Legislative Council

Tuesday, 15 May 1984

The PRESIDENT (Hon. Clive Griffiths) took the Chair at 2.15 p.m., and read prayers.

LOCAL GOVERNMENT: ACT

Amendment: Petition

On motions by the Hon. D. J. Wordsworth, the following petition bearing the signatures of 12 persons was received, read, and ordered to lie upon the Table of the House—

To the Honourable the President and Members of the Legislative Council in Parliament assembled.

The Petition of the undersigned respectfully showeth our opposition to adult franchise in Local Government elections as proposed in the Electoral package as introduced by the Minister for Local Government.

Your Petitioners most humbly pray that the Legislative Council, in Parliament assembled, should block the bill in its current form and

(a) Amend bill to make voting in Local Government elections compulsory under the existing enrolment conditions, or

(b) If adult franchise is considered, then ratepayers equity in land should be considered by granting voting powers according to that equity, over and above that afforded to non ratepayers.

And your Petitioners, as in duty bound, will ever pray.

(See paper No. 806.)

QUESTIONS

Questions were taken at this stage.

BILLS (4): RETURNED

1. Interpretation Bill 1984.
2. Reprints Bill 1984.
3. Builders' Registration Amendment Bill 1984.
4. Land Valuers Licensing Amendment Bill 1984.

Bills returned from the Assembly without amendment.

BILLS (2): ASSEMBLY'S MESSAGES

Messages from the Assembly received and read notifying that it had agreed to the amendments made by the Council to the following Bills—

1. Local Government Amendment Bill (No. 2).
2. Western Australian College of Advanced Education Bill 1984.

LOCAL GOVERNMENT AMENDMENT BILL 1984

Receipt and First Reading

Bill received from the Assembly; and, on motion by the Hon. J. M. Berinson (Attorney General), read a first time.

Second Reading

HON. J. M. BERINSON (North Central Metropolitan—Attorney General) [2.41 p.m.]: I move—

That the Bill be now read a second time.

The Government believes that strong, viable local government that is clearly identified as an equal partner in government is essential to the future well-being of our State. Therefore, this Bill is a significant step towards providing local government with the autonomy and recognition needed for it to fulfil this important role.

Recognition of local government as a true representative of the community will come from our ensuring that councils are elected by the whole of the community in an open and democratic way.

Greater autonomy will come from an expansion of local government's decision-making powers which will facilitate the decentralising of decision-making and bring government and decision-making closer to the people.

A key feature of this autonomy is that councils must exercise greater flexibility and more subjective assessment of how their rate collections should be spread among their communities.

The Government is firmly of the view that any expansion of local government's role must be complemented by adequate community representation in the decision-making system. The proposals contained in the Bill form the foundation for ongoing reforms which will follow. They are interrelated and designed to achieve in a practical way the objectives of greater autonomy and democratic decision-making.

I comment now on the important reasons for upgrading the electoral system and increasing the autonomy of local authorities.

The purpose of an electoral process in a democracy is to hold elected representatives accountable for their actions. This purpose applies equally to Federal, State and local elections. However, when local government is compared with its Federal and State partners, several differences emerge. For example—

While local electors vote more frequently, turnouts of electors are low;

because only a proportion of the council retires annually, the accountability of councils to electors is limited;

a significant proportion of adults are either not allowed to enrol, or encounter difficulty in

establishing their right to vote; in WA this figure is estimated at over 20 per cent of the total citizens permitted to vote at State elections.

Because local government aspires to be an equal partner in the Federal system, it needs to address these important differences between itself and its State and Federal partners.

The capacity of local government to do what its people need or want is affected by the availability of resources, the policies of State and Federal Governments and legislative provisions.

Local government is enmeshed in the Australian Federal system. State laws and State Government grants, Federal laws and grants for road construction and personal income tax-sharing arrangements help to bind the system together.

The importance of local government in this system must be stressed; it is the only local level, multipurpose government which can develop local communities and complement national and State programmes.

It is no easy task ensuring that national and State programmes fit local needs, with their different patterns, interests, and priorities. Councils increasingly are expected to take on roles in their relationships with State and Federal Governments, which are not specifically given to them by Statute.

Councils are becoming advocates for and protectors of local interest, a stance which often involves expenditure of funds. This expenditure is necessary for councils to respond effectively to evolving community interest and needs.

For local government to be fully effective and efficient in meeting this challenge, it must be representative of the whole community, and not just those who are privileged to own property. The introduction of adult franchise—that is, a vote for all eligible citizens over 18 years of age—will achieve this in the only democratic way.

The significant reasons for extending the local government franchise in Western Australia are that—

the work and interests of local councils and their citizens have expanded far beyond that of road boards;

the taxpayer now contributes the major portion of council receipts on a State-wide basis;

more local government councils are considering themselves representatives of the interest of the whole community;

adult franchise will allow local councils to speak with more authority in their dealings with other spheres of Government; and

every other State in Australia has adopted adult franchise to its benefit.

Local government revenue has, for a long time now, been boosted by State grants. In the last decade, it has been boosted again by Commonwealth grants and personal income tax-sharing arrangements. The wider base from which councils receive money has correspondingly widened its obligations to represent the interests of all residents.

Ratepayers in WA councils are no longer the single major contributors to revenue and have not been for many years. While figures vary between local authorities, in 1981-82 rate revenue represented only 43 per cent of total revenue raised by local authorities in Western Australia. Rates in fact contributed as little as seven per cent of the revenue of some local authorities. In one case the local authority collected $26 700 in rates and received $285 000 in Government grants.

Clearly, the ratepayer no longer pays all the local government bills and relies heavily on the taxpayer who is now leading the way.

Adult franchise was introduced in Queensland in 1920, New South Wales in 1941, South Australia and Tasmania in 1976, and in Victoria in 1983. In some States, it is accompanied by an additional facility for property owners and occupiers, generally where they are non-resident.

There is no evidence of additional, growing, or more widespread entry of party politics into local government in those States which have introduced reforms recently, nor is there the slightest indication of non-ratepayers taking over local councils and spending at the ratepayers' expense. This point is made in response to negative criticism of the proposals that have appeared in the Press in recent weeks.

Financial developments—especially the increasing share of revenue coming from the personal income tax-sharing arrangements—argue for the introduction of the adult franchise. Community interests, Federal and State practices, and local financial arrangements demand that adult franchise be introduced.

In respect of local government powers, there are several powers in the Local Government Act which generally restrict local autonomy. These relate to the powers of the Minister or the Government over the functions which councils may perform and matters over which by-laws may be made. Local government has been asking for reforms in these areas for many years and, particularly in the last nine years, has received nothing of substance.

Similarly, the area of local government rating is one in which problems were clearly identified some years ago but nothing was done to provide solutions. This Government, when it took office, recognised that local government needed to be provided with solutions to problems and to be

given the resources and legislative scope to function more effectively. The Government moved quickly to develop new rating systems and examine ways of handing over more powers to councils.

A consultation process involving the associations of local government, individual councils, community groups, and the Minister for Local Government, has now been in place for more than 14 months and has resulted in agreement in principle to major rating reforms. It has also resulted in significant concessions being agreed to by the Government in the electoral reform proposals detailed in the Bill. It is expected that significant progress will be made in the next few months in providing more autonomy to local government.

Before outlining the specific provisions in the Bill I would restate the Government's philosophy about local government, its relationship with the State Government and its role in the Australian society.

The Government believes that local government is a partner in Australia's Federal system of government. This partnership carries with it responsibilities for serving the local community and sharing in the serving of the State and national community. Service involves leadership, the advocacy of community interests, and full recognition of the rights of all citizens to participate in the affairs and decisions which affect their lives.

Local government needs more independence in order to continue the development of its partnership role in the Federation. Greater independence in functions, greater capacity to respond to local needs, and fewer tied grants will help local government considerably.

I will now outline the provisions in the Bill.

The Bill proposes amendments in relation to the electoral provisions and to extend the powers of local government by removing what are considered unnecessary requirements for councils to obtain approvals of either the Governor or the Minister.

The proposed electoral reform is centred mainly on the introduction of adult franchise to ensure that any person enrolled on the State electoral roll will be automatically enrolled on the relevant municipal roll. The lodging of a single electoral claim card will thus cause a person to be placed on the Federal, State and local rolls for his or her place of residence.

Furthermore, provision is made for one owner or one occupier, or one nominee of a body corporate which is an owner or occupier, of rateable property to be enrolled, in the situation where that person's place of residence is not within the council concerned.

It is proposed that the Chief Electoral Officer will provide councils with a roll of residents for each municipal district, or wards where appropriate, and the clerk of each council will prepare a roll of owners and occupiers who apply for enrolment. It is not intended that the Chief Electoral Officer will participate in conducting elections.

As well as compiling the relevant rolls the Bill anticipates the clerk requiring the assistance of the Chief Electoral Officer in dealing with queries that may arise in respect to voting entitlement, etc., during the course of an election.

No person shall be entitled to cast more than one vote in a municipality.

The new electoral provisions are to apply as from the annual elections in May 1985.

There are a number of instances in the current Act in which polls may be conducted by councils. The eligibility to vote on the polls varies in that some allow electors to vote while others are restricted to ratepayers. In keeping with the principle of adult franchise, the Government is of the opinion that the same eligibility to vote should apply to elections and polls and accordingly provision is made for electors to vote in all instances.

Amendments relating to electors, ratepayers, elections, polls, and petitions are contained in part II of the Bill, which includes several rating options for councils to enable them to adopt rating systems which are better suited to the particular circumstances of each municipality.

As members would know, there has been a constant demand for changes to the municipal rating system. The system is often criticised because it must be applied uniformly, without exception.The options in this Bill will give councils greater flexibility, within certain constraints, to overcome most of the recognised difficulties.

Five rating initiatives are included in the Bill which required detailed drafting amendments principally to part XXV of the Act.

The first of these is to give councils the power to rate differentially, based on land zoning and permitted use. A council may only adopt this form of differential rating where two-thirds of the members of the council have resolved that it be adopted and where, in the short term, the Minister for Local Government has also given his approval.

It is intended that these provisions will initially be used on a trial basis with selected local authorities as a continuation of the pilot study undertaken by the rating committee headed by the member for Mundaring.

While only a small number of councils will be permitted to undertake these pilot schemes in the first year, it is anticipated that, should the field results prove satisfactory, more councils will participate in subsequent years.

Further legislation will probably be required in the future to expand these differential rating pro-

visions and to reduce or to remove the Minister's involvement.

In the past the associations of local government have made submissions to the State Government requesting powers to rate differentially. The powers in this Bill provide for the practical application of differential rating as an extension of the existing rating system.

The second rating initiative is to give councils greater flexibility in setting higher minimum rates. The Bill removes the present statutory maximum limit, but imposes a new limitation that no more than 50 per cent of rateable properties be on any minimum rate. The object of this limitation is to ensure that minimum rates are set at levels which are in keeping with the principles of the valuation system of rating.

This proposal will provide sufficient flexibility to allow the full range of councils throughout the State to impose a minimum rate relevant to their rating levels and, where councils consider it appropriate, ensure that all ratepayers contribute what the councils see as an appropriate minimum amount to council revenue.

The current $75 limit on the minimum rate is obviously far too low for many metropolitan councils, which have average rate levels in the order of $300 to $400. The limitation imposed in this Bill will enable those councils to increase their minimums to more reasonable levels, but it will still ensure that in areas where rate levels are lower, minimum rates will be set at an appropriate level. The measure should also enable councils to obtain a more appropriate rate return from lowly valued vacant land on a gross rental value base.

With respect to the minimum rate, the Bill makes provision for councils to set a lower minimum for portions of their districts and also includes detailed provisions as to how minimum rates are to be applied in certain circumstances.

The third initiative is to give councils currently rating on an unimproved valuation base the option of phasing-in a change to gross rental values for their urban areas. The Government is of the view that gross rental values generally provide a more equitable rate distribution for urban areas and this option is designed to encourage those councils which have not yet made the conversion to do so.

The phasing-in of the change over a three-year period should decrease any dramatic change in rate bills which would have occurred where gross rental values were adopted immediately.

The fourth measure is to provide councils with the option to introduce a scheme to rate owner-occupied residential properties under a GRV base on their actual rental values where they are otherwise valued at five per cent of their site value under the Valuation of Land Act.

Under the GRV system, subject to other requirements, the minimum value that can be applied to land is currently five per cent of its site value. Some inner city residential land and particularly highly valued residential land adjacent to the Swan River attracts this type of value. Several councils with land of this type have complained about the high level of valuations which result from this valuation requirement with respect to these residences.

This scheme will give these councils the option of introducing concessional valuations for all residential properties within their district which are owner occupied. The concessional values would be based on actual rental values supplied by the Valuer General rather than the five per cent of site value method where it was previously applicable.

The fifth initiative includes comprehensive amendments to the urban farmland rating provisions of the Act. Some time ago the associations of local government requested that changes be made to overcome a number of difficulties with the existing provisions, and the amendments in this Bill are designed to cover those areas of concern.

Two major changes to the urban farmland rating provisions include an alternative qualifying requirement that the owner actually reside on the farmland and the removal of the five-year back rating provisions where land ceases to qualify for the concession. The qualifying requirement referred to will expand the application of the provision and enable an occupier to either reside on the farmland or derive the whole or substantial part of his livelihood from the farmland.

The third principal area of the Bill proposes the movement towards greater autonomy for local government and these amendments are contained in part IV.

The Government is mindful of the need to reduce the number of approvals required under the provisions of the Act and this view has widespread support in local government. The Bill proposes the deletion of a number of approvals now and we intend to continue an on-going review of the Act to remove further approval requirements in the future. Consequently this provision of the Bill should be seen as an expression of our commitment to move further in this direction.

I have referred to the progress in consultations in this area and expect that further proposals will be finalised in the next few months. The Bill contains measures that, when applied, will be of great

benefit to local government and the people of the State of Western Australia.

I commend the Bill to the House.

Debate adjourned, on motion by the Hon. I. G. Pratt.

TOTALISATOR DUTY AMENDMENT BILL 1984

Receipt and First Reading

Bill received from the Assembly; and, on motion by the Hon. J. M. Berinson (Attorney General), read a first time.

Second Reading

HON. J. M. BERINSON (North Central Metropolitan—Attorney General) [2.59 p.m.]: I move—

That the Bill be now read a second time.

This Bill provides for a five per cent increase in the totalisator commission for oncourse novelty betting; that is, all bets other than for a win or a place.

The increase was requested by the racing industry as a means of providing additional funds to assist in overcoming financial difficulties and to place the on course tote in a competitive position similar to that of the TAB.

At present, oncourse tote operators deduct a commission of 15 per cent of gross takings. The five per cent increase in the commission will be shared between the clubs and the Government roughly in proportion to their current two-thirds, one-third shares.

The five per cent of gross takings accruing to the Government equates to the totalisator duty levied under the Act, being 3.5 per cent normal duty and 1.5 per cent additional duty which is passed on to the TAB. The Bill provides for an increase of two percentage points in the rate of totalisator duty for novelty bets.

The effect will be that the new 20 per cent commission will be divided between the clubs and the Government so that the clubs receive 13 per cent of gross takings while the Government's share is increased to 7 per cent.

It is estimated that the increase in the commission will result in the clubs receiving an additional $430 000 in a full year while the Government will receive an additional $285 000. I understand that the reduction in dividends payable to punters will be in the vicinity of 20c in a dividend of $3.

Currently, on-course totes operating outside the metropolitan area are subject to a lower rate of duty for win and place bets. The duty in respect of those bets is calculated at the rate of 3.5 per cent of gross takings, the same rate as currently applies to all novelty bets. In the metropolitan area the duty is calculated at a rate of 7.5 per cent for win and place bets. The two percentage point increase in duty for novelty bets proposed under this Bill will not apply to novelty bets on totes operating outside the metropolitan area. The net result of that concession is that for the non-metropolitan totes, the whole of the increased commission will be available to the clubs.

The Bill provides also that the rates of totalisator duty may be changed by regulation in the future. The operative date for the changes to the rate of duty and the totalisator commission is 1 June 1984.

I commend the Bill to the House.

Debate adjourned, on motion by the Hon. G. E. Masters.

IRON ORE (CLEVELAND-CLIFFS) AGREEMENT AMENDMENT BILL 1984

Receipt and First Reading

Bill received from the Assembly; and, on motion by the Hon. J. M. Berinson (Attorney General), read a first time.

Second Reading

HON. J. M. BERINSON (North Central Metropolitan—Attorney General) [3.03 p.m.]: I move—

That the Bill be now read a second time.

The purpose of the Bill is to ratify a variation agreement between the State and participants to the Cliffs project which provides the necessary mechanism for normalising Wickham.

It has been recognised for some time that there is a growing need for the normalising of company towns in the Pilbara, and the Bill places before the House the third variation agreement related to normalisation.

Normalisation is essentially undertaken to ensure land availability for private development and for Government, both State and local, to assume its normal responsibilities in respect of services and infrastructure.

Members would be aware that variations have previously been made to the Iron Ore (Mount Newman) and (Hamersley) Agreements to allow for the normalisation of the towns of Newman, Tom Price, Paraburdoo, and Dampier to proceed. The majority of normalisation arrangements are now fully implemented in Newman, Tom Price, and Paraburdoo. Negotiations concerning take-up of local authority function in Dampier are proceeding.

The original development of Wickham as the port township for the Cliffs project proceeded under approved proposals which envisaged eventual surrender of the company townsite lease. The company has however continued to develop Wickham substantially as a company town to the present time.

As an intregral part of the normalisation of Wickham, the State Government and the company will both contribute towards the cost of a new community centre in the town. Cliffs will contribute $1 million towards the multi-purpose building and the State Government will provide $500 000.

A significant feature of the variation agreement is that it recognises the company's intention pursuant to proposals first approved by the Minister to surrender the whole of the townsite lease granted to it under the original Cliffs agreement and to obtain substitute title in respect of specific areas within the townsite. Other land within Wickham will be freed for development by the State and others.

I turn now to the specific provisions of the variation agreement schedule to the Bill before the House. The normalisation of Wickham is mainly provided for in clause 6(3) of the variation agreement by the addition of four new clauses to the principal agreement, these being clauses 7C, 7D, 7E, and 7F.

New clause 7C provides an opportunity for the company to submit additional proposals setting out the arrangements by which infrastructure and services, provided and owned by the company, can be transferred to the State and local authority.

The additional proposals will relate to—

the transfer to or vesting in the State, appropriate instrumentality, or local authority, of the ownership, care, control and management, maintenance, or preservation of any service or facility owned and/or operated by the company;

the vesting in, transfer, surrender, lease, or sublease to the State, appropriate instrumentality, or local authority of any land owned or leased by the company;

the sale of land at Wickham the subject of a sublease by the company for commercial, community, or welfare purposes, to the sublessee or any other person with the consent of the Minister; and

any other purpose concerning the maintenance, use, or operation of the company's services or facilities situated in or near Wickham as the Minister shall approve.

This proposed mechanism relates only to matters of normalisation and provides that the proposals must be acceptable to the Minister and not subject to arbitration.

Clause 7D provides that the State shall, in accordance with an approved proposal, following surrender of the whole of the townsite lease by the company, grant in fee simple or lease to the company such part or parts of the land so surrendered as the proposal provides. The price to be paid by the company for any grant and the terms and conditions of any lease are to be determined by the Minister for Lands and Surveys.

This clause also enables the company to apply for and be granted freehold title to lots within the area coloured green on the plan marked "B" attached to the variation agreement for housing for residential use by employees engaged in the operations of the company under the agreement.

At this stage I table the Government plan marked "B" to which I have just referred.

Provision is made for consultation between the Minister for Lands and Surveys and the company to ensure the future housing requirements of employees engaged in the operations of the company under the agreement are given consideration when the State is releasing land in this area for other parties.

Paragraph (d) of new clause 7D deals with the preservation of subleases by the company to third parties. If any land which is surrendered by the company and is granted back in fee simple pursuant to an approved proposal is the subject of a sublease, that sublease shall remain in full force and effect as if the special lease out of which it was granted had not been surrendered.

Authorisation for Ministers of the State, instrumentalities of the State, and local authorities to enter into and carry out agreements set out in the normalisation proposals under clause 7C of the variation agreement, or proposals under the proposals variation clause 14(3) of the principal agreement, is provided in the variation by the new clause 7E.

Under clause 7F the company is released, following the surrender of its townsite lease and approval of the normalisation proposals under clause 7C, from the responsibility for schools, hospitals, and police station facilities and associated staff housing at Wickham. The clause does not, however, provide release from the provision of such facilities at Wickham if required to meet the needs of a construction work force involved in the company's operations.

Modification of the Land Act with respect to normalisation is provided for in subclause 6(4)(b) of the variation agreement.

Subclause 6(5)(a) of the variation agreement provides that the powers and authorities of the company in respect of water and power supplies shall be modified to accord with any proposals approved under the normalisation proposals clause 7C.

Subclause 6(5)(b) is to ensure that the effect of any determination of the agreement does not flow on to lots granted in fee simple to the company under a clause 7C proposal and sold to a third party before determination, or on lots sold to the company, at prices to be determined by the Minister for Lands, in the area coloured green on plan "B" set aside for future development at Wickham and in which the company is entitled to apply for lots as I have previously explained.

The variation agreement provides a new clause 10(n) which specifically removes nominal consideration and peppercorn rentals for lands granted in fee simple or leased to the company within or near the port townsite; that is, Wickham.

Subclause 6(7) of the variation agreement acknowledges that the company shall have no further obligations to the State with regard to any obligation covered in a clause 7C proposal by which the company has entered into an arrangement with a person—including an instrumentality of the State or a local authority—whereby that person has agreed to assume the obligation undertaken by the company under the agreement.

Other provisions of the variation agreement are common to agreements of this nature and in the main are consequential amendments to the principal agreement to provide the surrender and transfer of land in accordance with the various normalisation procedures outlined.

Members will, I believe, see the move towards achievement of the normalisation of Wickham as another important step forward in the social development of the north. With the increasing numbers of families settling in the Pilbara, it is appropriate that towns should be normalised and brought into the local government structure. The company's efforts in this regard have been appreciated by Government and deserve the full support of Parliament.

I commend the Bill to the House.

The PRESIDENT: Before the Attorney General concludes, I think he ought to seek leave of the House to table the plan.

Hon. J. M. BERINSON: I seek leave.

Leave granted.

The plan was tabled (see paper No. 807).

Debate adjourned, on motion by the Hon. P. H. Lockyer.

STATE ENERGY COMMISSION AMENDMENT BILL 1984

Receipt and First Reading

Bill received from the Assembly; and, on motion by the Hon. D. K. Dans (Leader of the House), read a first time.

Second Reading

HON. D. K. DANS (South Metropolitan—Leader of the House) [3.11 p.m.]: I move—

That the Bill be now read a second time.

The State Energy Commission is constructing a 220 kV transmission line to Kalgoorlie from Muja power station which will replace the present diesel generating facilities, operated not only by the commission but also by Western Mining Corporation Ltd. It is considered that this will reduce the commission's dependence on imported oil as the electricity will be generated by a more economically efficient coal-fired station.

The project is a joint venture between the commission and Western Mining Corporation Ltd., financed on a leveraged lease basis through the ANZ Bank. The line will be operated by the commission.

Under the provisions of the State Energy Commission Act 1979 the commission has the power to enter into joint venture arrangements of this nature and has all the necessary powers of access for the purposes of construction, inspection, maintenance, and removal of its works. However legal doubts have arisen as to the rights of the commission's joint venture partners in such projects, and this Bill will clarify the position of third parties in such circumstances and the ownership of the joint venture property and works.

It is considered that the two amendments contained in this Bill are necessary to overcome these doubts and to enable the project to be completed and commissioned on time.

Members will observe that the first amendment provides confirmation that the works undertaken by the joint venture are works for the purposes of the State Energy Commission Act.

The second amendment provides that while the commission still continues to manage or maintain the works, the subject of the joint venture, the commission's transferees and their successors in title have rights of access thereto for the purposes of carrying out the arrangement or agreement.

I commend the Bill to the house.

Debate adjourned, on motion by the Hon. P. H. Wells.

CHILD WELFARE BILL 1984

Receipt and First Reading

Bill received from the Assembly; and, on motion by the Hon. D. K. Dans (Leader of the House), read a first time.

Second Reading

HON. D. K. DANS (South Metropolitan—Leader of the House) [3.15 p.m.]: I move—

That the Bill be now read a second time.

The Bill before the house is to amend the Child Welfare Act. The purpose of the amendment is to provide additional protection for children of compulsory school age or younger who are employed in the entertainment industry, in an exhibition, or in offering goods for sale. The Bill will introduce a system of children's employment licences similar to that in operation in all other States except South Australia.

Hon. G. C. MacKinnon: You should let the Hon. Lyla Elliott introduce this.

Hon. D. K. DANS: I think Mr MacKinnon had better be quiet!

Hon. G. C. MacKinnon: Still cranky!

Hon. D. K. DANS: A major feature of the Bill is the protection it will give to children from being employed for indecent, obscene, or pornographic purposes. There is worldwide concern about the exploitation of young people for indecent purposes. Child prostitution and obscene dancing and modelling have been topics of concern for many years.

Of more recent concern is pornography involving children, and in particular pornography recorded on video tapes. These tapes can be produced cheaply and can corrupt children used in their production.

Information from overseas indicates that child pornography is often produced for sale outside the place where it is made to evade restrictions and public reaction. Once a child's image has been recorded in an obscene position or pose that image can be shown around the world and seen by thousands of people. If the child later comes to prominence as a singer, an actress, or an actor, the obscene picture can be reproduced to cause embarrassment years after it was taken.

Details of the proposed amendments follow.

A new section 108 of the Child Welfare Act will make it an offence to employ or cause or allow the employment of a child under 15 who is not the subject of a children's employment licence in an entertainment or exhibition or in offering anything for sale. For this the maximum penalty is $1 000.

There are a number of exceptions to this provision. It does not apply to street trading which is regulated elsewhere in the Act; nor does it apply to an occasional entertainment in aid of a school or charity, nor in cases where the Minister has granted an exemption.

The same new section makes it an offence to employ any child for indecent, obscene, or pornographic purposes. The provision extends to people who arrange the employment and to parents or people who care for a child and who condone the employment. The maximum penalty is a fine of $5 000 or imprisonment for three years or both.

The words "indecent, obscene, or pornographic" as defined include prostitution, other sexual activity, indecent behaviour to stimulate masturbation, and stripping and erotic modelling designed to give prominence to sexual or excretory organs. The section will apply both where the child appears before a live audience and when in private the child is involved in the preparation of pornographic material. Employment is widely defined to prevent the provisions being evaded.

New section 108A provides for the granting of children's employment licences. The licences will be granted by the Minister and may be subject to general provisions prescribed by regulation or specific conditions imposed by the Minister.

Before granting the licence the Minister must be satisfied that the child is fit to be employed and the proper arrangements have been made to safeguard his or her health, welfare, and education. The licence may not authorise a child to be employed between the hours of 11.00 p.m. and 7.00 a.m.

