainly raised a policy issue about the maximum rate of interest in the Money Lenders Act and the impact that has. I shall study his comments, take advice on them, and respond to him during the passage of the Bill through Committee, if we move to that stage. I also give Hon. Ian Medcalf and the House an undertaking to take advice on focusing the moves towards chattel registration on a broader basis and to ascertain the time frame which might be relevant.

Hon. Ian Medcalf will understand that in fact we are dealing with legislation which jumps across two portfolios. The area of the Corporate Affairs Office, soon to become the Corporate Affairs Department, and the registration activities of those various agencies and Government departments is, the responsibility of the Attorney General. I shall consult with the member about the action that the Government might take in relation to this matter.

While the member has pointed out some increased regulation occurs, I believe that, if we find in a piece of legislation such as this, a common form of credit transaction and uniform form across Australia, we are not in fact further entering into the regulation of this industry, but rather the overall impact of the legislation will be to reduce the regulation, if not in terms of the contact between each type of transaction and the Government agency, certainly in respect of that area of law which must be known and understood when regulating the particular contract. I believe we are moving towards a situation of, if not smaller government, or less bureaucracy, whatever that might mean, certainly towards a period where business may operate more efficiently. I think that view is shared by Hon. Ian Medcalf and in fact it was part of the policy which drove he and his fellow Ministers when they were in Government.

Overall this legislation is anticipated to provide many advantages for the commercial community in terms of uniformity and simplified procedures. At the same time it is pitched at providing a fair level of consumer protection and I make the point that, in terms of balancing the interests of the credit provider with that of the consumers, many of the safeguards that are built into this legislation were in fact, in spirit if not in precise detail, built into the Hire-Purchase Act. It has only been because of the variety of credit contracts which have grown up after the introduction of the Hire-Purchase Act that the consumer protections contemplated by that Act have not been available to consumers of those other forms of credit transactions.

At the same time there is a modest increase in consumer protection and I am heartened by the support that the finance industry has given to the Government in introducing this legislation and am satisfied that there is a reasonable balance between consumer protection and the proper interests and protection of the industry which is supplying the credit.

With those comments, I repeat my thanks to the Opposition for its support of this legislation.

Questions put and passed.

Bills read a second time.

STATE ENGINEERING WORKS BILL

Second Reading

Debate resumed from 25 September.

HON. W. N. STRETCH (Lower Central) [8.07 p.m.]: The move to elevate the State Engineering Works to corporate status has raised many eyebrows in the private sector and has worried business people in Western Australia. However, we must look at the options which were available to the Government when it faced the prospect of what to do with the SEW when the Public Works Department was being restructured and the departments dealing with water supplies were amalgamated under the one umbrella of the Metropolitan Water Authority.

Various options were suggested to the Labor Party at certain times and by different people. The Government was faced with the following options: Firstly, selling the SEW as a going concern; secondly, relocating the works and hopefully capitalising on the superb riverside site; thirdly, investing large sums of Government money to upgrade the workshops; or, fourthly, converting the works to a corporation and launching it as a nearly-autonomous operation in a competitive marketplace.

To assist the Goverment in its deliberations on the matter, PA Consulting Service was appointed to produce a report titled "Options and Prospects for the Future of the SEW of Western Australia". I shall refer to that report later in my address.

The report broadly canvassed the heavy engineering situation throughout the State and looked particularly at the SEW's position in that scenario. The option in respect of selling or relocating the works was really inadvisable, mainly because no-one was interested in buying the current setup. It would require too big an outlay and the outlook for heavy engineering in this State, as outlined in the report, was not good and certainly would not have inspired sufficient confidence to justify anyone's making that move.

The option to relocate the works offered, as a bonus, the release of 22 acres of rather high, riverside land which, if it were rezoned residential, would certainly represent a handsome bonus.

However, at the present stage of the market, it was not a viable proposition to take up that option, virtually for the same reasons as those given for the previous option; that is, the cost of relocation in the present state of the industry. Thus the option was unthinkable.

That took the Government back to square one, so it embarked on the present course that we are debating tonight. Generally speaking, the Oppo-

sition agrees with the course being taken by the Government although naturally we would have been much happier were the economic conditions such that someone in private enterprise could buy out the SEW at a reasonable and viable figure and operate it as a going concern. Failing that, in our view, the next best option was to support this Bill.

Our major concern in this respect is the same as that in respect of all of these corporations; that is, to see that when trading in the marketplace the body is not given an unfair advantage over other companies which are established.

As was pointed out, a large increase occurred in the number of such companies in the development boom in the late 1960s and 1970s. Now, with the general recession in heavy industry, we are suffering many problems.

I inspected the SEW last week in company with Hon. A. A. Lewis. It was most interesting to study the operations of the works at first hand. The new foundry which was set up and financed under the last Government is operating very well. The most notable features of the works' operations are the wonderful keels it constructed for *Australia II* and *Challenger*. We hope it will be able to cook up another beauty for the next series!

Another reason for our tacit support of the Bill has to be that the SEW has the capacity to undertake some specialised work. It does much of this on behalf of private companies. Indeed, that area constitutes approximately 20 per cent of its work.

I draw the attention of members to appendix "C" of the report of PA Management Consultants. It lists some of the major private customers of SEW and it reads a bit like the *Who's Who* of heavy industry. Many of the companies which operate in competition with SEW find at times that they have to use some of the expertise and equipment of SEW.

Of course, the difficulty is that SEW has some very large pieces of specialised equipment, the purchase and operation of which could not be justified by private industry in the present economic climate. Some of that equipment, including a 70 foot lathe, has been operated by the works since the days when it could service submarine propeller shafts during the last war. No-one else could afford to buy and operate such equipment, therefore, it could only be broken up and sold as scrap metal. For various reasons, private companies would not be likely to buy, relocate, and operate this type of equipment.

It must be borne in mind also that, over the years, the SEW has contributed greatly to the State and its development. Even today in the wheatbelt and throughout farming country in this State we see ploughs, binders, and all sorts of strange equipment, which, in the early days, was built by the SEW.

The Opposition intends to support the Bill and, in passing, I record my thanks to the Manager of SEW, Mr Grey, who so willingly showed us around the works and frankly discussed its operations. I am also grateful for the co-operation of the Minister in another place for giving our visit his blessing.

However, we will not get carried away with loving kindness, because I should like the Minister to answer a few points when he replies. The first question relates to the make up of the board, as proposed in the Bill. PA Consulting Services' report indicates that, "The Board would . . ."—I suppose it would be more appropriate to say "should"—" . . . consist of the following members". It refers to the chairman who would have appropriate previous experience in private industry, etc.; two non-executive directors from Government, the first of these being the Under Treasurer or his nominee, and the second a senior member of a major Government client, because it should be remembered that Government clients constitute 80 per cent of the work of the SEW; and two non-executive directors from the private sector, both of whom would have held senior positions in private industries with companies either involved in engineering or engineering supply or contracting.

The report went on to stipulate another two executive directors, the general manager, plus one other executive of the State Engineering Works. That made a board of seven members whereas the Bill stipulates a board of five. I do not think we quarrel with the concept of a board of five—we probably applaud it. We wonder why, having commissioned that report, the Bill did not take some cognisance of its recommendations. The Bill seems to be devoid of stipulations as to whom these people will be.

Page 3 of the Bill provides for a chairman, a deputy chairman, a general manager for the time being of the corporation, and two other persons. When the Minister responds I would like to know whether the words "for the time being" mean every general manager at the works will be a board member. We want clarified whether it means the gentleman who is currently the manager, or whether it refers to every manager in the future. "For the time being", it could be interpreted to mean that once this manager has gone he could be replaced by anyone at all.

We stress that it is most important that the board has a very strong engineering expertise. It is

vital for various reasons outlined in some detail in the P.A. Consulting Service report.

I will summarise that report—not all of it should be taken as gospel, but it was commissioned by the Government and the recommendations are set out in some detail. On page 32, paragraph 4.5 of the report reads as follows—

> State Engineering Works—Summarised Market Position
>
> The findings of the previous sections can be summarised as follows—
>
> The overall market for engineering services is depressed and likely to remain so for several years.
>
> The decline will be most apparent in the private sector where there is no immediate prospect of sufficient project work to replace that generated by the Worsley and Wagerup alumina projects.
>
> Even at the previous significantly higher levels of demand the industry in WA had ample capacity to meet all reasonable requirements with an acceptable degree of user choice.
>
> The State Engineering Works, though well regarded, does not appear to possess enough unique capabilities to insulate it from increasing competition and some loss of volume.
>
> To some extent the State Engineering Works' low reliance on private work will cushion it from the immediate effects of the downturn. However, it may need to compete more fiercely to retain its existing government work.
>
> Based on these market factors it is difficult to justify substantial investment for reasons other than to retain existing markets or market share.

That outlines some of the difficulties ahead for this new corporation and, while wishing it well, we see it as heeding an expert board whose members have a deep knowledge of the heavy engineering industry. We would have preferred to see that need for expertise stated a bit more fully and clearly in the Bill.

Next I acknowledge that the Minister for Works in another place has already accepted the Opposition's amendment which will ensure that a Minister's directions are automatically passed on to succeeding Ministers in the event of a change of Government or portfolios. This of course is to circumvent any temptation to emulate Sir Humphrey Appleby, if the "yes, Minister" syndrome ever approaches our shores.

Hon. Peter Dowding: Do you mean it is not here?

Hon. W. N. STRETCH: Mr Dowding is a Minister. He would know! I am only a humble backbencher! We believe that to ensure fair competition is most essential in the open marketplace. It is absolutely essential that the input of services from other departments such as the Crown Law Department, if ever it is needed, is realistically valued and included in the costings of the corporation. I do not think this can be legislated for in any way. We just ask the Minister to ensure that in his administration this principle is adhered to.

I come finally to clause 34 of the Bill. This is a strange clause because it uses a lot of words to set up machinery to collect bad debts. I would like the Minister to explain to the House in due course why the usual channels of litigation are not sufficient for this corporation. It would seem that every other department collects its bad debts through the normal legal channels and it seems strange to set up this one differently. At any rate, this obsession in the Bill with sundry debtors led us to study the State Engineering Works 1983 report. I do not know whether the Minister has that report, but I hope he can get hold of it shortly because on page 14 appears something of significance about the sundry debtors.

The PA Consulting Service report states quite clearly, I think without dispute, that 80 per cent of the customer work of the State Engineering Works is on behalf of the State Government. We recognise also that in the private sector most debts are collected fairly readily. Sometimes it takes a while, but most are collected, so one is forced to conclude that in all probability 80 per cent of the SEW bad debts are incurred by Government departments. I ask the Minister to also clarify this point for the House.

The relevance of this point, Mr President, in case you think we are running off at irrelevant tangents, is that, supposing that, under clause 34, the State Engineering Works chose to seize, say, 20 tonnes of water pipe and fittings on behalf of the Metropolitan Water Authority or 20 or 30 rollers off the crushing mills at the Muja power station, the SEW could sell them, satisfy its debts, and return the surplus money to the client. If the client is taking the money off itself—that is, the Government paying itself, seizing items off itself, selling them on its behalf, and sending the surplus back to itself—the whole thing becomes slightly ridiculous. If the goods are put up for sale, I ask who will buy, say, 20 tonnes of water pipes

ordered specifically for the MWA? We really have wondered why we should set up this special provision which enables the SEW to seize the work that it is performing on behalf of Government departments when it itself is a Government corporation. This is getting a little bit like a Gilbert and Sullivan show, and we ask the Minister to clarify that point for us.

I might say it is a bit unsatisfactory talking to the Minister's back when he is talking to another Minister. I hope he takes the point from the speech that in the case of a bad debt from another Government department, surely to goodness, the chairman of the corporation would go to his Minister and say, "Look, Sir, we have something of a problem here. Government department X won't pay its money. How do we go about getting it?" Surely the Minister would go to Cabinet or talk to the other Minister concerned and say, "Look, your department is not playing the game. How about getting it to pay up?" We are forced to the conclusion that this debt will be mainly Government money, based purely on the figures. If we are wrong I would be delighted to be told so, but it does not add up or make sense on the report or the balance sheet. We would have thought that the Minister in charge of the defaulting department would have arranged that these moneys would be collected. Therefore, it leads us back to the necessity for clause 34.

In conclusion, I want to again refer to these sundry debts. If we go back over the succeeding years—this is on the statistical summary of the State Engineering Works for the year ended 30 June 1983—the debt has risen from $622 000 in 1979 to $1 184 000 in 1983. In the preceding year the debt almost doubled, and in 1982 it did double. I will read these figures out because they are important.

