Legislative Assembly

Tuesday, 26 October 1982

The SPEAKER (Mr Thompson) took the Chair at 4.30 p.m., and read prayers.

HEALTH: TOBACCO

Smoking: Petition

DR DADOUR (Subiaco) [4.32 p.m.]: I have two petitions, the first bearing 250 signatures. I certify that it conforms with the Standing Orders of the Legislative Assembly and it is signed accordingly. The petition reads as follows—

> To the Speaker and members of the Legislative Assembly in Parliament in Western Australia.
>
> We the undersigned Medical Practitioners of the Sir Charles Gairdner Hospital recognise and affirm the dangers of smoking to health and the relationship between smoking and premature death.
>
> We support Dr G. T. Dadour in the bill he has put to Parliament seeking an act to ban advertising of cigarettes and tobacco products. We urge the government to give serious consideration to the proposed legislation on cigarette and tobacco advertising.

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

(See petition No. 23.)

HEALTH: TOBACCO

Smoking: Petition

DR DADOUR (Subiaco) [4.33 p.m.]: The second petition is in terms identical to those of the first one and it is from medical practitioners of Royal Perth Hospital. It contains 226 signatures, and I certify it is in accordance with the Standing Orders of the Legislative Assembly. The petition reads as follows—

> To the Speaker and members of the Legislative Assembly in Parliament in Western Australia.
>
> We the undersigned Medical Practitioners of Royal Perth Hospital recognise and affirm the dangers of smoking to health and the relationship between smoking and premature death.
>
> We support Dr G. T. Dadour in the bill he has put to Parliament seeking an act to ban advertising of cigarettes and tobacco products. We urge the government to give serious consideration to the proposed legislation on cigarette and tobacco advertising.

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

(See petition No. 24.)

POLICE

Forrestfield: Petition

MR GORDON HILL (Swan) [4.34 p.m.]: I have a petition bearing 183 signatures. This petition conforms with the Standing Orders of the Legislative Assembly and I certify accordingly. The petition reads as follows—

> To the Minister for Police and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled. We the undersigned citizens of Western Australia express concern about the lack of police surveillance in the Forrestfield area and call on the Government to:
>
> (A) Increase the size of the West Australian Police Force to significantly improve the ratio of police to population;
> (B) Establish a police station in the rapidly growing Forrestfield area; and
> (C) Ensure that police surveillance in the Forrestfield area is improved immediately.
>
> Your petitioners as in duty bound will ever pray.

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

(See petition No. 25.)

STAMP AMENDMENT BILL (No. 6)

Introduction and First Reading

Bill introduced, on motion, without notice, by Mr O'Connor (Treasurer), and read a first time.

Second Reading

MR O'CONNOR (Mt. Lawley—Treasurer) [4.35 p.m.]: I move—

> That the Bill be now read a second time.

The Bill now before members is mainly the result of the work carried out by an expert committee appointed by the Government a few months ago to examine and recommend legislative changes to close loopholes in the Stamp Act which had, at that time, come to the attention of the Commissioner of State Taxation.

The committee was convened to look into specific property transactions arising out of the use of unit trusts and discretionary trusts. In ad-

dition, the terms of reference provided for the examination of any other emerging schemes whereby the payment of duty could be avoided or minimised.

The committee's recommendations, together with certain proposals put forward by the Commissioner of State Taxation, were considered and adopted by the Government and are all now contained in the Bill before the House.

In brief, the various proposals will affect schemes which involve—

(a) the use of discretionary and unit trusts as a means of conveying property;
(b) the execution and retention of documents outside the State to avoid the payment of duty; and
(c) the increasing of interest rates on lending transactions after the loan has been made.

I will now explain in a little more detail the proposals contained in the Bill.

Firstly, I will deal with the use of discretionary and unit trusts. While I acknowledge the fact that there are some genuine trust situations, it is evident that the vast majority of trusts these days are being used for the sole purpose of avoiding or minimising the payment of taxes of one type or another. The use of trusts as a means of avoiding or minimising stamp duty payments can be accomplished in a number of different ways.

In the case of a discretionary trust, it is possible under the present legislation to easily appoint a new trustee of the trust.

When the trustee is a corporate body, a change may be achieved by disposing of the shares in the trustee company and so effectively changing the ownership and control of the trust property.

Furthermore, the appointment of a new trustee then affords that trustee with the opportunity to vary or completely change the beneficiaries originally entitled to the assets of the trust.

Again, through the use of the discretionary powers of a trustee and the terms under which these trusts are set up, new beneficiaries can be introduced. These beneficiaries may take the form of companies or other trusts and the property of the trust then immediately can be vested in, and moved to, those new beneficiaries under the guise of a beneficial entitlement.

Now in the case of unit trust schemes, the original entitlement to the trust assets can be manipulated merely through the cancellation of units held by existing unit holders and the issue of new units to other persons. Additionally, there is presently no compulsion for an instrument of transfer to be prepared if unit holdings are varied one way or another. Indeed, even if an instrument was prepared, it could have been executed and retained outside The State.

The proposals contained in this Bill will ensure that any change, whatsoever, of trusteeship will be charged full *ad valorem* duty on the value of the trust property at the time of the change. At the same time, provision has been made to protect any change to a genuine trust situation. In this case, it will be necessary only for the Commissioner of State Taxation to be satisfied that the change is not being made in contemplation of the passing of a beneficial interest in the trust assets.

The provisions in the Bill also will ensure that the vesting of assets to beneficiaries will be subject to full *ad valorem* duty when the recipient is not a natural person or is not identified in the deed creating the trust, when the trustee acquired the property being transferred.

In the case of unit trusts, any variation in unit holding, whether by way of the transfer, cancellation, issue of units, or variation of rights to trust property, will be subject to *ad valorem* duty.

The second item which concerns documents executed and retained outside the State, is a rather complex matter and was considered by both the committee and the Commissioner of State Taxation.

The proposal contained in the Bill will extend the provisions of the Act to any instrument which relates to property in Western Australia or to any matter or thing to be done in Western Australia wherever executed or held. It will enable the commissioner to raise an assessment of duty in any case where a person is required under the legislation to produce or file such instrument or any statement or return, but fails to do so.

This particular measure already has been adopted by two other States and will be a valuable aid to the commissioner in combating this means of duty avoidance.

Thirdly, the committee had considered that an avenue for avoidance existed through the manipulation of interest rates in lending transactions whereby the 1.8 per cent stamp duty chargeable on loans could be avoided. This may be achieved by an agreement to charge interest when the loan is advanced at a rate below the threshold at which loan duty is payable and later increasing the rate above that level.

As, under the existing law, the liability for duty on any loan must be determined when the transaction is made, the arrangement is not liable for the 1.8 per cent stamp duty at the outset.

As the legislation now stands, the transaction cannot be reassessed for duty, but the proposed amendment will introduce provisions to deem these arrangements to be new and separate advances from the date of the variation. In addition, it will tidy up the provisions relating to "split loans", which were introduced into the law by the 1979 amendments.

The final item is proposed to remove an anomaly which has become apparent from a close examination of the vesting of trust property. This concerns the vesting of encumbered property.

The proposed amendment will ensure that a transfer of trust property to a beneficiary who assumes responsibility for any liability on that property will be treated in exactly the same manner as any other person taking a transfer of encumbered property.

It is proposed that the operative date of the foregoing amendments be fixed from today as it is from this point in time that the full text of the intention of the amendments will be made known to all interested parties.

Originally, it was intended to apply remedial provisions from an earlier date for two types of duty avoidance arrangements. However, the remedies for the schemes initially examined and those discovered by the extended terms of reference could not be dealt with in isolation.

I commend the Bill to the House.

Debate adjourned, on motion by Mr Brian Burke (Leader of the Opposition).

LOAN BILL

Introduction and First Reading

Bill introduced, on motion, without notice, by Mr O'Connor (Treasurer), and read a first time.

Second Reading

MR O'CONNOR (Mt. Lawley—Treasurer) [4.42 p.m.]: I move—

That the Bill be now read a second time.

Each year through a measure such as this, authority is sought for the raising of loans to finance certain works and services as detailed in the Estimates of Expenditure from the General Loan Fund as tabled on Thursday, 30 September.

The Bill seeks to provide authority for the raising of loans not exceeding $86 million for the purposes listed in the first schedule.

It may be noted by members that the borrowing authority sought for each of the several works and services listed in the schedule will not necessarily coincide with the estimated expenditure on that item in the current year. This situation arises because it is necessary to provide for sufficient borrowing authority to enable works of a continuing nature to be maintained for a period of about six months after the close of the financial year. Also, the unexpended balance of previous authorisations has to be taken into account.

This action ensures continuity of works in progress pending the passage of next year's Loan Bill and is in accordance with usual practice.

Details of the condition of the various loan authorities are set out in page 44 to 47 of the Loan Estimates. These pages also show information relating to the appropriation of loan repayments received in 1981-82; the allocation of Commonwealth general purpose capital grants; and the distribution of $8.4 million transferred from the balance of earnings on the investment of cash balances to 30 June 1981.