This Bill is based on a private member's Bill introduced into this House by the Hon. Lyla Elliott in November 1982. I draw attention to the work she has done and thank her for the information she has made available for the preparation of the present Bill.

I commend the Bill to the house.

Debate adjourned, on the motion by the Hon. Tom Knight.

SUPERANNUATION AND FAMILY BENEFITS AMENDMENT BILL 1984

Second Reading

Debate resumed from 9 May.

HON. P. H. WELLS (North Metropolitan) [3.18 p.m.]: I am reliably informed that this piece of legislation affects more than 80 000 contributors to the State superannuation fund and it contains a number of other provisions some of which I have some sympathy for, and others which I oppose to a degree.

The measure will effect the concept of early retirement, a concept that was discussed during the term of the O'Connor Government. It has been argued that early retirement will create employment. Sadly, its introduction should have been brought about by simple negotiation and understanding, but this has been marred by setting at variance sections of people within the Public Service. I will refer to that a little later.

The legislation is aimed at reducing the Government's responsibility in terms of the cost of that indexation of pensions. It is an interesting area because the suggested method by which the Government will cover future indexation is a little hazy. I say a little hazy because what has happened within the fund is that, from the actuarial reports for 1980 and 1983, the Government found the fund had a $50 million actuarial surplus. The figures are not exact, but from what was reported in the Press, we understand in 1980 the actuarial surplus of the fund—it is not a reality surplus—was to be up to $20 million. At that stage a committee was set up to investigate the total superannuation fund. In 1980 that $20 million, for the first time, was not distributed. On the three previous occasions the surplus of the fund was spread right across the units.

That excess of $20 million existed in 1980, and in 1983 a further report indicated another excess of $30 million or thereabouts, bringing the total to about $50 million. The final report on the original study of the fund has not yet been completed.

The Government has adopted the practice since 1974 of meeting the cost of pension increases caused by increases in the Consumer Price Index. Now it proposes that the $50 million be used for that purpose, although it will not actually take it. I might say that some people suggest that the scheme is very close to theft, or it would be regarded as such in any other organisation. The Government has said, "We will put that money into a fund, and the interest from that fund will do a number of things". On the other hand, the Treasurer made a statement that whether the Government spends that money depends upon the Budget. So, I am hazy about the reported statement of the Treasurer that there is no obligation on the Government to use all of the surplus. That statement is equitable, considering that the thrust of this Bill is to place the money into a fund, arguing that the CPI increase will be met from that fund, thus reducing the Government's obligation.

The Bill also proposes to transfer the responsibility for the cost of administration of the fund, which is currently met out of Consolidated Revenue, to the fund itself. It will have the obligation to meet those costs, as happens in most other superannuation funds. I have not heard any argument, even from the public servants who are affected by this legislation, that this is not a reasonable proposition. However, the proposed method raises questions, because the costs are to be met from the $50 million surplus.

The fourth proposal is to enable full pensions to be paid to police officers retiring at age 55 years while a lesser amount will be paid to other members of the Public Service who leave on optional retirement at 55 years of age. This is another contentious matter. We have $50 million—which I believe should remain intact until the Government completes the final assessment of the superannuation fund—and two people who have made exactly the same contributions will, if they both retire at 55 years, receive different sums of money, quite apart from the difference they would have received had they retired at 60. One will receive a golden handshake of $25 000 to $30 000 more than the other. I may stand corrected on the exact amount. However, a police officer may retire on a full pension at age 55, while a public servant may not. A person with the full number of units would receive 50 per cent of his salary at age 60 plus 12 per cent from the fund.

I ask the Minister to correct my understanding. What will happen on the retirement of the police officer? It may be that the board's portion of the payment will be reduced, but he will be entitled to a full share of the Government's contribution to the pension which, at present, would be something like 62 per cent of the retiring salary. The 12 per cent represents the contribution that the worker has paid to the fund during his lifetime. Unlike most other superannuation funds where the company makes a contribution during the working life of the worker, the State Government takes account of the CPI increase and pays its share when the member retires, unlike private superannuation which is based on an approximation calculated upon the contributions of the employer and the employee.

Since the inception of the fund, the Government has accepted the system of "pay as you go". I would be terribly surprised if the report on the superannuation fund recognises that scheme as a good one, because under that system the ever-increasing cost of superannuation will call for a heavier contribution by the Government. It could reach the stage that the Government could find it very difficult to meet the increased costs.

It seems to me the study must consider the result of changing the set-up. The Government should work out its liability under the fund and make a contribution so that the investments of the

fund cope with the CPI increases and other inflation. That is not happening at present. Successive Governments have accepted the scheme by which that portion of the pension has been met. If the Government is to be its own insurer—superannuation is like ordinary insurance—surely it must accept the obligation for the increased costs.

In connection with the Government's argument for using the interest from the $50 million to meet the CPI increases, it is only fair and correct, in so far as that increase is the portion paid by the superannuation fund. In the case of a person with full units, that would be 12 per cent. The Government's portion is 50 per cent because it did not contribute during the working life of the contributor. Therefore, the Government has a liability and it should not, in my opinion, use funds that have been contributed by the members of the fund to meet the liability which it had consciously accepted. If the Government used those funds, to some degree it would be using money that was not its own.

It may well be argued that this superannuation fund is generous. However, a comparison can be drawn between this fund and funds in other States of Australia. When we were in Government I often heard members of the present Government argue that various matters in this State should be based on the situation which pertains elsewhere. The civil service information paper on the proposed changes to the Western Australian superannuation fund sets out a comparison of the various schemes which exist in Australia. In a table listing the retirement age at 65, a comparison of benefits offered under the Government schemes operated by the Australian and State Governments indicates: Western Australia, 61 per cent; the Australian Government, 70 per cent; the Victorian Government, 70 per cent; the New South Wales Government, 67 per cent; the Queensland Government, 75 per cent; the South Australian Government, 73 per cent; and the Tasmanian Government, 67 per cent.

Based on that table one could not argue that, on an Australia-wide basis, the fund in this State was over-generous. Consistently in this place the argument has been put forward that comparisons between this State and other States may be drawn in respect of wage rises and they can be used as benchmarks. This has applied particularly in respect of teachers in New South Wales. I wonder whether, in this case, the Government has adopted a double standard.

The Government has decided to change the structure of the superannuation fund for public servants in this State and, as a result, a number of public servants will be at variance with each other.

In making its opinion known in respect of the Bill, the Civil Service Association—which represents a large number of public servants in this State—in its information paper dated 10 April, said—

> This Council takes the position that no Government action be taken on the Fund surplus until a full, open and properly constituted public enquiry is undertaken into the Superannuation benefits for Government employees in the State Superannuation Fund.

I have some sympathy with that organisation, because the Government is seeking to use other people's money in a certain way which has not been examined properly. It is strange that I should have sympathy for such an organisation, because it was associated with other people who inserted full page advertisements in the newspaper supporting the election of a Labor Government prior to the last election. Today those people are learning what the Government is doing to them.

I saw a statement in a Civil Service Association magazine which indicated that, with the Burke Government coming into power, the civil service would have greater consultation and it would be looked after. Here we have a classic example of how the Government looks after the Public Service. For its own ends, the Government is setting public servants against each other. It is setting police officers against other members of the Public Service. The 10 per cent salary cuts imposed on some public servants by the Government set a precedent in this State which indicates that the Government intends to act in its own interests rather than in the interests of public servants.

I took note of a portion of the Minister for Budget Management's second reading speech which reads as follows—

> It has been estimated that the cash impact of the proposal for police officers in the first year will be $800 000 and $6.7 million for the balance of State Government employees who are contributors to the scheme.

I ask the Minister: Where will the money come from? Where will the $7.5 million come from? I understand that $50 million will be established in a fund out of which administration costs will be paid. Those administration costs will be added to the other costs totalling $7.5 million, to which the Minister referred. The return on the fund would need to be approximately 15 per cent, and I ask the Minister where the money will come from to meet those costs?

In his second reading speech the Minister indicated that the cost of what the Government seeks to do will not be met by the Government. I ask the Minister where the money will come from. Will the money come from previous contributors' funds? As I understand it the surplus in the fund has been achieved because, in determining the return from the fund, the actuary set a contribution rate. Members of the fund paid that contribution rate over approximately 20 years. Those funds were invested and the return was greater than anticipated. Had the contributors paid a lesser amount into the fund, a surplus would not exist today. If the Government intends to pay the $7.5 million out of that surplus I ask the Minister about the position of previous contributors to the fund who are now pensioners. Would not their contributions go towards making up that $50 million?

Reference has been made to a revaluation. What revaluation has occurred in respect of the assets of the Superannuation Board? Have the total assets of the board been revalued? I understand the present position in which a revaluation of the fund occurs every three years is to be changed. What is the reason for that change; how will that revaluation be done; and what additional figures is it likely to include under the new legislation?

The burning question in my mind is: Who owns the surplus? Bearing in mind the action the Government proposes to take in this Bill, it appears it believes it owns the surplus and can use it to make up the difference in respect of the increases in the CPI. I congratulate the Government. Most people in the metropolitan area would agree that, if the Government can produce a scheme to lower costs, it is doing a good job. Its last cost cutting scheme was to take 10 per cent of the salaries of members of Parliament and public servants who earn more than $29 000 a year. It appears the premise for deciding how to reduce costs is for the Government to work out from whom it can take money. Part of the proposal in the Bill is that money should be taken from pensioners.

A number of people who belong to this fund are pensioners. They do not work currently in the Public Service. The Government will not take this action illegally, because we have a system under which an illegal action may be made legal by bludgeoning it through the Parliament. However, I ask the Minister who owns the surplus? Currently it belongs to the contributors and a precedent was set in that prior to 1980 the surplus was returned to the contributors to the scheme.

I am anxious to know how the provisions contained in the Bill were arrived at and whether the superannuation review committee was consulted. Was a preliminary report received recommending the provisions in the Bill? If so, when was the report made, and was it published? I do not remember seeing it tabled in the House.

No doubt the committee will recommend quite radical changes to the superannuation fund, and these changes will be of interest to the members of the fund. I would like to know whether the Government is prepared to table the report before it takes any action.

In summary, I indicate that I can accept parts of the Bill, such as that which introduces the optional retirement provision for people attaining 55 years of age and the provision to transfer the responsibility for the administration of the fund to the fund itself. Unless the Minister can convince me otherwise, I am unable to accept that part which provides for the Government to take the $50 million of contributors' funds. I would like to hear the Minister explain how the Government believes it is right that it should take other people's money.

HON. G. E. MASTERS (West) [3.42 p.m.]: The Hon. Peter Wells covered most of the ground well and asked a number of questions to which we hope the Minister for Budget Management will respond when he replies. No doubt his comments will be subject to debate during the Committee stage.

My colleagues and I strongly resent the comments made by the Premier in response to criticism of this Bill. The following is a report of a statement made by the Premier and appearing in *The West Australian* of 7 May—

> "If the Opposition use their numbers in the Legislative Council to change the essential features of the package we will not proceed with the proposals."
>
> Mr Burke also said that the Government would immediately review its commitment to pension indexation if the legislation was changed.

We resent those comments by the Premier because we believe we are here to do a job. We will do that job to the best of our ability. We will make our own decisions and we will not be stood over by the Premier in our consideration of this legislation or any other legislation. If we must sit all of this week, next week and weeks after that, we will do so in the interests of the community. Members in this House have every reason to be concerned about that sort of statement made publicly by the Premier. The Premier has degraded his own

position and has upset many members of this House. But I will now comment on the Bill itself.

All of us would have been canvassed by different people and groups in the community, including groups such as the Police Union, the CSA and people we know personally. Members of the fund have said that this legislation is not fair because the Government is proposing to use funds belonging to the members. The Police Union has said that its members are in a special situation and are therefore deserving of special consideration, and I can accept that there are good arguments for this.

The Government's proposal is to permit voluntary early retirement for people aged between 55 and 60 years. A number of members, certainly from this side of the House, have expressed concern that this legislation will affect the private sector. Many business people are saying that they cannot afford this progressive reduction in the retirement age, because it has come down from 60 to 55 and it could perhaps end up at 50 years. The Hon. Lyla Elliott seems to be indicating that these people have no reason for concern, but they are having a rough time at the moment. Many industries are in difficulty and the business sector does not look forward to the prospect of optional early retirement from 55 years of age flowing down through the community. Eventually we will see a reduction in the retirement age in the wider community, so business people have reason to be fearful in times when they are struggling, because they see this move as a threat.

Hon. Fred McKenzie: Why? They are not forced into superannuation schemes.

Hon. G. E. MASTERS: But they are facing problems with profitability and productivity. This early retirement provision may one day affect them, and they see this Bill as the thin end of the wedge.

Sitting suspended from 3.45 to 4.00 p.m.

Hon. G. E. MASTERS: Regardless of the fact that some businessmen may not have to be involved in superannuation schemes or whatever, the final bill is usually paid in one way or another through added taxation and the like, so business, industry, and commerce do not favour a Bill containing these sorts of proposals. There is a genuine fear in many sections of the industry that we are on our way to a reduction in the retirement age towards the 55-year-old mark.

Another of the Government's proposals seeks to establish an indexation fund into which fund surpluses are to be paid. An indexation fund is a Government commitment, anyway; it would keep up with or match the CPI figure. Unfortunately, the Government has found itself in a difficult financial position and has rushed around making these promises. The Government has a real problem in meeting its commitments and obligations, so it decided that to meet the indexation fund commitment it would indeed use a surplus that had been identified in round figures at approximately $50 million. It decided to use that $50 million, to get the best investment opportunities it could out of it, and to pay into the indexation fund account the interest recovered—over four per cent approximately.

A deal of concern has already been expressed by the Hon. Peter Wells in regard to people who consider that money to be theirs, simply because it is their money that has been invested and the return on that money should be paid to those people who paid out that money originally. There are arguments for and against that, but we can understand those people thinking that way. If I were involved, I would be concerned. Their concern has been freely expressed to us. These surpluses will be paid wholly or partially to the renewed Government commitment. When the Minister replies, I ask him to indicate whether he thinks there will ever be a surplus in the indexation fund as a result of the investments, or whether in fact the Government will always need to top up that fund. It may be difficult at this time for the Minister to give us a true picture of what is likely to happen but, surely to goodness, the Minister must have made some inquiries.

The responsibility for the fund operating costs is to be transferred from the Government to the fund, so the fund will pay for the operating costs of the scheme.

The argument that has been freely put to members of Parliament in both Houses and on both sides of the political scene by the Civil Service Association is that it is unfair to give one group an advantage over another group. In other words, why should the police be given the opportunity to retire at 55 years of age with, I think, a 56 per cent return on their salary at the date of retirement whereas public servants will receive only 38.9 per cent?

Public servants say it is simply not fair for this to occur. They think it is not fair that the money and the return on the investment of that money that they believe is theirs, should be utilised to benefit one particular group rather than all those who contributed to it.

I do not intend to argue against the proposition that if any group should have a reduction in retirement age it should be the Police Force. I know, as most members know, that the Police Force has a difficult task, a very tough job to do. I have some personal friends, both young and old, who are in

the Police Force. Some have just joined, and others have been in it for many years and are nearing retirement age. The jobs that they have to do and the conditions that they have to put up with are not for me. If members of this House think we have a tough job to do, they should consider some of the things these young people have to do when attending accidents and in all sorts of problem areas. I just could not tolerate or handle some of their jobs. They do have a very tough task.

Taking the point that if any group should have an early retirement age if should be the Police Force, my fear is that if the Police Force is given the option of retirement at the age of 55 years, how soon will it be before teachers, fire brigade officers, and the CSA seek the same opportunity? In other words, we are looking at a flow-on package, and I do not think there is any doubt that as soon as this arrangement is applied pressure will be exerted for other people to receive the same treatment.

Hon. Kay Hallahan: Is that a problem?

Hon. G. E. MASTERS: It probably is, simply because someone has to pay for it. It is a costly business. More and more people in the community are getting older and fewer people are in the younger age group. The younger age group, the working group in the community, has to pay for all those people who have early retirement. The cost of it will come out of all our pockets.

Hon. J. M. Berinson: That flow-on does not seem to have occurred in the other States where the 55 retirement age for policemen has been in place for some time.

Hon. G. E. MASTERS: I hope Mr Berinson is correct. I am just making the point, because inevitably the pressure will be applied, whether it is this year, next year, or five years hence. I just wonder whether, in five or 10 years' time, Mr Berinson will be handling the portfolio of Budget Management in this State and whether he will be faced with a massive bill which will be very costly to the community. I do not think he will be in that position, but he may make a comeback in a few years' time.

Hon. J. M. Berinson: Perhaps neither of us will.

Hon. G. E. MASTERS: The Minister is dead right.

Let me make the point clearly again: There is a grave risk that a flow-on will occur. I make the point strongly that if any group deserves this consideration, if it is justified at all, it is the Police Force. I have no argument about that at all, but we must look at future prospects and possibilities, and the likelihood of this flow-on going right across the board to the private sector and the rest of the Government sector. It is all very well to talk about Government employees being able to enjoy this privilege, but someone must pay for it and the taxpayer is the one who foots the bill. Members of Parliament, myself, and struggling business people will have to pay all these bills which will create an impost on the taxpayer. We must consider it very carefully, because sooner or later things must come to an end. We cannot keep paying higher and higher taxes and more and more Government charges as we do every single year.

Hon. Fred McKenzie: If we take somebody out of the work force at age 55, the position can be filled by an unemployed person.

Hon. G. E. MASTERS: I have heard that argument and have put if forward myself, but I am not sure how far it goes. I do not think it solves the economic problem. Let us say there will be an advantage in that area and, for example, in the Police Force some senior members will retire at age 55 thus giving the opportunity for younger people to be brought into service. That surely creates employment for young people; I am not denying that. However, I do not think it will solve the problem. I would be very keen to see more younger people entering the Police Force, and I would be particularly pleased if better promotional opportunities could be provided than are presently available.

As a matter of fact, I spoke to members of the Police Union at lunch time and they questioned me and put their arguments to me. I do understand the difficulties and the prospects that they hope for if this legislation goes through. I accept some of their arguments.

The effects of the Government's proposals, as I see them, are these: On 1 July 1984 an amount will be transferred into the indexation fund account. That is the amount I spoke about earlier. The latest CSA estimate I have is that it will be around $60 million or $70 million, but amounts of $150 million and $100 million have also been mentioned.

Hon. J. M. Berinson: Of surplus?

Hon. G. E. MASTERS: Yes. I would like the Minister to give the House an assurance as to the estimated figure for 1 July 1984. The Minister and I know that when this sort of legislation is brought forward, all sorts of facts and figures are bandied around. The Minister is the expert; he has all the answers at his fingertips, so he would be able to reassure us as to the figure we can count on and next year say, "Mr Berinson's figure was right".

Hon. J. M. Berinson: The base figure for the indexation account would consist of surplus funds only to 30 June 1983.

Hon. G. E. MASTERS: Yes. We are not talking about a sum of money, we are talking about a surplus which can be invested to pay for indexation.

Hon. J. M. Berinson: That is the only amount that will be invested for that purpose. Other surpluses arising in subsequent years will be used as they arise. There will be no question of the base sum and the indexation account being of the sort of order you are talking about.

Hon. G. E. MASTERS: That is fine. Those are figures which have been bandied around, so we do need a reassurance on the record that what the Government is saying is correct. The surplus will be reduced by about $1 million annually to meet administration costs; is that correct?

Hon. J. M. Berinson: Yes, that is so.

Hon. G. E. MASTERS: It seems a high figure, but I guess there are fairly substantial costs in the administration of this sort of operation.

Civil Service Association members are to be given the opportunity to retire at the age of 55 years or between the ages of 55 years and 60 years if they wish. It would be unattractive for them to take this step, especially when we compare the situation with the members of the Police Force. It is unlikely that many members of the CSA will retire early to receive 36 per cent of their leaving salary.

The CSA has made a number of points. It wants action on this legislation to be delayed until a full, open, and properly constituted public inquiry has taken place. I think that is a reasonable proposition. We expect from the Minister handling this Bill an explanation of the reason this will not take place, and if the inquiry is to occur, who will be involved in the inquiry.

The CSA expressed the view that the arrangements made in this Bill are a breach of trust and a significant reduction in benefits for association members. The Government has no mandate for the action it is proposing, and the genuine concern of the association needs to be recorded. A large proportion of association members are involved in the superannuation scheme. I do not intend to go into this matter in any detail because the Hon. Peter Wells has covered that adequately.

We are anxious to receive answers to the questions we have raised about financial arrangements. I point out that some people in the superannuation fund have a choice, and others do not. Members of the R&I Bank are forced to join this scheme. I do not know of any other group which is faced with such a prospect. It should be optional for people to join the fund, especially when they consider that their money will not be used in the way they would like. They wish to have the opportunity to opt out of the scheme, or to join it if they wish.

I have information on good authority from a member of the R&I Bank that if he were given the opportunity he would not participate in the superannuation scheme. Perhaps the Government could give some consideration to a more favourable arrangement for the officers of the R & I Bank. I will allow the Minister to reply to the second reading debate, and I will raise more matters during the Committee stage.

HON. I. G. PRATT (Lower West) [4.15 p.m.]: I do not intend to vote against this Bill, but I want to raise some points which cause me some disquiet. Before I deal with the Bill, I would like to deal briefly with the interjection made by the Hon. Fred McKenzie when he asked what was the problem in retiring someone earlier, because he felt a younger person could be employed.

At the State level, of course, another person would be employed; but the point I would like to make is that we would not save the difference in the salary, because everyone is shuffled up in the promotion scheme and the actual amount paid out by the department is the same. The Government has the responsibility to pay out superannuation of approximately 50 per cent of the leaving salary of that person. So if the person was on $400 a week, the Government would be committed to pay out $200 a week—50 per cent of the salary.

I understand that the member suggested that we would reduce unemployment by providing a job for someone who is unemployed. I point out to the member that that saving is to the Commonwealth Government, and not the State Government.

Hon. Fred McKenzie: It is a two-fold benefit.

Hon. I. G. PRATT: It is not for the State.

Hon. Fred McKenzie: Young people want to work and cannot get work.

Hon. I. G. PRATT: I am talking about the financial burden to the State. With the amount of money the Burke Government is paying out to advisers, etc., at present, we have to look at every dollar spent by the State. These young people are not receiving $40 000 a year as some advisers are—

Hon. J. M. Berinson: Could I qualify one matter? You do understand, on the example you gave, a retired person other than a policeman who retired at the age of 55 years, would not receive $200 a week, but a lesser amount.

Hon. I. G. PRATT: I understand that clearly. The point I would like to make, and I want Mr McKenzie to understand, is that from the point of view of this State's finances, the saving by employing a young person would be a saving to the Commonwealth Government, and it would not flow to this State.

The real burden on the State for that period of perhaps five years is a burden of $200 a week. That is where the problem arises; it is not as simple as saying, "Someone else will be employed".

I understand the proposition to allow police officers to retire at a full rate of pension at the age of 55 years is something the previous Government was pursuing. We looked at that matter quite favourably, so I do not have any argument with that. However, we have a responsibility to look at the financing of such matters and to be well aware of what such a proposition would cost the State.

With this Bill we have another example of this Government's blackmailing tactics on the people of this State. This is not the first time the Government has come up with some proposals which are acceptable to the citizens of Western Australia and are acceptable to the Opposition, but are coupled with other proposals which are not acceptable to the Opposition or the citizens of this State. The Government has said; "You take the lot, or you get nothing".

Hon. P. H. Wells interjected.

Hon. I. G. PRATT: It is no wonder, Mr Wells, that we see this Government giving no response. When we try to protect the people in the industrial situation; exactly the same thing happens. It is exactly the same system which is being used by this Government in relation to this legislation that we find being practised by militant trade unions when dealing with individuals. The union members go onto the building sites and say, "You do it our way, or you don't operate".

Hon. Kay Hallahan interjected.

Hon. I. G. PRATT: The honourable member will have her chance to stand up and say something. I believe she has a wealth of experience, because she was a police woman and a social worker. She has worked as a public servant also, so she will have had the benefit of wide experience in those fields, and I will listen carefully to what she has to say.

The union men go onto building sites and say to the people who want to work, "Either you do it our way or you will not work". This Government goes to people who have a legitimate need—I understand that our police officers want to retire early; I appreciate the pressure under which they work—and says to them and to the public servants, "Okay, we will give you what the police officers want and a bit of what the public servants want but you will get it only if you jump to our tune". No doubt exists that the rest of the Public Service was very unhappy at this threat— this gun held at its head.

Hon. G. E. Masters: And ours.

Hon. I. G. PRATT: Yes, but I am speaking on behalf of the citizens of the State at present, not members of Parliament.

We have had correspondence from the people involved telling us of their concern. They have buckled to the blackmail and extortion being applied to them. Probably all members will have a copy of this letter from the State School Teachers' Union. It relates to a motion it wanted to put to a meeting of public servants and others and it begins: "Notwithstanding our strong objection to the Government's action with respect to the surplus of funds. . ." So the union strongly objects to what is happening. The union goes on to say it is prepared to accept it because of the benefit of the other half of the proposal.

In other words, it is crumbling to the blackmail just as the men on the building site give in to the blackmail of the union heavies who go along and say, "Do it our way".

The bulk of the public servants, teachers and others affected do not want a bar of this virtual confiscation of their funds. That is how they see it regardless of the sleight of hand trick in which the Minister engages. If the Minister and members of the other House wanted it clearly understood that this surplus is not being confiscated, they would not be bundling all these matters together and saying, "Accept it, or you will get nothing".

Hon. Fred McKenzie: How would you fund it?

Hon. Kay Hallahan: The previous Government did nothing.

The PRESIDENT: Order!

Hon. I. G. PRATT: The Hon. Fred McKenzie seems to be saying by way of interjection that early retirement is in fact being funded by the $50 million. Is that so? If not, why did he interject? My understanding is the Government's proposition is that that sum is to fund the indexation.

Hon. J. M. Berinson: That is what it is for.

Hon. I. G. PRATT: I think the Minister had better inform his backbench so it does not interject and say the wrong thing and embarrass him.

Hon. J. M. Berinson: I am not embarrassed at all.

Hon. I. G. PRATT: The Minister must have a very thick hide, and I congratulate him for that, too.

It would be easy for the Government to say, "We have two propositions here and they are not interlocked at all".

Hon. P. G. Pendal: You are all under instructions.

The PRESIDENT: Order! The Hon. Phillip Pendal is under instructions not to interject.

Hon. I. G. PRATT: The Government should say, "This is the amount of the surplus we want to use to prop up indexation". If that is what it wanted to do it should have sat down with the people involved and come to an agreement, rather than try to hit the acorn with a sledge-hammer.

The Government should have said it was dinkum about early retirement for police officers and the other provision in the Bill, and if it could not have one, it would have the other. Even if the public servants continued to say they would not have a bar of the Government's interfering with their surplus, and that they wanted it distributed to them as had always been the case, the Government should have said, "Okay, we are reviewing superannuation and when this is done we will rewrite the whole thing and this matter will be part of it", instead of imposing it with a gun at the head and saying, "Take it, or you will get nothing".