In 1979, in round figures, the sundry debtors totalled $622 000. In 1980 the figure dropped down to $248 000. In 1981 it rose again to $757 000, the same as two years previously. In 1982, it jumped to $1.244 million. We wonder why it should double in that time and we would like clarified whether the debts were incurred by Government departments or the private sector, although I very much doubt it was the private sector, for the reasons I outlined earlier. It does not add up at all.

Hon. H. W. Gayfer: It doesn't make sense.

Hon. W. N. STRETCH: As Mr Gayfer pointed out, it does not add up. It does not make sense. It draws one to the rather unpleasant conclusion that in the last two years—I remind members that that is since the change of Government—the amount owed by the sundry debtors of the State Engineering Works—the Government's own department—doubled. We only hope that this does not mean that the Government is not paying its debts. We hope it is not using this deficit to cover up for deficiencies in other Government departments which might otherwise, if they were paying their share of the debts, have had to raise their charges even further to cover these sundry debts. We hope that the Minister can explain to the satisfaction of the House that that is not so. We will certainly require some satisfying because the figures seem quite extraordinary.

Nevertheless, we support the concept of the Bill and we wish the corporation well. It is being launched in very stormy seas and we hope, for the sake of the taxpayer particularly, that the SEW can prosper as it has in the past.

HON. A. A. LEWIS (Lower Central) [8.27 p.m.]: I know the Government is very keen to get this Bill through, as Hon. W. N. Stretch said. I happened to accompany him on an inspection of the State Engineering Works; it was a very enjoyable experience because it had been a long time since I was in the heavy engineering field. I echo his queries about the identity of the debtors. We cannot really go into the Committee stage until the Minister tells us who owes the debts to the State Engineering Works. If it is as we suspect, and 80 per cent is owed by Government departments, what is happening within those Government departments? Are they pulling a shonky deal and using the State Engineering Works as a scapegoat?

I will go a little further. A Government of my colour built the foundry. I want to know why the foundry was erected as it was, rather than at right angles to the way it is. I am not sure the Minister will be able to tell me that because on no floor plans of which I am aware—and you, Mr President, understand these things far better than I—would one find a foundry pointing out to sea and out to a road, with all the business generated at right angles.

One would have swung the foundry around and built it so the whole of the operation could run straight through. I want to know why the foundry was built facing in that direction. I notice Hon. Mark Nevill pricked up his ears, and I hope he goes and has a look at it because he would pick it up straight away; he is an intelligent man.

Hon. P. G. Pendal: Even Mrs Hallahan would pick it up.

Hon. A. A. LEWIS: I doubt that. Kay Hallahan is expert in other areas. Mark Nevill will

understand what I am talking about if he gets an opportunity to go down there.

It worried me. The Minister will be pleased to know that I went through three hours of inspection without uttering a word.

Hon. H. W. Gayfer: How unusual.

Hon. A. A. LEWIS: I listened and said, "Thank you", and did all the right things. At the finish when we were having a cup of coffee, I asked, "Why the blazes did you build the foundry that way?" I got no explanation. I said, "Surely, if you had put it at 90 degrees, you could have done this and that". They said, "We did not think of that; how is it that you understand?" I said that I did not know.

Hon. H. W. Gayfer interjected.

Hon. A. A. LEWIS: I happened to have been through a few heavy industry proposals.

What worries me is that here is an operation which the previous State Government under a Minister whom I admire intensely—or perhaps two or three; Graham MacKinnon was probably one of those who started it, and Ray O'Connor and Andrew Mensaros—

Hon. P. G. Pendal: He probably built it at the wrong angle.

Hon. A. A. LEWIS: Graham MacKinnon? No way!

Hon. G. C. MacKinnon: We got private consultants to tell us where to put it. That is the trouble.

Hon. A. A. LEWIS: Does the member mean that the Government got advisers?

Hon. Peter Dowding: No, they were more highly paid than that.

Hon. A. A. LEWIS: More highly paid than advisers, were they?

Hon. Peter Dowding: They sure were.

Hon. A. A. LEWIS: If anyone has been paid more highly than those particular advisers, I will be very surprised.

Hon. Peter Dowding: Don't be.

Hon. A. A. LEWIS: For the amount of work they do and the number of mistakes they make—

Hon. Peter Dowding: Don't be on either score.

The PRESIDENT: Order!

Hon. P. G. Pendal interjected.

The PRESIDENT: Order! I suggest to members that they cease their audible conversations and cut out the interjections because they are out of order. I suggest to the member on his feet that he tell us something about the State Engineering Works Bill because currently he is talking about something entirely different.

Hon. A. A. LEWIS: I do not want to disagree with you, Mr President—

The PRESIDENT: That is good.

Hon. A. A. LEWIS: —except that I have been talking about its debts and the way the foundry was sited, and, with due deference, I say that I thought the whole of my speech had been about the State Engineering Works. The unruly interjections are trying to lead me away from the subject. You will well understand, Mr President, how one can be diverted from the subject.

It worries me that we are going to turn the works into a corporation. It is a lovely word, so long as one does not lose money. I wonder whether the expertise to which the Government has referred in any way resembles the expertise the Government talked about in relation to the Argyle diamonds. We did not hear previously that there would be three times the casualty rate when Argyle diamonds were finished. I wonder what we are not hearing about the State Engineering Works. The Argyle diamonds were going to be the greatest in the world, according to the Government.

I want to know what are the plans for this corporation. How far will it be allowed to go? As Hon. Bill Stretch said, if the debts lie in the pockets of those people we believe to be in debt, I hope the Minister will tell me that the corporation can sell up the Metropolitan Water Authority because it can sell up everything else. Does this provision apply to Crown authorities as well? It is interesting to see that the Minister is silent on this matter. He will have to answer before he can get out of it.

Hon. Kay Hallahan: He is not interjecting, is he?

Hon. A. A. LEWIS: He is giving his usual sneer which means he does not understand.

The PRESIDENT: Order!

Hon. A. A. LEWIS: Certainly, Mr President.

I want to know whether all these conditions apply to Government departments and whether the corporation can sell up people who do not pay their Bills, because that is what the Bill says. I am glad the Minister is taking notice. I want to know why the foundry is sited in its present position. The Minister will not be able to answer tonight before we go into Committee.

Hon. Garry Kelly: Which party was in Government when the foundry was built?

Hon. A. A. LEWIS: Hon. Garry Kelly brings up a point I made five or seven minutes ago. The Liberal Party was in power.

Hon. Garry Kelly: I want to get it straight.

Hon. A. A. LEWIS: I guess that, in 1981, it was Charlie Court. That does not mean that the Government's action was necessarily right, nor that what Whitlam or Tonkin did was right when taxes were increased by 33 per cent a year. The Government goes strangely silent when one puts up these sorts of arguments. We have had nine times the tax increases since this Government came to power.

The PRESIDENT: Order!

Hon. A. A. LEWIS: Sir, you let them—

The PRESIDENT: Order! I did not let them do anything, and I am not letting the member do it, either. His comments have nothing to do with the Bill. If the member can relate his remarks to the Bill, he may talk; otherwise he may not.

Hon. A. A. LEWIS: Of course I can relate my remarks to the Bill. I would not be speaking if I could not do so. You know that, Sir, and also that I always obey the Chair.

The PRESIDENT: It is a pretty distant relative the way the member is going.

Hon. A. A. LEWIS: I am sorry my mother and my cousin are not here.

We are talking about changing the total structure of the State Engineering Works. The layout and the financial situation have already started in the wrong way. Will this corporation start with the burden of other departments owing it heaps of money?

One could say that I was opposed to any change in the State Engineering Works. I am not, but I believe the bullet must be bitten now. Even with the magnificent foundry and the machines at the works, I wonder whether it is worthwhile the foundry's continuing at the same site given the problems of finance and the wrongly sited buildings. If it were a private enterprise organisation or Mr Gayfer's farm, I think he would sell it.

Hon. H. W. Gayfer interjected.

Hon. A. A. LEWIS: Well, Mr Wordsworth's farm, or Mr Dowding's legal practice. One would sell it off and move to O'Connor or somewhere else where one could get the acreage and could design a new State Engineering Works.

I disagree with Bill Stretch about the 70-foot lathe. It is magnificent, and if Fremantle wanted another museum piece, it should keep it. I am referring to the old one, not the new Japanese lathe.

The works can be moved fairly rapidly and I think the Government ought to tell us about its ideas. Is it going to commit that piece of riverbank to an engineering works for the next 50 years? Is it trying to give the corporation a chance to survive? If it is, my advice would be that it should move out of that site and take certain losses in installation and building costs. The works should go out and build somewhere else and its present site would become a very salubrious and select housing area. The money the Government would get for the housing sites would pay for the re-establishment very quickly.

Hon. W. N. Stretch interjected.

Hon. A. A. LEWIS: Hon. Bill Stretch mentions $9 million. The paid up capital, I would say from memory, is $1.25 million. If the Government department debtors were picked up, there would probably be $10 million to start with straightaway.

I believe the Government should be taking some lead instead of saying that it wants to put the works into a corporation and leave it on the present site. The works employ superb tradesmen, people who are unbeatable in this State at producing rare and strange things like the winged keel. Surely they should be given the environment in which to do it. I am not forgiving previous Governments for their lack of attention to the State Engineering Works.

Hon. G. C. MacKinnon: It was not a lack of attention at all. You are quite wrong in all your suppositions.

Hon. A. A. LEWIS: That is an interesting interjection because the foundry was built during the previous Government's term of office—one effort in nine years. The member who interjected was Minister for Works.

Hon. G. C. MacKinnon: As a matter of fact, I authorised the construction of the foundry.

Hon. A. A. LEWIS: I want to know from Mr MacKinnon—and I hope he gets on his feet because he authorised it—why he positioned it the way he did.

Hon. G. C. MacKinnon: Mr Stretch is handling the debate for us, and I have told him.

Hon. A. A. LEWIS: I am glad the member has told Mr Stretch why he positioned the foundry where he did.

Hon. G. C. MacKinnon: I did not build it. It was done by experts, under pressure.

Hon. A. A. LEWIS: I think that statement is very unfair. The Minister and ex-Ministers should take responsibility for what they have done.

Hon. G. C. MacKinnon: That is only your opinion, and I do not think you know much about it.

Hon. A. A. LEWIS: That is a very interesting comment. I hope that the honourable member will get to his feet and defend his actions.

Hon. G. C. MacKinnon: I have discussed this with Mr Stretch.

Hon. A. A. LEWIS: That is most interesting; I am making some points for the record and the member is making something of a record.

The safety record at the works is good considering the conditions in which the people work. They have a good safety programme and their work is effective. They make a profit and I would tremble if I were in private enterprise and dealing with similar profit margins. I think they have something going for them. This House, the Parliament, and the Government should be doing more for them.

The State Engineering Works should be moved and the workers should be given a totally different environment in which to work, with modern equipment. No other works I have seen in my life have had alleyways of 2ft 6in between machines. I am not blaming previous Governments because they have thumped in new machines, often during wartime, and they had to take what was given. However, I am told daily by the Press and Ministers that we are on a rising economic plane and everything is rosy for the future. In such enlightened times we should move the State Engineering Works and get it away from the river to where it has a large enough area in which to set up the plant properly. Mr President, you have probably worked at the State Engineering Works and designed some of the cables which are now falling down. We go on year by year bringing forward legislation without thinking of the conditions of the workers and without thinking of the long term. No-one is prepared to bite the bullet. The Minister has a few things to answer in this debate. What alternatives has the Government looked at? Why—he will probably get some help from Mr MacKinnon on this—was the foundry sited where it is? Why is the debt structure so high? Does he think it is fair—I am not allowed to ask for an opinion—for the State Engineering Works to be passed over to a corporation with the debts that it presently has?

HON. H. W. GAYFER (Central) [8.50 p.m.]: I did not intend to speak on this subject. Indeed, perhaps I have some temerity in opening my mouth after the speech by Mr Stretch and his examination of the State implement works. I think he has covered the subject extremely well. I also acknowledge the contribution made by the self-admitted expert on foundries, Hon. A. A. Lewis, whose family tree incorporates Essendon Lewis and BHP at Whyalla. No doubt some of Mr Lewis' great knowledge on this subject has been endowed by his family. I have not worked in the State implement works.

Hon. G. C. MacKinnon: It is not called the State implement works any longer. That is the old name, and it is now called the State Engineering Works.