The main purpose of this Bill is to provide the necessary authority to raise loans to help finance the State's capital works programme. As usual the required borrowings will be undertaken by the Commonwealth Government which acts for all States in arranging new borrowings, conversions, renewals, and redemptions of existing loans.

This function of the Commonwealth Government is exercised under the terms of the 1927 financial agreement and within the total borrowings programme for all States as determined by the Australian Loan Council. The Loan Council also prescribes the terms and conditions attached to the loan raisings.

Under a long-standing arrangement, the Commonwealth Government from its own resources, will subscribe any shortfall to complete the financing of the overall borrowing programme of the States. These special loans are made on terms and conditions similar to those prevailing for the previous Commonwealth public loans raised in Australia and are allocated to the States as part of their normal borrowing allocation.

This support enables us to proceed with a planned programme of works, secure in the knowledge that the full Loan Council alllocation will be forthcoming. In addition, the Commonwealth Government provides by way of a capital grant a proportion of the total programme for State Governments agreed by Loan Council. These grants now constitute one-third of each State's total general purpose programme and are intended to assist in financing capital works such as schools and institutions from which debt charges are not normally recoverable.

At its June 1982 meeting the Australian Loan Council approved a total State Government gen-

eral purpose programme of $1 373 million for 1982-83, only 5 per cent above the level of the previous year, made up of two-thirds borrowings—$915 million—and one-third—$458 million—capital grant. Western Australia's allocation is $84.7 million and $42.3 million respectively.

The Bill also makes provision for an appropriation from the Consolidated Revenue Fund to meet interest and sinking fund on loans raised under this and previous Loan Acts. It also seeks authority to allow the balances of previous authorisations to be applied to other items. The second schedule sets out the amounts of these reappropriations and the Loan Accounts which authorised the original appropriations. The items to which the funds are to be appropriated are set out in the third schedule.

I commend the Bill to the House.

Debate adjourned, on motion by Mr Brian Burke (Leader of the Opposition).

BILLS (2): INTRODUCTION AND FIRST READING

1. Human Tissue and Transplant Bill.

   Bill introduced, on motion, without notice, by Mr Young (Minister for Health), and read a first time.

2. Alumina Refinery (Worsley) Agreement Amendment Bill.

   Bill introduced, on motion, without notice, by Mr P. V. Jones (Minister for Resources Development), and read a first time.

LAPORTE INDUSTRIAL FACTORY AGREEMENT AMENDMENT BILL

Introduction and First Reading

Bill introduced, on motion, without notice by Mr P. V. Jones (Minister for Resources Development), and read a first time.

Second Reading

MR P. V. JONES (Narrogin—Minister for Resources Development) [4.50 p.m.]: I move—

That the Bill be now read a second time.

The purpose of this Bill is to obtain the approval of Parliament to an amendment of the Laporte Industrial Factory Agreement Act 1961-1965 so that the State may acquire additional land for the disposal of effluent from the Laporte Australia Ltd. factory at Australind. This was a recommendation in the report of the Laporte effluent disposal committee.

The Bill also provides for parliamentary ratification of the agreement made on 15 October 1982 between the State and Laporte Australia Ltd. to vary the provisions of the agreement scheduled to the principal Act, for the same purpose.

The report to which I referred summarises the findings and conclusions of the committee, which was formed by arrangements made in 1974 between the State and Laporte Australia Ltd. to undertake an extensive and jointly funded investigation of the options available for disposal of the factory effluent. The report also contains details of the examination of a wide range of effluent disposal options, including chemical treatment, barging, marine pipeline disposal, and land disposal.

The recommendations of the committee, as detailed in the report, have been accepted by the Government, but it is necessary to broaden the existing provisions of the principal Act in relation to the power of the State to acquire land before the additional land needed for disposal of the factory effluent can be obtained.

At present the principal Act provides that the State may acquire land which it requires for the discharge of effluent from the Laporte works site into the ocean, and it is likely this was considered to be the only suitable means of effluent disposal when the Act was passed in 1961. However, as explained in the Laporte effluent disposal committee's report, direct disposal of the factory effluent into the ocean through an outfall at the surf zone proved unsatisfactory, and was abandoned in 1968. Since that year, all the factory effluent has been discharged into dunes on the peninsula between Leschenault Inlet and the ocean.

In observing that the technically preferred option for the effluent discharge is a managed combination of dune disposal, bore injection, and marine pipeline discharge, the report has concluded there is a need for additional land to allow for satisfactory long-term management and for occasions when the flow to the marine pipeline will need to be temporarily diverted to land.

I now will outline the provisions of the Bill and the variation agreement before the House, dealing first with the Bill.

Following the usual opening provisions for ratification of the variation agreement referred to in the Bill, there is an amendment to the land provisions of the principal Act to delete the passage "into the ocean". This amendment will enable the State to proceed with its intention to act on the recommendation of the Laporte effluent disposal

committee that access to additional land on Leschenault Inlet be secured immediately.

Turning now to the variation agreement, I indicate that the relevant clause is that providing for deletion of the words "in the ocean" from the clause of the existing agreement under which the State has total responsibility for the disposal of all effluent from the Laporte works site.

By agreeing to these amendments, the State will be able to secure under the Act and the agreement, the land necessary for the proper and long-term management of the disposal of effluent. If the amendments are not made, the State would be constrained in meeting its obligations under the agreement in the future.

At this stage, I would record my appreciation to the company for its rapid and unqualified agreement to the amendments, which agreement has enabled this early action by the State in response to the report.

I commend the Bill to the House.

Debate adjourned, on motion by Mr I. F. Taylor.

RESERVES BILL (No. 2)

Introduction and First Reading

Bill introduced, on motion, without notice, by Mr Laurance (Minister for Lands), and read a first time.

BORROWINGS FOR AUTHORITIES AMENDMENT BILL

Second Reading

MR O'CONNOR (Mt. Lawley—Treasurer) [4.56 p.m.]: I move—

That the Bill be now read a second time.

When the Borrowings for Authorities Act 1981 was passed last year, it was envisaged that the powers so conferred on the Treasurer would be used principally to co-ordinate and consolidate the infrastructure borrowings of smaller semi-Government authorities.

Since then several developments in the market have resulted in a marked deterioration in the longer-term outlook for loan raisings for all authorities in the semi-Government area.

For some time we have seen a gradual change in investment emphasis by the traditional supporters of our semi-Government loan programme. These supporters, which include banks and insurance companies, have been looking more to portfolio management in their funding operations and as a consequence, have been placing greater emphasis on liquidity and marketability in the investments they hold.

However, more recently, with the experience of more volatile interest rates, these institutions have moved even further in that direction and now wish to invest only in securities which have strong market appeal and are in a form that readily is able to be traded.

For the State's smaller less known semi-Government authorities, most of which can only issue debentures as security against their loans, the implications of these developments are decidedly unfavourable.

Since the Act was passed last year, the report of the Campbell committee of inquiry into the Australian financial system has been released, which report contained many recommendations of significance to the future of semi-Government funding.

The general thrust of the report favoured a freeing-up of the financial market with capital being left unhindered in seeking its most efficient allocation amongst alternative uses. Amongst its recommendations was a call for the removal of statutory controls which, in the past, have provided captive sources of funds for semi-Government authorities.

In line with these recommendations, the Commonwealth Government already has moved to amend the asset ratio regulations of savings banks to the detriment of our authorities. Whereas previously the regulations required savings banks to invest 40 per cent of their deposits in Commonwealth or semi-Government securities, the new regulations require them to hold 15 per cent in this form and then only in Commonwealth securities. Thus this particular captive market has completely disappeared.

The Campbell committee also recommended the abolition of the "30/20" rule, which currently provides taxation benefits to certain institutions through their investments in Commonwealth and semi-Government securities. Given the Federal Government's apparent leaning towards the findings of the inquiry, it may well not be long before this recommendation is adopted. Should this eventuate, semi-Government authorities will be shut out from another captive source of funds.

At the June meeting of Loan Council the decision was made to remove the major electricity authorities from the constraints of the "Gentlemen's Agreement", for a trial period of three years. As a result, Loan Council no longer controls the size of these authorities' programmes nor the interest rates and terms and conditions of their borrowings. It has been left to the State

Governments to determine these matters on either an individual or a collective basis.

Although there is general agreement amongst the States that this new-found freedom for electricity authorities should not be used to the detriment of the market for other semi-Government borrowers, we already have seen some electricity authorities taking a very aggressive approach in their loan raisings. Given the substantial demand for funds by these authorities in the foreseeable future, it is obvious that the freer scope they now have will impact heavily on the ability of other semi-Government authorities to fill their programmes.

In view of the highly competitive market environment now facing semi-Government authorities, the Government has decided to consolidate its loan raising efforts. It is not alone in this view, as most other States have similarly assessed the situation and are moving to consolidate their borrowings through the establishment of central borrowing authorities. Such action also was recommended by the Campbell committee which saw centralised borrowings as the means to meet the challenge of a freer market situation.