We would have been quite happy to accept early retirement of police officers. However, it leaves a nasty taste in the mouth when the Government comes along and says, "This group of people deserve our recognition for the job they do and we want to help them". The Government is saying, "We want to screw this down at the same time; if you do not agree to both you will get nothing".

Hon. Garry Kelly: What rot!

Hon. I. G. PRATT: We saw the same example in relation to the smoking legislation. We were told then by the Government that it would not accept a very good idea which would help a lot of people because the Opposition would not accept everything the Government wanted. I understand it is doing the same with another piece of legisation to which I cannot refer and telling the people involved, "If you want concessions, we will give them so long as you let us impose something you do not want".

It is becoming a trademark of this Government. If people in the community were doing this and someone was going into a family and saying to the father, "Okay, we will not thump you so long as we can thump your daughter—"

Hon. Robert Hetherington: What nonsense.

Hon. I. G. PRATT: It is exactly the same. This is the level of this Government's morality. That is what it is doing and it is becoming a pattern time after time in legislation. If the Government were doing that in the community our police officers would take action; they would deal with the standover tactics and blackmail of this Government. Yet when we refer to the same sort of thing in the industrial field, and the Hon. Gordon Masters, and people in another place give examples the Government says it does not know anything about it. People are following the Government's example.

I have said I do not intend to vote against this legislation and I suppose that means I will vote for it unless I leave the Chamber. Of course our police officers deserve consideration for the job they do. Some people in the Public Service and in the teaching profession, which was my profession before I entered Parliament, want the option of retiring at 55. They will find it hard to survive on 30-odd per cent of what they were receiving in salary, but at least they will be out of the rat-race.

I want to make it quite clear that in supporting this Bill I am in no way supporting the Government's attitude or its lack of consultation. It should have consulted the people who provide this money which is now being appropriated, and come to an agreement with them.

HON. J. M. BERINSON (North Central Metropolitan—Minister for Budget Management) [4.28 p.m.]: It may be helpful in reply if I first briefly summarise the effect of this Bill. This needs to be dealt with in separate sections because its effect on different groups of Government employees is different.

I deal first with the position of members of the Police Force. As a result of this Bill, policemen will be entitled at age 55 to retire on full superannuation. That will involve an additional cost to Consolidated Revenue which is estimated to be of the order of $800 000 per annum. The availability of full superannuation at that age for policemen alone does indeed put them in a privileged position compared with other Government employees. The reason for that, as I think was acknowledged by earlier speakers in this debate, relates to the nature of their duties. The treatment of policemen in this respect is also of a pattern with similar provisions that have applied in other States for some years.

When one moves to consider the other public servants the position is this: For those with less than 25 years of service, retirement will, in the future, be possible at age 55 years at nil cost to the revenue. That is arrived at by an actuarially calculated reduction of State contribution to pen-

sions below the 50 per cent that would otherwise apply.

I pause at this point to make the distinction between nil cost to the revenue over a period of time as compared with cash cost in any particular year. For example, the cash cost in the first year to which the Hon. Peter Wells referred, is a real cost in cash in that year, but one that will be balanced over a period by the reduction below 50 per cent.

For those public servants with over 25 years of service before retirement, there will also be a reduction in the State component of pensions below the 50 per cent mark, but that reduction will be somewhat less than the figure which applies to employees with shorter service.

In this third group there will be an additional cost to the revenue, and that is a cost which is extremely difficult to calculate. On our best calculation, however, we believe that the cost will be very modest and in the order of about $500 000 a year.

The next part of this complicated process which needs some understanding is that the contributor's own portion of retirement pension, which in most cases is about six per cent, will be reduced to an actuarially calculated degree in the case of those who retire below age 60 years.

It is true, as the Hon. Peter Wells said, there is a theoretical possibility of State employees contributing for a component of pension equal to 12 per cent of income at retirement. For a range of reasons which I need not elaborate now, the practice, in the overwhelming majority of cases, is that it is a six per cent component which is actually taken up.

Finally, in this introductory summary of the position, could I point to a most important element of the State Government's superannuation scheme. It is also a very costly element of the scheme in that it provides at cost to the revenue in respect of the CPI indexation of both sections of retirement pensions: That is, a CPI increase is applied both to the State's 50 per cent component and to the contributor's six per cent component, and the cost of both comes out of the Consolidated Revenue Fund.

Hon. P. H. Wells: Twelve per cent or whatever the percentage is.

Hon. J. M. BERINSON: Yes, of whatever the percentage is.

There has been some discussion in this debate about the generosity of the Western Australian scheme compared with the superannuation schemes in other States. That point was raised specifically by the Hon. Peter Wells and, as I recall his position, it was to the effect that the Western Australian scheme is really not all that generous compared with the superannuation schemes in other States.

I am bound to say that there is another comparison which is relevant in this context, and it is raised by this question: Is the State Government's scheme generous when compared with schemes which are available to the people who pay for the cost of this system? They are the ordinary taxpayers of the State.

Where, outside the Public Service, can one find any large-scale superannuation scheme where the employer meets 90 per cent of all costs? Nowhere. Where can one find such a scheme which has the benefit of indefinite CPI indexation following retirement? Nowhere.

The truth is that mainly due to the effects of inflation, and irrespective of interstate comparisons, the cost of the State superannuation scheme is simply moving beyond the capacity of the State to bear.

It may be of interest to members to consider the cost of the scheme and, particularly, the pattern of its growth in recent years.

Hon. D. J. Wordsworth: How is private enterprise going to compete by giving an equivalent scheme for employees?

Hon. J. M. BERINSON: That is a serious question. Private enterprise would never be able to compete and that is precisely why, in moving to further advantages by way of early retirement, the Government has been anxious to preserve a nil cost option. In all cases, except the Police Force, that is effectively what this Bill will produce.

The costs charged to the Consolidated Revenue Fund, which for technical reasons include superannuation payments both by departments and certain authorities, are as follows—

	$ million
1978-79	30.516
1979-80	36.306
1980-81	42.948
1981-82	51.287
1982-83	61.209
1983-84 (estimated)	73.100

In other words, since 1978-79 there has been an increase of almost 150 per cent from $30 million to $73 million.

Extraordinary though it may appear—I confess I went back to check whether this was really possible—in the current year 1983-84, of the amount of $73.1 million total cost to the superannuation scheme, it is estimated that something over $35 million is taken up by the obligation to meet CPI indexation. Over half of this huge and growing cost is taken up by the CPI obligation. I ask mem-

bers to keep that in mind as we move on to the further question which has been raised by all speakers and which relates to the fund's surplus.

Firstly, let me state as boldly as I can that there is no argument as to who owns the surplus; it belongs to, and should remain for the benefit of, the contributors. However, before we decide where the surplus should go, I invite the House to consider where the surplus has come from; it has come from inflation. The contribution of employees is calculated so that with interest of about four per cent it will fund a pension equal to six per cent of the wage rate on retirement. The surplus arises because inflation has meant that the superannuation fund in recent years has been able to attract better than four per cent return on its funds. In the latest year it attracted a return of about 12 per cent.

I will state the obvious: The problem with inflation is that it does not just affect incomes, otherwise we would all be millionaires. It also affects expenditure. In this case the effect of inflation on expenditure is to be measured by the extraordinary and growing cost of applying CPI indexation to retirement pensions. It should be remembered that CPI indexation is applied both to the State's component of the pension and to the contributor-funded component. I will put the alternatives in a nutshell: It is incontestable that the cost of inflation as reflected in the CPI indexation of pensions can no longer continue to be absorbed indefinitely out of the Consolidated Revenue Fund. The former Government was well aware of that and any person who looks at this scheme will quickly come to that understanding.

If it were not for the application of the surplus funds for the purpose of guaranteeing the continuation of the CPI, as we propose, there would be no assurance that the CPI indexation could continue. In fact, I am inclined to go further and say we can feel reasonably assured that it definitely would not continue.

The State could not indefinitely meet the cost burdens of that process. It is all very well to say, and I concede the emotive attraction of an argument that says, that this is somebody's money and that person should be guaranteed that it will be applied in one way or another. I respond to that by saying that it will indeed be applied for their benefit in the way we have outlined. More importantly, it should be understood that if the argument is to be that the surplus ought to be guaranteed to be distributed in the way that past surpluses have been distributed, no-one can say there should also be a guarantee that CPI indexation should continue.

I rely on the reminder by the Hon. Peter Wells that CPI indexation in its present form is only now about 10 years old. It is not as though it has existed since the State was founded or the superannuation scheme initiated. It is of very recent origin. People who argue against application of these surplus funds for the purpose of ensuring continuation of CPI indexation should understand that just as a new and highly beneficial provision of that nature can be introduced in the 1970s so can it be jettisoned in the 1980s if the State finds that it does not have the financial capacity to carry on. That is the last thing the Government wants to do. On the contrary we believe that we should strengthen that part of the superannuation scheme which provides for indexation. It is a most important source of security for retired employees of the State. It is most important that they should feel secure in the knowledge that not only will they have a livable pension when they retire, but also that it will continue to maintain its real value over the period of that retirement.

Limited alternatives are available to the Government to secure that highly desirable state. In our judgment it is much to be preferred and much more for the benefit of superannuants that they should have the assurance of continued CPI indexation than that they should have the periodic and *ad hoc* sorts of sudden boosts to payments that have characterised the position on surpluses on the last couple of occasions.

That, as best I can put it, explains the nature of the scheme we now have; the difficulties which the State would experience in preserving this system; and the means by which we believe it can best be strengthened. It is on this basis that I invite the House to support the Bill. It is not just a matter of bringing some special benefit to retiring members of the Police Force. I believe that it will be seen in future years by public servants in general to have been an important contribution to their long-term security.

I commend the Bill to the House.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (the Hon. John Williams) in the Chair; the Hon. J. M. Berinson (Minister for Budget Management) in charge of the Bill.

Clause 1: Short title and citation—

Hon. P. H. WELLS: I ask the Minister to give reasons that it is so urgent that this Bill be introduced now. Is it not correct that the final report which could have some bearing on the total

superannuation fund will probably be available by Christmas or thereabouts? If that is the case it would be better to look at the total situation and changes which may be required rather than adopting a piecemeal approach to a questionable area. Contracts will be changed midstream and it may be necessary to make further changes when the report becomes available.

Hon. J. M. Berinson: Before you sit down, are you asking whether the early retirement scheme should be postponed?

Hon. P. H. WELLS: No, what I am really saying is that I understand the report will be available at Christmas. Correct me if I am wrong. It seems to me that if it is to be available at Christmas, the Government could well have time to approach those people affected and let them read the report. That could well mean a change in the superannuation fund at that stage.

Hon. J. M. BERINSON: The honourable member is quite right in drawing attention to the fact that there is a more wide-ranging inquiry under way on the superannuation scheme. His reference to that gives me the opportunity to say something I should have referred to earlier.

The DEPUTY CHAIRMAN (Hon. John Williams): Order! There is too much audible conversation behind the Chair. The Minister is making a very important point and I would like to be able to listen to it.

Hon. J. M. BERINSON: I want to acknowledge the importance of the further inquiry which is now under way. Earlier today I had occasion to comment that the superannuation scheme reminded me of nothing so much as Winston Churchill's description of Soviet Russia—an enigma wrapped in a mystery. That is a fairly accurate description for very many people who apply themselves to the detail of the system. No doubt over the years it has developed in a way which calls for some comprehensive review.

Having said that, it is necessary to say that, irrespective of the conclusions of that review, the Government cannot conceive of any possibility that the past system of supplying surpluses could be maintained. If the review comes to the conclusion that the indexation fund to be created by this Bill should perhaps be organised or applied in some different way, that is a matter which could be considered at that time. Given the sort of basic financial difficulties which the scheme otherwise faces, however, we see no possibility that the treatment of surpluses in the future could follow the past pattern. It follows that there is no reason at this stage that the present amendment to procedures affecting the surpluses should be delayed.

Hon. D. J. WORDSWORTH: The Minister commented that private enterprise had great difficulty in matching the Government's superannuation scheme.

Hon. J. M. Berinson: That has always been the case.

Hon. D. J. WORDSWORTH: Certain sections of the private industry will endeavour to match it because they are competing in the same labour market. Perhaps only those industries which are protected by tariffs, can pass on their costs. There is no denying that as some wages go up, so others must follow in some degree. The same must follow with early retirement. However, Australia is facing a time of very great difficulties. Other countries are endeavouring to maintain growth in their national production. The latest reports on Australia indicate that perhaps we have maintained some growth up to this time, but mainly through the impetus which has been given to the economy by overcoming the drought and different companies building up their stocks. That will not continue.

Despite this, we are setting up this very big hurdle. Even if it does only fall to the Government, someone still has to pay for it. The Minister says it should not cost very much in the short term—I think a figure of $800 000 was mentioned—if retirement at 55 years on full pension is confined to the Police Force. I gather that a case will certainly be presented by the firemen. I would like to know the Government's attitude to such a case. One is certainly being prepared by the Teachers' Union. It is this aspect which concerns the majority on this side of the Chamber. The police may be entitled to early retirement. It has already been granted to the services, and as has been pointed out, it has been given to police in some other States. The Opposition is concerned about the effect on the economy when certain areas of private enterprise endeavour to follow suit.

Hon. J. M. BERINSON: I acknowledged earlier that there really is a serious problem in the imbalance of benefits between Government-supported superannuation and private superannuation schemes. Private industry has never been able to compete with Government superannuation.

Not to go off at too wide a tangent, it should still be acknowledged that the special benefits of the various State and Commonwealth schemes have been a serious hurdle in the way of universal national superannuation schemes in the past.

If the honourable member's premise on this part of the Bill is correct, nonetheless his conclusion is wrong, and for this reason: The provision which permits members of the Police Force to retire at

age 55 is only one element of a comprehensive change to the superannuation scheme which this Bill seeks to enact.

On a matter which has given rise to a good deal of discussion so far—namely the treatment of the surplus—what is happening in this Bill is that the Government contribution to the system is actually being reduced. That is achieved by requiring funds raised by contributions also to contribute for the first time to CPI indexation.

To the extent therefore that we are concerned about the potential competition between public and private superannuation schemes, this Bill brings the public scheme somewhat back to the field.

In that sense one could really say, in terms of its potential effect on private schemes, that this Bill will, at worst, be neutral, but at best will narrow the gap between the two.

Hon. I. G. PRATT: This clause recites the title to the Bill and if we have a general question to ask the Minister this is the time we should do it. The Minister has put the proposition that inflation should fund inflation—inflation in the value of the money that has been invested will fund indexation. If we take that away from the way the Government is doing this, I find it acceptable. However, there may be a problem. I ask the Minister whether it is still possible for a person working in the Public Service to buy superannuation units at a late stage of his or her career.

Hon. J. M. BERINSON: He can, and that is one of the more extraordinary aspects of the provisions of the current system.

Hon. I. G. PRATT: Public servants have had surplus money refunded to them at different times in the past. This will now stop and the fund will use the money. Is not the Government opening the door to people investing their money outside, then bringing it back and buying units of superannuation—taking the money out of the system to use it for their own benefit?

Hon. J. M. BERINSON: I referred earlier to the fact that this particular facility of buying superannuation benefits at a very late stage of employment is one of the extraordinary features of the scheme. Members may have gathered from that that this aspect will be closely considered in the current review and by the Government following the report of that review. As I understand it, notice has already been given that significant changes in this respect can be anticipated.

Hon. I. G. PRATT: Would it not have been appropriate to have included some provision in this Bill to cover that situation? The Government is saying that it will open the gap now and close it in six months' time.

Hon. J. M. BERINSON: Any change to this part of the scheme involves very difficult questions of both calculation and principle. The honourable member will understand, for example, that even if we were to decide today that this type of system, which I understand is peculiar to Western Australia, were to be immediately cut off, some provision would still have to be made for State Government employees who over a number of years had been led to believe that they could safely leave provision for their retirement to a later stage.

It is that sort of difficulty which must be carefully addressed and which will involve more consideration than could be given on the time scale required for this Bill, but I assure the Committee that these and all other factors relevant to that particular aspect of the system will be carefully addressed in the further review.

Hon. I. G. PRATT: I thank the Minister for his answer. Undoubtedly he would have done research before bringing this Bill before the Chamber. In doing that, has he ascertained what sort of proportion of current superannuation moneys is being handled in that way, by people taking out life insurance policies at the age of 50-plus and reinsuring back into the fund?

Hon. J. M. BERINSON: I have inquired about that, but no statistics are kept within the fund to enable a satisfactory response to be provided.

Hon. G. E. MASTERS: During the second reading debate I asked a question and if the Minister did answer I apologise because I certainly did not pick it up. I raised the question of the R & I Bank and the fact that it is the only semi-government or Government instrumentality in which it is compulsory for employees to join the State superannuation fund. I would like the Minister to comment. I consider that the changes proposed in this Bill—that is, to make it compulsory—might be unfair; these people should enjoy the same privileges as any other Government employee.

Hon. J. M. BERINSON: That is not a matter which has previously been drawn to my attention. It could fairly be described as one of many anomalies that have emerged from an examination of this system. I will undertake to the honourable member to ensure that this particular question is considered in the course of the review.

Hon. G. E. MASTERS: A number of employees of the R & I Bank who raised the matter with me are genuinely concerned. I would not like to think it would be the case that the Minister would say, "We will look at this anomaly", and

nothing will come out of it. There is a genuine argument to be put forward in circumstances where they consider their money is not being put to its best use. On the other hand, it may well be that they will still stay in the superannuation scheme but, having raised the question, and having the Minister's assurance, I would like a firm commitment that he will look into it and allow an opportunity for a voluntary decision to be made. If not, perhaps he could come back to the Committee at some future stage and discuss why this could not be the case.

Hon. J. M. BERINSON: I do not blame employees of the R & I Bank for having a discussion with Mr Masters but, unfortunately, they did not have a discussion with me. Had they done so, I would be in a better position to respond more positively. I can only repeat that I will ensure that this matter is given attention. Could I also add that I expect a further comprehensive amendment to the scheme within a reasonably short time, so that interim, *ad hoc* measures are probably not desirable.

Clause put and passed.

Clause 2 put and passed.

Clause 3: Section 6 amended—

Hon. KAY HALLAHAN: I commend the Government in lowering to 55 the age at which police officers may retire on superannuation. As a former police officer, I am well aware of the pressures that those people have to face. In spite of the conjecture that the two different retirement ages will cause difficulty, this is a worthy provision in view of the hazards that police officers face on every job. While a call may look innocuous—it is never clear how it will conclude—tragic circumstances sometimes occur which result in police officers losing their lives.

Very special hazards are associated with that occupational group which do not apply to most other State-employed officers. A number of other pressures are associated with the job, and, of course, most of these officers do shift work for their entire working lives. Again that does not apply to many other groups within the State Public Service.

Therefore, I commend the Government for taking the action, albeit a controversial one, because it is justified for this group.

Hon. P. H. WELLS: I am concerned about the way in which the Government has introduced the provision in respect of retirement at age 55, firstly, because police officers and public servants will be in different categories and, secondly, because not only has the Government told the Police Force that it intends to take this action, but also those who want to take advantage of the benefits under this clause have been able to apply to do so already. That is my understanding of the position, and, if my information is not correct, the Minister will put me right. In that case, the Government is bringing to Parliament something which is virtually a *fait accompli*.

Some officers in the Police Force have applied to take advantage of something which has been promised, but which does not have the seal of approval of Parliament. In some cases I understand police officers, because of departmental requirements, are on long service leave to prepare themselves to retire at age 55.

If my understanding is correct, I ask the Minister to acknowledge the position. If in fact this provision has been set in motion within the Police Force, the Government stands condemned for introducing into Parliament something which is operating already in the Police Force.

Hon. J. M. BERINSON: The Government has been anxious to avoid any disruption to the service arising from these new provisions. Therefore, it has indicated that, at least in the early stages, three months' notice would be required from any employee wishing to retire early. That is all that has been said, as I understand it, both to members of the Police Force and to other employees.

It has been made perfectly clear throughout that the availability of early retirement will depend on legislation being passed through the Parliament. Although I received one anonymous circular in the mail indicating that an employee had taken quite heroic steps on the assumption that he was going to retire within a short time, I believe most employees would have approached the matter cautiously. Certainly nothing the Government has said could have led to any misunderstanding that parliamentary approval was required first.

Hon. D. J. WORDSWORTH: I ask the Minister whether any discussions have been held with, for example, members of the firemen's union or the Teachers' Union, to the extent that some time in the future they will have some hope of being included in this provision.

Hon. J. M. BERINSON: As I understand it, firemen have a separate scheme which already permits retirement at age 55. As to the others, I am not aware of any such discussions. On the contrary, I believe all other sections of the Public Service have been given clearly to understand that the basic framework on which early retirement in their cases could be made available would be on a "no cost" basis and that nothing beyond that should be anticipated.

Hon. P. H. WELLS: I return to the point I raised earlier about people who have applied already to take advantage of this provision, assuming it is passed by the Parliament.

Hon. J. M. Berinson: The employees have only given notice that they would propose to apply.

Hon. P. H. WELLS: A number of employees have already given notice that they want to take advantage of this provision. Have special forms been sent out to them to enable them to apply; have instructions been issued in respect of this provision; and how many people have applied to take advantage of this provision which has not yet been passed?

Hon. J. M. BERINSON: No special forms have been provided for this purpose, at least at the Government level. Within departments something may have developed of which I am not aware, but, if so, that would have been of an informal nature.

So far arrangements are so informal that, even if employees have given notice of their intentions to retire on the basis of this Bill being passed, there would be nothing to stop them withdrawing that notice. All that has happened is that employees have been invited to indicate their future intentions if and when the Act comes into operation.

I have no indication of numbers, except for my own department. The Crown Law Department has advised me that three of the public servants in that area have given this preliminary advice.

Clause put and passed.

Clause 4 put and passed.

Clause 5: Section 24A inserted—

Hon. P. H. WELLS: This clause relates to the indexation account into which will be paid any surpluses from the fund. As I understand it, the surplus is not an actual cash flow; it is an amount returned as a result of the investment of superannuation funds. Therefore, if a profit can be achieved, conversely a loss could be made. Will the fund take into account losses or miscalculations in that area? I ask the Minister again: Who owns the surpluses which are there now?

Hon. J. M. BERINSON: I confess to some small difficulty in answering this question. I am not sure whether that is a reflection of my own incapacity or the nature of the question. Let me just make a few comments which might lead the Hon. P. H. Wells either to be satisfied or to ask another question.

As in the case of previous actuarial reviews, it is understood that the review for the period to 30 June 1983 will indicate a surplus in the fund beyond its commitments. Whatever that figure is calculated to be will be credited to the new indexation account and will constitute a capital sum which, in future, will not be drawn on.

In future the actuary's examination of the fund will take place annually rather than three-yearly. Each year there will be made available for the purposes of meeting the cost of CPI indexation, an amount made up of the sum of the surplus arising in that year, plus the investment income from the capital of the investment account.

It will follow from what I have said that there is really no question of losses arising in respect of indexation. To the extent that the total sum to which I have referred is inadequate to meet indexation, that continues to be an obligation met by the Government, the net result of which is that superannuants can look forward to a continuation of CPI indexation of their pensions irrespective of the viability and the surplus in any year and irrespective of the investment experience of the indexation fund.

As will be understood from earlier discussions, a fair margin of safety is built into all of this, because members will recall that the fund needs to meet only a four per cent investment out-turn before a surplus arises. Of course, anything could happen in the future, but as things are now it is inconceivable that the fund would ever earn less than four per cent, especially given its established investments.

Hon. P. H. WELLS: I understand that by 1986 three studies will have been made.

Hon. J. M. Berinson: Each year the surplus will be applied to indexation.

Hon. P. H. WELLS: Between 1980 and 1983 the surplus was $30 million, so if the studies had been made during each of those three years, I assume that $10 million would have been taken from the superannuation fund each year.

Hon. J. M. Berinson: Mr Brown says that is about right.

Hon. P. H. WELLS: So $10 million of contributors' funds could be taken each year to go towards CPI adjustments.

I assume the Superannuation Board invests in a fair range of areas, including land. Will it sell land each year to ascertain whether it has made a profit? How will it arrive at a revaluation of the land and the total losses on investments? Who would stand the losses?

Hon. J. M. BERINSON: The honourable member seems to assume that it is intended to have a revaluation of the fund's assets either once for the whole period or on an annual basis.

Hon. H. W. Gayfer: How would you determine a profit or a loss?

Hon. J. M. BERINSON: Does the member mean how will we determine the surplus? It will be determined from actual and anticipated income. We are not talking about a balance sheet, but a profit and loss account.

The Act already provides a Government guarantee against any losses.

Clause put and passed.

Clauses 6 to 8 put and passed.

Clause 9: Section 60 amended—

Hon. P. H. WELLS: Could the Minister tell us the difference in actual costs between what will be received by an ordinary public servant retiring early and a policeman retiring early, assuming that both retire on the same day and both have been paying for the same amount of units in the fund? I mentioned the sum of $25 000, and I would like an indication of how close I was.

Hon. J. M. BERINSON: I cannot provide an answer in dollar terms because it would depend on the wage of the people involved, but I can provide an answer in percentage terms. The difference is this: A policeman retiring at age 55 will continue to receive a Government-funded component of his pension equal to 50 per cent of his retirement salary. Another public servant of the same age but with 30 years' service would receive a Government-funded component of 41.7 per cent at age 55, and that would increase in steps to about 48 per cent at age 59.

The third category, which is made up of public servants who are not police officers and who have not served for 30 years, would receive an amount in each year which is, roughly, a couple of per cent below what I have previously indicated.

Clause put and passed.

Clause 10: Section 66 amended—

Hon. J. M. BERINSON: I move the following amendments—

Page 8, line 34 to page 9, line 17—Delete paragraphs (a) and (b) and substitute the following—

(a) he shall be entitled to receive the contributions paid by him and from the State a sum equal to two and one-half times such of those contributions as represent fortnightly contributions made by him in respect of units not exceeding his primary entitlement up to the time of his retrenchment, but may elect within three months after his retrenchment to receive in lieu of those sums an equit pension determined by an Actuary; or

(b) if at the time of retrenchment he has attained the age of fifty-five years, he shall be entitled to elect within three months after his retrenchment to receive a pension under this Act in accordance with section 60 of this Act as if he had elected to retire.

Page 9, line 19—Delete the passage "paragraph (a) of".

In its present form clause 10 of the Bill seeks to provide that the benefits paid to retrenched contributors who are aged 55 should be taxed. More importantly, it seeks to ensure that retrenched contributors who have attained retirement age may receive the pension they would have been entitled to had they elected to retire and not been retrenched. Presently there is doubt as to whether the existing law allows such retrenched contributors to elect for the normal retirement pension provided for under section 60 of the principal Act. Such pensions are actuarially greater than the lump sum. In some cases the difference could be significant, particularly where the contributor has lengthy service but has joined the superannuation fund at a late age. After consultation with the joint superannuation committee the Government has agreed to retain the existing provision which allows retrenched contributors to receive their benefits as lump sums. It is also agreed that they should be given the opportunity to accept the lump sum or their normal retirement pension.