Hon. H. W. GAYFER: I always call it the State implement works and I think Western Australia is extremely proud of that term. I know that my family is, because my cousin—Clarrie Properjohn—was Manager of Works in the State Implement and Engineering Works. During and after the war I had a great deal of experience of the works and I would be loath to feel that any member of my family was getting a kickback from any of the modern hindsight which Mr Lewis has brought into the debate.

Our farm at Corrigin, and many other farms in Western Australia, started off with State implement works machinery. In fact, the original machinery imported into Western Australia to handle the heavy operations—removal of stumps and rocks which were prevalent in the country areas—was not adequate to deal with Western Australian conditions. The large mouldboard ploughs designed by the State implement works were some of the greatest engineering machinery ever brought in. They were used extensively in the agricultural areas of Western Australia. Indeed, I started my agricultural work with a small crawler tractor with an eight-furrow State implement plough hooked on behind. It was built so competently that, even as a junior novice handling that tractor, I could not smash it. There was no way that I could turn the tractor inside out and damage that plough. It was certainly a robust machine. The statimp windmills, also from the State implement works, were in great use and the last one on our property was pulled down just a few years ago.

Surrounding the State Engineering Works—as it is now called—is a tradition and history of which many of us are particularly proud. Many people still working in the State Engineering Works are particularly proud of it and what it has done for Australia.

I do not think it would be possible to shift the entire foundry and its operations and expect it to cater for some of the one-off jobs for which it caters at present when asked to do so by private enterprise.

In the 24 years I have been in this House, I have watched with a great deal of pride the annual reports of the State Engineering Works come forward; it is one Government instrumentality which always seems to have been run efficiently. The works have never been queried at Budget times when papers are presented. In fact I cannot remember anyone's having queried the works at any time. Indeed, they have hardly been given credit. However, I notice that on page 1474 of *Hansard*, the Minister for Works answered a question from the ex-Minister for Works in another place and gave him figures of the profits made in each of the years from 1973-74 to 1982-83; that is, for the last 10 years. A profit was made each year. That is indeed a great and proud record.

All members have sufficient faith in the expertise of those who have run and are running the State Implement and Engineering Works to realise that the plans now evolved must surely be only in the interests of the State Engineering Works and its future well-being in this State.

Mr Stretch has certainly raised some sections of the proposed legislation on which it will be interesting to hear the Minister's comments; that is, regarding membership of the board, the numbers, and from where the general manager shall be selected. I agree with Hon. Bill Stretch that the general manager should always be an engineer of account. Such a person should lead the enterprise, as has been the practice in the past.

The contribution by the works has no equal in the history of this State. It has carried on its business for 70-plus years throughout all parts of Western Australia and also overseas. That would be a proud record for any implement works, whether private or Government. It is not very often that plaudits are thrown around for 70 years' service to a Government instrumentality as we have to this Government-owned, Government-backed State Engineering Works.

The Bill's proposals are in the best interests of the works, and I believe that the Minister responsible will endeavour to do everything possible to use it for its betterment. I cannot find anything wrong with the plans and the way the Bill is constructed. Indeed, I do not think anyone would allow anything wrong to be included in this Bill. I am sure that the points raised by Mr Stretch will be considered and fixed up if necessary by the Minister before the Bill goes too far. Such is the nature of the enterprise that we all wish it well. I join with others in giving my blessing to this Bill as it goes through the House.

HON. PETER DOWDING (North—Minister for Planning) [8.59 p.m.]: The Government thanks the Opposition for its broad support for the legislation, and particularly for the summary of the history of the works given by Hon. Mick Gayfer. The comments he made highlight the reason for this legislation; that is, in this economy the role of the State Engineering Works with the Government is an evolving and changing relationship. We have reached a state where the old role of the State Engineering Works no longer has relevance in exactly the same way as it did when it was the only local producer of agricultural equipment suitable for operation in Western Australia. Today the works have the capacity to do unusual one-off jobs which are not performed in other engineering works in Western Australia—indeed, to some extent in Australia. As Western Australians, we should seek to preserve that, if not at all costs, at reasonable cost.

A further point raised by members of the Opposition referred to the debt structure of the State Engineering Works. They have been operating in a competitive situation and of necessity when operating in that situation in the commercial world they must have managerial and administrative functions and expertise which one tends to find more within the private sector than within the public sector.

That is particularly so in relation to this bad debt ratio. As any member who is familiar with accounts will know, accounts to 30 June do not necessarily show in the item of "trade debtors" the real economic position of the business. It may be that Government departments which are debtors of the State Engineering Works would choose not to make a payment to the State Engineering Works prior to 30 June, but instead may make it on 1 July. That may give an artificial figure to the trade debtor's position.

Hon. W. N. Stretch: 1982 was worse than 1983.

Hon. PETER DOWDING: Under the member's Government it was worse in 1982, and probably worse in 1981. I am assured by the Minister (Mr Ken McIver) that the 1984 figure for 30 June certainly now has been dramatically reduced as a result of new procedures implemented along the lines of the general move towards reorganisation of efficiency in structure and practices.

The next point I wish to make is the concern that the Bill does not spell out a specific definition of the expertise that will be required for the membership of the board, and the board is structured slightly differently from the reference in the consultant's report. I cannot say that the consultants were necessarily wrong, but it is the view of the Government that clause 5 sets up a tight corporate structure which will operate well for any corpor-

ation. It is the intention of the Government, and it has been made clear in the second reading speech, that the board will comprise people with expertise.

The comments made by members are taken on board, and I am sure the Minister who has heard them will be concerned to note them and to give regard to them, but we are looking for people who have expertise in the appropriate sector. I say to those people who have any doubts about it to look at the structure of the Board of the Western Australian Development Corporation. There is not, among Western Australian business people, a better group of people with a better representation of skills and abilities than the members who compose that board. It is the Government's intention, in introducing this legislation, to ensure that the best people possible are in charge of this corporate structure.

The next point Hon. Bill Stretch expressed concern about was the position of the existing manager, and the fact that it has not been spelt out. The present manager, under clause 16, will simply take over the role of the general manager. I do not wish to discuss personalities, but I can say it will be known to the House that the present manager is 59 years of age and he has indicated that he will not be seeking a long-term appointment as general manager of this operation.

All the Government is seeking to do is to structure the board of directors with an executive officer to make it work, and it is for those reasons that we share the views of Hon. Mick Gayfer. We wish to see the State Engineering Works up and running as a viable enterprise which is able to provide to Western Australia the facilities that it has long provided with the expertise which exists within it. I can assure members that new management practices will address issues of long delays in payment both within Government agencies and outside.

Hon. Sandy Lewis asked a number of questions, some of which I am not in a position to answer, and, with respect to him, neither do I regard them as relevant to this legislation. The direction in which the SEW faces is not a matter which is the responsibility of this Government and the question of whether or not the State Engineering Works should remain in its present site or be altered is not a decision that ought to be taken in this place. Indeed, it is not a decision that ought to be taken when we are contemplating setting up a management structure which includes a board of directors composed of people with expertise. The board is the place where that decision should be made, and that is the place in which the commercial valuation should be adopted. It is not for us to speculate about what the value of the site might or might not be if housing or some other activity is permitted upon it.

I have explained to Hon. Sandy Lewis in this House that the debt structure is being attacked. The fact is that it has been high over a number of years and it is being reduced. We believe it will be very dramatically reduced, once the management expertise is in place. I also say to Hon. Sandy Lewis that the reason that there is provision for the State Engineering Works to act in a particular way in respect of goods which are manufactured by it or uncollected, or in respect of which it has some other bailment, is that firstly, it is dealing with unusual goods and goods for which the Disposal of Uncollected Goods Act may not be applicable and the procedures under that Act may not be applicable. Secondly, because it has been a problem, in the past I understand that the State Engineering Works has been saddled over long periods of time with goods and equipment that other Government agencies and the private sector do not wish to abandon, and in the interests of efficiency it ought to have a reasonably fair, but nevertheless an efficient, mechanism to dispose of those goods.

Hon. G. C. MacKinnon: Some people are unable to pick up those jobs because of a lack of economic return, but the State Engineering Works made it possible for them to operate in a more viable way.

Hon. PETER DOWDING: I am grateful for that interjection but all that has happened in this Bill is that we have set up a system by which that issue can be addressed and given the sort of works we are dealing with, that system can be justified.

I thank members for their broad support. I will deal with any particular queries members may have in the Committee stage.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (Hon. John Williams) in the Chair; Hon. Peter Dowding (Minister for Planning) in charge of the Bill.

Clause 1: Short title—

Hon. A. A. LEWIS: It is very easy to be glib and we have heard experts from both sides; Hon. Graham McKinnon and the Minister.

Hon. G. C. MacKinnon: I do not profess to be an expert on engineering.

Hon. A. A. LEWIS: The member and the Minister dismiss out of hand any reasonable suggestions about where we are going. Hon. Mick

Gayfer's speech was one of sentiment and good sense. He said what the State Engineering Works had done. Nobody denies there is a use for it. What does get me a little hot under the collar is that when some suggestions are made that may improve the performance one gets attacked from both sides of the House. One is by a Minister who is trying to push the Bill through and one by an ex-Minister who approved it—Ministers from two different Governments.

I do not know where we are going, whether we are allowed to talk, and whether we should have the temerity to talk about what we see and what we believe ought to happen in this State, or whether we are going to be shouted down. Let us look at the Minister's answer. He assures us that the level of the debtors has come down. Let me tell the House how much it has come down. If it has come down half, what is the percentage of accounts of money owing over 60 or 30 days by Government departments? I am one of the few people who had to sue the Government for money when I was in business. I think it was before Hon. Graham MacKinnon even became the Minister.

Hon. G. C. MacKinnon: You would be in short pants if it was that long ago.

Hon. A. A. LEWIS: That might be right, but I was fairly big in short pants. The sort of answers we are getting are glib, across-the-board answers, and I am prepared to stay here all night until we get some answers.

Hon. G. C. MacKinnon: Cast your mind back to the question.

Hon. A. A. LEWIS: I did. I did. When I was driving back from the State Engineering Works. It is very easy for the ex-Minister to be glib, but probably the key to the building up of this new corporation is its ability to collect its debts. As the member knows, it is the key to most businesses. We are talking in the vicinity of 100 per cent. Whatever happened in the Minister's time he seemed to keep the number of debtors down. Why are they double now? It is a worrying factor. I do not mind how much expertise is put into it. It is a worrying fact and surely we should be able to know—and I think this is covered in clause 34—whether the Government will be under the same constraints as private enterprise will be when it is dealing with the corporation. I do not think that is unfair; the Minister and Mr. MacKinnon may.

The Minister went on to talk about the State Engineering Works being saddled with the goods. All of us who have sold or manufactured goods have been saddled with them. The State Engineering Works is not in a unique position in being saddled with goods, and if the Minister can explain it to me, that is okay. The works might be asked to make strange things, like the winged keel, and they may be saddled with them, but any number of people or fabricators are asked to manufacture things which they are lumbered with. I have still in storage at Boyup Brook three cattle crushes. They were ordered, specifications were given, and when they were manufactured, the customer said they were not what was wanted and I could keep them. Not a bob passed hands. Why was I any different from the State Engineering Works?

Hon. Peter Dowding: Well, you could sell them. However, if they make an alteration to goods, they cannot sell them if they take them under bailment. That is the difference. We will deal with that when we reach the clause, but that is the difference.

Hon. A. A. LEWIS: I am becoming more and more confused. I built them for the customers—

Hon. G. C. MacKinnon: You are not confused because of the arguments. You have used a totally different argument.

Hon. A. A. LEWIS: Well, why am I confused?

Hon. G. C. MacKinnon: For a totally different reason. I do not know; but that is not the argument.

Hon. A. A. LEWIS: I understand the State Engineering Works receives orders and specifications, and builds articles to specification. I did exactly the same thing, and the person then decided that the specification was not what he wanted, so he did not pay. Is Mr MacKinnon defending that? That is what the Minister and Mr MacKinnon defend continually, and that is all business practice. Will this corpration go on and do the same thing? Will it wear that sort of business practice?

Hon. G. C. MacKINNON: Everything I would have liked to hear said has been said. However, I would like Mr Stretch to elucidate some figures. I do not have the balance sheet in front of me, but my recollection was that as at 30 June the debtors—not bad debtors—for work which had been done, but which had not been paid for, owed $1.1 million. In the year before, the bad debts were about $284.