Mr I. F. Taylor: That is just what the Opposition suggested to your predecessor last year.

Mr O'CONNOR: Of course, we had it in mind, as the member would well know. Having been an officer of the Treasury, he would have understood that the Treasury has been considering this for a long time.

The Borrowings for Authorities Act provides a ready vehicle to effect the desired consolidation; and, therefore, it has been decided that future borrowings on behalf of our semi-Government authorities will be undertaken by the Treasurer of Western Australia in accordance with his powers under the Act. It is intended to exclude the State Energy Commission from the centralised arrangements; but the loan activities of the Metropolitan Water Authority, Westrail, and all smaller authorities are to be absorbed.

The State Energy Commission will be excluded because of its unique position in the market, the diverse nature of its funding requirements, both domestic and overseas, and its new freedom from Loan Council constraints. The few smaller authorities which operate bank accounts outside of Treasury, and have established relations with banks, also will be excluded to the extent that they are able to raise their programmes separately; but the central borrowing authority will be used to pick up any shortfalls.

As a result of our decision, steps are now being taken to launch the Treasurer of Western Australia as a borrower on the public market.

In examining the administrative arrangements and devising the marketing strategy necessary for the successful launching of the new borrower, it has been found that certain amendments to the Borrowings for Authorities Act 1981 would be helpful in meeting our objectives.

The purpose of this Bill is to introduce these amendments. Three of them can be described as dealing with promotional aspects of the new borrowing operation.

On the best market advice, the Treasurer of Western Australia is seen as a prime borrower, with a status above that of other semi-Government authorities throughout Australia. Accordingly the promotion will seek to place the Treasurer in his true market position offering a unique product of national appeal to lenders.

In considering this matter, it has become apparent that it would be helpful, for promotional purposes, if the activities of the Treasurer in his loan raising capacity could be referred to in terms of a "central borrowing authority". This would allow scope to devise an appropriate marketing theme for the securities issued by the Treasurer. Unfortunately, the present Act makes no mention of an "authority" and our advice is that legally it would not be possible to adopt a theme which incorporated such a reference.

As noted earlier, most other States have established or are in the process of establishing various forms of "central borrowing authorities", which has become the accepted generic name for such authorities and has had common usage in the Campbell inquiry and Loan Council. Our legislation was drafted well before other States moved in that direction, and because of concern with the attitude of the Loan Council to the concept of central authorities, the establishment of an authority was avoided deliberately, and instead provision was made for the Treasurer to stand as a borrower on behalf of authorities. The major fear at that time was that the Loan Council would regard borrowings by a central authority as being within the "larger" authority programme and, therefore, subject to the allocation constraints applicable to that programme. However, since then, with the adoption of the concept by other States, the Loan Council has accepted the role of central authorities as agents for other authorities without any adverse implications for the programmes.

Although it is firmly intended to retain the Treasurer of Western Australia as borrower from the point of view of market strength, it would be

desirable to be able to describe him as a central borrowing authority to enable the market to better understand the Treasurer's role under the Act. The amendment proposed by clause 4(a) of the Bill will permit this usage which correctly describes the Treasurer's function in the terminology now being used in the market.

For promotional reasons also it is considered that it would be helpful if the definition of "debt paper" were expanded to provide explicitly for the issue of securities such as bonds. An appropriate amendment to the Act is provided for by clause 2 of the Bill.

As part of the overall marketing strategy for the new authority, it would be desirable also to provide existing lenders, particularly stockholders of the Metropolitan Water Authority and Westrail, with the opportunity to convert their securities to those of the "Treasurer of Western Australia". These stockholders will be urged to support the new borrower; and they are more likely to do so if they can consolidate their holdings in the form of the new securities and have the benefit of access to the active secondary market which is to be developed. As this facility could not be offered under the current provisions of the Borrowings for Authorities Act, the amendments proposed in clauses 3 and 4 of the Bill provide for the surrender and cancellation of existing securities and reissue in the name of the Treasurer of Western Australia.

A further amendment which is proposed could be considered an administrative matter. This relates to the existing registry facilities of Westrail and the Metropolitan Water Authority which, as a result of the centralised borrowing initiative, will run down over time. It is considered there would be merit in centralising these facilities also.

Treasury is in the process of establishing a central registry facility in-house for borrowings by the Treasurer, using a computerised system designed by the State Energy Commission. When fully operational, this system will have the capacity to readily accommodate the registry requirements of Westrail and the Metropolitan Water Authority; and savings would be achieved through amalgamation. The current provisions of the Borrowings for Authorities Act do not allow for other registries to be conducted by the Treasurer; and, therefore, amendments are proposed in clauses 3 and 4 to permit amalgamation.

The final amendment proposed by the Bill is consequential to the introduction of the companies (Western Australia) code. When general legislation was introduced last year to amend all Acts containing reference to the Companies Act 1961 and substituting the companies (Western Australia) code, the Borrowings for Authorities Act had not received assent and therefore was unaffected by the change. This situation now should be remedied, and clause 5 of the Bill provides for the required amendment to item 3 of the schedule to the Act.

In moving to centralise the borrowing activities of our sem-Government authorities, we are building a solid foundation to ensure that we are well placed to meet the competitive market environment which lies ahead. This Bill will, I believe, allow the Treasurer to approach the task of borrowing centrally for other authorities in the most efficient manner.

I commend the Bill to the House.

Debate adjourned on motion by Mr I. F. Taylor.

BILLS (3): MESSAGES

Appropriations

Messages from the Governor received and read recommending appropriations for the purposes of the following Bills—

1. Loan Bill.
2. Borrowings for Authorities Amendment Bill.
3. Laporte Industrial Factory Agreement Amendment Bill.

BILLS (3): ASSENT

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

1. Settlement Agents Amendment Bill.
2. Veterinary Preparations and Animal Feeding Stuffs Amendment Bill.
3. Fisheries Amendment Bill.

APPROPRIATION (CONSOLIDATED REVENUE FUND) BILL

Second Reading: Budget Debate

Debate resumed from 21 October.

MR MacKINNON (Murdoch—Minister for Industrial, Commercial and Regional Development) [5.10 p.m.]: I rise to give my support to the first State Budget brought down by the Premier and Treasurer. I will comment on three particular issues: firstly, on some of the initiatives that will be carried out because of that Budget; secondly, on the situation facing the business community in Western Australia today; and finally, if time permits, on what the Leader of the Opposition and

other speakers from the Opposition side have not said rather than what they have said.

Mr Davies: Is it not unusual for Ministers to speak to their Estimates?

Mr MacKINNON: I would like to pay tribute, as our Treasurer has done, to the records of previous Treasurers. Sir Charles Court and the late Sir David Brand certainly left this State in a good financial situation; and that has given our current Treasurer the ability to draft a very good Budget in this year which has been very difficult both economically and otherwise.

Some of the initiatives have been announced in the Budget; and many of them have been touched on previously by the Treasurer and other members from this side of the House. Some of those initiatives include provisions with respect to housing, payroll tax, and the Small Business Advisory Service Ltd., all of which have been welcomed within the small business community generally.

In relation to the Budget allocation to my own department—the Department of Industrial, Commercial and Regional Development—we have an allocation to continue the promotion of the advantages of Western Australia as a destination for investment from overseas and interstate companies. We have achieved a success in that campaign, which earlier this year was launched in eastern Australia by the Minister for Resources Development and me. In fact, I am planning to return soon to eastern Australia to follow up the contacts we made in that area, in an effort to encourage more companies to make the decision to establish here, and to exploit the advantages we have.

The advantages of Western Australia include the availability of competitively priced energy, a good labour record as far as industrial disputes are concerned by comparison with the other States of Australia, and a unique locational advantage for exploiting market areas in South-East Asia. I am pleased that the Deputy Leader of the Opposition and I agree that we should be in a position to exploit the markets in South-East Asia.

Mr Harman: How many companies have come over here?

Mr MacKINNON: As a consequence of our efforts, so far one company has moved to Western Australia. As we indicated when we launched the campaign, we are doing this on a two-year basis. We understand business, if the Opposition does not. It often takes time for companies to make decisions; and we are prepared to take the long haul and sell the message over a two-year period. We believe we will be successful.

Mr Harman: What is the name of the company?

Mr MacKINNON: The name was announced in the paper at the time. If the member for Maylands cannot bother to read the Press, I will not bother to fill him in.

Opposition members interjected.

Mr MacKINNON: We are about to launch a similar campaign in New Zealand. The closer economic relations agreement soon to be implemented between the countries of Australia and New Zealand will offer unique advantages for joint ventures and opportunities for our companies in New Zealand, and for New Zealand companies in Australia. We believe our campaign in New Zealand will be successful; and at the end of this month, again in conjunction with and with the cooperation of the Perth Chamber of Commerce and the Confederation of Western Australian Industry, I will visit New Zealand on a basis similar to that of the visits made to eastern Australia.

The visit to New Zealand will not be on the same sort of scale as the one to eastern Australia, as New Zealand has a different type of market with different companies. We will be taking a much more individual approach to New Zealand. Once again, we hope that approach will be a success.