I urge members to accept the amendments.

Amendments put and passed.

Clause, as amended, put and passed.

Clause 11 put and passed.

Title put and passed.

Report

Bill reported, with amendments, and the report adopted.

Third Reading

Bill read a third time, on motion by the Hon. J. M. Berinson (Minister for Budget Management), and returned to the Assembly with amendments.

ACTS AMENDMENT (BINGO) BILL

Second Reading

Debate resumed from 3 May.

HON. G. E. MASTERS (West) [5.34 p.m.]: Over recent weeks and recent days I have been handling, almost by the day, new provisions to allow gambling of one sort or another. I do not suggest that the game of bingo could be put into the same class as the operation of a casino or the

lengthy debate we had on the establishment of a casino in this State; but, nevertheless, this is another provision for some form of gambling.

In this case I understand from my reading of the legislation that if the Bill is successful the Lotteries Commission may grant a religious or charitable body a bingo permit on unlicensed premises where the body is a holder of an unlicensed club permit. On my understanding, that means that where a religious or charitable body holds an unlicensed club permit it is able to sell liquor and spirits and people can play the game of bingo while drinking that alcohol. Conditions are, of course, placed on the granting of that permit and one condition is that the proceeds will only go to the holder of the permit, and another is that the participants should be members of the club each with a maximum of three guests where liquor selling hours are observed.

I ask the Minister to tell me a little more about the proceeds going to the holder of the permit. I suppose we are talking about net profit and that legitimate costs will be met for various reasons and the remainder of the money will then go to the benefit of the religious or charitable body. I am sure the Minister will be able to advise me on that question.

A bingo permit may also be issued to holders of function permits, again with the same sorts of conditions applying as in relation to the unlicensed club permit. I repeat: The commission may grant a charitable or religious body a bingo permit on unlicensed premises if the proceeds go to that organisation. Currently licensed clubs are able to conduct the game of bingo on club premises provided it is not played in a licensed area, and this Bill proposes to allow licensed clubs to conduct the game of bingo in licensed areas where liquor is being sold provided the proceeds of the function go to the club itself and that the limitations of guests is observed—that is, that guests will be a maximum of three per member and they will go through the normal procedures of being signed in on the visitors' book of the club. The Bill does not propose to allow bingo to be played in licensed restaurants and the like. Other than that, it is a Bill that gradually extends the area where the game of bingo can be played. In my time in this House it has been the subject of debate every year, if not twice a year, and, if anyone took the trouble to read my previous speeches on this matter, he would see I am not in a position now to oppose the proposal put forward by the Government.

HON. G. C. MacKINNON (South-West) [5.38 p.m.]: Members may recall that the other day I mentioned this gradual sneaky sort of creeping up that goes on in regard to measures like this. Members may recall that when TAB agencies were first initiated I mentioned that they were supposed to be quite sparse or spartan and were never to be allowed near hotels.

Hon. Garry Kelly: But they must have toilets.

Hon. G. C. MacKINNON: The one in South Perth has the toilet under the roof of the Windsor Hotel, and a few others like that exist.

This bingo question is a real classic because initially the late Herbie Graham had some ideas about bingo being played in places such as this, but Parliament decided that it should be restricted to organisations which had some difficulty in raising money. Parliament suggested small charitable organisations, and said bingo should not be allowed in hotels, taverns, places holding limited hotel licences, canteens, or wine houses. This Bill makes it legal to operate in all of those places. The thought crosses one's mind that this is probably a bit of a sop to the country areas. Members may recall that, led by the redoubtable Mr Gayfer, one or two of us had a few words to say about the lack of benefit to country areas in the establishment of a casino licence in Perth; unless country people took that great step and visited the metropolis no real advantage would accrue to them.

The thought crosses one's mind that now at least we can have a flutter on bingo in the local tavern. I am sure that is not to be the case. I am sure that in the fullness of time, with the establishment of a casino and the changes in the laws relating to gambling, we will see more and more of these things creeping right throughout the country. I do not know whether that is good.

However, I just want to say this: Members of Parliament ought to stop advising their constituents that we are going just so far and we will go no further with any of these things, because it is simply not so. Whatever the ultimate in gambling, it will be reached one day.

While speaking on this gambling Bill I would like to take a little side trip and offer an apology to the Government and to Mr Keith Wilson. I do not do this often, so perhaps Mr Dans ought to pay particular attention while I am apologising, through him, to Mr Wilson. Mr Dans might recall that when we were dealing with the Instant Lottery legislation I pointed out that I did not like the system set up by our Government of an *ad hoc* committee and the money being given out by the Minister.

I notice some members are nodding their heads now. Some intelligent members like Mr Robert Hetherington have total recall, immediately.

At the time I said how alarmed I felt that we might have the prospect of finding ourselves with a Labor Minister because he might go walking down the street, handing out money from a bottomless pocket. It turned out that we have a Labor Minister, and I owe Mr Wilson an apology. Not only did he agree with me that the legislation was bad—

Hon. Garry Kelly: Mr Pike said that.

Hon. G. C. MacKINNON: If the member had enough sense he would realise that was what I was saying, without naming anyone.

At the time I thought it was a bad piece of legislation, and I must admit I was pleased Mr Wilson agreed with me, and put the legislation back on a proper basis; a basis on which not only I thought it should be, but also most civil servants who had anything to do with it, thought it should be. I can speak a little better now, having cleared my conscience by admitting that what I did not think would happen, did happen.

My views on gambling at that time were right, and I am right with regard to this piece of legislation. We will see a spread of gambling because once one sets something on a path such as this, it continues like a canker—right through the community. We said this matter would go only so far, but of course it does not stop at that. We have the cast iron example of the TAB agencies and the cast iron example of bingo. Small as they may be, what has happened with every other practice of gambling will happen here; it will spread and spread and become easier and easier.

Those who are applauding themselves because they have established a casino without one-armed bandits and poker machines will probably live to see them in clubs, from one end of the State to the other. It will all happen in time. Members will find it will be exactly as I said. With each amendment we are making it a little easier, and all the laudable claims that we have generated this so that junior football clubs, P & C associations, churches, and social groups will be able to have nice, innocent games of bingo, will all go out of the window. How many people will go to a draughty old parish hall to play those games when, within a month or so, they will be able to go to the local tavern and be served by topless waitresses—if one lives in Mr Lockyer's electorate—with all the other amentities that go with the modern, gay life in the centre of the local community, the tavern.

Several members interjected.

Hon. H. W. Gayfer: Are you saying that Corrigin will be able to legitimately raffle chooks?

Hon. G. C. MacKINNON: I am not sure whether we will go to those lengths. While I have no intention of opposing this piece of legislation, I point out that we must always beware of making pious promises, particularly with regard to gambling, when it is a case of "This far, and no further". Once one puts one's toe in the water, one might as well jump right in, whether or not the water is warm. That is where we will finish up.

HON. H. W. GAYFER (Central) [5.47 p.m.]: I agree thoroughly with the comments expressed by the Hon. Graham MacKinnon, because I believe this is what all this legislation is leading up to. There is nothing surer than that all he has said will come to pass.

HON. D. K. DANS (South Metropolitan—Leader of the House) [5.48 p.m.]: I thank the members who have supported the Bill. Firstly, I would like to answer Mr Masters: The question of costs will only be the costs incurred by the purchase of tickets. It is not intended that any individual will make any money out of this game of bingo.

To answer the comments made by Mr MacKinnon: I think he has been here long enough to know that whatever party happens to be the Government of the day, it reacts to community pressure. There has been considerable community pressure to expand the game of bingo, and we have reacted to that pressure, just as Mr Masters would if he were on the Government side of the House.

Mr MacKinnon suggested that bingo has been used as something of a sop, well, after Mr Gayfer's speech the other day, I can assure the member that I had this Bill—perhaps I have been sitting on it for too long—long before the casino Bill.

Hon. H. W. Gayfer: I got out of this one. I did not want to upset you.

Hon. D. K. DANS: I think we have to be a little bit fair, because bingo is a fairly mild form of gambling in the manner that is proposed in this legislation. I have looked at Instant Lotteries, and I think they are similar to a game on a poker machine—a very expensive poker machine, at a dollar a go. We have a national Lotto competition, and some people do not want to buy a Lotto ticket.

I served in the Navy during the war and the Navy was a strict service where to even think about playing crown and anchor or playing two-up, could cost one a heavy penalty. However, one was allowed to play the game of tombola, which is another name for bingo, housie-housie, or whatever. I do not think the community will become depraved simply because we are allowing some citizens, who have a small amount of funds to expend on a game of chance—that is what it is—to do so in a community spirit, have a glass of

beer, and perhaps assist some worthwhile charity at the same time.

I take the point that if there are to be casinos, lotteries, national Lotto competitions, Instant Lotteries, horseracing, trotting or harness racing, and dogs, those people about whom we are talking in this Bill should be allowed to have a game of bingo.

When I was very young tombola was never played in the pub, but there were crib, bridge, and euchre tournaments. They were the order of the day at threepence a hand and the local police never interfered. Hotels were a better place for it because people got together in a community spirit and did not go there simply to pour as much beer down their throats as they possibly could.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (the Hon. Lyla Elliott) in the Chair; the Hon. D. K. Dans (Leader of the House) in charge of the Bill

Clause 1: Short title—

Hon. G. C. MacKINNON: I want to put this suggestion on record in case anyone who runs a tavern or hotel happens to read the debate: He should give serious thought to advertising his tavern or hotel as being totally free of bingo, topless waitresses, noisy bands, recorded music, or jukeboxes in order that serious drinkers—the few of us who may be left in the community—can enjoy the proper facilities of a hotel or licensed premises.

Hon. G. E. Masters: I hope you are prepared to drink by yourself.

Hon. D. K. Dans: If you find one, tell me and I will have a drink with you.

Clause put and passed.

Clauses 2 to 6 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 the Hon. D. K. Dans (Leader of the House), and transmitted to the Assembly.

RURAL RECONSTRUCTION AND RURAL ADJUSTMENT SCHEMES AMENDMENT BILL 1984

Second Reading

Debate resumed from 8 May.

HON. W. G. ATKINSON (Central) [5.55 p.m.]: The Opposition supports this Bill. I am very pleased to see that the Government has taken note of the financial plight of many farmers after a series of poor seasons coupled with increasing costs. The Opposition commends the Government for this move. It is strange that some of the accumulated funds have derived from the fact that farmers have paid back the loans made under the various Acts more quickly than was envisaged. The Government is now putting forward this amendment to enable it to make use of those funds.

The plight faced by many farmers arises not only from the drought, but also from the situation occurring off the farm. I strongly suggest to the Government that it seriously consider some sort of disaster insurance to which farmers could contribute. I am sure that with Federal Government backing for probably the first five years of a scheme to guarantee payment in the event of a drought, farmers would be willing to contribute to it and relieve the Government of quite a financial burden.

Hon. H. W. Gayfer: We almost had it in with IEDs for a while.

Hon. W. G. ATKINSON: That is correct. Unfortunately the Federal Government has announced recently that it is investigating that scheme and is thinking of scrapping it. That scheme never had a rate of interest high enough to attract sufficient funds, otherwise it would have been a good backup for farmers and other people affected by drought.

Hon. J. M. Brown: That is if they had enough funds.

Hon. W. G. ATKINSON: That is right. Mr Brown will well remember that that scheme was brought into effect when farmers had surplus funds.

Hon. J. M. Brown: Some of them.

Hon. Mark Nevill: It was never popular.

Hon. W. G. ATKINSON: That is because the Government never paid an interest rate sufficient to attract the funds. At that stage, particularly in developing areas, most farmers were sufficiently covered in terms of taxation incentives and concessions to develop their properties. It is unfortunate in some ways that that fund did not develop. I am disappointed to see that the Government is considering dropping it because it could well play a part in assisting the Government to help rural people in times of crisis, such as times of drought, if more funds could be attracted to it. Far from many farmers using it purely as a taxation dodge, the people who used it did so because they could

afford to do so. If the rate of interest were raised to somewhere near that of Commonwealth bonds, I am sure farmers and their financial advisers would recommend a wider use of the funds.

With those few words and the suggestion that the Government look into some sort of national insurance scheme for disasters such as drought, the Opposition commends the Government for making a move to release at least a small amount of funds to farmers who are in a financial straitjacket. Unfortunately, it is a relatively small amount, and it is too late for many farmers. However, I commend the Government for a move in the right direction.

Question put and passed.

Bill read a second time.

Sitting suspended from 6.00 to 7.30 p.m.

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 the Hon. D. K. Dans (Leader of the House), and passed.

SOCCER FOOTBALL POOLS BILL 1984

Second Reading

Debate resumed from 8 May.

HON. G. E. MASTERS (West) [7.35 p.m.]: We have yet another gambling Bill before the House. The Bill proposes to permit soccer pools to operate in Western Australia. Soccer pools are in operation in most States of Australia and they have been successful.

Hon. G. C. MacKinnon: Do you think this Government is obsessed with gambling and sex?

Hon. G. E. MASTERS: Yes, perhaps we could call this Government, "The Government for licensing gambling", because it appears it has pushed gambling hard.

I wonder how much more the people of Western Australia can take. Every time we read the second reading speeches of Ministers when gambling Bills are debated in this House, we are told it will not make any difference to other forms of gambling. We are continually told, with the introduction of gambling Bills, that funds will not be taken away from other gambling groups. However, the funds must come from somewhere—they could be coming from housewives' purses and causing food to be taken from the mouths of children. More and more gambling pursuits are being introduced by this Government.

I have some reservations about the Bill before us, but I will not oppose it.

The Government intends, under this Bill, to grant a licence to operate soccer pools to one company. Provision is not made for a number of licences to be issued. The company to be granted the licence is named in the Minister's second reading speech and is Australian Soccer Pools Pty. Ltd. which, I understand, operates throughout Australia. It is part and parcel of the Vernon group, which is a secure body.

It is interesting that this Bill covers soccer pools and not Australian rules pools. Apparently, the experience in other States—

Several members interjected.

Hon. G. E. MASTERS: One would think that in Victoria—

Hon. D. K. Dans: It has been a dismal failure.

Hon. G. E. MASTERS: Australian rules pools has not been successful in other States for a number of reasons, including the limited season in which the game is played and the fact that it is not an international game.

Hon. Garry Kelly: It is a better game.

Hon. G. E. MASTERS: That is a matter of opinion.

The DEPUTY PRESIDENT (Hon. P. H. Lockyer): Order! I ask the Hon. Gordon Masters to ignore the interjections and to direct his comments to the Bill.

Hon. G. E. MASTERS: Thank you, Mr Deputy President, I appreciate your protection.

The proposal contained within this Bill is to have one licensed operator of soccer pools in Western Australia, subject to certain conditions which have been outlined. It appears that in regard to problems which might arise provision is made in the Bill for the Minister to have the final say. I refer to clause 8(h) wherein it states, "such other matters as the Minister thinks fit". The Bill gives the Minister ample opportunity to make decisions as he thinks fit.

Hon. Robert Hetherington: We have a good Minister to do that.

Hon. G. E. MASTERS: It appears that in regard to the control of this legislation every reference is to the Minister. For example, the Minister may inform the person who makes the application, etc.; the Minister shall not, while a licence is in force, grant another licence; the Minister may alter conditions of the licence; the Minister may, in writing, revoke a licence; and so on. The Minister has complete power over the operation of this legislation, which is unusual. It seems he is the "be-all and end-all"—

Hon. D. K. Dans: Not me, the Minister. From what clause are you quoting?

Hon. G. E. MASTERS: I was quoting from different clauses in the Bill. For instance, clause 6 on page 4 of the Bill makes reference to the Minister's powers, and subclause (5) on page 5 of the Bill makes reference to the Minister's powers. Reference is also made to the Minister's powers in clauses 8 and 9.

Hon. D. K. Dans: It is not unlike a number of other Bills.

Hon. G. E. MASTERS: Under this legislation the Minister has wide powers. I do not know if Mr Dans knows anything about soccer, but under this legislation great faith has been placed in him.

The Bill refers to the percentage of the gross take that must be applied to the prizes. At least 37 per cent of the gross subscription, that is, money placed in the soccer pools, must be given in prizes. The Bill also refers to an increased percentage if the Minister so directs. The duty to be paid to the State will be up to 35 per cent. It is expected to be 32.5 per cent for some time to come. The Minister in his second reading speech referred to the amount the Government expected to receive; that is, $1 million per annum. Most of the work will be done for the Government and it expects to receive that amount with little or no effort. I do not think much administration will be needed.

It is proposed that the soccer pools coupons will be directed and managed through the Lotteries Commission offices dotted around Perth. That may be the first stage before other arrangements are made.

I am sure Mr Brown is interested in what I am saying because he is paying a great deal of attention.

The DEPUTY PRESIDENT (Hon. P. H. Lockyer): Order! I ask honourable members to co-operate. If they wish to hold conversations would they use the areas outside the Chamber while Mr Masters is making his concluding remarks.

Hon. G. E. MASTERS: You learn too quickly, Mr Deputy President: I am making my concluding remarks. The management of the football pools coupons through the Lotteries Commission will be carried out well because the lottery agents are properly authorised and, therefore, capable of doing so. I understand, and perhaps the Minister can confirm this, that Australian Soccer Pools Pty. Ltd. will be granted a licence. That company has experience going back some years in other States and there appears to be no risk from that quarter.

It is anticipated that $1 million will be returned annually to the coffers of the State; that is perhaps one of the main objectives in introducing the Bill.

I ask the Minister to explain the arrangements to be made under clause 14 where other States are involved and where there is a split up of funds, or of the take. I ask what arrangements can be made so that Western Australia does not lose too much as a result of that overlapping. I cannot understand how it will work.

I have strong reservations about the introduction of more gambling opportunities into this State. I think we are going a shade too far; the money must come from somewhere and ultimately it must come from the housewife and from families. The income from gambling cannot be increased without an effect in other areas. The Government must consider how much further it can go in the introduction of this type of legislation.

HON. JOHN WILLIAMS (Metropolitan) [7.44 p.m.]: I rise to speak in this debate not in trepidation as did the Hon. G. E. Masters, but with a great deal of joy. Since 1972, wearing another hat, I have requested successive Governments to allow soccer pools to operate in Western Australia.

Hon. Robert Hetherington: Between consenting adults.

Hon. JOHN WILLIAMS: And in private. I do not want to delay the House for long, but I wish to tell members a little of what is known about soccer pools, particularly as they will operate in Western Australia. They were first started in the mid-1920s by Vernon Sangster and Charles Littlewood in the United Kingdom. They were fixed odds coupons at 14:1 for three draws and 20:1 for four away wins. The football pools gradually took off. Vernon's Pools will operate in Western Australia and the founder, Vernon Sangster, is the father of Robert Sangster. At that time his main interest was in the circus business.

Several members interjected.

The DEPUTY PRESIDENT (Hon. P. H. Lockyer): Order!

Hon. JOHN WILLIAMS: His last purchase of a colt was for the small price of $1.5 million which he thought was a fair investment. With his background, Robert Sangster has been interested in animals and livestock all his life.

Mr John Kennerley is managing director in Australia and Harry Beitzel, a famous former umpire in the VFL, is also involved.

In 1974 approaches were made for the pools to operate in Western Australia. However, it was proposed that the 30 per cent of the total stake

which would be remitted to the Government would go to every other sport except soccer. The Government did not want those funds to go to soccer because it was felt it might influence the pool. Stubbornly we decided to have nothing to do with it apart from the fact that $11 000 from WA went in subsidies to Victoria and New South Wales, which States badly needed the money.

At a later stage part of that subsidy went to Queensland and it might surprise members to know that a considerable amount of converted pounds sterling still goes to the United Kingdom annually to bet on football pools. That amount of $11 000 refers only to Western Australia.

The sport of soccer, which generates these pools, is a way of life in the United Kingdom. One does not visit anyone's house during winter on Saturday night between 5.30 and 5.45 p.m. except on pain of death because at that time families are taking down the day's football results.

Hon. D. K. Dans: What about in Cardiff?

Hon. JOHN WILLIAMS: They play a different game in Cardiff, but they still gamble on the pools. While people in England are quite hospitable, one does not interrupt them while the results of the day's matches are being given out.

I remember as a youth listening to the first announcement of £75 000 being won on the treble chance pool. In 1938 that was a considerable sum of money. The pools company organised itself quite conveniently with investment advisers and these people from approximately six companies travelled far and wide around the United Kingdom.

The pools today will be nothing more than another Lotto-type investment with one or two differences. Numbers will be selected which can be based on one's knowledge of the teams within the English football system. The football season operates for 39 weeks and for the other 13 weeks the pools are operated on the results of Australian soccer matches.

Having given that brief background, let me say this: It is another gambling game which should have been here ages ago. It was only sheer cussedness on the part of previous Governments which decided it was not moral or correct, or they did not want to bother with it.

Taking Victoria in particular, New South Wales, and later Queensland, it might be interesting to look at just how much money the soccer pools paid to the various State Governments up to 1980—a period of some six years.

If the Minister wishes to see the rules, to satisfy the Hon. Gordon Masters, those are readily available in the folder I am holding, although at the moment I cannot lay my hands on them.

From October 1964 until June 1980 Victoria collected in one year, $4 943 303. If one takes 30 per cent of these figures, the amounts subscribed in six years, in rounded millions, were as follows—New South Wales, $115 million; Queensland, $42 million; Victoria, $32 million; Tasmania, $4 million; ACT, $1 800, and Northern Territory, $242 000. During those six years the pools business netted $1 970 million in Australia, of which Western Australia's contribution is not documented. It is known that several people subscribe about $11 000 a week from this State. Other States receive 30 per cent from the stake moneys.

Many people forget that 25 per cent of all migrants in Western Australia are of British origin, and 14 per cent are from other European countries. These people have a great interest in the soccer pools. In point of fact, popular as Australian rules football is, I would venture to suggest that on Saturday night a large percentage of the population in the metropolitan area of Western Australia will be tuning in to Channel 7 to spend two hours watching the FA Cup Final between Everton and Watford. Many people one talks to do not know where Everton or Watford are.

Hon. G. E. Masters: I do.

Hon. JOHN WILLIAMS: The member would know where Watford is, but not Everton. It is obvious that people will talk about Everton and Watford in Western Australia, yet for all these years they have been denied an opportunity to participate in the pools.

I do not know what the Government intends to do with the income, but I commend to it the idea that it should be put into a sports fund and that soccer should be excluded from any dividends, for obvious reasons. It could be very difficult to get certain results. Some people might not be able to control Everton and Watford, although they may be able to control Subiaco and University.

I welcome the legislation. I commend this Government for its astuteness in submitting to the pressure which must have been put on it.

The DEPUTY PRESIDENT (Hon. P. H. Lockyer): Order! May I remind honourable members that audible conversation is at far too high a level. Members talking to others over the backs of their seats must be reminded that this is against Standing Orders. They should resume their seats.

Hon. JOHN WILLIAMS: Thank you, Mr Deputy President. It was hard to hear oneself. I

commend the Government and I support the legislation without hesitation through every stage.

HON. TOM McNEIL (Upper West) [7.56 p.m.]: I rise, in the same fashion as the Hon. John Williams, to commend the Government for bringing forward this measure. I am well aware that those with a British upbringing, such as myself—I was born in that star of all places, Scotland—have patronised the pools for quite a number of years, but I have not done so for the last two or three years.

It has always been my practice when in the Eastern States to participate in the pools, and I, like the Hon. John Williams, experience quite a thrill when I see a treble chance or a four away. This was an opportunity available to all Australians, but only in the Eastern States. Over the years the money which has gone out of this State has been quite considerable. I am glad the Government has seen fit to bring in this legislation. I am on my feet tonight to support this measure. It is not the same as clause 22 in respect of another Bill which I put forward last week on behalf of the Hon. Mick Gayfer. I am standing here now saying something on my own behalf. Once again we are placing before the public an excellent measure.

Many people send away every month, or every three months, to participate in set numbers, and their money goes to benefit another State. I would like to think that that money will now stay in WA. The only problem I see is the one I mentioned when we were talking about lottery agencies and Lotto commissioners in the country areas. They will still suffer. I will repeat the allegations I made before: Scratch and match lottery agencies are not placed in the most strategic positions in the country towns in this State. It is once again a hit-and-miss affair. In Geraldton there are six agents all grouped, apart from one, in the town centre itself. At weekends there is no inducement for the shopper to go into the local supermarket or newsagency and make use of those facilities. If one attempts to get a ticket in Lotto, no franking machine is available. If one tries to get a high numbered ticket from a lottery agency it probably does not possess one because it is still waiting for a supply. If one lives in the outskirts of Geraldton, Gingin, or Mullewa, one will find one cannot participate in this type of activity because facilities are not available.

The Lotteries Commission must get off its backside and start to make these facilities available to country people. Unless they are made accessible to people, the commission will not get the maximum return. People must be given a chance to participate. The Lotteries Commission should have another look at the country areas to make this operation accessible to country people, and many dollars will be made.

I support the Bill.

HON. P. H. WELLS (North Metropolitan) [8.00 p.m.]: This Bill follows a number of actions of the Government extending the area of gambling in this State. This is not in the best interests of the community.

Existing gambling outlets have, in recent times, increased their media advertising to a degree unheard of when Bills to legalise them were previously introduced.

As the Government is determined to have another gambling outlet and has some support from the Opposition side of the Chamber, it should seriously consider introducing a provision which was contained in the Liquor Act at one stage, so that it accepts responsibility for money collected from this area and makes some contribution to the welfare of the community. A certain amount of the money that the Government collects from gambling should be set aside to alleviate some of the ills in the community which are caused by excessive gambling. The same applies in respect of excessive drinking.

The Government has an obligation to look after such people, and the members of the Select Committee into Alcohol and Other Drugs would tell us that. There is a cost to the community as a result of gambling and if we are t have gambling that cost should be charged against that industy.

It is not unfair that the Government should contribute between 30 per cent and 50 per cent of the money raised through this move into a fund that is used directly to assist welfare and community organisations which accept responsibility for the ills created by excessive gambling within our community.

The Government's policy is to work on the premise of trying to ban cigarette advertising and smoking while allowing gambling. It does this by not only allowing excessive amounts of advertising, but also by extending the area of gambling through encouraging more people in the community to believe they can get something for nothing. That type of attitude, at certain levels in the community, has created problems. Those people who do not believe there is a problem are blind. They need only visit those organisations which have a responsibility in this area. Excessive opportunity exists for people to gamble in this State. Therefore I do not support 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 the Hon. D. K. Dans (Leader of the House), and passed.

ACTS AMENDMENT (SOCCER FOOTBALL POOLS) BILL 1984

Second Reading

Debate resumed from 8 May.