Mr Grey has been running the State Engineering Works very much as if it were a corporation for some years. Indeed, the Government is making fact what has been operating, because the foundry was built with money raised by Mr Grey. Mr Grey has been out getting business and managing the place as if it were a corporation. He is an extremely efficient man, and he has my whole-

hearted admiration. The organisation has been starved of funds and lampooned, yet it has made viable a number of engineering works because the SEW has done the work they did not want to do.

It must always be remembered that we have 1.3 million people in this State, and we have handled some immense projects—some of the most immense developments in the world. The State Engineering Works and Mr Grey have played their part in that.

The balance sheet must be looked at properly. The figure of $1 million is not for bad debts. That is what the State Engineering Works happens to be owed. Probably the Government has been slow in paying; but that figure does not represent bad debts.

Hon. Peter Dowding: It is also a matter of the 30 June issue.

Hon. G. C. MacKINNON: That is just the cut-off date. The money might have been paid the next day.

There is only one other matter I would like to mention, and that relates to the idea of moving buildings. I personally did not make a decision about Graylands, Sunset Hospital, Heathcote, and the State Engineering Works. There was only one proposition that I put forward, and that was in relation to Greenplace. That was a paying proposition because it was a magnificent site with two broken down old houses on it and nothing had been done to them. They housed senile alcoholic old ladies, and that was all.

We were able to dispose of the Greenplace buildings and sell the land at a profit. The Sunset Hospital is on a magnificent site, but the Government could not make a profit from selling the land there. It is a magnificent building on a beautiful site adjacent to Perth; and if the Government bulldozed the buildings, carted them away, and sold the land for residential purposes, it would not obtain enough to build four new places in the suburbs to take exactly the same number of patients as are currently at Sunset. How do I know? Because we did a very thorough exercise. It is tremendously costly to move existing buildings, bearing in mind that one must replace them with up-to-date buildings.

I was going to speak on clause 5 in relation to the board because, as the Minister says so rightly, this is a matter for the decision of the board in the fullness of time. However, it will require a great deal of help.

Sir Charles Court and I costed the exercise of moving the Royal Show grounds because it is a bit of a problem in relation to housing on the train route to Fremantle. That was discussed before the Rothmans building and the other new buildings were put up, some 15 years ago. The land to move onto was available for nothing, but we could not make a proposition of it. Is that not surprising? The moving of existing places is a pretty costly matter.

I rose purely and simply because I sensed some criticism of Mr Grey. Mr Grey has run the place as if it were a corporation.

Hon. Peter Dowding: There is no criticism on my part.

Hon. G. C. MacKINNON: I would like Mr Stretch, who is handling this Bill, to verify the figures. I do not have the balance sheet in front of me, but I understand the allowance for bad debts in the year before was $284. There is no indication of any bad debts of an amount greater than that.

The money due as at 30 June is about $1 million, but there is no indication of what percentage of that might finish up as bad debts. Anyhow, it might all have been paid by now.

Hon. PETER DOWDING: Because the honourable member has queried the figures, I will just make sure they are incorporated in *Hansard*. The amount for debtors, less provision for doubtful debts as at 30 June 1983, was $1 183 815. As at 30 June 1982, it was $1 224 471. The provision for doubtful debts for 1982-83 was $218, and in 1981-82 it was $284, so the honourable member is quite right in his broad recollection.

In case clarification is sought, I make the point that the figure as at 30 June is not necessarily indicative of anything, particularly when the Treasury has a running bank account with the SEW which it can draw on to carry it through in periods during which Government agencies are not meeting payments.

I am assured by the Minister for Works that new procedures have been adopted, and as a result of that there has been an expedition in respect of payment by some agencies which, in the past, have not paid within the time-frame that a normal, commercial activity could reasonably expect.

Hon. W. N. STRETCH: As the Hon. Graham MacKinnon pointed out, sundry debtors are not bad debtors. The point we queried was why the debts had doubled in the time since the Labor Party came to Government.

Hon. Peter Dowding: The 1982 figure is higher than the 1983 figure. We had been in office for four months when the figure reached $1.1 million. You had been in office for nine years when it reached $1.2 million.

Hon. W. N. STRETCH: All right, I will take that on the chin.

We wanted this clarified because it had relevance to clause 34. However, I will not deal with that now. The question related to the effectiveness of clause 34.

Hon. A. A. LEWIS: I am worried that Hon. Graham MacKinnon thinks anybody is reflecting on Mr Grey. Certainly I am not, and that would be the last thing I would do.

As one runs through the sundry debtors, the Minister might be interested that in 1979 the amount was $602 000. In 1980, it was $248 000. In 1983, it was $1 184 000.

I accept the Minister's suggestion that maybe the difference between 30 June and 1 July is important. However, when I see a turnover in 1980 of $4.8 million and sundry debtors of $248 000, and I see sales of $8.7 million in 1983 and sundry debtors of $1.18 million, I become worried.

If one raises these matters in the Chamber, one is treated like an idiot or told that one should run away and not query it. I am one of the people who can be treated like an idiot and told to run away, and I will still bounce up. I do not mind how I bounce up.

Our job as members is to query. The Minister handling the Bill was one of the greatest "queryers" of all times. There is only one better "queryer", and he is the Government Whip.

All we are trying to do is to put a piece of legislation through. Nobody is opposing the legislation, but we want some answers. If the Minister says that the money was paid on 1 July, can he give us the present figures? What is the debt now for 1984? Who owes the money? Is it the State Government, is it mainly the State Government, or is it mainly private enterprise?

These are all matters that will be part of the running of the corporation when it starts. Surely our job is to see that the corporation gets off to the right start, not like the Western Australian Development Corporation in relation to which we were given assurances that were broken. We want this corporation to start on the right foot.

It is interesting that everybody seems to have something to protect. My dear friend, Hon. Graham MacKinnon, starts talking about moving hospitals compared with engineering works. I just wonder where we are going. If we do not query what is going on in an engineering sense and in a habitation sense, I do not think we are doing our job.

It is a pity more Government and Opposition members have not been down to see the place so that they know what we are talking about.

The Minister ought to tell us whether the debtors have dropped by half, whether from June through to September this year they have gone from $1.2 million down to $600 000, and whether all the money is paid to 1 July. There is no need for him to give some proof; I will accept his word, because the word of a Minister in this place should be accepted by all.

I should be able to obtain some answers. The Minister is trying to snow me and I do not want to be snowed. I hope he will consider this matter and report progress so that he can provide some answers at our next sitting. I do not want to delay the Chamber, but the public ought to know what is going on.

Clause put and passed.

Clauses 2 to 4 put and passed.

Clause 5: Board of the Corporation—

Hon. W. N. STRETCH: I think the Minister misunderstood what I was getting at with my comments on clause 5(1)(c), which provides that "the general manager for the time being of the Corporation . . . ." I queried whether the words "for the time being" meant it was exclusive to the present incumbent of the manager's position or whether it was the manager at all times?

Hon. PETER DOWDING: It is a new position which will effectively be the role of the manager. It will not be a separate position. The Bill makes it quite clear that clause 16 espouses a position which will be filled in due course when the position needs to be filled.

Hon. W. N. STRETCH: Does that mean, in clear language, that the general manager will always be a member of the board, or not necessarily be a member of the board?

Hon. Peter Dowding: He must be, under clause 5. That is part of the Statute.

Clause put and passed.

Clauses 6 to 33 put and passed.

Clause 34: Recovery of fees and charges—

Hon. W. N. STRETCH: I think I pointed out the reason that we explored the annual report of 1983. It was because of the situation where, if the corporation, as it will now be, has overdue debts, what hope has it got if it has to sue the Government?

The Minister and another member have explained to the Chamber that there are virtually no bad debts and that we can expect them to total only $218 to $240 approximately. Why do we have this right to claim the goods which other competitors' businesses do not seem to have?

All other businesses have the normal processes of the law. We have been told that the engineering works may make some strange object, but other industries do too.

Hon. PETER DOWDING: I sought to explain that this is not to impinge on the normal commercial ability of this corporation to recover its debts under the due process of the law, but where goods are placed in the bailment of the corporation for the purpose of alteration or repair and if they are not collected, after a period of time the corporation may resort to the disposal of the uncollected goods. We are talking about a heavy engineering works which may have on its hands a winged keel or some such large engineering object where it is improper to use the mechanics of the Disposal of Uncollected Goods Act, and where the goods are not collected they must be disposed of.

We are not using clause 34 as a debt collection mechanism. Firstly, it gives an artificer's lien over the goods. I cannot tell the Chamber whether a Government instrument or corporation may have an artificer's lien; it may not because it is a creature of Statute rather than a creature of commerce. So, this Act makes it clear that it is an artificer's lien and it may sell the goods in order to recover any charges that are appropriate.

That can be done by normal commercial businesses, but because we are dealing with such extraordinary items in a large and unique engineering works, it has been built into this legislation.

I do not believe it gives a commercial advantage, nor does it give a club with which it can unfairly beat commerce about the head. It simply provides the mechanism which has been identified as being necessary, because over a long period of time there has been quite a group of objects built up in the engineering works' possession which it wishes to dispose of.

Hon. W. N. Stretch: $200-worth?

Hon. PETER DOWDING: No, it is not. The honourable member is confusing a number of items. First, the State Engineering Works may not have levied charges against a business or a firm that perhaps has gone out of business. It simply may not have raised those fees. Second, it may have had goods placed with it for a purpose and that business or the person or corporation may have disappeared. It might have done the work and not been able to locate that business.

It may be that the lien it has exercised has been thought to be exercised perhaps contrary to law. I cannot answer that.

I do not believe there is any reason for concern, because the corporation is given the power, bearing in mind the unique nature of its operation.

Hon. W. N. STRETCH: I have that snowed-on feeling that Mr Lewis just talked about! I cannot imagine that any business which has done work for which it has not been paid, in whatever circumstances, whether the client went into liquidation or fell off the edge of the earth, would not include that money in its bad debts.

The Minister has just convinced us that the bad debts of this business are admirably minimal. I just feel he is tilting at windmills in this case over whether it gives the corporation a competitive edge or not.

Hon. Peter Dowding: It does not give a competitive edge.

Hon. W. N. STRETCH: A competitive company has only one way to reclaim its bad debts. Companies have to go through the processes of the law. The corporation will be able to recover the charged fees, even if it sells the object to a scrap metal merchant. I cannot see the justification or necessity for having that provision.

Clause put and passed.

Clauses 35 to 41 put and passed.

Schedule put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon. Peter Dowding (Minister for Planning), and passed.

STANDING ORDERS COMMITTEE

Report: Consideration

Debate on the consideration of the report of the Standing Orders Committee resumed from 26 September.

In Committee

The President (Hon. Clive Griffiths) in the Chair.

The PRESIDENT: Honourable members, we have just completed recommendation No. 4, which deals with 14.2 and we will now consider recommendation Nos. 5 and 6 which concern 14.3.

Recommendations Nos. 5 and 6—

14.3.1—A reply to any question on notice is given by delivering it in writing to the Clerk's Office.

14.3.2—Each reply shall be published in a supplementary Notice Paper immediately following the question to which it relates.

Hon. D. J. WORDSWORTH: I move—

That the recommendations be agreed to.

We have agreed that questions on notice do not have to be orally presented, but are to be given in a written form at the commencement of each day's business. With this recommendation, a Minister does not have to get up and answer questions orally. He hands the answer in at the beginning of the day.

Hon. P. H. LOCKYER: This recommendation is consequential to the recommendation the Committee has agreed to already; that is, that questions shall be handed in in writing.

I think it is important that the Chamber should realise that all the questions and answers will be supplied to every member of the Chamber, and that the Press will be supplied with the answers to the questions as well. This will overcome the problems which some members put to the Chamber concerning their not getting the hearing which other members were receiving regarding questions.

I believe that in some ways it will be a far more efficient way for members to receive answers, because sometimes, as members will be aware, questions in this place have been answered rather mechanically and perhaps the amount of attention that the question deserved was not given.

It seems to me that the only written evidence of the questions will be approximately one week later when *Hansard* is printed. When anybody answers a question, it will be available to members on the day after it is answered. Members will have a much more efficient system by which to receive answers to questions.

In some cases the answers will be provided in seven days and in other cases they will be provided earlier. I urge the Committee to accept the proposed Standing Order.

Hon. N. F. MOORE: I oppose the new provision. I accepted the decision with some reluctance last time when we discussed this matter that questions should be provided in writing instead of their being delivered orally. I find the answering of questions in the House most interesting. I find the answering of questions by Ministers a particularly interesting part of the day's proceedings. If we take Hon. Phil Lockyer's suggestion to its logical conclusion, all of our debates could be incorporated in *Hansard* and we could give a copy to the Press and go home.