I hasten to add that we do not expect quick or instant results from the New Zealand visit. We are in this for the long haul, because we believe we have advantages to offer on a long-term basis to companies which wish to come here.

Additionally we, like the Opposition, perceive the great market opportunities in South-East Asia, and we have been active in that region for many years now. We are planning to revisit the area next year, particularly Indonesia and Singapore, to follow up the contacts we made last year. Singapore especially is a market area which needs continual service; we need to go back there on a regular basis to gain the trust of the people and to get a knowledge of the markets to ensure we can take advantage of those markets, bearing in mind the present potential with the current economic situation in those places.

We are planning to revisit the United States of America for the offshore technology conference to be held in Houston, and we are supporting a group of businessmen who will be mounting a presentation at that conference.

We will be making representations on specific industries to businesses on both the west coast of the United States and in Canada in an effort to encourage companies there to look at Western Australia for investment potential and future ex-

pansion. In all these areas we are trying to concentrate on encouraging joint ventures for the development of industries which will complement those already existing in Western Australia. I am pleased to say that the first of those companies to come here was just of that type.

I have responsibility also for the Tourism portfolio, which has expenditure allocations in the Budget that will allow us to continue with our tourist promotion which, I am pleased to say, has been very successful. We are concentrating now on a media campaign to attract people in the 18 to 35 years group and 55 years and beyond group. Our market surveys indicate they are the key groups of people likely to visit Western Australia. We are concentrating our television and printed media campaign on those audiences and, if our initial statistics are any indicator, we are having great success. We believe an indication of that success is that, in these depressed economic times, we are maintaining an increased inflow of tourists to Western Australia. When the economy does improve, we will be well placed to see a major resurgence of tourism in this State, which is one of the Government's first priorities.

Further, we will continue to support the regional travel associations, an initiative launched by a former Minister for Tourism, my colleague the Minister for Lands. These associations are coming together very well and some of them are extremely active and are playing a great role in developing tourism in this State in the promotional and physical sense of developing tourist assets in various regions. We will continue to give support to these associations.

Finally, and contrary to what the Leader of the Opposition said about this Government's not understanding that we need to upgrade the market skills of industry in this State and to encourage industry to become aware of what is necessary in marketing, we will be continuing our ongoing campaign of assistance to industry in the area of marketing its production in the Eastern States, South-East Asia, and the Middle East. This is an ongoing campaign by this Government and not something the Leader of the Opposition and his colleagues have come up with. It seems as though they have unearthed Government policies already implemented and are trying to indicate that they are the Opposition's latest initiatives. They seem to be very ill-informed for a so-called informed Opposition.

I will give an indication of what we have done in recent years. We have assisted agricultural farm machinery manufacturers to gain markets in the Eastern States. We have given assistance to wine producers in this State, and this year we will assist furniture manufacturers to move into the Eastern States, having already assisted that sector of industry last year in a market campaign in the Middle East. All this is hardly a sign of a Government that is not recognising the need for market assistance for important industry sectors in this State.

As I have indicated already, we highlight and foresee that South-East Asia is very much an area where markets can be obtained and that it will play a great future role in industry in this State. A Government officer regularly visits the region to establish marketing contacts for industry in this State. We have helped to provide displays in South-East Asia and again this year an officer will be visiting the area to establish further contacts for businessmen in this State. One of our officers will continue to visit the Middle East in order also to establish marketing opportunities for Western Australian companies. As I have said, although Opposition members try to maintain they understand what is needed, I remind the House that this Government for many years has been undertaking a programme to assist local companies and will continue to do so.

I would like to make a couple of points about the State and national economies, bearing in mind the comments made previously on this point by Opposition members. Many factors are presently impacting unfavourably on the economy of Australia, some of which even blind Freddy could see. I will instance three or four major factors.

Firstly, the overseas economic situation is having a severe impact on our country, a country that is largely dependent on exports for its earnings. I refer members to The National Bank of Australasia Ltd. monthly summary of September, which contained a very good article headed "Difficult times ahead". It read in part—

> The downturn in economic activity now under way and the intensification in inflationary pressures is attributable to a number of factors. There is little doubt that the severity and protracted nature of the international recession has been a major determinant of Australia's present economic problems. Depressed overseas activity and very weak commodity markets have led to a substantial fall in the demand for Australian exports.

Obviously in a State such as ours, which provides in excess of 20 per cent of the nation's exports, that must have an impact on our community, and it can be seen to be doing so.

Secondly, we have domestic factors also producing problems, and the article to which I have

just referred also comments on these. The article indicates that the increasing costs in this country over and above those of our major international competitors are of very great concern and are causing part of our economic problems at present. I quote again as follows—

> The growing disparity between the domestic cost structure and that of our major trading partners has resulted in a substantial loss of international competitiveness.

I certainly agree with that comment; it is one of which this Government is very much aware and about which it is concerned because of unrealistic demands being made for shorter working hours and increased pay in such poor economic times as I have outlined.

Mr Davies: What about Government costs?

Mr MacKINNON: Thirdly, interest rates have been commented on previously and they are impacting heavily on our community. We cannot be insulated from the world economic situation and the world level of interest rates, despite what Opposition members may say. It is easy for them to say that other countries have lower interest rates, but I have yet to hear any Opposition member come up with a realistic economic package which would explain how to reduce our present high interest rate levels.

In my opinion interest rates cannot be lowered when our exports are decreasing and our imports are increasing. Our interest rates must be financed somehow; the money has to be acquired for our large private and Government capital works programmes. We must borrow that money at competitive rates internationally. International interest rates are now coming down; hopefully this will have a positive impact in our community.

Fourthly, something that is starting to impact on our State's economy is the Eastern States drought. That might sound to be a bit of an anachronism, but when it is a drought as severe as this one, it does impact across Australia. It does so because many business people from the Eastern States, such as machinery dealers and manufacturers, are trying to market their product in Western Australia because of the paucity of sales prospects in the Eastern States. This certainly will not have a positive impact on our economy in Western Australia in the immediate future.

To counter all this, we in Western Australia have three or four areas working in our favour which will ensure that our current level of economic activity should remain as it is currently. Firstly, we have had a very favourable season. The Government cannot take any credit for that, but it is pleasing that we have had a very good season across the State, as this will impact favourably on our community.

We have an expanded capital works programme this year and work will continue on the SEC pipeline to bring gas to Perth from the North-West Shelf. The Muja to Kalgoorlie line will begin as will the effluent pipeline in Rockingham. We will have increased Budget allocations for housing so that activity in this area will be expanded, and this will provide a positive impact on our community with employment opportunities. Without having had such a good record to build upon as a Government, and without the Treasurer being able to provide a balanced Budget, we would not otherwise have achieved what we will be able to achieve.

We also should have a positive impact from the Federal Government's announcements on housing and interest rates, and other initiatives in the Federal Budget should soon flow through to Western Australia. I envisage increased activity in the domestic housing area in the near future.

I am sure the member for Kalgoorlie would agree that it is pleasing that gold prices are remaining at a good level. In the foreseeable future they should remain at this good level and so ensure a great deal of activity in the goldfields through investment and development.

In the long term our economic climate looks good. Perhaps in the third or fourth quarter of 1983 we will have a return to better economic activity in Western Australia, with the Woodside project moving to domestic gas and LNG phases, and continuing work by the Ashton Joint Venture. We also expect to hear announcements about the smelter, the power station, and the iron ore processing project in the north. The technology park also is expected to come to fruition at the WAIT campus at Bentley at this time. We hope that the promotional activity for tourism starts to pay off. We are working towards this end extremely hard.

I refer members to a report in *The Australian* of Thursday, 21 October, of a comment by Dr John Leaper, the Western Australian Manager for National Mutual Life Association of Australasia. At a seminar conducted by the company on the economic situation in the State, Dr Leaper made a statement which I think is very true and one with which this Government agrees very much and is one in regard to which the Government is working hard to ensure that we do not become a part of the psychology referred to. Dr Leaper stated that we were nowhere near to being in the bad situation that we were in the Depression of the 1930s and that the situation now has been highly exaggerated—as Opposition

members have done—in comparing the economic climate today with those of earlier times. I quote as follows—

> But we are in danger of slipping into similar psychology—

He is referring to the Depression psychology. To continue—

> —and, hence, missing opportunities which may not occur again for perhaps 10 years.

He is saying that many opportunities present themselves in times of economic downturn and that if we prepare ourselves enough we will be well placed to take advantage of them, as were many companies during the recession in the 1930s. I believe we as a Government in this current recession—which some people predict will continue for another two years—will be able to achieve an improvement in the third or fourth quarter of 1983.

I will make some comments on the remarks of the Leader of the Opposition during his speech on the Budget. Once again our economic position has been misrepresented, either deliberately or in ignorance—I am not sure which. He implied in one of his 19 points, none of which addressed issues in great depth or detail—

Mr Brian Burke: Not that you would understand, anyway.