HON. G. E. MASTERS (West) [8.08 p.m.]: This is a consequential Bill and the Opposition has no reason to oppose it.

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 the Hon. D. K. Dans (Leader of the House), and passed.

HEALTH LEGISLATION ADMINISTRATION BILL 1984

Second Reading

Debate resumed from 8 May.

HON. I. G. PRATT (Lower West) [8.11 p.m.]: The Minister's second reading speech on this Bill tells us that the Government has found a need to reorganise the health administration of the State, but nowhere in the speech do we find any reason.

I will refer generally to both the Health Legislation Administration Bill and the Health Legislation Amendment Bill, if I may, because the argument is relevant to each Bill and we will not take so much time debating the other Bill if I can refer to it now. I hope the Minister accepts that.

Hon. D. K. Dans: Yes.

Hon. I. G. PRATT: In the Minister's second reading speech, we heard comments along the following lines: "It had become apparent that substantial structural organisation changes had to be made to achieve effective organisation and cohesiveness". The words are high sounding, but they do not tell us what is being done or why. The three separate organisations—the Hospital and Allied Services, Mental Health Services, and the Public Health Department—are being put into a conglomerate. Another wordy part of the second reading speech claims that the changes will promote, maintain, and improve health and well-being.

The new department will avoid duplication, and it will promote public awareness and positive interest. We heard the Minister saying that, to date, prevention is perceived as being just as important as cure. The claims were made that "the consolidated Health Department will promote flexibility"; "the creation of a new department will greatly facilitate these things"; "the Government has decided that positive action is demanded to ensure adequate care"; but nowhere are we told the reasons.

We are told of the need to reorganise the department, but neither the Minister nor the Government has identified the problems envisaged with the present structure containing the three units I have mentioned. If we look at what the Government hopes to do with the structure that will be established, we find that it will be a top-heavy organisation. If we refer to the plan supplied by the Government to people in the health field, we find that at the top we will have the Cabinet and then the Minister. Moving sideways from the Minister, we will have the Health Advisory Panel, and from that we will have two branches—the Health Advisory Council and its committees, and the Professional Services Advisory Council and its committees. Following the line down from the Minister, we find a permanent head, and below the permanent head will be seven different sections, not three as we had before. Many of the duties of the former three sections will be spread over the seven different subdepartments, if we may call them that.

People interested in the mental health side of the departmental responsibilities have drawn to my attention the fact that instead of Mental Health Services being a section with its own integrity and direct access to the Minister for Health, it falls below the second level of responsibility. People in the mental health field who wish to express their views to the Minister must go through their head to the permanent head, who will probably shuffle it off to an advisory committee, and then to the Minister.

It has been suggested, and I have no reason to disagree, that a large percentage of the people occupying beds in our hospitals are in them because of illnesses which, in some way, are related to their mental situation. Many ulcers and heart complaints are stress-caused problems. They are related to the mental or psychiatric welfare of the patient. That being the case, this new organisation will be a retrograde step, particularly for people who have difficulties caused by their mental health. The importance of the mental health as-

pect of our department has been downgraded tremendously. The channels of communication will be clogged.

We all know the old saying that a camel is a horse designed by a committee. Throughout the screed published in February 1984 relating to the introduction of the Health Department of Western Australia, we find continual reference to committees and consultation. I am not suggesting that consultation is bad, or that committees are bad; but when we have the proliferation of committees and consultation that we find in this new structure, it seems it might be difficult to have decisions made. If this happens, we will be doing a disservice in making this structural change to our health system in Western Australia.

It is my understanding that the proposed structure has been based closely on the New South Wales system. No doubt the Minister will confirm that. It is also my understanding that, in the time since the system was adopted in New South Wales, there has been a mass exodus of the more highly qualified people from that service, due to the very things I am mentioning.

Instead of having a direct channel of communication we will have consultation and committee work; and, frankly, I do not regard that as necessary in the running of a department. It is all right to have committees such as the Health Advisory Panel, the Health Advisory Council, and the Professional Services Advisory Council, because they will give advice to the Minister; but if, as is suggested in the department's publication and in the Minister's speech, that sort of thing takes place as part of the departmental decision-making process, it will cause chaos. As I say, in New South Wales the situation has arisen that highly-qualified professional people have left the service.

These seven sectional heads or directors, if we can call them that, to be under the permanent head are not to be required to have any medical training. I do not suggest that we will end up solely with Public Service administrators in those positions, and I trust that common sense will be shown when the appointments are made. Nevertheless, it is possible we could end up with the seven positions filled by public servants who are administrators only. That might sound fine to some, but you, Mr Deputy President (the Hon. P. H. Lockyer) and I have had the experience of trying to convince administrators in Government departments of the need to have various things done. I can understand the concern shown by some people at the difficulty of trying to convince an administrator above them that a medical problem they are putting forward has to be solved. If purely administrators are appointed, the people with medical experience and expertise below them will at times have trouble convincing the administrators of the need to pass on a medical problem to the permanent head or the Minister. It has been stressed to me that, particularly in the mental health area, the people involved could find communications being blocked, causing very serious difficulties. We could well have the difficulty of a lay person not understanding a problem associated with mental health, because a lay person would be more interested in dollars and cents and administration.

Perhaps the Minister could indicate later whether all these people will have medical backgrounds; that is not spelt out in the Bill. The Minister needs to look at this matter seriously, because we should not be facing the possibility of a communication breakdown between the people with the professional knowledge and those who are the decision makers. The difficulty will not be just in getting to the Minister, but even to the permanent head. The permanent head is to be a trained medical man, but the medical people below the section heads may have difficulty going through an administrator to get to him.

The Minister's second reading speech indicated that the amalgamation was to occur to achieve efficiency, but I find this hard to accept. To take three departments and break them into seven sections does not seem to be an ideal way to achieve efficiency.

Neither is it likely that efficiency will be achieved by everything having to be channelled through committees. The plans indicate a criss-cross of communication channels, supposedly to provide for consultation. It will be a nightmare. In reality, some communication channels will be followed and others ignored, purely because of problems found in having to go through the lot.

This procedure has been labelled "corporate planning" and is expected to have a wonderful impact on the service provided. Having seen the results of corporate planning in other structures, I am not sold on the idea.

Before I finish, I would like the Minister when he replies to answer the following queries: What is the real problem with the present service? How will input go through this system to the permanent head or the Minister in a more efficient way than at present? How does the Government expect we will have a better service spread over seven different sections than just the three departments we have at present? Can the Minister confirm that this legislation is based on the NSW system? Is the New South Wales system working efficiently? Are highly qualified people leaving that service?

HON. G. C. MacKINNON (South-West) [8.27 p.m.]: The Western Australian Public Health Department has always been near and dear to my heart. I was fortunate enough to be entrusted by the late Sir David Brand with the administration of that department for some six years, a longer period in charge than any other Minister for Health since 1965. Since my time the department has experienced a succession of Ministers for short durations.

I am very surprised at the cultural cringe exhibited by this Government on matters Western Australian. We have seen the health authorities, in their capacity of overseeing food contents, accept a change in the composition of whisky. As I have mentioned in a previous speech, for the last 30 or 40 years the distributors of whisky in Australia have been trying to inflict on us a lowering of the alcoholic content of this beverage, and finally the present encumbent has fallen for the three-card trick. Someone has interjected quietly to suggest the reason is that the Minister is callow. I do not want to say whether that is so; it could certainly be his inexperience. He certainly has an overwhelming desire to write his name in the history books by changing the whole structure of the Public Health Department in this State.

The Minister in introducing the Bill said that the major goals of the new integrated department would be to develop and implement a new corporate plan for the organisation and delivery of coordinated health care that was responsive, comprehensive and accessible. But what is wrong with the present system? We have had in this State a system of health care delivery which has been second to none, and this has been so since before I took over the department's administration. When Dr Davidson was the commissioner and Jim Devereux was the under secretary, it was a superb department. To prove the point, in the late 1960s Tasmania had troubles with its health service, and who did it get from the whole of Australia to organise that department? It was Western Australia. This State is responsible for the Tasmanian system.

This legislation copies the system of the second most backward State in Australia in the delivery of health care services; the free system in Queensland is probably the worst. Certainly New South Wales has the second worst—and I have a copy of the New South Wales legislation.

I have been at Mt. Augusta Station on a billabong with a family of kangaroo shooters, the wife and mother of two children being a schoolteacher from Brisbane, who assured me that she could obtain quicker and better service on the banks of that billabong at Mt. Augusta than she could when she lived in the middle of Brisbane. I have heard exactly the same report about the New South Wales system, yet this Government is introducing the New South Wales system into Western Australia. It did not bother to look at what happened to the subsidiary departments in New South Wales which no longer have access to the Minister. The Government did not bother to find out that they are losing staff and their credibility in regard to the handling of mental health.

This is a pattern for disaster because I fell for the very same three-card trick in 1968. I thought we would look around and see what we could do in regard to our growing problem of the "frail aged", a term invented here in Western Australia. I will come back to that in a minute to demonstrate how different the Western Australian system is. Once Dax left Victoria we had the best mental health system in Australia. We had revised the Act and had an excellent system. We had the support of the Hon. Ruby Hutchison when we moved children out of Claremont and we were really going well, because each section reported to the Minister. However, that will not be done under this legislation. If members do not believe me, they can look at the New South Wales legislation.

I said I fell for the three-card trick, but I listened to some good advice and did not pursue the system. It is all in the records. Members should look in the files and they will find it. I wonder whether Mr Hodge is prepared to look at the files of as mundane a person as a Liberal Minister. I got them together in the form of a committee comprising Mr Davidson, Mr Rowe, Mr Snow, Dr Ellis and Mr Lefroy, with the idea of looking at a system like this. We tried it for a while and in a very short time I decided to forget all about the legislation because we ran up against the age-old problem of the way human beings relate to one another, the ordinary mundane jealousies, the sorts of lessons about human nature members would read about in the Old Testament regarding who would be the leader and when Jacob got into trouble. Am I getting through to the Attorney General?

Hon. D. K. Dans: Why don't you get through to me too?

Hon. G. C. MacKINNON: I noticed the Attorney General was paying much more attention to me, so I concentrated on him.

Hon. D. K. Dans: I thought you were paying much more attention to Jacob.

The DEPUTY PRESIDENT (Hon. P. H. Lockyer): I suggest the honourable member get back onto the Bill.

Hon. G. C. MacKINNON: These are fundamental lessons which we need to learn and relearn. A fellow called Newley—or a name like that—was brought from New South Wales to help with the introduction of the system. When we were under the Grants Commission hospitals in New South Wales used to pay their bills by stacking all the accounts on top of each other and taking the bottom account and paying it if they had enough money. That State ran a terrible system, yet it had the cheek to say it wanted to develop a corporate plan. Has anyone criticised the way in which people are treated in Western Australia? There is an interlocking problem in health. Many people suffer predominantly from physical or mental disabilities; or perhaps senility or physical disability is a great problem for them. Perhaps a physical disability accentuates a senility problem. These problems could be solved if people could talk to the Minister and resolve the difficulty face to face.

Would members look at the magical chart I am holding? Goodness gracious me, let me quote from a letter written to Dr Ellis: "When I asked the young man to whom I spoke whether there was an organisational chart for chartered health departments in New South Wales he burst into laughter". Members should look at the chart.

South Australia had the same old fashioned setup with regard to fisheries and wildlife. The fellow running the fisheries section had to go through a director of agriculture who spoke to the Minister, and the fisheries did not prosper. In this State the director of the department spoke to the Minister, who spoke to Cabinet. With what result? God looked after us, but the entire value of the fishing industry in Australia was at risk.

What has this Government done for the fishing industry in this State—wrecked it or torn it assunder! After years of loyal service it has become demoralised. If members do not believe me they can ask the fishermen, but I suggest they get a friend of theirs to ask quietly.

The DEPUTY PRESIDENT (Hon. P. H. Lockyer): Order! I am having increasing difficulty understanding what this has to do with the matter of health legislation before the Chair.

Hon. G. C. MacKINNON: Mr Deputy President, I am discussing health legislation and you would be well aware that it is an organisational Bill. It deals with Government organisation and that is what I am talking about—who does what, who talks to the Minister, how, in the Government sense the department works, and how in the Government sense the system operates. That is what I am talking about and that is what these Bills deal with.

The next question or major goal is to achieve efficiency, effectiveness, economy and an avoidance of duplication in the organisation of our health care services. For years we were under the adverse scrutiny of the Grants Commission. We had to be efficient or die. The Eastern States were aware of every trick in the book, and we had to live with it. We were efficient. We were accused by a recent Grants Commission of running a Rolls Royce health service, and I have been accused of having set up that system. I make no apology for that, because in a State as widespread as ours we needed it and now we have it. We have some magnificent hospitals and a first-rate integrated service to identify the health expectations and needs of the community and the health profession through a revised and consolidated mechanism.

Everyone today accepts for granted the way we are handling our elderly people in the health care services of this State. The office of the Minister is at 57 Murray Street, Perth. The frail aged concept was invented in that office and the first architect of the scheme was Mr Bill Kidd. I hazard a guess that that is the first time any member of this House has heard his name. Mr Kidd went to the United Kingdom to teach the English literally how to build bases for the frail aged. We began by giving a subsidy of $2 a week on top of the pension in order that different organisations could run places for the frail aged. Members have all seen the grab rail around some sorts of accommodation for elderly people. The elderly people walk along holding onto the grab rails. These grab rails were invented in Western Australia.

The concept was that each had a corner where he could make a cup of tea. That concept was developed in Western Australia, yet the Government has the temerity to say "to identify the health expectations and needs . . ." It was during my time of office that I asked the Federal authorities to recognise there were people who could walk, but who still needed perambulatory care. Provision was made for those people.

I talked Sir David Brand into allowing us to pay $2 a week, and that scheme was taken over by the Federal Government. The Western Australian Government talked the Federal Government into giving money on a dollar-for-dollar basis, and that increased to a $2 subsidy for the building of those structures. This Government has the temerity to say that we need to reorganise our health care services to make us think ahead.

We developed Para-Quad Industries, and the Shenton Park annex when Mr Griffiths was the Administrator of Royal Perth Hospital. While he and his wife were visiting the United Kingdom, his

wife had an accident and broke her leg. He could not get her back to the Shenton Park annex quickly enough. Mr Griffiths had worldwide experience of hospitals and he claimed that the Shenton Park annexe was the best orthopaedic hospital in the world. The Bunbury Regional Hospital is claimed to be the best general practitioner hospital in the world. Mr Griffiths has been to America, Europe, and the United Kingdom, but claims our hospital to be the best, and this Government has the temerity to say that it wishes, "to promote public awareness and positive interest in the requirements for the prevention of ill health and the maintenance and improvement of health."

Who set up the Health Education Council? It was set up by Mr John Tonkin, when he was Minister for Works in the Hawke Government. Bill Lucas, who was a well-known Liberal, was put in charge of it and Mr Jim Carr was the director. He was a good Labor man until the fluoride debate surfaced. He was so upset about Mr Tonkin's not supporting fluoridation of our water supplies that he voted Liberal for a couple of years. He does not any more.

Hon. D. K. Dans: I think he voted for the Communists.

Hon. G. C. MacKINNON: I do not think he ever went that far. The new Health Department has been committed to develop new practices, with strong emphasis on the prevention of illness and disease. What does the Government think the department has been doing throughout its history?

The department employed Robin Miller, the "Sugar-Bird Lady". I employed her, on the advice of the Commissioner of Public Health (Dr Davidson), with the support of the best under secretary we have had, Mr Jim Devereux. I thing she charged 2s.6d. a mile for her aeroplane and she prevented illness by making sure all children in the north, Aboriginal or white, took their sugar syrup to prevent poliomyelitis. Eye specialists travelled to the north to help prevent trachoma, and operated on Aborigines who suffered from cataracts. The department used to provide the Aborigines with spectacles, but they smashed them. One specialist came up with the idea of supplying monocles. Tapes were tied to the lugs of the monocles so they would not lose them and wherever I went the Aborigines would say, "Boss, come and look at us". They wanted one to look at their monocles, through which they could see.

The invention of this Chamber is that the Health Department needs total reorganisation. Even the psychiatric nurses are taking exception to that. This State developed the independent idea of having a special certificate for psychiatric nursing; that certification upgraded the whole system; it was very successful. We copied New Zealand in regard to dental care, and we became one of the world's leaders overnight.

Hon. Tom Knight: The extended care service.

Hon. G. C. MacKINNON: I remember when Mr Knight asked me about that. Mr Knight was one of those people who worked very hard to get regional hospitals to send representatives to the homes of elderly people to make adjustments so that it was easier for those people to stay in their homes. Royal Perth Hospital will send people out to put in grab rails to assist elderly people in showers and baths. From memory, it is a service with which Mr Knight had a lot to do.

Hon. Tom Knight: It catered for elderly care in the home; they were able to avoid hospitalisation.

Hon. G. C. MacKINNON: We were the second State in Australia to develop Meals On Wheels. We were second only because we had some difficulty in finding somewhere to do the cooking. Initially it was done at Princess Margaret Hospital for Children and Florence Hummerston, that famous and lovable lady, started the operation, in conjunction with Dr Bill Davidson, CBE.

The people concerned wanted the meals to be cooked at Royal Perth Hospital, but there were some difficulties; they were cooked at Princess Margaret Hospital for Children. The food turned out to be a bit childish so then it was cooked by the Silver Chain Nursing Association Inc. South Australia beat Western Australia by one day, yet the Government is going to revise this department, in order to establish a whole new system of organisation.

Back in 1968 I put my toe in the water, and took it out for reasons I have already enunciated—the concept simply did not work. The point is that some day, someone might be able to organise it with a department such as this on a proper basis. There have been a number of differences in the States.

Victoria had a Hospitals Commission, and it worked superbly, not because it was logical, but because it was simply a better system than anyone else had. One man was in charge of it, and he was respected, liked, and admired by everyone. It was a personality thing. From my knowledge of the hospital system in New South Wales no-one in his right sense would copy it. I understand that within the ranks of the Labor Party there is a sort of mystic feeling about New South Wales. I know that up until recently, Labor Party members almost genuflected when they went past Neville Wran.

Hon. P. G. Pendal: Now they just grovel.

Hon. G. C. MacKINNON: Now they reserve that sort of accolade for Mr Burke.

Anything that the Labor Party does in New South Wales is supposed to be really good stuff. I do not think the Labor Party invented the New South Wales system. I think it has grown. Perhaps it would be more appropriate to say "groan".

The only reason I can see for the establishment of this system we are debating is that the present incumbent must want to put his name in the history books. I cannot see a valid reason for doing it, and I will be interested to hear Mr Dans give me one. Perhaps we have run out of people who can run the different sections.

Nowadays, mental health is an integral part of the total health system. It has moved away from the old asylum days—they have not existed for years. Even now, a lot of people in the community do not understand the basis of the mental health administration. Very few understand that an extremely large percentage of mental health patients are self-admitted. They are there because they have asked to be put there, and they can walk out at any time they like. No control is exerted over them, and in some ways that is a disadvantage. It is difficult to order patients there; it is a lot of trouble and indeed, the whole emphasis has moved from incarceration to treatment of mental health problems in the ordinary hospitals; this is good. Chemotherapy plays an immense role.

It is a branch of medicine which has spread increasingly into every other branch. Stress, a word we are hearing frequently, is affecting and afflicting an increasing number of people; even in this place we have seen the behaviour of one or two people under stress in the last couple of weeks. We can understand that a much greater degree of stress exists now than used to be the case.

I remember hearing Herbie Graham say—and he is a man I quote often because I know the Labor Party has a high regard for him—that the workload had increased tenfold in the time between his being a Minister in the Hawke Government and Minister in the Tonkin Government. I have no reason to dispute that. The pressure on a Minister these days is quite extreme, and the main problem is handling that sort of stress. There is this idea of immediacy; everyone wants the right answer now. The momentary answer always has to be "no". If one wants a "yes" answer one has to wait until the loose ends are tied up.

Hon. D. K. Dans: There are exceptions such as when you are building America's Cup marinas.

Hon. G. C. MacKINNON: The Leader of the House is quite right. However, the immediate answer always has to be "no". I have found in handling everything, from children to State matters, one has to wait if one wants a "yes" answer.

A problem exists in the intermixing of branches of medicine, but the Government does not need to disrupt the whole system and downgrade the partners, making one a deputy director, or whatever his fancy title is. I believe in fancy names. However, that person has to report to somebody in order to get to somebody. I am sure the Minister will tell me that that is not necessary and that the Minister can see whom he likes. As the Minister is fully aware, it is very difficult to find a Cabinet of 15 very competent people in such a small Parliament. The proportions are wrong; our Cabinet should have 11 members, given the numbers in the Parliament. One can get 15 competent people only from a much greater number of members.

When one has a Minister who is not really up to it, one finds that he follows the book. What else can he do? I have known Ministers to sign that which was put in front of them to sign. The poor fellows could do nothing else. The Premier of the time had no other choice because he was limited in the field he could select from. They are not all as smart as Mr Berinson or as competent as Mr Dans. This Government has a good Cabinet; not all Cabinets are as good. A Minister who is not all that flash has to follow the book and that is the danger of this Administration because it will follow that silly looking chart and the Minister will be talking to the mental health department through somebody else. That is the reason I dropped the idea.

Some of the lessons about human nature that I learned as a child came back to me, as did those I learned in the Army as a prisoner of war. I realised how jealousies play a part and how difficult it is; this is not an easy department to run. I have said on a number of occasions that the best under secretary I have worked with—and I have worked with some good ones—was Mr Jim Devereux. He was superb because he kept a department of prima donna professionals working together harmoniously.

I do not know what it is like working with lawyers—perhaps the Attorney General will tell me sometime—but I know what it is like to work with medicos. When there are gradations of medicos, such as specialist surgeons, physicians, and gynaecologists, and this and that, they get a little touchy. It is not an easy department at all.

The people who handle tuberculosis testing and who see their work has reduced TB in Western Australia from a major killer to a non-event, believe their role is tremendously important. So it is, but of course, they face the awful problem that nobody remembers them. When one has solved a

problem, it does not exist, so one is forgotten. One has to dash around to find another problem to solve.

In a field akin to health, I had the experience of solving the problem of the Rivervale cement works which used to belch out 65 tonnes of cement dust a day. Mr Eric Sandover did the work and I got the glory for a week. I heard a discussion in the bar here and I asked what had been the best achievement in relation to clean air in Western Australia, and of the five men there, none could remember. The President (Hon. Clive Griffiths) walked in; he represented that area and he could remember. He was a good politician with a good memory.

I ask members how they would like to be the fellow who masterminded the attack on tuberculosis. Wooroloo Hospital was dedicated to it; it was there to treat nothing else. Sir Charles Gairdner Hospital was built to handle TB patients and nothing else. That man started to work with his X-ray plants and screening, and in no time at all nobody contracted TB. We were desperately trying to close Wooroloo and sell it to the highest bidder. We quietly switched Sir Charles Gairdner Hospital to a general hospital—and a very good one at that—and then changed it to the Perth Medical Centre. Western Australia planned it, developed it, and recognised QE II as a model for the world.

If one talks to children today about tuberculosis they say, "what is that?" In my lifetime I have seen the disappearance of diptheria and one does not hear much about whooping cough and other diseases which were prevalent in the early days. It is a worry, because what happens if we have an outbreak of one of those diseases now when young people are not aware of the problems? Some doctors who are practising probably would not recognise these diseases, yet the Labor Government and Mr Hodge will establish a department that will get rid of diseases!

More complaints and diseases have been resolved in the last 40 years while the Public Health Department has been working under its present form of administration than could possibly be resolved in the next 40 years. There is not the slightest shadow of doubt about that.

This Bill is an insult to people who have been involved in health care like Emile Nulsen, Dame Cardell-Oliver, Ross Hutchinson and myself.

In his second reading speech, the Minister said that, "the new department would develop and implement a corporate plan for the organisation and delivery of co-ordinated health care that is responsive, comprehensive and accessible".

In the early 1960s Western Australia had the largest incidence of leprosy per head of population ever experienced in any developing country on earth, yet we were not then a developing country. By the end of the 1960s and the early 1970s it was a non-event. It was under control. The person responsible for controlling leprosy was Lawson Holman who was working as the doctor on the spot, under the direction of Dr Davidson, and with the help of modern drugs and surgery.

Further in the Minister's second reading speech, he said the major goals of the newly integrated department would be, "to achieve efficiency, effectiveness, economy and avoidance of duplication in the organisation and delivery of health care services".

I refer to the history of tuberculosis which I have recounted. This country has been saved millions of dollars, but this Government comes up with a proposal to identify health expectations and health care. That is an insult to John Tonkin.

Hon. Kay Hallahan: Time moves on.

Hon. G. C. MacKINNON: The funny thing is that the need exists for it, but they let it fall into a state of desuetude.

I understand that Jim Carr is running a newspaper and to the best of my knowledge most of the health education work is carried out by the Department for Youth, Sport and Recreation. It is involved with a $6 million programme to cure a few illiterates—those people who cannot read that smoking is bad for them—from smoking.

Further in the Minister's second reading speech he said that the new department would promote public awareness and positive interest in the requirements for the prevention of ill-health and the maintenance and improvement of health.

All those things I have mentioned pale into insignificance because the Government has seen fit to adopt a scheme which is not successful in another State. It has been recorded that people in the system will write nasty letters pointing out that the implementation of this Bill will result in the loss of staff because of their lack of recognition. A system will be established whereby the Minister will go against an organisational pattern by failing to speak with his staff. He should be speaking to them at least once a week and they should be able to understand what he is talking about. The only good thing, if this Bill is adopted, is that the health system will be put out to pasture when the Government is put out to pasture. I am sure that the public will do something about this legislation if it is passed.

It is a pity that the Minister has been able to inflict this ludicrous proposal on a comparatively inexperienced Cabinet. I can see how it happened.

He mentioned the system had been implemented by the Wran Government in New South Wales.

Hon. Kay Hallahan: It is not a replica.

Hon. G. C. MacKINNON: It is so close to being a replica that it does not matter. If one looks at the systems around the world one will find that it is the nearest copy to it. Nothing can be an exact copy unless it is a biological clone, but this legislation is the nearest thing I have seen to the New South Wales legislation.

It is a pity this legislation has been presented to the Parliament, but I suppose it is the result of Mr Hodge telling Cabinet that it was similar to the system Neville Wran had adopted in New South Wales. Cabinet Ministers would have dropped to their prayer mats, nodded their heads three times, and adopted the proposal.

Hon. Fred McKenzie: New South Wales is a great place.

Hon. G. C. MacKINNON: The Labor Party seems to think that it is heaven-sent. It is the only reason that this legislation has been presented to the House. If any member had cared to study it, it would not have reached first base.

I agree that departments can do with a change, but I am sad to see departments being mutilated for no reason at all. This is not the only area in which departments have been mutilated, because it has happened to the Department of Fisheries and Wildlife, the Forests Department and the National Parks Authority and none will be better for it.