The oral responses by Ministers to questions provide a great deal of interest and sometimes provide food for thought for the asking of subsequent questions without notice. Therefore, I think we should continue with the practice of the Ministers' giving their answers orally even though we have agreed already that the questions could be delivered in writing.

Hon. P. H. LOCKYER: With the deepest of respect for my colleague and friend, Hon. Norman Moore, I wish to refresh his memory on this provision. It is suggested that this provision will apply only until the end of this session. The Standing Orders Committee recommended that this provision be applied only as a test.

If ever a television camera recorded the answering of questions in this House and played it back to Hon. Norman Moore and others, they would be shocked to see the number of members who do not listen to the answers. That is no reflection on Hon. Norman Moore because I know that he is a constructive and diligent member of this House. He listens to the answer to every question.

Hon. Robert Hetherington: He is an avid listener.

Hon. P. H. LOCKYER: Yes, and a great contributor to debates in this Chamber. However, I do not agree with his argument that every member listens to oral answers; nor do I agree with his suggestion that debates be incorporated in *Hansard*. He knows very well that he is flying a kite in that situation because it would be impossible for that to happen. It is far better for members of Parliament to deal orally with the Bills of this House.

I point out to members, again, that this provision has been suggested only as an experiment. This is the only Parliament in Australia which deals with questions on notice in this way.

Hon. G. E. Masters: That does not mean to say it is bad.

Hon. P. H. LOCKYER: No, but it does begin to narrow Hon. Gordon Masters' arguments down a little.

We must give the House the opportunity to experiment with this provision. If it does not work, I will be the first member to be persuaded to support an amendment for the Standing Orders to be amended. However, I have not been persuaded that we should not, at least, give it a try. Question time has become a mechanical process. Apart from one or two very diligent members, the only people who listen are the members who ask the questions and the Ministers who answer them. However, the members who ask the questions now get a copy of the answers so even they do not have to pay attention.

I do not agree with Hon. Norman Moore. I think that he is quite wrong, and that he should be a little more constructive about this provision.

Rumour has it that this session of this House may continue only until the middle of November. It would, therefore, not be difficult for us to experiment with this provision until that time. I urge members to give it a go.

Hon. G. E. MASTERS: I am sorry that Hon. Phil Lockyer has fallen in love with this recommendation and has got carried away with his argument. I do not agree at all that this is a consequence of the first question that was decided in this House. I see this move as a downgrading of question time. I know that it would be implemented only for a trial period. However, I also know that once trials get into gear and people become accustomed to them, the situations are difficult to reverse.

I wish to point out that question time is very valuable to Opposition members. The spoken word is very valuable to Opposition members. It does not matter whether all members listen; most do.

Hon. G. C. MacKinnon: You can still do that if you get up and ask a question.

Hon. G. E. MASTERS: We are talking about the answer now. We are talking about an answer being supplied in writing and not verbally. We are talking specifically about questions on notice and not about any other questions.

Standing Order No. 14.3.1. states—

> A reply to any question on notice is given by delivering it in writing to the Clerks' Office.

I feel that any movement away from the existing situation would weaken question time and its impact. It is a positive action when a Minister responds to a question verbally. I do not want to see us buried in a sea of papers. I want questions without notice to continue to follow as a consequence of Ministers answering questions on notice verbally.

Hon. H. W. Gayfer: Somebody is trying to cut corners.

Hon. G. E. MASTERS: They certainly are. I point out to Hon. Phil Lockyer and to others who are thinking the same way that Oppositions gain a great deal from question time. If I were sitting on the other side where Hon. Bob Hetherington is sitting, I would probably agree that the suggestion is a good idea. Certainly if I were a Minister, I would agree with the idea because the proposal takes pressure off the Minister.

Hon. G. C. MacKinnon: That is an insult to the committee because there are Liberal Party members on that committee also.

Hon. G. E. MASTERS: We all have our own views. Mr MacKinnon seems to have changed his views from the ones he had some time ago when I heard him speak on this subject. I do not want to argue with him. I can express my opinion. I respect the committee for the work it has done. After completing its work, it reported to this House and I have a right to express my view on that report.

Hon. G. C. MacKinnon: You have not got the right to say that it was worked out by ALP members.

Hon. G. E. MASTERS: I am trying to say that question time is very important. Any downgrading of question time would give the Government an advantage. It would, therefore, be a disadvantage to the Opposition.

Hon. ROBERT HETHERINGTON: I wish to support this proposed Standing Order. Perhaps Hon. Gordon Masters and Hon. Norman Moore, sitting on the front bench as they do, get the best of the bargain with oral questions because they can hear what is being said. It does not necessarily follow that members sitting where I sit hear what is being said. It seems that, when a question is answered orally, the member who asks the question does not necessarily have to listen as he will get a written reply handed to him.

Hon. G. E. Masters: Only after it has been answered.

Hon. ROBERT HETHERINGTON: That is right. However, if, for any reason, other members do not hear the answer because their attention is distracted as sometimes happens, they will have no idea what the answer was.

The advantage under the system proposed in the Standing Order is that a supplementary Notice Paper will be issued and every member will be able to see immediately the answer to the question. Anybody who is interested in the answer can look at the supplementary Notice Paper.

The other day I was distracted and missed an answer to a question. I had to track around and find a written answer. I think it would be better if written answers were supplied on a supplementary Notice Paper so that all members could read them. If the answer is not satisfactory, the member can ask a question without notice. I feel that the proposal will improve the running of this House. As far as I am concerned, it has nothing to do with the cutting of corners. However, it has something to do with my making sure that, if I

wish, I can read answers to questions asked by other members.

I would be surprised if Mr Masters were right and we found the proposal unsatisfactory. I think we will find that it will work well. If, as the honourable gentleman suggests, it does not work well, it can be altered because the Opposition has a majority in this House. I suggest that the Leader of the Opposition be brave and try the experiment because the remedy is very simple.

Hon. G. E. Masters: The biggest difference is that you are all caucused; we have some flexibility.

Hon. ROBERT HETHERINGTON: I am not caucused at all on a question like this. I am a member of the committee. Is Mr Masters suggesting that I have been directed by the committee and that we are caucused?

Hon. G. E. Master: Are you saying you have a free vote on this matter?

Hon. ROBERT HETHERINGTON: It has not been discussed in the party room. I have a free vote and I am going to vote with the other Liberal members who are on the committee and who made the decision when I was not present because I could not make the meeting. I support it.

Hon. P. H. LOCKYER: The situation seems to be getting a little out of hand.

Several members interjected.

Hon. P. H. LOCKYER: Items 14.3.1 and 14.3.2 are, regardless of what Mr Masters said, consequential to the matters which have already been agreed to by the Committee. I do not accept that it puts Ministers of any persuasion of Government under any pressure by having to get up and read out answers to questions.

In fact, we have had one occasion on which Hon. Graham MacKinnon called a point of order in this Chamber because a Minister of the Crown was reading an answer to a question too quickly, and because of the noise of members who were breaching Standing Orders by talking above what was being said in the Chamber he could not hear what was being said. This amendment to Standing Orders will overcome that situation.

I am not persuaded that a Minister of the Crown is put under more pressure when he has to get up and read an answer to a question that has been placed on notice. There is no political pressure. If it were a question without notice, I would agree with Hon. Gordon Masters, but there is no argument before the Chamber about downgrading all questions before the Chamber.

I refer Hon. Gordon Masters to a statement made by the late Sir Robert Menzies. He said, "I do not respect a Minister for answering questions on notice, but I respect him for the way in which he answers questions without notice".

We are not dealing with questions without notice. We are dealing with questions on notice and with whether Ministers of the Crown should read them. It is not a question of Ministers answering questions on behalf of Ministers in another place because those answers will be put on the Notice Paper.

Hon. Mick Gayfer says that we are cutting corners. If it stops us from sitting until 4.30 a.m., as we did last week and if it chops out 30 minutes of sitting time—

Hon. G. E. Masters: We might have three weeks off instead of four.

Hon. P. H. LOCKYER: —and it does not obstruct the movement of legislation, I would agree with it.

For the information of members, I emphasise that this is nothing but an experiment, and the ultimate situation would be nothing like that forecast by Mr Masters; that is, that once the Standing Order is accepted, it will remain. We, as a Chamber, should be able to consider it after it has been in action for some time. Mr Gordon Masters cannot put up a case about something he has not seen working. We should give the proposal a trial and, if it is not successful, a further recommendation can be brought to this Chamber to alter the Standing Order, and we can go through the debate again. However, Mr Masters would have to put up a better case than he did just now; but his case will be weakened or strengthened depending on the result of the trial operation of the Standing Order.

Members should support this recommendation, and at least give it a go.

Hon. D. J. WORDSWORTH: I rise as to whether, in fact, these Standing Orders are consequential. I do not believe that a written answer is necessarily consequential to a written question. I disagree with Hon. Phil Lockyer when he says that these are consequential. However, Standing Order 14.3.2 is consequential upon Standing Order 14.3.1; in other words, if the question is deemed to be answered because a written reply has been handed to the Clerk, it is necessary that members know what the answers are so it is consequential, and also that there be printed answers. While it has been argued that it would be of benefit to have a printed sheet giving every member the answers, because sometimes members miss hearing the oral answer, I cannot see why members cannot have a copy of the questions and answers after the Ministers have read the answers.

Each Minister could hand in to the office one of his four copies of the answer at the start of the day. It could then be typed, and after the Minister has read the answer, copies of all questions could be distributed to members. I do not believe that these Standing Orders tie up with each other.

Question put and passed; the recommendations agreed to.

Recommendation No. 7—

14.3.3—Replies shall be concise, relevant, and free from argument or controversial matter.

Hon. D. J. WORDSWORTH: I move—

That the recommendation be agreed to.

This is a new Standing Order, and it is self-explanatory.

Question put and passed; the recommendation agreed to.

Recommendation No. 8—

14.4—Oral questions without notice.

14.4.1—A member may ask an oral question without notice and the minister or member concerned, if it is one that in his opinion should be answered immediately, may thereupon answer the question and, if not, request that it be placed on notice, and for this purpose, notice is deemed to have been given within the time prescribed by SO 14.2.1.

Hon. D. J. WORDSWORTH: We have now been through the process of replies to written questions and this Standing Order deals with questions without notice. Standing Order 14.4.1 reads—

A member may ask an oral question without notice and the minister or member concerned—

Members must keep in mind that a member can at times be responsible to answer questions. It continues—

—if it is one that in his opinion should be answered immediately, may thereupon answer the question and, if not, request that it be placed on notice, and for this purpose, notice is deemed to have been given within the time prescribed by SO 14.2.1.

In other words, a member asking a question does have to wait another day before he is able to place that question on the Notice Paper if the Minister states that the particular question without notice not be answered verbally. It automatically appears on the Notice Paper, and members will not have to wait a further 24 hours.

I move—

That the recommendation be agreed to.

Hon. G. C. MacKINNON: I would like to ask Hon. David Wordsworth a question. It used to be a habit in this Chamber that if a member wanted to ask a question without notice he would ring it throught to the Minister's office some two hours before the Chamber sat. It is a habit which gradually grew up when there were only two Ministers in this Chamber and it was done as a courtesy because questions without notice were not asked until Hon. Peter Dowding became a member.

The pattern of answering questions has changed. Hence the revision of the rules because old patterns have fallen into disuse.

I ask Hon. David Wordsworth why the old practice of ringing through or sending a question without notice to the Minister's office has not been enshrined when a question has to be asked of a Minister in this Chamber?

If a member has some urgency to ask a question about education he was once able to ring through to the Minister and then at question time the Leader of the House, for argument's sake, would say, "Mr Pendal had the courtesy to ring his question through to my office", and the member would receive the reply he needed for a speech or for some reason.

We are at a disadvantage because we have only three Ministers in this Chamber. I thought the previous practice was useful.

Hon. D. J. WORDSWORTH: It was considered, but it was found it was not necessary to enshrine it in the Standing Orders because it was a matter of courtesy to which Ministers usually responded.

What has happened in recent times is that when members have asked questions they have been quick to inform the Chamber that they telephoned the question through to the Minister. Therefore, the Minister is no longer able to give that courtesy.

If members want answers to questions without notice, particularly on matters concering another Minister's portfolio, it is common sense to ring the question through to the Minister's office because they could easily be fobbed off by the Minister if this were not done.