Mr MacKINNON: —that this Government had no recognition of the fact that a need existed for a restructuring of industry in our community today. He said further that this Government had not addressed problems that had been with us for 20 or 30 years. I will put the lie to his statements. On the very day before the Leader of the Opposition made his speech on the Budget the Treasurer made a speech to a steel industry conference in Perth. A Press statement was issued and his comments were reported in the media. I will quote from the news release reporting statements of the person claimed to be not aware of the need for structural change in our economy. The Press release states—

> Mr O'Connor said that greater levels of protection were not the answer to the problems of Australia's steel industry.

I agree. To continue—

> "to artificially protect the industry from the global facts of life, while it may be popular and expedient in the short term, is both short-sighted and irrational."

Mr Pearce: Did he give details of those things?

Mr MacKINNON: Members will recall the words of the Leader of the Opposition when he referred to structural change apparently not being considered by this Government.

Mr Brian Burke: He is talking about the steel industry.

Mr Grill: We don't have a steel industry thanks to this Government.

Mr MacKINNON: He was speaking about the steel industry at a steel industry conference.

Mr Grill: That's right.

Mr MacKINNON: I will explain now this Government's stance in regard to general industry.

Mr Brian Burke: Restructuring the economy doesn't mean restructuring the steel industry.

Mr Grill: Which we don't have, anyway.

Mr MacKINNON: The Opposition is confused.

Mr Pearce: You are confused.

Mr MacKINNON: I am referring to a statement made by our Treasurer at a steel industry conference. He referred to what is happening in that industry, and the need for restructuring in that industry which plays a part in our economy.

Mr Brian Burke: That is not the economy.

Mr MacKINNON: I will explain what this Government has done to make clear its views on restructuring industry. Its views have been made clear at national industry inquiries into the restructuring of industry. Three such inquiries were conducted recently, but conveniently were ignored by the Opposition. To my knowledge, the Leader of the Opposition—the man who represents an Opposition supposedly interested in the business community—did not comment on those inquiries.

The inquiries related to industry assistance, tariffs, and export assistance. As a Government, we made detailed submissions to each inquiry. In fact, I visited Canberra to speak about those inquiries with the Chairman of the Industries Assistance Commission, and I had two or three meetings with Sir Phillip Lynch, the Minister then responsible for such matters.

Our general attitude towards tariffs is that over a reasonable period they should be reduced across the board, without reservation. That is something the Opposition does not care to know about. To support that view, I ask members to consider the comments made by the Leader of the Opposition in this place when he made reference to the Whitlam era. He said that the Whitlam Government bit the bullet in relation to tariffs. All right, it bit the bullet; it reduced tariffs by 25 per cent overnight, but that put many employees out of

work. We have said that tariffs should be reduced over 15 years. We opted for a period of 15 years instead of 10, but I would not argue strongly against a 10-year period. The point is that industry needs a time limit spelt out now by the Federal Government.

Mr Pearce: Your economic policy is to go for the soft option every time.

Mr MacKINNON: It hardly can be said that the option of 15 years is soft; it would give industry a positive idea of where it was heading. At present we have the Federal Government decision to proceed forthwith to the reduction of tariffs, and as a result little long-term investment will be made by industries protected by tariffs because they are uncertain about their futures. That 10 or 15-year period would give industries a surety on which to to determine where they should go.

The Opposition has not referred to the provision of industry assistance because it is ideologically opposed to that course. On the other hand, we believe that the other side of the ledger must be considered. For some time we have made representations in support of industry assistance. For example, we support an increase in the allowance for depreciation on buildings, and I was pleased to see that course followed. In addition, we support the continuation of investment allowances.

Much more needs to be done in the areas of industry assistance and taxation incentives to ensure our industries are able to compete on the international scene without the protection of tariffs, but with a level of assistance similar to that provided by countries with which we must compete. That point has been represented actively by this Government. We are very well aware of what needs to be done to restructure the Australian economy, and continually we have represented that viewpoint to the Federal Government, and our Premier actively has represented that viewpoint privately and publicly. For the Leader of the Opposition to say that this Government has done nothing in regard to these matters, and is not in touch with what is happening, is just nonsense.

Opposition members interjected.

Mr MacKINNON: I am not listening to the comments of the Opposition. The Leader of the Opposition said that this Government does not recognise this country's need to retain international competitiveness. Already I have indicated that this Government has a recognition of that need. After all, why would we say to people in the community that now is not the time to push for shorter working hours, now is the time to show wage restraint? As the National Bank article indicated, this country lacks international competitiveness. Even this morning's Press reported on its front page that the country's inflation rate was much higher than that of its competitors. In my view that is due mainly to the high cost of wages. Unless that is recognised by employers and employees in this country, we will face more problems in obtaining in the future a realistic economic improvement. We are a Government that places priority on higher productivity and the development of high technology industries, not on restricting the economy, as our opponents suggest.

As I think I have indicated sufficiently, the statement by the Leader of the Opposition ignored what we are doing right now—today. I do not think he read the Budget speech properly, and neither did the Deputy Leader of the Opposition. I was pleased to hear the Treasurer refer to the extent to which we have supported new technology by way of this Budget. Pages 18, 19, and 20 of the Budget document outline the high priority this Government gives to new technology in an endeavour to ensure we have up-to-date and efficient equipment in Government service, and indicate that we will encourage and support the development of hardware and software in this State. In addition, the development of the technology park has been supported.

I will conclude my remarks by referring to a couple of issues upon which comment must be made from this side of the House. I hope that in time the Opposition will comment rationally and reasonably on these issues. As I am sure the Treasurer will show in his response, the speech of the Leader of the Opposition was most disappointing, if not the most disappointing speech heard in this House.

Mr Hodge: You say that every year.

Mr MacKINNON: That is correct; they get worse every year. The Leader of the Opposition and his colleagues who supported him put forward no alternative policies, and no realistic cost estimates of their proposals.

Mr Pearce: You said there were no policies, but then you said the policies weren't costed.

Mr MacKINNON: I said that the Opposition put forward no alternative policies, and did not give realistic cost estimates of proposals they put.

Mr Pearce: That's a contradiction.

Mr MacKINNON: The Opposition put forward no proposals of consequence. I assure the Leader of the Opposition, who professes always that he understands what the business community is saying, that the business community has said to me that it recognises the Opposition and, in particular, the Leader of the Opposition, for what

they are. The Leader of the Opposition is a man of many words, but not of very much fact behind his facade. The business community says his words are mostly rhetorical, and no action is forthcoming after those words.

I challenge the Opposition to explain to me exactly what is meant when it talks about selective reflation in our economy.

Mr Brian Burke: Do you want me to tell you?

Mr MacKINNON: No, I do not.

Mr Brian Burke: No, you don't, because you are as weak as water.

Mr MacKINNON: I challenge the Opposition to explain to me exactly the sectors it would reflate.

Mr Brian Burke: I will tell you. We would start with the housing and construction industry—

Mr MacKINNON: Mr Speaker—

Mr Brian Burke: Do you want me to answer?

Mr MacKINNON: Very well, I want the Leader of the Opposition to tell me how the Opposition would do what it intends to do with that industry.

Mr Brian Burke: So far as the State and State funds are concerned, we would make economies where you are not capable of doing so, and we would implement the most far-reaching programme of efficiency in Government—

Government members interjected.

Mr Brian Burke: Do you want to hear my comments?

Mr MacKINNON: I will refer to that point; I will outline why the Opposition is incorrect. I envisaged the Opposition's stance would be that it would effect economies. The Leader of the Opposition should be aware that basically 80 per cent of Government costs relate to labour, with the rest related to capital and overheads—very little. Mostly, Government expenses relate to people, and, if the money the Opposition talks about is to be saved, it will need to explain how it would carry out the programmes. In due course I would like the Leader of the Opposition to explain exactly who will be lost from where.

Mr Brian Burke: The Minister for Health already is getting rid of people from the hospitals.

Mr Young: Every time I do take a move designed for more efficiency, which would mean nobody is sacked, you and your shadow Minister for Health go spare.

Mr Brian Burke: The Premier says one thing and you say the opposite.

Mr MacKINNON: The Leader of the Opposition referred to infrastructure expenditure. He made the bold statement that the Opposition would have coal loaders built.

Mr Brian Burke: Why don't you quote me correctly?

Mr MacKINNON: The Leader of the Opposition said the Opposition would get on with capital works such as those relating to coal loaders, railway lines, and industrial estates.

Mr Brian Burke: These were examples of infrastructure expenditure.

Mr MacKINNON: Where would coal loaders be built in this State? Why does not the Leader of the Opposition use relevant examples?

Mr Brian Burke: They are relevant, but of course are irrelevant to a pygmy brain like yours.

Mr MacKINNON: The Leader of the Opposition once again reverts to personal abuse when he is unable to provide facts, something for which he always blames this side of the House.

Mr Pearce: That is because it always does do that.

Mr MacKINNON: Which railway line would the Opposition build?

Mr Brian Burke: Are you interested in hearing me?