Hon. Kay Hallahan: Time will tell.

Hon. G. C. MacKINNON: Time is telling already.

During my term as Minister for Health, I could see no reason for the dramatic change which was mooted at that time and I decided not to proceed. My only fear was that someone could say to me, "We got the idea from going through your files". I do not think that is true. There is nothing that the Labor Party has done without taking advice from its political advisers.

Hon. Kay Hallahan: They do not live in a vacuum.

Hon. G. C. MacKINNON: They do, because the socialist philosophy is something like a vacuum flask.

I do not intend to pursue my opposition to the bitter end, but I make it clear that my antipathies lie with those in the department whose lifestyle will be changed for what, I believe, is no good purpose.

HON. P. G. PENDAL (South Central Metropolitan) [9.10 p.m.]: My contribution to this debate will be brief because previous speakers have covered most of the points I had intended to raise or that constituents had asked me to raise on their behalf.

I intend to concentrate on one aspect of the Bill which I believe to be germane to its real weakness. It will be recalled that prior to the last State election if there was one thing upon which the Labor Party attached its future success, it was bound up in words such as "sound management principles" and "pursuit of excellence in administration of Government". The Labor Party made much of that. It implored the people of Western Australia to give it a chance to form a Government on the grounds that the previous Administration was tired and the Labor Party could bring to the administration of departments in this State a whole new and fresh approach to the efficient use of public funds. That theme was applied as much to what we call QANGOs as it was to Government departments.

It is a cause of alarm to me as a taxpayer, as well as a member of Parliament, that no attempt has been made by the Government to submit the vast changes it proposes in this Bill to any kind of management study. Certainly no mention has been made of any attempt by the Government to subject these proposals to any cost-benefit analysis.

Earlier, Mr MacKinnon mentioned the Government's plans in relation to the Department of Fisheries and Wildlife and other departments which have become the subject of another report, commissioned by this Government; that is, within the framework of land resources and management in Western Australia.

When I had that responsibility for the Opposition I took the point up with the Government on a number of occasions that those far-reaching propositions being pursued by the Government had never been submitted to any forms of cost-benefit analyses nor had they been referred by the Government to any experts in management.

This is important only if recalled in the context in which the Labor Party was elected. I repeat, it was a theme which called on all Government departments and agencies to exercise their functions in far more cost-efficient ways so that the taxpayers of this State would get more for their dollar.

It has been mentioned in passing, and I now refer to it in more detail, that the new structure of the department will provide for no fewer than 22 directorships. That in itself brings centralisation to any Government department to a very dangerous level. One does not have to be a management expert to understand the bottlenecks which will

occur within health administration in this State when those 22 directorships all lead to the most senior bureaucrat who will be advising the Minister for Health on the administration of this legislation and the new department. It stands to reason that the 22 subdepartments being fed into one super head who sits below the Minister on the administrative pile will be a nightmare to administer. Predictions have been made by Mr Pratt and Mr MacKinnon and I fear that not only the Mental Health Services in this State, but also other branches of health activity, will be subjected to the same sort of top-heavy inefficiency because of the capacity for bottlenecks to occur.

The salaries for the 22 directors are in the order of $1 million and that alone is good reason for subjecting the plan publicly to some form of cost study. No business undertaking in this country would make such dramatic and far-reaching changes to any public company with so little input from experts both in costing and management. Indeed, if that was ever admitted by a private company the shareholders at the annual general meeting would probably call for the resignation of the board.

Legislation of this type could be singled out by the Government for temporary deferral in order to refer it to people with that expertise. The salary of over $1 million for the 22 directors does not take into account the structures that will necessarily be created to support those people. They are hidden costs and have not been given attention. One cannot be charitable and say they have been given scant attention by the Government. There is merely this fairly hollow suggestion that the Government has achieved economies and efficiencies by bringing to the Parliament a plan that will reorganise the health system in Western Australia. However, there is no evidence to back that up.

It may well be that some internal studies have been carried out by the health administrators in this State and that these studies, costings, and so on have been looked at by experts in the field. If that is the case, Parliament has not been told of it. As recently as a few minutes ago I checked the Minister's second reading speech in another place and not even an oblique mention, or mention in passing, was made that this legislation or the structure it sets out to create has been subjected to study. In those circumstances it is quite wrong for the Government to be talking piously about "corporate plans" and for it to use high-sounding phrases in the second reading speech in this House and in another place.

This Government and another Minister in this House, the Minister for Budget Management, pointed out in an earlier debate that the Government is having great difficulty reining in public expenditure in the lead-up to the formulation of the Budget later this year. The plan should have been submitted to officers of his department if for no other reason than to be scrutinised by the people whose job it is to formulate the Budget.

I have no doubt whatsoever that greater inefficiencies will creep into the administration of the health system in this State because of this Bill. I have no doubt also that the Bill will be passed by Parliament. It was part of the Government's policy and it had said it would take such action, but it will be on the Government's head that it is now doing so without reference to people who may well have suggested alternative methods to achieve its objectives in such a way that the taxpayers of this State might have been saved millions of dollars.

Debate adjourned, on motion by the Hon. Fred McKenzie.

PAY-ROLL TAX ASSESSMENT AMENDMENT BILL 1984

Second Reading

Debate resumed from 3 May.

HON. P. H. WELLS (North Metropolitan) [9.22 p.m.]: I would like to take this opportunity to thank the Government for accommodating the Opposition on this Bill as far as the Notice Paper is concerned. It is an interesting Bill. Members must understand what the Bill is, because they may well think they have something in front of them which they have not. When members read this Bill they may find that it does not contain what they thought it did. If any member is surprised when he reads the Bill, he must be thankful that the Government has extracted from it draconian provisions giving unprecedented power to the tax commissioner—the power for the commissioner to provide information. Despite the fact that the Cabinet agreed to the inclusion of those provisions, when it was brought to the attention of the Government that these were unprecedented powers, the Government, in its wisdom, took them out of the Bill.

Hon. J. M. Berinson: That is typical of our reasonableness and flexibility.

Hon. P. H. WELLS: I am glad the Attorney mentioned this unreasonableness, because it is obvious he was asleep when this was before the Cabinet. I would have thought a man of his capability would recognise that such unprecedented powers would be opposed. I accept it probably slipped through Cabinet on one of those occasions when he was absent.

Several members interjected.

Hon. P. G. Pendal: Dereliction of duty.

Hon. P. H. WELLS: That is not the only amazing thing about this Bill. The Bill before us is not what we will end up with.

Hon. J. M. Berinson: Are you complaining about that?

Hon. P. H. WELLS: Just in case the Attorney thinks that by slipping around that amendment he will not get the speech I have prepared, I must let him know that I have modified it to accommodate his particular motion. We must be careful, because papers which move around this Chamber and which are not printed on the Notice Paper are sometimes disowned by Ministers. I have it on reasonable authority that an amendment circulated in this Chamber will take another major provision out of this Bill. I am interested in that provision because it deals with insurance agents and the payroll tax paid by them. Had that amendment been suggested by the Legislative Council, the Government would have said, "The Opposition has changed our legislation to a degree where it is now no good. Therefore we cannot implement it".

Hon. J. M. Berinson: I have accepted six proposed amendments to my own Bills.

Hon. P. H. WELLS: I must acknowledge that the Attorney General accepted those amendments, because he was probably absent from the Cabinet, and could not argue them—

Several members interjected.

Hon. P. H. WELLS: He did not see the wisdom of the argument previously.

Hon. Garry Kelly: You did not accept many amendments when we were in Opposition.

Hon. P. H. WELLS: The question which comes to my mind is: What actually encouraged the Government to accept what I believe is the right position? It has made a sensible decision. Industry will thank it and the community will say that at last the Government has shown wisdom. I wonder what it was that actually brought the Government to see wisdom in that proposal.

Several members interjected.

Hon. P. H. WELLS: I note that the Hon. Phil Pendal has said that many people from the insurance field approached him and put forward a solid case. I know they have put it to the Government. Most if not all members of this House would have received letters and heard debate in this House. I will accept the interjection that it must have been a reasonable Minister who supported that argument. That does not stop me asking what it was in the end which actually convinced the Government that it should take out of the Bill something which was in it when it completed its passage in another place; which has sustained all the arguments which the Opposition put against this Bill. There has also been a fair amount of debate and argument in the community.

Was it that the Government, or the Minister who was more reasonable, read *The West Australian* of 14 April, which said that Western Australia seemed likely to end its financial year with Australia's highest rate of State tax increases?

Hon. J. M. Berinson: No it was not.

Hon. P. H. WELLS: That is just one possibility. This is what the report said—

> These show that West Australians will look back on a 20 per cent rise in State taxes in 1983-84.

Several members interjected.

Hon. P. H. WELLS: That is just one possibility. The reasonable Attorney General tells me that did not sway him, although it is interesting to note that that same observer said—

Hon. J. M. Berinson: That will not stop me.

Hon. P. H. WELLS: —that some observers believed that the State had imposed big tax rises this year, ignoring the spirit of the national economic summit in Canberra. It went on to say that State taxation rises included payroll tax, stamp duties, motor taxes, and other things. If that was not the particular reason, Mr Attorney, I wonder whether it was the Opposition's reminder.

Hon. J. M. Berinson: Wrong again.

Several members interjected.

Hon. J. M. Berinson: Could we have a third alternative?

Hon. P. H. WELLS: In view of the Attorney General's anticipation, I wonder whether he would interject and tell me what I was going to say.

Hon. J. M. Berinson: You were going to refer to the effectiveness of the Opposition representations.

Hon. P. H. WELLS: That might have been part of it, but I was going to remind the Attorney—

The DEPUTY PRESIDENT (Hon. D. J. Wordsworth): Order! I suggest that the member should talk about what is in the Bill now.

Hon. P. H. WELLS: I am talking about what is in the Bill at this moment; that is, the inclusion of insurance agents and payroll tax. I understand on good authority the Government intends to withdraw the provision. I am asking the Attorney whether, for instance, it was the reminder of the Opposition that the State Labor Party gave an undertaking not to increase payroll tax.

If we ever pass this Bill in its present form, it will belie the words in the document headed

"Small Business Growth and Development", and issued by Mal Bryce, MLA, who, as I understand it, is the Minister.

Hon. Robert Hetherington: You mean the Hon. Malcolm Bryce?

Hon. P. H. WELLS: Yes. Mr Bryce not only said that the then Opposition would take action to abolish payroll tax, but also spent some time in attacking the then Government, saying that small firms had to endure a growing taxation burden. I nearly laughed when I read that. What is this Bill doing if it is not increasing taxation?

I wonder whether the reasonable Attorney could say that that was not in line with the Government's small business policy, and therefore he should alert—

Hon. P. G. Pendal: A 20.9 per cent increase in the last year.

Hon. P. G. WELLS: Yes, and if the Bill were passed in its present form, it would mean a further increase.

I wonder whether the Attorney recalls what his leader said when in Opposition. Mr Burke made a series of statements indicating that payroll tax of the sort proposed by this Bill was a disincentive to employment. If it is a disincentive to employment, all of a sudden the Government may have looked at the employment figures and said, "By golly, we had better not start putting on another tax that is a disincentive". In fact, the present Treasurer is recorded in *Hansard* in November 1982 as saying that payroll tax is a punitive tax and a disincentive to employment. In case he did not make that clear, in another statement he said that payroll tax increases would have an effect on private employers and on job creation in the private sector. I could give a number of instances of such comments. It may not have been the Treasurer's words that led to the change; it may have been the Attorney's recollection of his own words, and he may have been fearful that they would be quoted at him, so he decided that he would put forward this amendment. On page 5474 of *Hansard* of 17 November 1982, amongst other things, the Hon. Mr Berinson said—

> It is a tax on employment, which concurrently feeds inflation.

Hon. P. G. Pendal: Who said that?

Hon. P. H. WELLS: The Attorney General, when in Opposition.

Hon. J. M. Berinson: You are getting warmer now. Can we stop there?

Hon. P. H. WELLS: It may well be that not one of those comments resulted in the present position, but the sum total of them has led to the Government's changing its stand. I gather that the reasonable Attorney is responsible for this amendment, although I guess he would have to convince other people that it should be put forward. Did the mobilisation of the industry influence him as to the reasonableness of the claim? I know he would have received representations from the Life Insurance Federation of Australia as to this provision's effect upon the life insurance industry in this State. He would have received representations from the Insurance Council of Western Australia. It is quite probable that he also received representations from the Life Underwriters' Association—the people who earn their living as life insurance agents.

The industry may well have influenced the Attorney, because I am certain he would have read the submissions it made. I trust he made contact with the organisations because, if I am correct, the previous Minister did not have much contact with them. I hope that the Government answered the representations it received from the industry.

I am reminded that a similar measure was introduced in a more punitive way in Victoria. The principle embodied in this Bill treats commission as wages. The Cain Government in Victoria introduced a Bill which went a little further, and it included Amway distributors and Avon ladies. The Cain Government met its match when it decided to take on the Avon ladies, and the Direct Selling Organisation immediately set about opposing the Victorian Bill. I believe its members jammed the telephones of members of Parliament and took to the streets. Very quickly they convinced the Cain Government that it was time to back off.

Hon. Graham Edwards: Another reasonable Government.

Hon. P. H. WELLS: It may be that the Cain Government became reasonable after the industry put forward its case and gave a clear demonstration of the likely effect of the legislation.

Hon. W. N. Stretch: When you are looking down the barrel of the cannon, it is easy to be reasonable isn't it?

Hon. Kay Hallahan: That would not be standover tactics, would it?

Hon. P. H. WELLS: They were fighting to present their point of view.

Perhaps the industry in this State presented to the Government a fair amount of evidence which may well have helped to persuade the Government that it was reasonable to depart from its stand, or did the Government listen to the arguments of the Opposition? The Attorney said, "No, we didn't listen to the arguments of the Opposition". If that

is true, I am sad, because I hope the Attorney is listening to me this evening.

I assure the Attorney that the night is still young, unlike the time we were debating the financial institutions duty, when he was overworked and apparently went into meditation. Tonight I trust I have his full attention on this Bill.

Hon. J. M. Berinson: We ought to be able to sell tickets, you know.

Hon. P. H. WELLS: I am glad I am not boring the Attorney General.

The Government's proposal is for a punitive tax. Let us consider a matter which the Government may not have considered. It may not have realised exactly what it is doing by withdrawing the paragraphs proposed to be deleted. Let us take the situation in which Elders is the agent for an insurance company, with people working in remote places in the north. Those people would receive commission on various policies, and under this legislation commission is to be considered as wages. Under the provisions of this Bill, Elders would have paid payroll tax on the commission, and the insurance company would have paid payroll tax on the amount that would normally have been paid to Elders, Wesfarmers, or the other agents in the State.

Hon. J. M. Berinson: I just want to confirm that you are aware that this whole discussion on insurance agents is irrelevant, given my circulated intention to withdraw that part of the Bill.

Hon. P. H. WELLS: That has the Attorney's support?

Hon. J. M. Berinson: It is my amendment.

Hon. P. H. WELLS: I have seen the piece of paper that has been sent around the Chamber, but I was not sure whether the Attorney would disclaim it, as happened on a previous occasion.

If that provision remains in the Bill, it would mean that on some occasions tax would be paid three times on the same money.

Hon. John Williams: That is why he put up the amendment.

Hon. P. H. WELLS: The provision would have had the effect of triple tax. Payroll tax would be charged on the commission, payroll tax would be charged in respect of the staff employed by the company, and stamp duty would be charged on the life insurance policy.

We are indebted to the Attorney General for his reasonableness. The Government has seen fit to bring forward, in this House of Review, a review of legislation. I accept that the piece of paper that has been circulated will not be withdrawn but will have the support of the Attorney at a later stage.

I move on to other points. I am glad the Attorney has been reasonable about that matter. It may be that his reasonableness will continue. I shall test it now.

I shall raise questions about some of the other clauses of the Bill. I refer specifically to the clause which relates to a person obtaining permission to defer the payment of payroll tax or to pay it in instalments. It is proposed that he will be charged interest at the rate of 20 per cent. Does the Attorney call that reasonable? I do not.

If the price of Vegemite increased by 20 per cent, the TLC price watchers in the supermarkets in the Eastern States would be saying that people should not buy it from the outlets where that had occurred. Surely the interest rate in this situation should be the bond rate or a rate which reflects the loss of income on the money. My understanding of the purpose of the provision is that someone who pays his payroll tax when it is due will not be disadvantaged because another person obtains permission to pay it over a 12-month period. However, it seems to me that 20 per cent is an excessive interest rate and the Attorney should consider some other rate, such as the bond rate.

The Government argues that it wants to keep prices down. A small businessman who has a problem with his cash flow may apply to the commissioner for the deferment of payment of his payroll tax. He may be permitted to pay it off under an arrangement, and he would be caught under this clause and may have to pay interest l at 20 per cent.

Hon. J. M. Berinson: The commissioner has the discretion to charge less than 20 per cent.

Hon. P. H. WELLS: The provision says, "may"; that is, providing he can get through the red tape and his application is successful.

It would be more reasonable if the interest rate reflected the market rate. The interest rate paid on car loans by members of Parliament is related to the bond rate. I am sure most people would agree 20 per cent is an excessive interest rate.

If one appeals against one's tax assessment and one wins the appeal, no interest is paid on the money which the Commissioner of State Taxation pays to one as a result of the appeal. The sort of person affected by this provision would not have a cash flow. He would have an overdraft from the bank on which he would have to pay interest and he could not afford to pay 20 per cent on his deferred payroll tax. However, such a person would have to pay interest on that money, whereas

the Commissioner of State Taxation does not have to pay interest on money he owes.

The people who experience problems in this area are small businessmen building up their businesses. They will be the ones to set the scene and employ people tomorrow. The Government is hitting them when they are in trouble, whereas it should be helping them. The Government should amend that provision in the Bill.

Another aspect of the Bill I find interesting relates to charities. A whole host of organisations, departments, and people are exempt from paying payroll tax under the Act. The Bill extends that exemption to the extent that ministerial discretion will be provided in that area. Therefore, if one is in the Minister's favour, one will be all right, but if one is not, tough luck.

What is the purpose of that clause? Surely the Government would not give the Minister the authority to exempt people from paying payroll tax unless the situation was not covered properly already. Could the Attorney explain the necessity for the extension of that exemption under which people will be able to make representations to the Minister and their cases may be decided on the basis of their political affiliations?

The potential exists for the misuse of this provision, regardless of which party is in Government, as long as ministerial discretion is contained in the Act. Why was it necessary to include that provision in the Bill, because it is dangerous?

Hon. J. M. Berinson: In what form would you include it?

Hon. P. H. WELLS: I would not include it at all. Are the provisions in the Act not working or are they not wide enough?

Hon. J. M. Berinson: Yes.

Hon. P. H. WELLS: If that is the case, could the Attorney tell me specifically the cases which made it necessary to include this provision? I am at a disadvantage, because the Attorney is privy to information in respect of the claims which go before the commissioner and the recommendations he makes. Could the Attorney provide details of them?

A legitimate argument could exist in respect of this provision, but we could be leaving the situation open to abuse and to the granting of political favours.

This is a small Bill and it is marvellous how much is contained in it. Presently the State Taxation Department has to prove a person is under an obligation to pay payroll tax. Am I correct in understanding the onus of proof is to be changed as a result of the Bill so that it will lie with the person, who will have to prove he is exempt?

Hon. J. M. Berinson: To which clause are you referring?

Hon. P. H. WELLS: What is the effect of clause 6 of the Bill? Will it have any effect as far as the onus of proof is concerned?

Further provisions in the Bill relate to technicalities and it is reasonable to support them. However, some provisions in the Bill test the Attorney's reasonableness and I refer specifically to the proposed interest rate of 20 per cent on deferred payments of payroll tax. The Attorney should reconsider that, bearing in mind its likely effect on small business.

I welcome the Government's initiative in introducing the amendments and I trust it will consider further amendments in Committee.

HON. G. E. MASTERS (West) [9.50 p.m.]: Like my colleagues, the Opposition members in this House and in another place, I am amazed at the way the Government introduced this legislation, more particularly the form in which this legisation was presented in another place and in this House.

It was obvious from the debates in another place that some of the provisions of the Bill caused great concern and there was a great deal of debate, heated at times, when the Government refused to give way. There has been a change of heart.

Almost every day in this session we have had legislation brought forward in this place and in another place which appears to come to members of Parliament with no consultation and discussion as far as the public are concerned. Because it is happening every day the legislation goes on to the Notice Paper in Parliament and when the public find out about it they are often up in arms, asking what the legislation is about.

I refer to the Government's promise made prior to the election when it said it would negotiate and discuss these things. It is not doing it. Already today we have dealt with another piece of legislation, the superannuation Bill, which the Opposition considers was not publicly discussed. The comments coming back to the Opposition indicate that there has been no discussion and no negotiation.

Hon. Lyla Elliott: When you were Minister for Labour and Industry did you ever consult the trade union movement on industrial legislation?

Hon. G. E. MASTERS: I should not answer that question because it is going away from the Bill. If the member would like to look at Mr Dans' speeches in the past she will find that I did have lengthy discussions with Peter Cook and his colleagues. He was a member of a consultative tripartite committee.

The Government simply does not consult. The Government introduces legislation and then all hell breaks loose and it runs for cover. This is what happened today.

The insurance industry has come along to the Opposition, Government members, and the Minister handling this Bill to say, "It is wrong, why have you not discussed it with us? We want you to change it". The Government is prepared to change the legislation. Mr Berinson said it shows how reasonable the Government is. People should not have to put up with situations of fear and trauma when they have a genuine worry about the future of their business—employees and employers, small businesses—and they are faced with legislation of this sort and have to try to recover their ground.

They should not be placed under this pressure. If the Government were performing its proper function and going about its business in the proper way, those agents in the insurance industry would not have to go through all this trouble. Admittedly, they have gone through it and succeeded because the Government has backed off. The Government made certain promises to small businesses. That is what this Bill partly dealt with, because the Government said in its pre-election promise, and I quote—

> Small business, new growth and development:
>
> The State Labor Government will take positive action to reverse these trends by implementing a new and innovative programme for independent small business development in our State. In summary, a State Labor Government will take action to abolish the payroll tax.

Today we have another broken promise. In 1983 the State Government enjoyed an increase in payroll tax returns. In that year the payroll tax return was $254 million. In 1984 it is expected to be $272 million. With FID charges and the added, increased Government charges that the Hon. Peter Wells has mentioned, the public—and particularly small businesses—are being weighed down to the ground with increased costs and charges. No wonder the small business people involved in the insurance industry were up in arms. How much can they take? It is unfair, it is double and treble-taxing on the same money.

No negotiation took place with the insurance industry and the Government intended to make changes without this consultation. It was only after the intense pressure applied by the Opposition in another place that the Government had a clear indication that the Opposition in this place would take a strong line rather than suffer the consequences, and the Government decided to move its own amendments. All credit should go to it—at last the penny dropped. It should not have gone this far. I suggest that if the Government members had not thought that the members on this side of the House were prepared to take strong action in the general interests of small business and the insurance industry it would have stood firm and gone forward with the legislation. They were flayed in the Legislative Assembly and now they have had to back off. The end result is that the industry has got what it wanted and the Opposition is certainly pursuing the principles which it has always made publicly quite clear.

The Hon. Kay Hallahan shakes her head. If she wants to vote against the amendments she can do so. We would be interested to hear her comments on the legislation and the reason the Government introduced it. I am sure she would have considered this matter in Caucus and made a decision at that time. I would be very interested to know why she has changed her mind.

Hon. Kay Hallahan: I thought you just spelt it out.

Hon. G. E. MASTERS: It should have been spelt out in Caucus. It is obvious that members of the Labor Party have very little understanding of the problems facing the business community today.

I support the comments by the Hon. Peter Wells about the 20 per cent interest charge. It is unreasonable that that sort of charge should be levied on people who may have financial difficulty and some liquidity problems. They think they have a justifiable objection to the payroll tax. If they do not pay the required payroll tax within the time specified, 20 per cent interest may be levied against them.

The Bill provides that that 20 per cent may be reduced at the discretion of the commissioner. Members know that if there is a possibility of placing a 20 per cent interest charge on money owed to a Government department, that 20 per cent is not only the maximum; it also becomes the minimum. It is a fact of life. I would be very pleased if the Minister handling this Bill, in a few months' time would tell us that people are being charged only 14 or 15 per cent—the ordinary bank interest rate. To charge 20 per cent would be unreasonable if the Government is genuine in its intention to accommodate some people who are in a difficult position.

It is thanks to the insurance industry and the Opposition that the legislation has been changed and we will support the amendments to be introduced by the Minister handling the Bill.

HON. MARGARET McALEER (Upper West) [9.59 p.m.]: The central provisions of this Bill and

the proposed amendment which, I might add, negates them, have been dealt with effectively by my colleagues, the Hon. Peter Wells and the Hon. Gordon Masters.

Hon. J. M. Berinson: You are too generous.

Hon. G. E. Masters: Just honest.

Hon. MARGARET McALEER: It is still apparent that even with this very welcome if not astonishing amendment, the Government is pursuing a course it set last year, when, under cover of raising the threshold of payroll tax, it eliminated the concessional rebates to employers at the top of the range. The Government gives something with one hand and takes it away with the other. Sometimes it takes away more than it gives—in a pseudo Robin Hood gesture.

Hon. N. F. Moore: A high taxing Government.

Hon. MARGARET McALEER: In the present amending Bill the Government does give relief in the case of appeals or objections but, as expressed by my colleagues, at the same time it imposes what one must say is an extortionate rate of interest on those who are obliged to seek deferment or to pay the tax by instalment. The Government claims it is doing this on the principle of equity, but it is very likely to be a spurious claim when one considers that anyone who needs to seek a deferment of the tax is likely to do so because he cannot pay it and, after all, one of the inequities of this taxation is that eligible employers are obliged to pay it whether they are in a profit or loss situation. The maximum rate of interest of 20 per cent seems to be really usurious; it is all very well to say that there is a discretion as to the rate of interest charged, but Governments are not known for their generosity to taxpayers or, for that matter, their generosity to people to whom they owe money. Governments are very quick to demand payment of money owed to them and are notoriously slow to reimburse the money that they owe. Governments aggravate the offence by making money out of the money which is withheld. This may be of benefit to all taxpayers, but it is no consolation to the unfortunates who have to wait to be paid for their services. As the Hon. Peter Wells has pointed out, it will not be any consolation to those who are not being paid interest on the money that they well may not owe when their appeal has been heard.

Another concession which the Government proposes in this Bill is the widening of exemptions and it is apropos an exemption that I wish to speak, although I do not believe it is covered by this clause or that it even could be. I refer to an exemption for country high school hostels, those hostels which are the responsibility of the country high schools hostels authority. Although this exemption could not be covered under the proposed exemption clause and in fact would have to be inserted into the principal Act under exemptions, I make no apology for raising the matter now because, as the Minister would know, the authority has been seeking to have its hostels—which under the Act are liable for payroll tax although they do not all incur it—exempted from payroll tax on the grounds that they are non-profit making institutions which are an integral part of the schools to which they are attached and that they are controlled by autonomous committees. The schools themselves are of course specifically exempt, whether they are day schools or boarding schools.