The PRESIDENT: Before the next member speaks: As is the custom when we are dealing with amendments to Standing Orders, the Chairman makes a couple of explanations along the way in response to queries that are raised. I believe this is one of those occasions when I should add something to what Hon. David Wordsworth has said in response to Hon. Graham MacKinnon's query.

The facts of the matter are that the President has made a ruling which stands in regard to questions without notice of Ministers, in their capacity as representing Ministers in another place. That ruling stands.

The committee considered writing that ruling into a formal Standing Order. However, it proved to be quite a major problem to enshrine it in a permanent written Standing Order. It would have been a very cumbersome Standing Order that would have given no flexibility whatsoever to provide for the situation when a member does, in fact, ring through the information or write for the information beforehand. The practice of giving informal notice is more of a courtesy than a substantive law and that was another reason it was not done.

Hon. P. H. LOCKYER: In supporting this Standing Order I also support what you, Mr President, said. There are many unwritten rules in this place and they are consistent with what you said, but the asking of questions without notice, particularly of a Minister whose portfolio is not represented in this Chamber, is something that has been done for many years. It is a courtesy that has worked well. To my knowledge I have not known of a Minister, either in the previous Government or in this Government, answering a question about which some reasonable notice has not been given.

It is one of the unwritten rules which has worked exceptionally well. Some of these unwritten rules—not just that particular one—should be explained to the newer members by way of a seminar such as that which you, Sir, have so ably conducted in this Chamber after elections. It is very important that members know some of the unwritten rules.

On a recent trip interstate with a Select Committee, I was appalled to find that one of the members who accompanied us did not know that members of this Chamber, or members of Parliament, were able to get a telephone credit card, so that if they made calls from outside their electorate or interstate they could use that card. This is no reflection on the member concerned, but it is the duty of someone in this Parliament to inform members that these facilities are available to them.

Hon. Peter Dowding: A credit card drawn on Parliament House?

Hon. P. H. LOCKYER: No, drawn on the electorate office. This member, who is a diligent member of this Chamber, had work to do. He wanted to ring his constituents, so he booked the call through his motel and paid it out of his own pocket. This is wrong, in my view.

The PRESIDENT: That is a very interesting question, but I think we should discuss it at some other time.

Hon. P. H. LOCKYER: Members need to be informed of the privileges which are available to them. I wonder how many members in this Chamber are aware that if they park their cars at the Perth Airport they do not have to pay to do so? The gentleman who is now the Minister for Transport once paid in excess of $40.

Hon. G. E. Masters: What has this to do with the question?

Hon. P. H. LOCKYER: Perhaps it is an interesting discussion for another time. May I return to the question of item 14.4.1, for the benefit of Hon. Gordon Masters. I believe this particular provision is a great advancement and one that he must allow us to claim as a victory for the Standing Orders Committee, because it is something which was not available before.

Currently, if I ask Hon. Peter Dowding a question without notice relating to his portfolio, because he was not able to place his hands on the information immediately, he would say to me, "I cannot answer the honourable member's question at this particular stage because I need to refer to my department. If the honourable member likes to place it on notice I will attend to the matter." This places the ball firmly back in the member's court. To have that question answered the member must write the question out, and the next day place it on notice and ask it. Provided the Parliament is sitting the following day, he hopes he will get an answer. This now puts the emphasis on the Minister who, if he is unable to answer the question, requests the honourable member asking the question to place it on notice, and from then it is considered to be placed as a written question on notice.

Hon. G. E. Masters: Tell us a little more about this.

Hon. P. H. LOCKYER: There is no such Standing Order at the present time. If Hon. Neil Oliver asked a question within his portfolio of Hon. Peter Dowding, and the Minister was unable to answer it, there is no Standing Order to make it necessary for the Minister to accept that as a question on notice. I think Mr Oliver will find that quite correct.

Several members interjected.

Hon. P. H. LOCKYER: I am sure some Ministers are more courteous than others, but certainly there is nothing about it in the Standing Orders.

This item, of course, would necessitate that this happens. I do not want to talk Mr Masters out of it, but if I have to put it in a book with pictures I will do so.

Hon. D. J. WORDSWORTH: I am alarmed at the last comment made from the Chair and at the need to make it. You referred, Sir, to the postponing of questions which can be asked of the Minister, and to the fact that Ministers are only to be asked questions concerning their portfolios, not questions for Ministers in another place. Since making that ruling the House has agreed to a different system to determine who can be asked questions. Your previous ruling may no longer apply.

I know this matter is not strictly related to the item being debated, but it must be noted because you have raised the matter yourself from the Chair.

The PRESIDENT: You may rest assured that what I said was perfectly correct.

Hon. D. J. WORDSWORTH: Put it this way: We have changed the Standing Order as regards what questions may be asked of Ministers, and I believe that you will have to make a new ruling.

The PRESIDENT: If the honourable member thinks that is the situation, I propose that he explain it, because I do not think it is the situation.

Hon. D. J. WORDSWORTH: Item 14.1.1, which we agreed to on a previous occasion, states—

> 14.1.1—Questions may be put to:
>
> (a) a minister relating to public affairs with which he is connected, to proceedings in the Council, or to any matter of administration for which he is responsible;

Without doubt the Minister must field questions on his portfolio, because that is under the heading, "or any matter of administration for which he is responsible". We have broadened the scope under which one may ask questions to the extent it is stated "a minister relating to public affairs with which he is connected".

From advice received, "relating to public affairs" would include that Minister being a member of the Executive Council. As a member of the Executive Council he has a certain number of overall responsibilities for the running of the State.

The PRESIDENT: The position is this: If that is the interpretation you are putting on item 14.1.1, it is not the interpretation that I place on it. I think you were perfectly correct in the latter part of your earlier statement when you said there was no relevance between this and that, and therefore I think we are only confusing the issue by my insisting on saying there is some relevance.

Question put and passed; the recommendation agreed to.

Recommendation No. 9—

> 14.4.2—The Leader of the House may terminate oral questions without notice on any sitting day by requesting the President to proceed to the next item of business.

Hon. D. J. WORDSWORTH: I move—

> That the recommendation be agreed to.

This is a new Standing Order to the extent that in theory it has been the duty of the President to call stop, although to my knowledge he never has. The Leader of the House or any Minister may stop fielding questions merely by lying "doggo" and asking for any further questions to be put on notice. This really gives authority to that procedure. In the future, if this recommendation is passed, the Leader of the House, on behalf of all three Ministers, will be able to say, "That is the end of questions."

Hon. G. E. MASTERS: If I was opposed to some of the previous propositions dealing with questions—and I think that we have in our deliberations this evening seriously weakened the question time as far as I am concerned—we have laid emphasis on questions without notice. I am therefore very strongly opposed to this proposition.

I know that a Minister or the Leader of the House can direct his Ministers by simply saying, "Do not answer any more questions". If a Minister or the Leader of the House makes that sort of decision, it comes up for some criticism from the Opposition. Hon. Peter Dowding may well remember, when he was on this side of the Chamber, how he would persist—

Hon. Peter Dowding: I did it regularly.

Hon. G. E. MASTERS: The Minister did it well, but I suggest to him, with his experience—

Hon. Neil Oliver: He is the one who has said all this.

Hon. G. E. MASTERS: No, he has not, but with his experience in asking these sorts of questions and keeping them going, he will understand our point of view on this side of the Chamber, and I think he would be hard pressed to vote for this proposition this evening.

If we are going to weaken questions without notice, and answers to questions on notice, by inserting this Standing Order, we are simply encouraging the Leader of the House and the Ministers to say, "We have had enough of this, we have

more important things to do so we will go on with the business of the Chamber". Bear in mind we have had three or four weeks off recently. It is silly, and it certainly does not help the Opposition. I am obviously looking at it from the point of view of the Opposition.

The strength of question time will be questions without notice from the Opposition directed to the Ministers and to the Leader of the House. I point out again that any Minister can refuse to answer those questions, but if he does that, he comes in for a great deal of criticism. Simply to put on the books a statement which encourages the Leader of the House for any reason to say, "Right, boys, that is all, we move on to the business of the day", is very wrong.

Hon. Peter Dowding: Is that not the point? There may come a time when it is not a question of not wanting to answer questions, but it is a question of the business of the Chamber.

Hon. G. E. MASTERS: The Minister who has just spoken knows very well that the business of the Chamber can often be questions without notice. We have gained great benefit from the procedure. It is often more important than Government legislation.

Hon. Peter Dowding: What I am getting at is, if the Minister does that in a cavalier way, he is subject to exactly the same criticism as if the Minister sat down and said, "That is it". The point is that the business of the Chamber does not provide—

Hon. G. E. MASTERS: What I am saying is that by accepting the proposition, by putting it in our Standing Orders, we are simply giving encouragement and removing some of the criticism. The Leader of the House may be a little liverish; he may have had debate on an industrial Bill which has gone on all night, and next morning he is not feeling very friendly towards the Opposition. He may say: "We will have two or three questions and that is the end of it".

I say very sincerely that this does weaken the position as far as the Opposition is concerned. It will give encouragement to the Leader of the House to terminate questions without notice at any time he feels like it, and that may be after the first few minutes, simply to have a go at the Opposition.

Hon. P. H. LOCKYER: I respect the point of view of Hon. Gordon Masters, but I think he is jumping at shadows.

Hon. Peter Dowding: Shadow Ministers!

Hon. P. H. LOCKYER: It is my belief in all seriousness that the ability of the Leader of the House to cut question time short is already available to him anyway; we are merely facing it here as part of a Standing Order.

Hon. G. E. Masters: I am saying you should not do that.

Hon. P. H. LOCKYER: It is just tidying up a section.

It would be a very brave Government which, in the middle of a heavy question session, terminated questions for its benefit, because it would only get away with that once.

Hon. G. E. Masters: Then why put it in?

Hon. P. H. LOCKYER: It is merely a provision to tidy up Standing Orders. It is something which has been available to the Government anyway. It is very easy for the Government to terminate question time by saying, "Put the question on notice". We hear Ministers now say, "I ask the member to place the question on notice" and effectively that curtails question time very swiftly.

This is an inconsequential change. It is merely a tidying up of Standing Orders so that the rule is there. If members want it to be an unwritten rule we shall continue as we are, but the ability presently rests with the Government, which can very easily curtail questions without notice at any time it likes, so Mr Masters' fears are unfounded and it would be a very brave Government which curtailed questions without notice.

Hon. N. F. MOORE: I agree with Hon. Gordon Masters on this issue. I strongly oppose the suggested amendment. The potential that is provided in this amendment is for the Leader of the House to end or squash questions without notice when dealing with a political issue about which he considers he would be better placed not to answer questions.

The Leader of the House could make the decision that the odium of not answering questions was less than the political odium attached to answering them. So he would make a political decision to stop questions if he wanted to stop a political issue developing at question time.

The idea of questions without notice is to provide an opportunity for Oppositions to ask questions of Ministers directly about their own portfolios. The opportunity should exist for members to continue to probe and to ask as many questions as they deem fit. While I have been here we have not had a situation where questions without notice have gone on for a very long period. A while ago someone interjected and said, "This applies in the Federal Parliament". It applies there, because questions without notice would go on all day did they not have a provision for ending them. Perhaps

there is some justification for an independent person, such as the President, to put an end to questions without notice if they continue for an exceptionally long period.

This amendment gives the Leader of the House the right to make a decision about political matters in respect of stopping someone asking a legitimate question which it is his right to do and the reason he is here. The amendment is designed to make life difficult for Oppositions and I remind members on the other side of the Chamber that they will not be there for ever and a day and that the time will come—I say this particularly to Mr Dowding—when they will want to revert back to their old habits of asking questions of Ministers *ad nauseam*. That is their entitlement, and I accept that it is their right. Indeed, that is what they are here for.

For us to have the power in those cases to say, "Sorry, Mr Dowding, no more questions. You are getting too close to the truth or the bone. We will stop you asking questions" is not what the role of Parliament is all about.

Hon. PETER DOWDING: I would not enter into this debate were it not for the fact that anyone reading it at some stage in the future might get the completely wrong view that what has been occurring is that the Government has been defending its right against the Opposition to terminate question time. That is not the case and that is not the way this debate has proceeded, although it is the way Hon. Norman Moore has sought to frame it.

I am in complete agreement with Hon. Phil Lockyer on this point and I am someone who, when in Opposition, thought that some attempt should be made at time management of this Chamber, both in respect of time limits for members' speeches, management of business, and for that matter management of question time. I do not believe that management of the business of this Chamber, which is what this proposal in this report seeks to do, in any way limits the rights of members to participate in debates or seeks to take away from an Opposition its role in giving the Government stick.