Mr MacKINNON: I am interested to know where a railway line would be built. I seek specifics.

Mr Brian Burke: I said the Government should be turning its attention to growth-provoking infrastructure.

Mr MacKINNON: Are coal loaders, railway lines, and industrial estates examples of growth-provoking infrastructure?

Mr Brian Burke: Yes; they are the examples I gave.

Mr MacKINNON: He cannot justify his statements.

Mr Brian Burke: That is in the same way as the State Government can't reduce taxes, but I am trying to tell you—I have done so time and again—that you have no breadth of vision.

Mr MacKINNON: Mr Speaker—

Mr Brian Burke interjected.

Mr MacKINNON: —it becomes absolutely clear from the Leader of the Opposition—

Mr Brian Burke interjected.

The SPEAKER: Order! I gave the Leader of the Opposition more than a fair go to interject on the Minister because it appeared to me the Minister attempted to answer the interjections. How-

ever, I am not prepared to sit idly by while the Leader of the Opposition proceeds to shout across the Chamber to drown out the member who has the call.

Mr MacKINNON: We would like the Opposition to give specifics in regard to how it would carry out its plans for coal loaders, railway lines, and industrial estates. Are the holdings of the Industrial Lands Development Authority not relevant? Are the initiatives and actions this Government has taken in this area not relevant?

Mr Brian Burke interjected.

Mr MacKINNON: Once again the Opposition reverts to personal abuse and generalities—no specifics.

Mr Brian Burke interjected.

Mr MacKINNON: This is the mark of the man who claims to be an alternative Premier.

Leave to Continue Speech

Mr MacKINNON: I seek leave to continue my remarks at a later stage of the sitting.

Leave granted.

Debate thus adjourned.

QUESTIONS

Questions were taken at this stage.

Sitting suspended from 6.11 to 7.30 p.m.

APPROPRIATION (CONSOLIDATED REVENUE FUND) BILL

Second Reading: Budget Debate

Debate resumed from an earlier stage of the sitting.

MR MacKINNON (Murdoch—Minister for Industrial, Commercial and Regional Development) [7.30 p.m.]: Prior to the tea suspension I was referring to the speech which the Leader of the Opposition made to the Budget. It is now the reputation of the Leader of the Opposition to be long on rhetoric and short on fact. We did not hear any facts at all, and this was demonstrated quite clearly in the interchange we had just before the tea suspension.

Mr Bryce: He's got you blokes worried, hasn't he?

Mr MacKINNON: Once again, when challenged to be specific, he could talk only on generalities. All he could say was that the Opposition would provide a great deal of money through Government efficiencies. If Opposition members believe that to be true, I challenge them to say how inefficient they believe the Government to be.

Mr Pearce: Almost totally.

Mr MacKINNON: Is it 10 per cent inefficient?

Mr Bryce: You are just lucky Murdoch has been made a bit safer.

Mr MacKINNON: Tell me where the extra 10 per cent would go? Give me those alternatives. Opposition members should make some of those hard decisions which they are always claiming the Government never makes. During all the time I have been in this House, Opposition members have never made any of those hard decisions.

By the time we return here next year, the ALP will still be in Opposition, but the Opposition will have a new leader.

Mr Pearce: What about your leader's ideas on restructuring the steel industry? How many specifics did he give?

Mr MacKINNON: Just listen to the member for Gosnells. At least the Federal Leader of the Opposition, for all his faults, has the guts to stand up to give an alternative Budget every year. He is prepared to be judged on what he is offering as an alternative. The Opposition in this House is not prepared to give us anything except rhetoric. It has been totally bereft of specifics. In the whole debate no Opposition members have got down to specifics.

Mr Pearce: You have not been here for the most part.

Mr Clarko: How would you know?

Mr Pearce: I have been here most of the time.

Mr Clarko: Most unusual.

Mr MacKINNON: The Leader of the Opposition and three Opposition members have said that they would provide for greater expenditure in the areas of health, housing, and education.

Mr Pearce: That is untrue.

Mr MacKINNON: The Leader of the Opposition said he wanted more money spent on education, and I challenge the member for Gosnells to read his speech, as I have done.

Mr Pearce: You said I had said that.

Mr MacKINNON: I did not.

Mr Pearce: You did.

Mr MacKINNON: We heard also calls for new ministries—a ministry of apprenticeships, a ministry of technology, and a ministry of small business. This claim was made without any justification; no back-up was given, nor were we told which portfolios would be abolished.

Mr Bryce: They would be handled by the same person.

Mr MacKINNON: Exactly which people would handle the job? If, as Opposition members are saying, the job would be handled by the same person, what is in a name?

Several members interjected.

Mr MacKINNON: What counts in this business is action—not words.

Mr Carr: That is why we are critical.

The SPEAKER: Order!

Mr Pearce: Why don't you go out and do something?

The SPEAKER: Order! The interjections will cease.

Mr MacKINNON: The Opposition is demonstrating quite clearly that it does not understand. Until such time as Opposition members do understand, they will remain sitting right where they are. For all the Opposition's grandiose schemes, we have not yet heard any explanations of how they will be funded.

Mr Bryce: You are on the edge of the slide, boy!

Mr MacKINNON: We were told the same old thing: The Opposition, if elected, would do these things through savings by way of efficiencies. At least 80 per cent of the Government's Budget expenditure is to do with people, so we would like to know which people the Opposition will sack.

Mr Pearce: If everybody paid their taxes, that would cover half of it.

Mr MacKINNON: In which areas would these savings be made?

Mr Pearce: Where do you stand on tax evasion?

Mr MacKINNON: I do not condone tax evasion. I have never condoned it, and I have never practised it.

Mr Pearce: What about the Liberal Party finance committee?

The DEPUTY SPEAKER: Order!

Mr MacKINNON: During my whole period as a practising public accountant, I did not condone tax evasion. It is clear to see that the Opposition—

Mr Pearce: If everyone paid his taxes, everything would be okay.

The DEPUTY SPEAKER: Order! The House will come to order!

Mr MacKINNON: Prior to the next lot of interjections, I would like to say that it is quite clear that Opposition speakers are short on facts. This is obvious when, as usual, Opposition members resort to loud abuse and interjections.

Mr Bryce: The Liberal Party has established a new low.

Mr MacKINNON: As I say again, Opposition members are short on facts and long on interjections. Members opposite have told us how they will spend more money, but we have not been told how any of the promises are to be funded.

Mr Bryce: It is on the bottom of the harbour!

Mr Pearce: Raise the *Titanic!*

Mr MacKINNON: Let me ask the Deputy Leader of the Opposition how the State Government would be assisted if income tax has been evaded. Surely that is a Federal Government matter.

Mr Bryce: You know as well as I do—

Mr MacKINNON: I would like to hear from Opposition members where the money is to come from. Let me hear from the Deputy Leader of the Opposition whether he is in favour of a capital gains tax.

Mr Bryce: I would like to know where the—

Mr MacKINNON: Short on facts again.

Mr Bryce: I am like Ansett; I believe.

Mr MacKINNON: Short on facts and long on rhetoric.

Mr Bryce: I think Ansett and I agree on that.

Mr MacKINNON: I would like to conclude by running through the long list of promises which the Opposition has put forward. The Leader of the Opposition is all things to all people. Whenever he speaks to someone—

Mr Bryce: He has got you worried.

Mr MacKINNON: —he tells them what they want to hear. Let the Opposition explain to me once again about the way the investment of $150 million in the Ashton Joint Venture will return one cent more to the State. Secondly, how is it and why is it—

Mr Pearce: Are you saying that the people who invest in Ashton will not get their money back?

Mr MacKINNON: The member for Gosnells might have a chance during the Committee stage to explain a few things to us. He is very short on facts.

Several members interjected.

The DEPUTY SPEAKER: Order!

Several members interjected.

Mr Pearce: Bullfrog!

The DEPUTY SPEAKER: Order! *Hansard* is having great difficulty in attempting to record the

Minister's speech. As well as the members interjecting, other members are carrying on conversations across the Chamber. I suggest that all interjections cease. I call on the Minister.

Mr MacKINNON: I merely repeat: No facts have been forthcoming from the Opposition. Its members are long on rhetoric and interjections. We saw a report in the Press that the Opposition would take a share of the WA internal air service. Why do we need Government involvement in that area? That has yet to be explained, and we are yet to learn where the money is to come from. How are we to fund electrification of the railways? How do we ensure a better patronage? I have seen the new passenger cars on the Perth-Armadale run, and they look very good to me.

Mr Pearce: They break down all the time.

Mr MacKINNON: I cannot see how we can attract more people to the railways. Electrification is estimated to cost $150 million—how would we raise those funds? The Government has saved in the vicinity of $2 million by closing the Perth-Fremantle line. Where is the money to come from to reopen that service? We have not heard one word about the funding of these promises.

At business meetings, the Leader of the Opposition has said that the Opposition would increase the preference given to State-manufactured goods. To what particular preference is he referring, and by how much would it be increased? Let us be specific. Let Opposition members tell us of some positive steps they would take, and let us hear realistic and concrete promises from the so-called Leader of the Opposition.