A particular reason for seeking this exemption is that certain hostel committees believed that they were exempt and got a very rude awakening when they were billed for back payroll tax. The most severely affected was the Northam hostel, the indebtedness of which was such that there was no way it could pay its back tax. Members will perhaps recall that while the country high schools hostels authority has overall responsibility for these hostels, they are all operated by local committees to which the authority delegates its powers and are therefore largely autonomous. Some of these hostels were run for the authority by the Anglican church which believed, wrongly as it turned out, that as religious bodies they were exempt from payroll tax.

The situation was further confused by the fact that the only private school hostel, Swanleigh, which wholly and solely belongs to the Church of England, was exempt from payroll tax. I think even it was investigated quite recently by an officer of the Taxation Department, but the diocesan office was able to show quite clearly that Swanleigh was an unincorporated body, an arm of the church as it were, and under the control of the Church of England trustees and so in fact was exempt.

This is quite a different case from the school hostels which operate under the aegis of the country high schools hostels authority which is an incorporated body acting on behalf of the State Government.

The school hostels were not the only Government-sponsored bodies which wrongly thought themselves exempt. *The Australian* of Wednesday, 2 May carried an article under the heading, "Government discovers a top tax avoider in one of its own boards", which reads as follows—

> State taxation officials in Western Australia have been investigating a tax avoidance case involving one of the Government's own statutory authorities.

> Through its own admission, the Builder's Registration Board revealed it had failed to pay any payroll tax for the past 35 years.
>
> The board's avoidance has proved so successful that the Taxation Department agrees it is too difficult to calculate how much is owed.
>
> The department said it had reached an agreement with the board and had charged it $31 578—the equivalent of only five years in back taxes.

The Northam hostel was in much the same position in the case of country high school hostels. Of course, only the larger hostels get caught in the payroll tax net. In my own province the Geraldton Protestant Children's Home Inc. which operates both Della Hale Girls Hostel and John Frewer Boys Hostel pays payroll tax. In 1982 this totalled $8 249.30 and in 1983, $6 170.70. The awakening of this body came some 15 years ago when the committee was instructed to pay payroll tax; it paid its back taxes, and has paid in full ever since.

This committee and these hostels have always been among the most successful, popular and financially well-based of all the country high schools authority hostels, but, although financially sound, they would be able to provide better amenities for their students if they did not have to pay payroll tax. On the other hand, the raising of the tax threshold has now removed the St. James Hostel at Moora from the payroll tax zone, but it was only late last year that it had to pay some $2 000 in back tax, and with rising wages it may well find itself back into the taxable category quite soon.

The chairman of the St. James Hostel committee expressed the committee's view in this way—

> We feel that hostels such as ours, run as a non profit organisation, using money from parents which has already been taxed (income tax) is an inequitable tax.
>
> The hostel is exempt from FID and BAD taxes and we feel should also include payroll tax.

Anyone who knows anything at all about country high school hostels knows that financially they tend to live on a knife edge. They endeavour to keep their fees as low as possible and unless they have almost 100 per cent occupancy they are scarcely able to keep their heads above water. They are most important institutions in the country because the alternative for parents who do not live within reasonable distance of a high school is to send their children away either to private boarding schools or possibly to board their children in Perth or in a town with a high school. In some cases families have been obliged to split up so that the mother lives in Perth while the children go to school there as day scholars.

These choices, if indeed they are available, are either much more costly to parents, as in the case of boarding schools and perhaps a second home, or else—where private board is obtained—may be unsatisfactory either from an education or supervision point of view.

One must bear in mind that only one school hostel—Swanleigh—is available to country children in Perth. It is held in very high esteem, but it cannot cope with the demand.

Most parents are willing to make considerable sacrifices to educate their children. The Government does assist with the ICP allowance but nevertheless private school fees may still be beyond the parents' means. St. James Hostel, for instance, charges $800 a term and the children attend the Moora Senior High School where they do not incur tuition fees. Other hostels in the main charge under $1 000, and the fees may be $900 or $950 a term, while the average charge for a private boarding school in Perth would be about $2 000 a term. Of course, this includes tuition fees as well as boarding. But tuition fees are not incurred by children attending Government high schools, although there are some costs, such as books, associated with them.

When the hostels incur payroll tax that, of course, either must be built into the fees as an additional charge or the hostel must go without desirable improvements, or both.

Although the Government would not accept the amendment moved in the Legislative Assembly to exempt these hostels, I hope it will look at the case as soon as possible and give serious consideration to drafting exemptions along the line of that for schools in section 10 of the Act, which provides for exemptions.

HON. J. M. BERINSON (North Central Metropolitan—Minister for Budget Management) [10.12 p.m.]: It is a sad conclusion to arrive at so early in life, but I have been forced to the conclusion that there is no justice in this world. Last week we moved to reduce the financial institutions duty and we were subjected to a tirade for that.

Hon. N. F. Moore: That was because you did not do what we asked before.

Several members interjected.

Hon. J. M. BERINSON: Tonight I gave advance notice that the Government proposed to delete from the payroll tax Bill a provision that everyone wanted us to delete, and we had Mr Wells, for at least 20 minutes, demanding to know the reason.

Several members interjected.

Hon. J. M. BERINSON: At last count he had suggestd 10 possible reasons for that.

Hon. P. H. Wells: Can you tell us one?

Hon. J. M. BERINSON: Yes, I will tell the honourable member one. It may be too simple for his taste, but the fact of the matter is that we changed the Bill because we decided we had made a mistake. That is the reason. We came to the conclusion that the Bill, as drafted, went further than we had intended to go. That conclusion was assisted in a number of ways, including representations by the industry—not, I might say, by demonstrations in the street or jammed telephone switchboards; nothing as dramatic as that—

Several members interjected.

Hon. J. M. BERINSON: —just a few circulars with a few reasonable propositions put to us. We realised we had made a mistake.

Several members interjected.

Hon. J. M. BERINSON: I hope I did not distress Mr Masters by saying that.

Several members interjected.

The DEPUTY PRESIDENT (Hon. P. H. Lockyer): Order! Order! I suggest the Minister for Budget Management direct his comments to the Chair. I will not tolerate any further interjection. If the Minister will co-operate, I would appreciate it.

Hon. J. M. BERINSON: The last thing I would want to do is distress Mr Masters, but that is the long and short of how it happened. The consideration which led to that conclusion started at the point at which debate was under way in the Legislative Assembly. The Government was not in a position to concede the point in the course of that debate, due to the pressures of the Chamber at that time.

Further discussions ensued, and in a way which is very normal, the matter was put aside for further consideration when it reached the Council. In the meantime, I have had the opportunity to discuss the issues which are involved in this part of the Bill with representatives of the insurance industry.

Hon. P. H. Wells: Good for you.

Hon. J. M. BERINSON: Let me elaborate on a comment I made a few moments ago. So far as I can recall it was not a question of the industry battering at the door. I received nothing other than standard form circulars which apparently went to all members of Parliament. On the basis of that limited approach I took the opportunity last week, in anticipation of having to deal with the Bill here, of inviting representatives of the general insurance industry and the life insurance industry to discuss the matter with me.

Members who have taken an interest in the debate in the Assembly will know that the Premier indicated there that this Bill did nothing more than revert to the position which applied before the Privy Council case to which I referred in my second reading speech. That was what we intended the effect of the Bill to be, but further consideration of its actual terms has led us to the conclusion that the Bill, as drafted, does go further. It goes into areas which clearly do not involve employment, or the payment of wages at all. We did not want to go into those areas.

That is not a simple matter to remedy, and that is the reason I have not circulated an amendment which restricts the payment of payroll tax to certain cases. What I have done in the circulated amendment is to withdraw those provisions altogether to allow us to consider a further amendment at necessary leisure. It is a difficult drafting exercise to make a satisfactory distinction in those borderline areas between the so-called contract for service and the contract of service. Rather than rush that exercise, the Government has decided to put it to one side altogether for later and more leisurely consideration. That is what we have done.

With the proposed amendment, the most contentious of the issues which have been raised in this debate are met. There are other questions. For example, it has been asked whether the proposed rate of 20 per cent on deferred or instalment payroll tax is not excessive. To that I can only say that we have taken a lead from the provisions of the Income Tax Assessment Act and that, so far as I am concerned, has not been regarded as unreasonable.

The Bill contains a particular additional proviso which gives the Commissioner of Taxation a wide discretion to impose an interest rate at some lower figure and indeed, to waive it altogether. We would expect that to be applied sensibly and sensitively, and that it should not give rise to any difficulty.

The problem with the present system is that it can provide an incentive to taxpayers liable to payroll tax to use delayed payments in the nature of an extension to their overdraft, so to speak; that is, getting the use of relatively cheap money at the expense not of the Government, but of other people who pay their taxes in full and on time. This is to counter any such incentive and is in line with similar provisions in other taxing Bills.

Another question was raised as to the inclusion in this Bill for the first time of a discretion in the Minister to permit an exemption from payroll tax

in full or in part, and subject to conditions where necessary, of charitable organisations. That is not as was suggested by one speaker, a pork-barrelling exercise for the purpose of accommodating one's friends and ignoring one's political opponents. Not only is that the furthest thing from our intention, but also I think it would take a particularly stupid Minister, let alone Government, to allow a discretion of this sort to be exercised in that way. I am quite certain it would not be exercised in that way, considering we are dealing with charitable organisations, and I would have that confidence whichever of the parties in the Parliament happened to be in Government at the time.

The reason we have moved to do this for the first time is that the current provisions of the Payroll Tax Act have turned out to be too restrictive in terms of the sort of relief which we believe to be desirable. The Act in its present form provides relief for what are referred to as "public benevolent purposes". Again, we are getting into an area of quite technical legal difficulty in differentiating between "public benevolent purposes" on the one hand, and "charitable purposes" on the other. I would not attempt at this stage—and I hardly think it is necessary to go into any lengthy exercise—to explain what the distinction is. I can say however, that it is well-established that the term "charitable" is wider than the term "public benevolent".

We have seen in the last couple of days an example of the difficulty that can arise through the more restrictive application of the term "public benevolent purposes". Members may have noted the Press reports about the imposition of payroll tax on the emergency housekeeper service. The Commissioner of Taxation at whose discretion these matters are determined that the housekeeper service did not come within the scope of "public benevolent purposes" for the purposes of the Pay-roll Tax Act. As it happens, I think it can be fairly said that that itself involved a decision right on the borderline and I have asked the commissioner to review his decision irrespective of the outcome of the present legislation. I understand he is doing so at the moment.

Not being aware in detail of the nature of the housekeeper service, I do not want to go so far as to commit myself to saying that it would come within the description of a charitable purpose, but I think the odds are very high that it would. That is the sort of situation to which we are trying to move.

I should add that, although we would all like to be generous and accommodating in these matters, there is a great need for care in the extent to which we go in accommodating requests for exemptions. On the one hand, there is the important consideration that we have to protect the revenue. Any revenue forgone in one way has to be met in another. On the other hand, there is also the consideration of equity between taxpayers and taxpaying organisations. One has to be cautious about selective benefits for one or another.

As it happens, people who are concerned with Treasury matters are constantly getting requests for exemptions from all sorts of taxes—payroll tax, stamp duty, FID, and others—and these are often based on the proposition that non-profit organisations ought to be exempted from the whole range of State revenue instruments. I believe that is not within the State's capacity. There is a huge number of non-profit organisations in the State, some of them of very large size and some engaged in activities which are very close to business activities, no matter how in the end they use their funds. I doubt very much that we can become so liberal in these respects as to accommodate all the requests that are made.

For that reason, we are moving rather tentatively in the payroll tax area to further exemptions, and we are doing it in the way that appears in clause 5; that is, providing the Minister with a discretion to exempt charitable organisations, subject to such conditions and to such an extent as he determines. I believe that is an extension of the exemption which will be widely welcomed, and that after further experience with it, we may be in a position to allow that exemption to become either more automatic or more general. For the moment, however, that is as far as we can go, and I think it will be widely welcomed and helpful to a number of organisations which are anxious to see it through. I urge the House to support the Bill.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (the Hon. John Williams) in the Chair; the Hon. J. M. Berinson (Minister for Budget Management) in charge of the Bill.

Clauses 1 and 2 put and passed.

Clause 3: Section 3 amended—

Hon. J. M. BERINSON: I move an amendment—

Page 2—Delete paragraphs (a) and (c).

Hon. P. H. WELLS: I welcome the Government's move in this area. However, I ask the Minister whether it is correct that there is a possibility in the next session of Parliament that the Govern-

ment will introduce an amendment to cover certain areas of commissioned agents.

Hon. J. M. BERINSON: The Government's general approach is that it will be looking to revert to the position which applied before the Privy Council case. It is my understanding that that would be an acceptable position from the point of view of the industry.

Amendment put and passed.

Clause, as amended, put and passed.

Clauses 4 to 11 put and passed.

Title put and passed.

Report

Bill reported, with an amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by the Hon. J. M. Berinson (Minister for Budget Management), and passed.

PUBLIC MEETINGS AND PROCESSIONS BILL 1984

Second Reading

Debate resumed from 3 May.

HON. JOHN WILLIAMS (Metropolitan) [10.35 p.m.]: This Bill has on more than one occasion been in this House, not in this form, but in similar forms.

I remember very well that on 29 August 1979 the Hon. Robert Hetherington led for the Opposition and spoke for one hour and 13 minutes on an amendment to the previous Act. On 13 November 1976 we were entertained with a 14½-hour day, the larger part of which was spent in debating section 54B of the Police Act. Varied and many were the accusations thrown by the Hon. Don Cooley and others of the then Opposition of the day about this draconian piece of legislation that was before this Parliament; how small incidents would be heightened, and how we would almost have bloodshed on the streets. It never happened.

I advise the Attorney General from the outset that this Bill is one which is more horrendous than the original Bill. However, the Opposition does not intend to pick up the tab this time and do what the Government should have done; namely look at the amendments. Members on this side of the House appreciate that this legislation was a commitment by the Government during the last election. It made a promise to trade unions to repeal this section of the Act.

The Bill, as it now stands, has one or two defects, but I do not propose to move to amend them. However, I hope that now, in the light of sweet reasonableness of this time of the evening, the Attorney General might consider looking at them because we have before us an issue which must be put to rest once and for all—that is, the right of people to do as they want, when they want to do it, and to do it in the right and proper way.

I would like to quote the words of Lord Justice Scarman in his report of inquiry into the Red Lion Square disorders in London on 15 June 1974. It does not matter who said it and where it was said, but it is evident that it pertains to the position of processions throughout the world. He said—

> Amongst our fundamental human rights there are, without doubt, the rights of peaceful assembly and public protest and the right to public order and tanquility.
>
> Civilised living collapses—it is obvious—if public protest becomes violent protest or public order degenerates into the quietism imposed by successful oppression.
>
> But the problem is more complex than a choice between two extremes—one, a right to protest whenever and wherever you will and the other, a right to continuous calm on our streets unruffled by noise and obstructive pressure of the protesting procession.
>
> A balance has to be struck, a compromise found, that will accommodate the exercise of the right to protest within a framework of public order which enables ordinary citizens, who are not protesting, to go about their business and pleasure without obstruction or inconvenience.
>
> The fact that those who at any one time are concerned to secure the tranquility of the streets are likely to be the majority must not lead us to deny the protestors their opportunity to march: The fact that the protestors are desperately sincere and are exercising a fundamental human right must not lead us to overlook the rights of the majority.

In the same way, Mr Justice Hope in his pamphlet, *The Right of Peaceful Assembly*, published by the Council for Civil Liberties, stated as follows—

> A city like Sydney would grind to a halt if for instance, every day its main streets were filled for hours with demonstrators.
>
> Even if the meetings were to be held in parks, consideration must be given to those people who would want to use the parks for their ordinary purpose.

> The problem is to find a general expression of the qualifications of the right which are justified.

Mr Justice Bright, who will be well-known to Mr Berinson, in his South Australian Royal Commission report put the proposition in the following way—

> A city is a place where citizens of a wide variety of views work and live and, as far as possible, do the things they want to do.
>
> The authorities have a duty to run the city in the interest of all the citizens.
>
> No group, however dedicated, however convinced to the justice of a cause, has a right to insist the city come to a halt, that is to say the citizens should be prevented from carrying out their lawful desires.

Those three eminent jurists have pronounced on a very difficult piece of legislation, regardless of which Government introduces it. The clue to their approach is striking the balance so that one is assisting the protestor on the one hand and protecting the public on the other. We have tried hard and long to get something into order that would not be offensive and would help the community. The previous Opposition found section 54B oppressive. By the same token one has to look at this Bill with a great deal of care. I know the Hon. Lyla Elliott is looking with care because she remembers the last time she spoke on this subject; it was at 1.00 a.m. and she was angry at being called upon at that time to make a speech on what she said was probably one of the most important subjects she has ever spoken about. That occurred on the last day of sitting in 1979; it was a marathon sitting of 14½ hours.

Nevertheless when one looks at this very quietly one can see what the Government has attempted. However, in doing so it has raised a couple of dangers which are not quite apparent to anyone who has not looked carefully at the Bill. The dangers are that under this legislation one may give four days' notice to the commissioner that one intends to march. The commissioner may confirm that he will grant a permit or that he will refuse a permit. The new addition to the Bill is the right to appeal to a stipendiary magistrate. If he upholds that appeal the permit is granted and everybody within that march or procession is then protected from all other reasonable laws. Presumably if they became injured they would have the right of compensation.

I have one argument in this connection: I do not consider four days is sufficient time for the process, particularly if a weekend intervenes. A magistrate must be found, he must listen to the case, make an adjudication, and the organisation be allowed to carry on if the appeal is upheld.

The Council for Civil Liberties looked at it in a different way; it objects quite strongly to this Bill and I will give the Attorney General a copy of its letter outlining the way it wishes this problem to be tackled. The council feels that when an application for a permit is made to the commissioner, if he intends to reject that application he should appeal to the magistrate to ban the march. In this way the civil liberties of the people concerned would be protected in so far as they would not have to dig into their coffers to pay the cost of the appeal. That is the attitude of the Council for Civil Liberties to this section of the Bill.

As far as I am concerned the danger is that where no permit is required, a procession or march may be held and no person can gainsay the participants unless they offend, in the loosest possible terms, against the police. The Government criticised the former Government on the use of the phrase, "state of mind" in its Bills. However, it has been translated into the present Bill. It will be recalled that in the debate on this phrase the then Opposition referred to it as a very dastardly phrase. However, I do not intend to go through *Hansard* because we all say things which on reflection may not be appropriate.

Hon. Kay Hallahan: Under this legislation people can meet. That is the difference.

Hon. JOHN WILLIAMS: I do not think that any people have been refused permission under the previous legislation. Now any mob can spill on to the road at any time. They do not have to be political and unless the police decide that the mob does not look healthy and they do not like it, nothing is done. The police have the right to break up the demonstration.

Hon. Kay Hallahan: If the people are committing an offence.

Hon. JOHN WILLIAMS: It depends on how the police look at it; it depends on their "state of mind" at the time. I realise that at times a protest has no point unless it can be made quickly. However, I warn those protestors that under this Bill they have no protection whatsoever.

Hon. Kay Hallahan: They are not committing an offence.

Hon. JOHN WILLIAMS: If it displeases someone whose "state of mind" does not agree with what is going on, they can be said to be committing an offence and it can rebound upon them in that way.

I now refer to the letter from the President of the Council for Civil Liberties; I quote as follows—

Although the new Bill is an attempt to reform public assembly laws in Western Australia, it falls far short of the expectations of the C.C.L. The main thrust of the new Bill is the removal of the offence contained in Section 54B of the Police Act. The offence related to the organising or participating in any way in a procession, meeting or assembly which did not have a required police permit for the same. However the new Bill still puts the onus on the person involved in a public meeting or procession to obtain a permit. Summary relief, Albeit Limited, is given in terms of an appeal procedure to a magistrate.

In general, the effect of the new Bill is still to make the right to public assembly a privilege and not a right. Permission in the sense of a permit is still required from the police. The controlling criteria for the exercise of the police discretion as to whether or not to grant a permit is contained in words of an ambiguous and loose nature (see criticism at Pages 15-16 of 1983 submission).

The introduction of an appeal procedure provides some relief from the failure of the police to exercise the above discretion or to abuse it. However, with ambiguous and loose criteria controlling that discretion, it would be difficult, if not impossible, to show an abuse or failure by police to act expeditiously in determining any application for a permit. After all the onus is on the organiser or participant in a public meeting or assembly to prove the existence of such abuse or failure to act. This means police decisions may seldom be overruled. Still further, it is doubtful that the right of appeal could be exercised within four days of a meeting or public assembly, assuming notice to the police pursuant to the new bill was given five days before the meeting or public assembly, especially if a weekend should fall within those four days.

Overall, the C.C.L. rejects the new bill. It fails to address the negative effect of Section 54B of the Police Act which is to make the right to public assembly a privilege and not a right. The C.C.L. recommends a notification system whereby anyone giving the appropriate notice is automatically entitled to organise or participate in a public assembly and the onus is on the police to obtain an injunction or order to stop any such assembly that they should oppose. In compromise to the new bill, the C.C.L. believes it may be necessary to give the police the right to refuse a public assembly where notice is not given within four days of the same. In such a case, the onus would be on the organisers or participants in a public assembly to appeal to a magistrate on any decision of the police to refuse their public assembly. In relation to the criteria available for the exercise of the discretion regarding permits, which also controls the magistrate on any appeal under the new bill, the C.C.L. recommends the deletion of criterias (b), (c) and (d) of Section 7(2) of the new bill. After all, any march by a large number of people on a controversial issue at a busy time of the day has the potential to easily be classed as a public nuisance which would give rise to an obstruction of traffic too long and too great for that time of the day and may place the safety of people in danger because of people's feelings about that issue.

The right of large numbers of people to inform the public of their position on a controversial issue at the time when the public will listen namely a busy time of the day in the city, is the whole reason why the right to public assembly should exist without the need for a permit. In addition to this, there are also adequate laws and offences to allow the police to protect the safety of persons in and around any public assembly. Interference with the right of any person to participate or organise a public assembly should only be interfered with in situations where there is a clear danger to the public or individuals and damage to property is highly likely.

It is signed by Brian G. Tennant, president.

I promised the council that I would investigate what it had raised. I have honoured my commitment, but I am not suggesting in any shape or form that we should either move any amendments or oppose the Bill. As I said earlier we believe the Government is committed. It made its commitment publicly and quite distinctly and clearly. It is obvious the council has some members who see defects in the Bill from their point of view. We ourselves see some defects which could give rise to concern at a later stage.

With those few words I will be recommending to my colleagues that we support the Bill.

HON. J. M. BERINSON (North Central Metropolitan—Attorney General) [10.55 p.m.]: I welcome the expression of support from the Hon. John Williams. This leads me to believe that this Bill should not require very lengthy discussion.

The letter from the Council of Civil Liberties which was read into the record is an interesting document, but not persuasive. The problem is that the council works on a basic premise which is simply wrong. This emerges from its comment that "in general the effect of the new Bill is still to

make the right to public assembly a privilege and not a right". That is incorrect. The point of this Bill is that the right of public assembly is provided with or without application or permission, but that right is given, as it must be, qualified by the right of other people to exercise their own legitimate requirements. These may include the ability to drive a car along the street or to walk along the pavement. Whatever that right is, it needs to be balanced against the right of assembly.

That, of course, puts in a nutshell the whole problem of public assembly. It is a matter of arriving at a right balance. In the view of the Government, the balance arrived at in section 54B was undesirable. We have tried to redress that in the present Bill, and I believe that the Bill is self-evidently desirable on that score. With or without a permit, people will have the right to assemble lawfully. If they take the precaution of obtaining a permit, they are protected in all respects, except if the meeting degenerates into disorderly or dangerous conduct. If they do not take the precaution of obtaining a permit, they may still go about their legitimate right to meet or to demonstrate in public, but when they do they must take some greater care that the rights of other members of the public are preserved.

Section 54B was a source of great contention, and with due respect to some comments which have been made to the contrary, it is not correct to say that it did not lead to mischief in its operation. There were some notorious cases of the provisions of section 54B being implemented where people were meeting in areas which were public in a literal sense, but not in a way which interfered with any members of the public. This was a recipe for confrontation, and in those cases where the Administration did not exercise as much discretion as it might have, it led to quite unnecessary confrontation between the authorities and the people meeting for quite legitimate reasons. It is time to redress the balance, and I believe this Bill will do so.

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 the Hon. J. M. Berinson (Attorney General), and passed.

MUSEUM AMENDMENT BILL 1984

Second Reading

Debate resumed from 3 May.

HON. TOM KNIGHT (South) [11.02 p.m.]: The Bill was introduced in another place, and our party indicated that it was supported. In fact, one of our members indicated that the Government should be applauded for introducing the Bill.

The Bill allows for broader recognition of museums, and it allows assistance to smaller, private museums by the appointment of people as honorary associates. Previously, only museums established by municipalities were recognised; and amendments to sections 23 and 37 allow honorary associates to be appointed, enabling them to go into non-municipal museums and undertake work as requested.

The Opposition supports the Bill, and we gather it will have a clear passage.

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 the Hon. J. M. Berinson (Attorney General), and passed.

PENSIONERS (RATES REBATES AND DEFERMENTS) AMENDMENT BILL 1984

Second Reading

Debate resumed from 9 May.

HON. TOM KNIGHT (South) [11.05 p.m.]: I am pleased with the Bill, but I am not sure that it goes far enough. In September last year I wrote to the Treasurer indicating the situation in Albany with the Glenn-Craig Nursing Centre, which is a pensioner frail-aged home that provides hospitalisation, private bedroom-type accommodation, serviced units, and non-serviced units. In other words, pensioners can receive care at whatever level they require it.

The pensioners who bought into the unit system paid from $34 000 to $37 000 for the units, and they are required to pay a proportional part of the rates and taxes. I pointed this out to the Treasurer, and asked him whether it would be possible to take these people into account, as he had indicated that pensioners in Western Australia were to be granted a concession of 50 per cent on rates and taxes for local government rates and water supply

charges, but not on the volume of water consumed. He wrote to me in the following terms—

> Further to my letter of 13th October I am now able to advise on the eligibility of the residents of Glenn-Craig Village for a rates concession.
>
> Section 4(1) of the Pensioners' (Rates Rebates and Deferements) Act requires a pensioner to own and occupy the property on which a rates concession is sought.
>
> The residents of the Village are not the legal 'owners' of the properties concerned but have an Agreement, to occupy a unit. Their occupancy can be terminated upon the occurrence of any of the five events detailed in the Agreement and they are unable to dispose of their right of occupancy.
>
> Regretfully, it is not possible to provide a rebate of rates to relieve the residents of the charges they appear to be legally obliged to meet.