Question time is not availed of in this House as it is in other Parliaments although, as Hon. Graham MacKinnon has wrongly observed, putting it down to me as somehow being the source of this provision, the fact is that since 1980, I am told, question time has been used in a more vigorous way than it was previously.

The point that needs to be made is that no Government can arbitrarily terminate question time without being criticised by the Opposition. At present the Government can simply say, "We decline to answer any more questions" and that is the end of it, so the power exists. The point is that the Standing Orders do not contemplate it and they should contain provisions to meet the prospective needs of whatever Government is in power.

The point has been made by members of the Opposition that the Government is in charge of the business of the Chamber and it is the Government's responsibility to allow a reasonable time for questions and not simply to terminate question time because the going gets hot or tough; but in respect of the management of the business of the Chamber, it may be appropriate to say that half an hour, three quarters of an hour, or an hour is a proper limit for question time, whatever it might be and whatever the practices of the Chamber might develop, if this Chamber becomes more reliant on that aspect of the matter.

I fully support what Hon. Phil Lockyer has said. The members who have spoken against this recommendation are boxing at shadows, and the worst feature of it is that they are avoiding the critical issue that, as the role of this Chamber has developed, members have participated in debates, and perhaps as the business of Government has become more complex in Western Australia over the last umpteen years, it is time that we thought in terms of having some broad agreement on times for debates, members' speeches, and the like, and in that context a reasonable period for question time is quite proper.

The PRESIDENT: Before we proceed, I feel another of those occasions has arrived when I ought to say something. I repeat that it has been the practice in the 20 years that I have been here, for the Chairman, when dealing with any alterations to Standing Orders, to make explanatory comments from time to time. It is important that I make an explanatory comment in regard to this proposal and I do so without wanting in any way to influence any member in the manner in which he votes on this proposition. I do it in the interests of ensuring that everybody understands the situation.

One of the tasks of the President is to be as informed as he possibly can on the Standing Orders of this place and, because that is one of his tasks, he tends to be more informed on Standing Orders than most other people.

Our Standing Orders were framed around a situation that provided for the Chamber to sit at a particular time of the day, and, in the main, not to have the Chamber sit at any other time. That is one important feature about this. Over more re-

cent years a tendency has arisen from time to time for the Chamber to sit earlier on some days. Concurrent with the desire for the Chamber to sit earlier has come the request from the Government of the day—and it has happened with all Governments—to take questions at a later stage of the sitting. In that case, the Minister says, "I seek leave of the House to take questions at a later stage of the sitting".

To the average member that does not mean very much and everbody says, "Aye" and away we go. In fact it is a very important part of our procedure, because a couple of Standing Orders relate to it. Standing Orders Nos. 181 and 212 rely upon our carrying out our business in the strict order in which the business ought to be dealt with and does not take into account that we intend to move question time to some other time. Standing Order No. 181 reads—

> 181. If all Motions shall not have been disposed of one hour after the time fixed for the meeting of the Council, the debate thereon shall be interrupted, unless the Council otherwise order. The Orders of the Day shall be then taken in rotation; but if there be no Order of the Day, the discussion on Motions may be continued.

Standing Order No. 212 goes a bit further and reads—

> After the asking of Questions on Notice . . .

That is assuming that we have taken questions in the proper sequence. To continue—

> . . . and after the Motions have been disposed of or adjourned, or at the expiration of one hour from the meeting of the Council, if the same have not then been disposed of or adjourned, the Council shall proceed with Orders of the Day.

Members are probably wondering about the relevance of that. For the benefit of the Deputy Chairman who shook his head, the relevance is this: In seeking leave of the House to proceed with motions or some other action, the voice of only one member of the Chamber can stop that procedure from occurring. Notice of a very important motion may appear on the Notice Paper and if the leave of the House is not granted, that motion cannot be dealt with on that day. It has to stay on the Notice Paper until the next day, and the House proceed with the orders of the day.

I shall now indicate the point I am making. If questions without notice were permitted to proceed beyond the expiration of one hour, it could well be that, for example, a motion on the Notice Paper dealing with leave for a member who is absent from the Chamber on urgent business somewhere or other was not dealt with and that member's position in this place could be jeopardised. That is one example of a motion of that nature.

However, the point I am making is that it is a very important reason that some provision should exist for somebody to curtail the business that is actually proceeding in order to allow those motions to be dealt with, because one member's voice can prevent that occurring.

Since 1890, or whenever the Standing Orders were first implemented, the question has not arisen, and I am the first President in the history of this place who has had to deal with that question. Standing Order No. 181 has been implemented many times, but Standing Order No. 212 has never been implemented in the history of the Parliament. Its implementation has only come about as a result of a period Hon. Graham MacKinnon referred to earlier when a spate of questions without notice were asked. I hope members understand that that is only an explanatory comment of the far-reaching ramifications of some of the issues we are proposing.

Hon. ROBERT HETHERINGTON: That was the point I wanted to take up and I shall follow on from the comments of the Chairman, because I remember an occasion when I was sitting opposite and questions without notice went on for so long that the Leader of the House had to move for the suspension of Standing Orders to allow a motion to be taken. The point is that we must adapt our Standing Orders to the circumstances and changes that occur in the House.

After I and the Minister for Planning entered this House, the Minister, Hon. Howard Olney, and Hon. Joe Berinson used the device of questions without notice in a way that it had not been used before.

The result was that questions without notice time stretched out. I notice that the present Opposition has been doing the same thing, without quite the same skills—those particular three gentlemen, when they were working together, were a formidable team.

The point is that this means now we have to do something about it, and it was for this reason that the Standing Orders Committee discussed this matter and decided that when motions were on the paper and when there was other business of the House, that it ought to be considered and there had to be a way of stopping questions without notice this seemed to be the most convenient way, a way that has precedents in other Parliaments. It would be most unlikely to be used indiscriminately or arbitrarily by any Leader of the House.

In my time in this Chamber I have never known a Leader of the House to use the forms of the Chamber arbitrarily. If I may say so, the Hon. Graham MacKinnon was Leader of the House when I first came to Parliament, and I have never known a Leader of the House to hold the Chamber in such firm hands as he did. He would always allow debate, and would never cut off debate capriciously.

I remember a night when he adjourned a debate so that it could come on again at 7.30 p.m. so people who objected to the Government's legislation could come along and hear it discussed. That is the way it has always been done in this Parliament. If we fail to do that, this Government would be brought into disrepute and the parliamentary system would not work. I suggest to members of the Opposition that they ought to face the fact that the parliamentary system does work, and will continue to work, and that Leaders of the House can be trusted, whichever Government happens to be in power.

Therefore, we should support this motion, otherwise we could find ourselves in real trouble, particularly as has been pointed out, if we exceed the hour limit and there is a very important motion to be discussed.

I am sure an odd member is more likely to be capricious than any Leader of the House and it needs only one member to refuse leave. The Leader of the House who has the responsibility to run the business of the Chamber, can refuse leave.

Therefore, this seems to be a sensible thing and, if it is abused in the life of this Government, the Opposition has in its power, by simple vote, to change it. However, it is merely a device for helping along the business of the Chamber. It was arrived at after careful, mature, quiet discussion around the table and when this was discussed the President, the Chairman, and the Deputy Chairmen were present, both political parties were represented, and we came to this decision as a sane and sensible solution towards a future problem. I think we should support this right now.

Question put and a division taken with the following results—

Ayes 14

Hon. D. K. Dans	Hon. P. H. Lockyer
Hon. Peter Dowding	Hon. G. C. MacKinnon
Hon. Lyla Elliott	Hon. Tom McNeil
Hon. Kay Hallahan	Hon. Mark Nevill
Hon. Robert Hetherington	Hon. S. M. Piantadosi
Hon. Garry Kelly	Hon. John Williams
Hon. A. A. Lewis	Hon. Fred McKenzie *(Teller)*

Noes 10

Hon. C. J. Bell	Hon. Neil Oliver
Hon. H. W. Gayfer	Hon. P. G. Pendal
Hon. G. E. Masters	Hon. W. N. Stretch
Hon. I. G. Medcalf	Hon. D. J. Wordsworth
Hon. N. F. Moore	Hon. Margaret McAleer *(Teller)*

Pairs

Ayes	Noes
Hon. J. M. Brown	Hon. I. G. Pratt
Hon. Tom Stephens	Hon. Tom Knight
Hon. J. M. Berinson	Hon. V. J. Ferry
Hon. Graham Edwards	Hon. P. H. Wells

Question thus passed; the recommendation agreed to.

Recommendation No. 10—

14.5—Rules governing questions.

14.5.1—Questions shall be concise and not contain:

(a) statement of facts and names of persons if they are predominantly descriptive and their omission does not affect the sense or render the question unintelligible;

(b) (i) arguments;

(ii) inferences;

(iii) imputations;

(iv) unnecessary epithets;

(v) ironical expressions;

(vi) hypothetical matter;

(c) discreditable references to either House or its members, or any offensive or unparliamentary expression.

Hon. D. WORDSWORTH: I move—

That the recommendation be agreed to.

This is a restatement of the previous Standing Orders. Paragraph (a) is a restatement of previous Standing Order No. 154(a) and it is hoped by recasting its language its purpose becomes clearer. The authentication requirement has not been used.

The previous Standing Order No. 154 stated that questions shall not contain statements of fact or names of persons unless they are strictly necessary to render the question intelligible and can be authenticated. We have removed the words "and can be authenticated". It is felt that the provision has not been used, so the committee believes it can be dropped.

The presumption was that a member would not ask a question based on names or facts that are fanciful or deliberately misleading; authentication has never been interpreted as a warranty; a statement of fact or name is impeachable, but rather the source of the member's information does exist and is reproduced accurately.

Paragraph (b) restates Standing Order No. 154(b) to (g). Paragraph (c), although new, expands the provisions of Standing Order No. 154. The President may direct that the language of a question be changed if it seems to him to be unbecoming or not in conformity with the Standing Order.

Question put and passed; the recommendation agreed to.

Recommendation No. 11—

14.5.2—Questions shall not:

(a) seek an expression of opinion or a legal opinion;

(b) quote or refer to speeches made in either House during the same session, or proceedings of a committee not reported to the Council;

(c) refer to a case pending adjudication in a court of law;

(d) anticipate discussion of an order of the day.

Hon. D. J. WORDSWORTH: Of these Standing Orders, paragraph (a) retains the current rules; paragraphs (b) and (d) restate existing rules, and paragraph (c) introduces the *sub judice* rule. Paragraph (d) has been changed slightly.

Any adjudication in a criminal matter commences with the laying of a charge or indictment and civil cases from the time a writ, or other document, commencing proceedings, is issued. As regards paragraph (d), it has been changed slightly. Previous Standing Orders stated "anticipated discussion of an Order of the Day or any other matter on the Notice Paper". The latter part has now been defeated. It now refers only to a Standing Order of the Day. The committee felt that the extra expansion was necessary to give more freedom as to the range of questions allowable.

Hon. G. C. MacKINNON: I wonder whether I could have a little further explanation of paragraph (c) which refers to a case pending adjudication in a court of law. When does the case reach a stage when it is pending? Is it the moment an arrest has been made, or is it when the investigation is being pursued, or during the trial itself?

One could have a case which is attracting a lot of public debate, and which may go on year after year. There are cases of that nature. This has always been a fairly woolly matter.

Hon. D. J. WORDSWORTH: It may be the adjudication of a criminal case with the laying of a charge or when an indictment is made. In other words, from the word "go", practically before anyone knows about it. In civil cases it is from the time the writ or other documents commencing proceedings is issued.

Hon. G. C. MacKINNON: I had the experience where I was issued with a writ in the case of Scientology. Could that mean then that if this rule had been as it is now we would have been banned from asking any questions or holding any discussions in this Chamber in regard to scientologists?

Hon. Peter Dowding: It is only as to the subject matter of the litigation.

Hon. G. C. MacKINNON: I was issued with a writ to stop me talking about a scientologist. According to what Hon. David Wordsworth said, that would immediately bring the—

Hon. Peter Dowding: With respect only to the subject matter of the litigation.

Hon. G. C. MacKINNON: You explain it.

Hon. PETER DOWDING: As I understand it, it is only as to the subject matter of the litigation. That is the only extent to which there is inhibition upon debate in this place. The President might rule in a different way. As I understand it, that is the impact of previous practices with this issue. That is the way it would be under this provision.