Mr Bryce: He is a beauty.

Mr MacKINNON: Once again, long on rhetoric and short on facts.

Mr Bryce: You are running scared.

Mr MacKINNON: The speech made by the Leader of the Opposition was a great disappointment to his own members. It is the weakest reply to a Budget speech I have heard for a long time. The member for Victoria Park should be very happy—he has now been surpassed as an inefficient speech maker. The Leader of the Opposition is carried away with his own rhetoric, but his rhetoric is letting him down. I challenge the Leader of the Opposition and Opposition members to come up with specific facts. They should have the guts to stand up and be counted. For once it would be nice to hear an Opposition member who is prepared to stand up in this House to quote some of the ALP's platform. That has never happened over the whole period I have been in this Parliament.

MR HARMAN (Maylands) [7.42 p.m.]: I am very happy to take up the challenge of the Minister for Industrial, Commercial and Regional Development on behalf of the Opposition and the Labor Party, and if he remains in his seat—

Mr Nanovich: That is funny, coming from you.

Mr HARMAN: —to the end of my remarks, he will have a better idea of the manner in which extra money will be available to the next Labor Government. It is a pity that the particular action to which I will refer was not taken some time ago. Had it been taken, the State would have had a tremendous sum with which to look after the interests of Western Australia. Before I come to that story—

Mr Rushton: Come back to it though.

Mr HARMAN: Yes, I will. I am sorry that the Minister became testy with me when I asked him the name of one company which the Government had attracted to Western Australia from the Eastern States. It may be that over the tea suspension he has remembered the name of that one comapny, and he may be prepared to tell it to me now.

Mr MacKinnon: If you would like, it is TTA Technico.

Mr HARMAN: In the last two or three weeks the Government announced that it would not extend the franchise of the State Government Insurance Office. That was quite an important announcement, and one we should bear in mind. What it really means is that this Liberal Government has turned its back on the welfare and financial interests of most Western Australians. The Government has abandoned the welfare of Western Australians so that it can genuflect at the alter of private enterprise and at the same time support the foreign-owned private insurance companies that are operating in WA.

Instead of ensuring that Western Australian's achieve a lasting benefit, this Government now wants to ensure that the foreign-owned private enterprise insurance companies make their profits for people who live outside this State and, in many cases, outside Australia. The Government wants to ensure that those people enjoy the profits made by the people of Western Australia.

It is staggering that this Government which was elected by the people of Western Australia now turns its back on those people in the interests of those foreign-owned companies. I am sure the time is not too far away when the people of Western Australia will realise just how badly this Government has treated them, to the extent that it has turned its back on their welfare and financial interests.

The State Government Insurance Office commenced operations in Western Australia in 1926. At the present time the SGIO is able to issue policies for workers' compensation insurance, motor vehicle comprehensive insurance, and other classes of insurance relating to Government, local authority, and semi-Government institutions.

The SGIO does not have the franchise to write life assurance or to enter into the field of general insurance, such as household insurance and fire, accident, or marine insurance for the people of Western Australia. Its franchise is limited to writing insurance concerned with Government or semi-Government authorities.

However, the SGIO is subjected to the same obligations as are other insurance companies. It does not have to pay income tax, but, as a result of a decision made by the Tonkin Government, it pays an amount to Treasury in the form of revenue in lieu of income tax.

For the last three or four years the SGIO has been paying the Treasury an annual amount of approximately $3 million.

It can be seen that the SGIO acts under a difficulty in that it is not able to enjoy all the benefits which private insurance companies have, and it is not able to operate all the portfolios to which I have referred to its total benefit.

The SGIO is now a public utility, but it should be a public enterprise. During the terms of Labor Governments, endeavours have been made to pass legislation to extend the franchise of the SGIO. However, whenever such legislation has been introduced, it has been defeated in the Legislative Council, because the Labor Government has not had the numbers there.

In 1973 the Tonkin Labor Government established a Royal Commission to determine whether the extension of the SGIO's franchise would be in the best interests of Western Australia. The Royal Commission concluded and reported to the Government in 1974. Unfortunately, the Government in office at that time was the Court Government and it was two years before that report was made public.

It is worth quoting some of the observations in that report so that members realise fully the report's significance. Firstly, the Royal Commission recommended that the SGIO "receive authority to engage in all classes of insurance business, including life assurance business, within the State of Western Australia". That is a straight-out, unconditional recommendation. Later in that report the Royal Commissioner said—

> If these restrictions were removed the State Government Insurance Office would keep the insurance industry competitive and help to reduce premiums, maintain standards, open new areas of business in the field of general insurance business and provide an independent approach and meet an existing demand in the field of life assurance business.

The Royal Commissioner also said—

> The office would provide the people of Western Australia with adequate representation in the insurance industry, enabling them to share in the conduct of that industry in Western Australia.

Those recommendations are very plain and concise. They were examined by the Court Government and yet after approximately 8½ years the Government has decided it will not extend the franchise of the SGIO. That decision has been taken despite the comments made in the report of the Royal Commission in 1974, published in 1976; despite the evidence taken from the private sector, the SGIO itself, and people from other States; and despite the fact that the weight of that evidence convinced the Royal Commissioner he should make these recommendations. Despite all that material, the Government still wants to kowtow to private enterprise and run away from its responsibilities in respect of the people of this State.

What about the private enterprise insurance companies in this State?

Mr Sibson: They are very important.

Mr HARMAN: I agree with the honourable member. A total of 75 insurance companies handle general insurance in Western Australia, three of which companies have their offices of origin in this State. The remaining 72 have their offices of origin in other States or other countries. Indeed, 44 of those 75 insurance companies which operate in the general insurance area in Western Australia, have their offices of origin in another country.

A total of 32 companies are involved in life assurance in Western Australia, only one of which has its office of origin in this State and 18 of which are foreign owned and have offices of origin outside Australia.

It is a dismal picture and those figures certainly illustrate the Government's attitude towards private enterprise insurance companies and those which are foreign owned.

Bearing in mind the Government's attitude and its decision that the SGIO should remain a public utility rather than a public enterprise and should be allowed to operate only in a certain area and

not be able to compete with foreign-owned companies and other private insurance companies in Western Australia, one might be led to believe there was something wrong with the SGIO. In my view, and certainly in the view of anybody who has had anything to do with the SGIO, it is a very efficient Government utility at the moment and it provides a most efficient service to the people of this State. Therefore, it is difficult to argue that the SGIO is inefficient. In fact, the real answer to the situation is exposed when one looks at what is happening in other States of Australia.

I turn firstly to Queensland which has had a conservative Government for a number of years. The SGIO in that State is able to operate in the life assurance area and does so very efficiently. It is able to operate also in the general insurance area and for some time it was involved in workers' compensation. Recently, however, workers' compensation has been taken away from the SGIO in Queensland and placed with a Workers' Compensation Board which handles all workers' compensation business in Queensland. No other insurance company in Queensland can write assurance for workers' compensation; it is all handled by one Government department.

Mr I. F. Taylor: That is a good idea.

Mr HARMAN: The SGIO in Queensland handles life and general insurance. The conservative Government there has been led by Mr Bjelke-Petersen for at least 10 or 11 years and, in that time, he has not attempted to remove the power of the SGIO to write life assurance; nor has he denied the SGIO the right to practise in the general insurance area.

I ask members: What has that meant for Queensland? I am sure I do not need to explain to members that obviously a great deal of benefit has flowed from that decision.

Let us look at the annual report of the SGIO in Queensland for 1980-81, which was the latest report I could obtain. The following statement is found on page 9—

> General Insurance
>
> During 1980-81, the Office introduced a number of new products: A Special Business Package, a Rural Protection Package, and Club Packages were successfully marketed. Each of the products was designed to meet the insurance needs of specific market sectors and provide the opportunity for policyholders to incorporate many types of cover in the one package.

Here is the important point—

> The year's transactions in the General Insurance Fund produced an underwriting deficit of $12 million. However, after taking into account investment income of $26 million and charging depreciation of $1.4 million, there was a surplus of $13.18 million. Provision of $2.5 million for possible runoff in claims in relation to Reinsurance Treaties and . . .

This is the important part. To continue—

> . . . $4.6 million for contribution to the Queensland Treasury in lieu of income tax resulted in the sum of $6 million being available for appropriation.

So in the last financial year for which I have records, $4.6 million was made available from the general insurance fund to the Queensland Treasury.

Let us go a little further. On page 22 of that report reference is made to the life assurance situation as follows—

> The Office is exempt from payment of income tax to the Commonwealth Government under section 23(d) of the Income Tax Assessment Act. However, it receives no competitive advantage from this situation as it makes an equivalent contribution to the State Treasury in lieu of income tax. This contribution is assessed in accordance with the provisions of the Commonwealth Act.