I followed up my letter with another one to the Treasurer suggesting that he move in the Parliament to allow these people to gain the concession. I pointed out that if pensioners throughout Western Australia were to be granted a rates concession, a small number of them would not be covered because they did not own their own properties, yet they had sold their own homes, on which they would have been eligible for a concession, and moved into a nursing home situation, taking over a cottage or unit in the grounds of the complex. On that basis, they would not receive the 50 per cent concession they would have received had they stayed in their own homes.

Hon. J. M. Berinson: Is the development you are referring to a commercial complex, as opposed, say, to a church-sponsored development?

Hon. TOM KNIGHT: I believe it operates as a commercial complex. The residents are still charged a proportion of the rates and taxes. If we are to do the right thing and give pensioners an exemption, why do we penalise the pensioners who have chosen this sort of accommodation?

The Glenn-Craig Nursing Centre is a magnificent complex. It is wonderful for pensioners who have modern amenities in the complex. If they reach the stage of leaving the complex, either by their demise or moving to another place, the money they paid initially is paid back, and the unit is sold to another pensioner.

Hon. J. M. Berinson: But isn't the difference that, in those cases, we are not dealing with the people who own the property at all?

Hon. TOM KNIGHT: The point is that it is owned by the group under a complex situation. Clause 3 reads, in part, as follows—

> (b) in the case of land of which a corporation is the registered proprietor in fee simple, if the person is entitled to the use, occupation and enjoyment of that land, or the specific part of that land to which the payment relates by virtue of a shareholding in that corporation held by that person expressly conferring that entitlement;

These people are shareholders. They pay a substantial sum of money to the owners of the complex of which, as the Bill says, "a corporation is the registered proprietor".

The Government is seeking to pass a Bill tonight which I support almost completely, but a sector of the public made up of pensioners—the Attorney and I will be pensioners one day—should be covered by it. Why should a group of people who are paying rates and taxes, even though they may do so through a corporation, be prevented from obtaining an exemption which the Government has decided should be given to all pensioners? In fact not all pensioners will obtain that exemption and the Government is discriminating against some of them. The pensioners in this group relieve the public of the cost of some of the support services which are necessary for aged people who live in their own homes. I refer here to the Silver Chain Nursing Association Inc. services, discounts on telephone charges, and the like. All these things are required in order that aged people may remain in their own homes.

The people about whom I am concerned are well-catered for in this complex. We want to look after these people and I want to know why they have been exempted from the provisions in the Bill. I am worried about the wording of the Bill; if these people are not actually shareholders they may not be covered. If they are lessees or part of a unit trust, they will be covered. However, these people have paid a lump sum and nothing appears on the title of the land or in the name of the corporation which indicates the position.

I am sure members have heard of the group of nursing homes known as Craigcare which exists throughout Western Australia. I am not sure of the background to this matter. The Bill was introduced in this House last week and I have not been able to obtain the details as to whether the people involved are unit holders, shareholders, lessees, or the like. I am sure the Attorney would be as upset as I am if the Bill were passed and it removed an entitlement of pensioners in this State.

Hon. J. M. Berinson: This Bill will certainly not reduce anyone's entitlement.

Hon. TOM KNIGHT: Thousands of people throughout the State live in Craigmont, Glenn-Craig, and similar institutions. Perhaps I or the Attorney could follow up this tomorrow, because if these people are to be excluded from the provisions—and there are thousands of them living in this type of accommodation—

Hon. J. M. Berinson: I don't think there are. The great majority would be in church centres, rather than commercial centres and, of course, church centres have their own access to concessions.

Hon. TOM KNIGHT: We have church centres and lodge centres. The Freemasons have a centre in Albany, as do the Lions. We are not talking about church centres only.

Hon. J. M. Berinson: But the great majority of these people would be in non-profit centres.

Hon. TOM KNIGHT: The people who live in centres operated by the Lions and the Freemasons have some sort of title and they are eligible under the provisions of the Bill. However, there are a dozen institutions such as Glenn-Craig and Craigmont in Perth and even if there are only 100 people in each institution, we are looking at 1 200 people altogether. Therefore, in one group of institutions, over 1 000 people would be involved. I would hate to think it would be necessary to amend the legislation next year to ensure that no pensioners in Western Australia miss out on the benefits contained in the Bill.

When I wrote to the Premier he said that the Act, as it stood, did not cover this group of people. As I read the Bill it virtually lines up with the letters I have written to and the replies I have received from the Premier. The Premier said he sympathised with the people in that situation and it would be necessary to draft legislation, which I suggested he introduce, in order that these people could be helped, because they fell into a different category from pensioners who decided to stay in their own homes, and those who are covered by the Bill.

Hon. J. M. Berinson: What about the pensioner who lives in rented premises? He is not subject to the rebate.

Hon. TOM KNIGHT: But he does not pay rates and taxes.

Hon. J. M. Berinson: No; but rates and taxes are built into the rent.

Hon. TOM KNIGHT: How does one work out which part of the rent relates to rates and taxes?

Hon. J. M. Berinson: You have to agree that it is a component of their rent.

Hon. TOM KNIGHT: The owners of many rented houses in country towns are not breaking even on their investments. I would not own and rent a house at present. I would not be able to break even after paying rates and taxes and all the other charges. The Attorney said the rent would cover rates and taxes, but a pensioner could not afford to rent some of these places if the rent covered rates and taxes. Indeed, many young people would not be able to afford to rent a place in the country at the same rate as is charged in Perth.

Rents charged for houses in the country are dirt cheap. Houses are rented at $25 or $30 a week. If one takes the minimum cost of a house and takes into account interest rates charged, one would not be showing a passbook return on the investment.

I am speaking on behalf of the thousands of pensioners who may be eliminated from receiving this benefit. I should like to know whether they will be exempt from or included in the provisions in the Bill. I am sure the Attorney feels the same way as I do. We are trying to do something to help aged people whom we respect. We want to look after these people and we should not let the Bill slide by without determining whether that group of people will be looked after.

It would be quite simple to ascertain the position. One of us could do so tomorrow. We could find out whether people who live in these types of nursing homes where a substantial sum is paid initially, as if they are buying something, will be covered by the legislation. I would hate to think the agreement which is drawn up would eliminate them from the benefits contained in the Bill. A simple telephone call to the principals of Glenn-Craig or Craigmont will assure us of the position.

Perhaps we should deal with the Committee stage of the Bill tomorrow in order that the Attorney will have time to check the situation. However, I shall find out the position, because I am so concerned about these people—and some have obviously appealed to members in the metropolitan area also—who may be missing out on something which would be of benefit to them. I would hate that to happen.

I support the Bill and I congratulate the Government on introducing it. However, I cannot support it totally if the people to whom I referred miss out on the benefits contained in it.

HON. J. M. BERINSON (North Central Metropolitan—Attorney General) [11.08 p.m.]: I urge the House not to delay the passage of the Bill for the reasons given by Mr Knight or for any other reason. The Bill offers substantial concessions and these ought to be in place as soon as possible. Already we are under extreme pressure

to have this Bill enacted in time for the new rating year and I believe it would be inadvisable—

Hon. Tom Knight: It is only 24 hours.

Hon. J. M. BERINSON: —to engage in any delay. The point is the problem will not be solved within 24 hours. I am prepared to look at the problem again, and, if necessary, return to the House with a further amendment. However, 24 hours will not solve the problem, because this is not an issue—

Hon. Tom Knight: If you give me the assurance you just mentioned, I shall accept it.

Hon. J. M. BERINSON: I am happy to repeat the assurance that I will look at this again and, if necessary, bring a further Bill to the House. However, I do not want to be misunderstood. I mean by that, that I will bring further legislation to the House if the Government agrees that a further extension should be implemented.

I have some reservation about that. I understand the sort of complex to which the member is referring to be a development not owned by the pensioners but by some private commercial company. The pensioners have no title of any sort other than, apparently, some sort of contractual right to live in the complex and to receive a refund when they leave.

On that understanding I am bound to say that there is very little difference between the people living in such a complex under those conditions and pensioners who live in rented premises. It involves a very substantial extension of anything that has been agreed to so far to look at that sort of problem. All that appears to be involved is a payment, something in the nature of an advance lump sum, against future occupation costs.

Hon. Tom Knight: And $36 a fortnight for maintenance.

Hon. J. M. BERINSON: That is so near to rent that any proposition for the system of rebates to be extended to this area would involve a major leap with consequences I am unable to calculate at the moment. Not only that, but even if we accommodate a situation as described by the Hon. Tom Knight, we will still be left with other problems. For example, what would the member say about people who live in so-called "C"-class hospitals, which are also commercial developments but of a hostel type rather than a separate residence type? Should it be argued that, to the extent we have pensioners living in those hostel arrangements, the buildings should be proportionately discounted from rates?

It is not only a question of difficulty in terms of a potential loss of revenue. There is also a quite complex question of whether a valuation system is in place that could cope with all these possibilities.

I do not want to discount the possibility, but neither do I want to leave it on the basis that it is just a matter of a further simple amendment to overcome this problem. In terms both of revenue and valuation we could end up with quite a complex situation, and that is why I want to reserve any suggestion that this simply involves the introduction of another Bill.

Hon. Tom Knight: But you also exempt the pensioner not living in his home from rates and taxes. They could be leasing or renting.

Hon. J. M. BERINSON: This Bill goes a considerable distance to accommodate particular problems which have shown up in practice, and for the moment we ought to agree on that point. To the extent that the Bill extends the present system of concessions, we ought to welcome it and pass it. What happens in the future is to be considered in the future.

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 the Hon. J. M. Berinson (Attorney General), and passed.

ACTS AMENDMENT (MINING TENEMENTS) (RATING) BILL 1984

Ministerial Statement

HON. J. M. BERINSON (North Central Metropolitan—Attorney General) [11.25 p.m.]: I seek leave to make a short statement correcting comments made in my second reading speech.

Leave granted.

Hon. J. M. BERINSON: In the second reading speech on the Acts Amendment (Mining Tenements) (Rating) Bill on Tuesday, 8 May, I made reference to the valuations of mining tenements being calculated by applying a multiplier to the annual rentals prescribed under the Mining Act. I now find that, due to amendments made to the Bill in another place, that statement is no longer relevant to this amending legislation.

In fact the Bill now specifies actual amounts per hectare for the purpose of valuing rateable tenements under the Mining Act 1978 as follows—

> Exploration Licence: The value thereof is an amount equal to 25c, or such other

amount as may be prescribed, for every hectare of the land or part thereof.

Prospecting Licence: The value thereof is an amount equal to $2.50, or such other amount as may be prescribed, for every hectare of the land or part thereof.

Mining Lease or General Purpose Lease: The value thereof is an amount equal to $25, or such other amount as may be prescribed, for every hectare of the land or part thereof.

I am informed that the valuation for a prospecting licence equates with that for a mineral claim under the old Mining Act, and that the valuation for a mining lease or general purpose lease equates with that for a lease under the old Mining Act.

As I mentioned on Tuesday, 8 May, the only new valuation base relates to an exploration licence which has been set at one-tenth of that for a prospecting licence.

I apologise to members for overlooking the fact that the Bill had been varied since my notes were prepared.

Second Reading

Debate resumed from 8 May.

HON. N. F. MOORE (Lower North) [11.28 p.m.]: Unfortunately the Attorney General has just removed half my speech, and no doubt that would suit the House.

Hon. J. M. Berinson: Would you care to incorporate the other half in *Hansard*?

Hon. N. F. MOORE: No, because I have a number of criticisms of the Government which need to be recorded.

Concern over this legislation has been apparent for a long time; it arose in 1978 when the new mining legislation was passed and it relates to the problem of rating of mining tenements.

Last year the Government introduced a Bill in an attempt to sort out this problem. It relates to the occupancy of mining tenements and whether they could be rated by local government, and whether or not they were occupied. There has been a running court case between the Shire of Leonora and Spargos, and I do not know whether that has yet been resolved.

This legislation seeks to allow shires the right to rate mining tenements. When the Bill was first introduced last year it was the subject of a fair amount of opposition from the mining industry, and subsequently the Minister in the other place deferred consideration of it. It remained on the Notice Paper until two weeks ago when the Opposition was advised that the Government had no intention of proceeding with it. Almost immediately after we had received that advice an amendment was put on the Notice Paper and the Bill was brought forward for debate.

Hon. J. M. Berinson: Another example of our flexibility.

Hon. N. F. MOORE: The Government's flexibility is demonstrated by the Attorney's having to make a statement because his speech was written before the amendment was put forward. We heard the Attorney give a second reading speech which bore no resemblance to the amendment passed in the other place. It was all done in such a rush with no consultation with anybody. Suddenly we find the House is presented with a Bill which is different from that outlined in the speech made by the Minister handling the Bill. I suggest there is some confusion in the minds of those people involved in bringing this Bill forward. I do not propose to be critical of the contents of the Bill because the information I have from local government and from the mining industry is that while nobody is ever totally satisfied with all things, they are prepared to live with the contents of this Bill.

My criticism relates to the lack of consultation which took place between the Government and the mining industry in particular in respect of this matter. The mining industry has made the point that it would like this matter to be considered by the minerals revenue study even though it does not come within the terms of reference. It hopes that the Government may be prepared to consider this as part of that study. That seems to be a fair and reasonable request in view of the fact that it has not been consulted on the amendment that was passed in the other House.

As far as my electorate is concerned, this legislation is most welcome because, as I mentioned, the Shire of Leonora has been involved in a running battle in respect of this rating problem. The amendment that was passed in the other House provides that the rateable value of mineral tenements will be 25c per hectare for exploration licences, $2.50 per hectare for prospecting licences, and $25 per hectare for mining leases. That provides an essentially reasonable basis for the rating of mineral tenements and is, of course, acceptable to local shires. The shires in my electorate, which covers a fairly large area of the mineral province of Western Australia, were at a great disadvantage when they could not obtain rates from the mining companies which operated within their boundaries. A considerable amout of the income of the shires of places like Cue, Mt. Magnet, Leonora, Laverton, Menzies, and Wiluna come from rates paid by mining companies, and the uncertainty created by the 1978 Mining Act and the subsequent court cases meant that many of the shires in my electorate were severely

disadvantaged by not being able to obtain rates from mining companies.

Many mining companies continued to pay the rates in the expectation that in the long run they would have to pay them anyway; but, on the other hand, some companies refused to pay them. I notice this Bill is retrospective to 1982.

A couple of matters concern the mining industry apart from the question of consultation which I mentioned earlier. The Bill provides that exploration licences are to become rateable. Under the old Mining Act temporary reserves were not rated. Exploration licences under the new Act are essentially a replacement for temporary reserves and it is argued that because one replaces the other the exploration licence should not be rated. There are, however, valid arguments as to why they should be rated, but I will not pursue that matter. The intention of this legislation really is to overcome the problem of changing from one Act to another. When we change from a temporary reserve to an exploration licence we have essentially the same sorts of tenements, but one is rated and the other is not.

Another problem—and this applied before the 1978 Act came into operation—relates to the variation in rates from shire to shire. One could find that the Shire of Cue may be charging more in rates for a mineral tenement than, say, the Shire of Mt. Magnet which is alongside it. I do not know how that problem can be overcome because each shire has the right to determine the rate in the dollar and therefore the rateable value of the mineral tenement.

The Opposition supports the legislation and congratulates the Government on endeavouring to overcome what was a long running sore spot in relation to this matter. The shires in my electorate certainly support the legislation. I hope the Government will accede to the mining industry's request to have the whole question of rateability of mining tenements considered by the minerals revenue study so that it can be considered alongside all the other matters which are affecting the mining industry.

With those few words, I support the legislation.

HON. MARK NEVILL (South-East) [11.35 p.m.]: I welcome this Bill which the Government has brought forward. It clarifies the situation, whereas the present rateability of mining tenements is uncertain. This Bill needs to be brought in now because the study that the Hon. Norman Moore referred to previously will not be finished for at least a year or two and the shires really would like to see this Bill enacted. I am also pleased to see this Bill brought forward because I indicated to the Goldfields-Esperance ward of the Country Shire Councils Association that I would follow the matter up.

Shires from my electorate, together with those from the Lower North Province, sent delegates to a meeting which took place in March of last year. I undertook to follow up this matter. I have played a fairly active role in getting this Bill into the Parliament.

Spargos Exploration NL was the main company which challenged the rateability of mining tenements, and two local court actions were brought forward, one by the Shire of Menzies and the other by the Shire of Boulder. The cases were won rather handsomely by the late Tom Hartrey MLA. The Leonora case was lost and Tom Hartrey did not represent that shire—that may have been one of the reasons that the shire was not successful. That is a tribute to Tom Hartrey's ability and knowledge of the Mining Act.

Mining tenements should be rated. Mining companies do use shire facilities and shire roads and there is no doubt in my mind that rates should be paid on all mining tenements. There are some arguments that certain exploration licences should not be rated because they are out in the sticks somewhere, but these are generally an exception to the rule and most access to exploration licences is gained via shire roads.

The previous speaker mentioned rate revenue from mining tenements as a significant source of revenue for many of the goldfields shires. One figure was quoted last year for the Leonora Shire; I think it was that 20 per cent of its rates revenue was from mining tenements, which amounted to about $40 000 a year. Some would have increased since that date. Shires like Menzies, Dundas, Coolgardie, and Boulder all derive a considerable amount of revenue from the rating of mining tenements. As I understand it, the Bill will enable the same aggregate level of rates to be raised and therefore will preserve the status quo. I do not think there will be a significant increase in the overall amount of rates to be collected.

I also particularly welcome the rate exemption for prospecting licences of 10 hectares or less as a concession to small prospectors. This really maintains an exemption which existed under the old Act.

I commend the Government on 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 the Hon. J. M. Berinson (Attorney General), and passed.

SHIPPING AND PILOTAGE AMENDMENT BILL 1984

Second Reading

Debate resumed from 10 May.

HON. D. J. WORDSWORTH (South) [11.40 p.m.]: One of the purposes of this Bill is to give new and amended powers to regulate the Port of Dampier. Members will be aware that Dampier was originally a private port, developed by private enterprise for the export of iron ore. Afterwards, the same navigation channels, etc., were utilised for the export of salt, and during latter times, by small ships bringing in goods for the construction stages of the North-West Shelf. However, with the export of natural gas condensate in September this year there is a need for tighter controls, particularly as the export of condensate could be considered to be hazardous.

The Government of the day had three choices: One was to establish a separate port authority for the Port of Dampier. The second was to place it under the control of the Port Hedland Port Authority. If I remember correctly there was some lobbying for that to occur at one time. The third choice was to declare the Port of Dampier under the control of the then Department of Harbour and Lights, now the Department of Marine and Harbours. Part of this Bill allows for that name change.

Perhaps it would have been just as easy to set up a port authority with the three companies concerned having representatives on it. To my knowledge there are no loading and unloading facilities there for public use, so perhaps that is the reason the Government decided on the latter choice. That was the Government's decision and its right.

The State department already handles other ports in the north-west such as Derby, Broome, and Wyndham, and presumably this port will be handled in the same manner.

Perhaps if we had still been in Government we might have thought otherwise. We may have wanted a port authority, although I do not think that gives much more independence. I know that the Esperance Port Authority is having some difficulty making a choice of secretary. I believe it requires an Executive Order-in-Council and the Government has chosen not to go ahead with its recommendation. Maybe some other favourite for the task is in mind. Perhaps port authorities do not have the independence they thought they had.

The Bill tightens the control of hazardous cargo in all Western Australian ports and the issuing of pilotage exemption certificates. Members will be aware that captains on Stateships are usually exempt from the requirement to have a pilot. They call at these ports regularly, and because of their skills and knowledge of individual ports, they are usually given an exemption.

I do not know what is the situation with regard to captains of naval ships. I was somewhat surprised when I read the Bill and found that there is no exclusion from the requirement to take on a pilot. It has been traditional that naval captains bring in their own ships. I do not know whether they feel that their ships handle differently and that civilians should not take command of naval craft. Certainly, to my knowledge, they have always piloted their own ships when berthing. I would like the Minister to explain the reason that there is no exemption in the Bill.

Hon. D. K. Dans: It does not need to be there.

Hon. D. J. WORDSWORTH: Perhaps the Minister can explain the reason it should not be there.

Hon. J. M. Berinson: Under the defence power, Mr Dans informs me.

Hon. D. J. WORDSWORTH: I was rather interested to find that when we in Australia seem to be trying to be as far removed from British law as we can, that this Bill actually repeals some sections of the Act, yet allows for regulations to be made whereby we can adopt either wholly, or in part, Acts of the Commonwealth or the United Kingdom. It looks as though we recognise that some of the laws in the United Kingdom are useful.

The Opposition has no difficulty in supporting this legislation.

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 the Hon. J. M. Berinson (Attorney General), and passed.

ADJOURNMENT OF THE HOUSE: SPECIAL

HON. D. K. DANS (South Metropolitan—Leader of the House) [11.50 p.m.]: I move—

> That the House at its rising adjourn until 11.00 a.m. tomorrow (Wednesday).

Question put and passed.

House adjourned at 11.51 p.m.

QUESTIONS ON NOTICE

LOCAL GOVERNMENT

Ward Boundaries, and Representation: Circular

1021. Hon W. G. ATKINSON, to the Attorney General, representing the Minister for Local Government:

(1) How many local authorities have replied to the Local Government Department's circular No 414 of 27 January 1984 re ward boundaries and representation?

(2) How many have expressed—

(a) support for;

(b) opposition to; or

(c) no opinion or no affect;

to the proposals for—

(i) changes to ward boundaries; and

(ii) the adoption of adult franchise for municipal elections?

Hon. J. M. BERINSON replied:

(1) Seventy eight local authorities out of a total of 139 have replied to the Local Government Department's circular No. 414.

(2) (a) to (c) In respect of proposals for changes to ward boundaries, eight councils wrote in support, 15 to oppose, nine expressed no opinion, 34 believed no revision was required and 12 made no decision on the matter.

The adoption of adult franchise for municipal elections, though referred to in the circular No. 414, did not form part of a request for formal submissions on the concept. This issue was dealt with separately through the associations of local government.

LAND

Department of Land Resources Management: Establishment

1022. Hon. A. A. LEWIS, to the Leader of the House representing the Premier:

Further to question 1016 of Wednesday 9 May 1984 concerning the formation of a new Department of Land Resource Management—

(1) How many persons are working on the implementation group?

(2) Where are they working from?

(3) From what departments do they come?

Hon. D. K. DANS replied:

(1) Four.

(2) Public Service Board, ninth floor, Elder House.

(3) Department of Premier and Cabinet, Forests Department, Department of Fisheries and Wildlife and National Parks Authority.

TIMBER

Shannon River Basin: Withdrawal

1023. Hon. A. A. LEWIS, to the Leader of the House representing the Minister for Forests:

Further to question 1011 of Wednesday 9 May 1984 and in regard to the timber resource in the Manjimup Shire, will the Minister—

(a) name the areas in which the less important fire buffers exist;

(b) name the roads which will be carefully landscaped;

(c) name the streams on which modified operations will be used; and

(d) state the reason for the Forests Department changing its mind as to what was available and not available for cutting?

Hon. D. K. DANS replied:

(a) Jane, Hawke and Charley blocks;

(b) and (c) the following roads and streams are currently being considered—

Burma Road
Coronation Road
Muir Highway
Collins Road
Pemberton/Northcliffe Road
K.T.C. Road
Weld Road
Dombarkup Brook
Six Mile Brook
Several lesser unnamed streams;

the operational trials will be adjacent to active coupes and it will not be necessary to cut any large portions of the previously planned buffers in the same locality at the same time;

(d) the altered set of planning parameters brought about by Government decision that the Shannon Basin is to be managed as if it were a National Park.

ANIMALS

Deer: Farming

1024. Hon. A. A. LEWIS, to the Leader of the House representing the Minister for Agriculture:

With regard to deer farming and the Minister's answer to question 1014 of Wednesday 9 May 1984—

(1) How far does wire netting have to be dug into the ground for deer farming?

(2) Of the four deer that escaped, how many were recaptured?

(3) If none, did they survive in the bush?

Hon. D. K. DANS replied:

(1) Netting is not required to be buried but must be anchored to the ground.

(2) None.

(3) Although an extensive search was made by the owner and Agriculture Protection Board officers immediately after the escape, no trace of the deer was found and no sightings have been reported since that time. It is rumoured that one animal was shot but this has not been confirmed.

QUESTIONS WITHOUT NOTICE

EDUCATION

Primary School: Maylands

272. Hon. LYLA ELLIOTT, to the Minister for Planning representing the Minister for Education:

When is it anticipated work will commence on the proposed new canteen at the Maylands Primary School?

Hon. D. K. Dans (for Hon. PETER DOWDING) replied:

The minor works committee is to reconsider the school's proposal at its next meeting on 23 May.

UNIONS

Militant: Intimidation

273. Hon. G. E. MASTERS, to the Minister for Industrial Relations:

(1) Is he aware of a massive union intimidation campaign on building sites in the metropolitan area right now? These matters were brought to my attention over the last three days.

(2) Is he aware that self-employed people and subcontractors are being ordered off building sites on what the BLF classes as a building workers' holiday? Yesterday was classed as a holiday by the BLF, as I understand it, and that was rigidly enforced where possible by people going to the site and ordering self-employed and like people off the sites.

(3) Is he aware that subcontractors have been physically threatened by groups or teams of what I can only call thugs who are threatening fairly violent action if the people ordered off the sites do not clear the sites?

Hon. D. K. DANS replied:

(1) to (3) No. No-one has brought any of those matters to my notice officially; that is, through the department, or for that matter privately through the people who have been affected. If the member would like to interview the people who have given him this information and bring them to me I will see what can be done.

Because of these continuing unsubstantiated reports—

Hon. G. E. Masters: I can substantiate them.

Hon. D. K. DANS: —and the lack of hard evidence coming to me, I would be very anxious to obtain some. If I did and it was in sufficient volume, a course of action is open to me so that we would investigate not only the complaints, but also the whole of the building industry, including builders. Perhaps if we can get that kind of hard evidence together it will be one way of clearing up this matter once and for all. I repeat that no-one has approached me and my department has not approached me.

Hon. G. E. Masters: It is happening right at this minute.

Hon. D. K. DANS: Bring the evidence to me.

STATE FINANCE

Financial Institutions Duty: Review

274. Hon. NEIL OLIVER, to the Minister for Budget Management:

Last week I was endeavouring to ascertain from the Minister how, where, and when the review of the financial institutions duty promised by the Premier will be conducted. I ask:

(1) Is he aware of the article on page 2 of *The Sunday Times* on 13 May headed "Premiers to discuss FID fate", in which it was stated that a special working party created at last year's Premiers' Conference is in the final stages of preparing a major review of FID?

(2) If so, to whom should interested parties direct their submissions?

Hon. J. M. BERINSON replied:

(1) and (2) There have been so many articles on FID that I cannot say whether I have seen the particular article in *The Sunday Times* to which the member refers. I am also not personally involved in any interstate discussions on FID. Any submissions on FID as it affects the citizens of this State should be directed to me.