The PRESIDENT: There has been no *sub judice* rule so far as this Chamber is concerned. From time to time, certainly since I have been the President, I have had prepared some fantastic statements on it. However, the question has never been asked so I have never been able to use them. The committee felt that, as a general rule and as most other Parliaments do have some reference to *sub judice* in their Standing Orders, it was time that we incorporated something in our Standing Orders. For the purpose of this question, we simply used the words "pending adjudication" and defined that as much as it related to a criminal matter as commencing with the laying of a charge for indictment. That would be our definition in regard to (c) in item 14.5.2.

In other words, we are saying that the question shall not refer to a case, if it was a criminal case, after the laying of a charge or an indictment.

In the meantime, the Clerk has unearthed a ruling that was given by a speaker. It states that *sub judice* means that legal proceedings, court proceedings, are actually in essay or pending. In other words, our definition says that the term "pending adjudication" in a criminal matter commences with the laying of a charge of indictment and in civil cases as from the time a writ or document commencing proceedings is issued.

The Minister for Planning has explained that it only relates to the subject matter of the charge.

Hon. G. C. MacKinnon: Thank you.

Question put and passed; the recommendation agreed to.

Recommendation No. 12—

14.5.3—The President may disallow any question that is the same in substance as one already answered, disallowed or to which an answer has been refused in the same session.

Hon. D. J. WORDSWORTH: I move—

That the recommendation be agreed to.

That is self-explanatory.

Question put and passed; the recommendation agreed to.

Hon. D. J. WORDSWORTH: That completes the actual running through of the Standing Orders. I would like to place the same conditions on these Standing Orders as were placed on the other Standing Orders that we passed, and that is that the new rules supersede the chapters and Standing Orders for the duration of the second session of this Parliament. I understand that that does not mean that they will apply as from tomorrow. I think they have to be approved by the Executive Council.

The PRESIDENT: These are sessional orders and sessional orders do not go before the Executive Council. It is only when we formally change the Standing Orders permanently that that is necessary. I understand that a motion will be moved as soon as you move that the report be adopted.

Report

Hon. D. J. Wordsworth reported that the Committee had further considered the report and agreed to the recommendations.

Report adopted.

Hon. PETER DOWDING: I move—

That for the remainder of this session, the rules relating to petitions, questions and the introduction of new business after 11 p.m. now adopted by the House, have force and effect in place of Chapters 12 and 14 and SO 117 of the Standing Orders.

Question put and passed.

House adjourned at 11.07 p.m.

QUESTIONS ON NOTICE

TRADE: EXPORTS

Live Sheep: Esperance

275. Hon. TOM KNIGHT, to the Minister for Planning representing the Minister for Transport:

(1) Why is it that live sheep are not being shipped from regional ports serving the production areas of sheep for the live sheep export trade?

(2) Is it correct that the Fremantle Port Authority opposes any reduction of live sheep through the Port of Fremantle?

(3) Is it also correct that if the live sheep trade was taken from the port of Fremantle the authority would find it harder to survive financially?

(4) Is it also correct that because of pressure from Fremantle City Council and other concerned citizen groups to stop live sheep shipments due to smell, traffic problems, etc., the State Government is considering the establishment of an $80 million sheep loading facility south of Fremantle to allow the Fremantle Port Authority to still control the shipment of live sheep to the detriment of regional ports?

Hon. PETER DOWDING replied:

(1) The simple answer to this question is the economic considerations of the live sheep export trade in Australia.

The Government has, as part of its budgetary considerations this year, taken action to increase the wharfage charge for live sheep at Fremantle by 66 per cent from 15c per head to 25c per head.

The Minister for Transport has advised the reasons for doing so were twofold, partly to improve the Fremantle Port Authority's financial position—it has made losses for the last two years—and partly as an incentive to the stock exporters to consider exporting through the regional ports, particularly Albany and Esperance.

The Minister recently met with representatives of the live sheep export trade to explore the industry's attitude to shipping from regional ports. The Government is anxious to see a proportion of live sheep exports return to the regional ports. However, it must also appreciate the position of the exporters who have established significant infrastructure facilities based on exports through Fremantle.

The WA Livestock Exporters' Association has indicated that the cost of exporting live sheep from regional ports, particularly Albany and Esperance, is significantly greater than that incurred by using Fremantle. The additional cost is mainly due to the additional steaming time, but other factors are also involved.

From the Minister's discussions with the industry, I understand that it is clear that a policy of price differentiation through Government controlled charges may not be successful in encouraging the exporters to use the regional ports as we would wish. Rather there is a very real danger that were charges at Fremantle increased to the level necessary to make it economic for the exporters to move to the regional ports, the trade could well be lost to the Eastern States where a very competitive situation already exists.

(2) Not to the Minister's knowledge.

(3) No, although the authority's revenue base would be reduced.

(4) No.

TRANSPORT: BUSES

Bunbury-Eaton

295. Hon. V. J. FERRY, to the Minister for Planning representing the Minister for Transport:

(1) On what days and at what frequency does the passenger bus service operate on the Eaton-Bunbury route?

(2) Is the Minister aware that this service is inadequate to serve the needs of the residents of Eaton, particularly the unemployed who have to commute from Eaton to Bunbury to attend the CES office or for purposes of following up employment opportunities in that city?

(3) What improvements in the bus service are being negotiated?

(4) When is the service likely to be improved?

Hon. PETER DOWDING replied:

(1) Regular bus services operate between Eaton and Bunbury each day Monday to Friday, involving three services of a morning and afternoon. These services

do not run during school holiday periods. In addition, a further two return services are provided on Tuesday and Friday.

(2) and (3) The Minister has under review, as part of the "Bunbury 2000" bus study which took into account the transport needs of the residents in the region, improvements to the public bus service generally.

(4) Until such time as Government has studied the finding of the "Bunbury 2000" bus study report, the Minister is unable to advise when any possible improvements to the bus service will be made.

TRANSPORT: RAILWAY

Northcliffe-Pemberton

298. Hon. A. A. LEWIS, to the Minister for Planning representing the Minister for Transport:

(1) Have loco drivers been notified by Westrail that there will be no Pemberton-Northcliffe duties as from 9 December 1984?

(2) When did the Government make the decision to close the Pemberton-Northcliffe line?

Hon. PETER DOWDING replied:

(1) No.

(2) No decision has been made to close the Pemberton-Northcliffe railway. The Commissioner of Transport is examining the economic and social ramifications of this line's closing and he will be providing the Minister with a report on the future of this line before the end of the year.

WATER RESOURCES: EXTENSION POLICY

Cost

299. Hon. N. F. MOORE, to the Leader of the House representing the Minister for Water Resources:

Further to my question 276 of Wednesday, 10 October 1984, will the Minister advise—

(1) What is the cost required by the Public Works Department's extension policy for each potential consumer?

(2) What is total cost of implementing the water supply scheme?

Hon. D. K. DANS replied:

(1) The cost per property cannot be determined because such an amount is dependent on the number of property owners contributing. There is no provision for compulsory contributions and it is up to the property owners to decide amongst themselves how the funding is to be arranged.

(2) The estimated cost to serve the whole of the 7 Mile area is $168 000. Of this, $9 000 will be met by the department under the town water supply extension policy and the balance of $159 000 will have to be collectively met by the property holders wishing to be connected to the scheme.

The estimated cost to serve only the 17 properties fronting Great Northern Highway is $113 000. Of this, $5 000 will be met by the department and the balance of $108 000 will have to be collectively met by the property holders wishing to connect.

300. *Postponed.*

COMMUNITY SERVICES: NGAL-A MOTHERCRAFT HOME

Grant: Reduction

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

(1) Is the Minister aware of the 12 per cent reduction in the grant to Ngal-a Mothercraft Home in this year's State Budget?

(2) Why was this drastic reduction imposed?

(3) Would he be prepared to discuss with the Premier the possibility of reducing the number of outside Government advisers by six and thus restore the Ngal-a grant?

(4) Is he aware of any reduced activity on the part of Ngal-a which would suggest a 12 per cent reduction in its needs?

Hon. J. M. BERINSON replied:

(1) Yes.

(2) to (4) The amount provided is regarded as adequate to enable the home to operate for the year and was determined after a careful assessment of its needs and other revenue and resources.

LAND: CONDITIONAL PURCHASE

Freehold Title: Mr Reg Birch

302. Hon. N. F. MOORE, to the Leader of the House representing the Minister for Lands and Surveys:

Further to my question 279 of Wednesday, 10 October 1984, will the Minister advise—

(1) Has lot 1290 been converted to freehold title?

(2) If so, for what reasons?

Hon. D. K. DANS replied:

(1) No.

(2) Answered by (1).

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Directors

303. Hon. NEIL OLIVER, to the Leader of the House representing the Premier:

Further to my question 123 of 22 August and subsequent reply by letter from the Premier—

(1) What positions has Mr K. G. Gale held prior to the financial collapse of the Gollin Group and his dismissal?

(2) What are his tertiary qualifications, and from what institutions?

(3) Has he completed any post-graduate training?

Hon. D. K. DANS replied:

(1) to (3) These questions should be directed to Mr K. G. Gale.

CHARITABLE ORGANISATIONS: PARAPLEGIC-QUADRIPLEGIC ASSOCIATION OF WA

Grant: Reduction

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

(1) Is it correct that the annual grant to the Paraplegic-Quadriplegic Association of WA has been cut by $100 000 or 25 per cent?

(2) If so, why?

Hon. J. M. BERINSON replied:

(1) and (2) The level of direct grant to the association has been reduced. This is mainly due to the transfer of responsibility for the Independent Living Centre from the association to the Health Department. This transfer was at the request of the association.

An estimated $100 000 will be provided by the Health Department to assist towards the centre's operations in this financial year.

ENERGY: ELECTRICITY

Laverton: Tariff

305. Hon. N. F. MOORE, to the Minister for Planning representing the Minister for Minerals and Energy:

Further to my question 290 of Wednesday, 10 October 1984, will the Minister advise—

(1) What was the tariff charged by the Laverton Shire prior to October 1984?

(2) What is the tariff being charged now?

(3) What will be the tariff after 1 November 1984?

Hon. PETER DOWDING replied:

(1) The Minister for Minerals and Energy understands the shire was charging its customers standard State Energy Commission tariffs for almost two years prior to October 1984.

(2) The Minister has not been advised of any tariff change during October 1984.

(3) No change in the tariff applying to Laverton is proposed after 1 November 1984.

TECHNOLOGY

Hearing Aids: Cost

306. Hon. P. G. PENDAL, to the Minister for Planning representing the Minister for Technology:

Will he investigate and report back to Parliament on why, in an era of mass production and sophisticated technology, a person can buy a transistor radio for $2 but pays a minimum of $500 for a hearing aid?

Hon. PETER DOWDING replied:

A $2 transistor radio is a mass consumer, low technology, low quality item produced at economies of scale that number in the tens of millions. They are a consumable "throw away" item.

In comparison a $500 hearing aid is an extremely sophisticated piece of scientific high technology equipment. Its characteristics are—

(1) It incorporates high levels of scientific research and development techniques.

(2) It can use state of the art microchip circuitry, transducers, and controls.

(3) It requires high quality levels of design, production, and manufacturing tolerances.

(4) Rigid quality control and testing procedures.

(5) It requires professional medical and audiological consultation before being used by the consumer.

(6) It requires follow up consultation and servicing.

There is no real comparison between a mass consumer item such as a transistor radio and a scientific instrument such as a hearing aid when considering consumer end price.

307. *Postponed.*

EMERGENCY SERVICES: STATE EMERGENCY SERVICE

Communications: Budget Allocation.

308. Hon. V. J. FERRY, to the Attorney General representing the Minister for Police and Emergency Services:

On what items and at what locations will the sum of $240 000 be spent on emergency communications as listed in the Estimates of Expenditure, General Loan Fund, under the heading of State Emergency Service?

Hon. J. M. BERINSON replied:

These funds will be expended as part of a continuing communications upgrading programme which provides disaster-resistant high frequency radio systems for State Emergency Service volunteer units in local government authorities throughout Western Australia. These systems provide the emergency communications network to co-ordinate a timely counter disaster response for Western Australian communities.

Each radio system provides the following items—

antenna system

mast

security fencing

equipment accommodation and racks

power systems

radio equipment

radio control system, and

siteworks

Radio systems are planned for installation at the following locations during the 1984-85 financial year—

Tom Price

Busselton

Onslow

Gascoyne Junction

Fitzroy Crossing

Ravensthorpe, and

Leeman

subject to the finalisation of contract prices.