An amount of $8.6 million was paid to the State Consolidated Revenue Fund on account of the contribution assessment of the 1979-1980 financial year. From the general insurance area State Treasury received $4.6 million and, from the life insurance area of the Queensland State Government Insurance Office, it received $8.6 million. It did not stop there because the SGIO paid to Treasury a payroll tax amounting to $1.1 million. After that it paid land tax to Treasury in a sum of $411 000. If we total up all these payments we discover that the Queensland Treasury in 1980-1981 received something like $21 million from the State Government Insurance Office.

It did not stop there either because a number of other benefits flow to Queensland from its having the State Government Insurance Office doing so well. It lends money to people wanting to build a project or undertake a development in Queensland, so it is acting as a lender of finance to enable construction works to begin; it might be a tourist resort, a caravan park, a hotel, a motel, or road works in connection with a tourist attraction. There are many projects that the SGIO in Queensland believes would be a good investment for it and for the State.

In that area in 1980-81 it invested $105 million; that is $105 million that was put into the Queensland economy in order that projects could be developed. At the same time the office holds $17 million worth of properties that are leased or rented out and income is generated from them. In 1980-81 the SGIO received $163 million in premiums.

Members can see that the Queensland State Government Insurance Office is one of the really big investors in the short-term money market. It derives a tremendous amount of interest from its overnight or overweek investments. Just look at the SGIO in Queensland and compare it with the SGIO in Western Australia. There is practically no comparison. The office in Queensland can do all these things, receive these amounts of money, undertake an investment programme in Queensland, and give the State Government the opportunity of getting construction and development works started, thus providing private enterprise with the opportunity of initiating these projects, all of which means that work is available for the tradesmen and those people associated with construction and development. It ensures that work is available for the factories that make the goods that are required for the development. This is all done because a conservative Country Party-dominated Country-Liberal Party conservative Government in Queensland has a State Government Insurance Office that competes with private insurance companies. Do not think for a moment that there are no private insurance companies in Queensland; there are. As a matter of fact, some have started their operations since the SGIO had its total franchise in Queensland.

Do not run away with the idea that by extending the franchise to the SGIO, a lot of harm would be caused to the private industry sector, as that just does not happen. It has not happened in Queensland and it would not happen in Western Australia.

Let us turn to New South Wales. The State Government Insurance Office in that State has had the franchise to enter the life and general insurance areas, for some years, even when a Liberal Government was in office before the Wran Government, and that office was able to inject $17 million in the year 1980-81 into State Treasury, apart from the other loans and investments that office maintains in New South Wales.

Let us turn to South Australia. The State Government Insurance Office there has an open franchise and again it is able to make the sort of contributions that Queensland and New South Wales make.

In Victoria, the State Government Insurance Office has a limited power at the moment, and one could understand why—because Victoria had a Liberal Government for many years. That situation is about to be changed and I understand legislation is proceeding now to extend the franchise of the State Government Insurance Office in that State.

In Tasmania, the State Government Insurance Office has a limited franchise. The Northern Territory has an open franchise office and is able to make a contribution to the economy of the State.

In New Zealand, both the conservative and Labor Governments always have had a State Government Insurance Office with an open franchise into the areas in which they wish to proceed.

I have demonstrated to the House tonight that the Western Australian Government has an opportunity to generate for itself more funds which could be directly paid into Treasury and at the same time have an institution that would be able to inject its own finance—finance which has been raised from Western Australians—into Western Australian projects. I cannot think of a more desirable thing to occur. It certainly is far better than Western Australians investing in an insurance company that has its office in New York, London, or other overseas cities, and seeing the profits of that investment going off to shareholders in the United Kingdom, New York, Tokyo, or Sweden where these other private insurance companies have their offices of origin. No-one can convince me that that sort of operation should continue.

For the life of me, I cannot see why this Government, if it has the interests of Western Australians at heart—and it professes that it does—is running away from this issue. Why must the Government be dominated by the private insurance companies of Western Australia? Why must it listen to the propaganda which these companies must parade out to them? I am sure the Premier, as Treasurer of this State, must know what happens in Queensland, in New South Wales, and in the other States of the Commonwealth. This probably provides some of the reasoning for the fact that the Commonwealth Government looks askance at Western Australia it knows Western Australia has the opportunity to raise from its own people through insurance, finance for investment in projects in Western Australia, as has been done in the other States. Commonwealth Treasury officials must be saying to themselves, "What sort of a group of people are those Liberals in Western Australia?" It must be an embarrassment to them. It certainly would be an embarrassment to

me if I were in the shoes of our Treasurer and I went to the conferences in Canberra with the other State Treasurers. They would all be laughing at him and saying to him, "Haven't you woken up? Don't you realise that by extending the franchise to the State Government Insurance Office you will have virtually a bonanza? You would have all these avenues from which to raise additional finance? All these avenues would be open to allow the SGIO to receive requests from investors to invest in Western Australian projects." I think the Treasurer of Western Australia and his predecessor were the laughing stocks of the Treasurers from the other States of the Commonwealth.

Mr O'Connor: Certainly not on this Budget. We are the pride of them.

Mr Laurance: It is a little difficult to understand the logic of your argument.

Mr HARMAN: It is difficult for the Minister to understand anything.

Mr Laurance: Let me show you how silly it is. On the one hand, you said it would have no effect on private enterprise insurance companies and, on the other hand, it would be a bonanza for the Government. Where does the money come from—pennies from heaven?

Mr HARMAN: From the people of Western Australia.

Mr Old: Cargo cult!

Mr Laurance: You said it would not affect the private companies.

Mr HARMAN: The Minister should know, because he worked in the insurance industry, that private insurance companies are getting out of certain areas of insurance, notably workers' compensation; he also knows that two or three years ago there was a bit of a muster by private insurance companies to get into the workers' compensation area, but for reasons best known to themselves, they now are getting out of it, so that tab is being picked up by the State Government Insurance Office. Why does the Government want to deny the State Government Insurance Office the opportunity to compete? The Government wants to load onto it all the insurance that the private insurance companies do not want, but it will not give that utility the opportunity to compete with the private companies.

More people would be induced to take out life insurance at a rate which obviously occurs in Queensland. The other insurance companies could compete. Why does the Government want the people of Western Australia to pay higher premiums for life insurance than paid by are Queensland people? If the Government really is interested in the people of Western Australia, I cannot understand why it kowtows to the private insurance companies' arguments about restricting the profits by having the State Government Insurance Office involved in this area.

One day this Government will wake up and realise how far behind the other States of the Commonwealth it is. It probably will not occur to the Government until it finally gets into its members' thick heads the idea that, "Here is an opportunity of providing a great amount of money for expenditure in Western Australia."

I could talk for a long time on this issue, but obviously I could not convince this Government. Its members put their heads down in their laps and say, "We can't run away from our devotion to private enterprise." All the other States have done it for the benefit of those States. Perhaps one day—and that day may not be too far away—a Government which is really interested in the people of Western Australia will have the opportunity of legislating to ensure that Western Australians insure with the Western Australian company which will afford more benefit to Western Australia.

In the remaining few minutes available to me I will make some observations about unemployment in Western Australia. Tonight I heard the Minister indicate what the Government intended to do in the future. I want to remind the House that in 1974 when the Tonkin Labor Government was defeated despite a 52 per cent vote in the metropolitan area, 99 per cent of the work force was employed. In fact, at that time firms were coming to the Government—

Mr Clarko: Are you saying there was one per cent unemployment in 1974?

Mr HARMAN: Yes.

Mr Clarko: It is totally incorrect. It is impossible for the unemployment rate to be one per cent. The economists would call 97 per cent full employment.

Mr O'Connor: Where do you get your figures from?

Mr HARMAN: They are recorded somewhere in the journal that I have.

Mr Shalders: I think you will find it was four per cent.

Mr HARMAN: At that time, firms were coming to the Government stressing the need for it to do something about increasing the numbers in the work force. Suggestions were made to reduce the training time for apprentices, increase the number of apprentices, offer further technical

training, increase migration levels, and enter the field of adult training. The Tonkin Government acted on many of those suggestions and changes were made to the apprenticeship system, adult education was increased, particularly under a training scheme for trades people, and something was done about increasing the levels of migration. Therefore, the Tonkin Government did something in these areas.

One of the important things that the Tonkin Government did following the large number of people who were unemployed in 1972-73, was to get off its backside and endeavour to attract at least several major projects to Western Australia. Two of these projects come to mind. One involved the building of the CBH grain storage terminal at Kwinana. It is one of the biggest storage depots in the southern hemisphere and it was organised between the Tonkin Government, merchant banks, and CBH because the Tonkin Government wanted an industry in Western Australia that would create employment. At the same time, the Tonkin Government arranged for a guarantee for the very large offshore drilling rig at Kwinana.

I ask the Government: What special project is actually being undertaken at the moment which it has specifically organised to take account of the number of people out of work in Western Australia? What specific project is under way at the moment?

Mr Bateman: Government members will say the north-west pipeline.

Mr HARMAN: What project is under way to soak up the unemployed?

Mr Rushton: Do you think it is the Yunderup Canals?

Mr Court: Worsley and the North-West Shelf.

Mr HARMAN: I am glad the member for Nedlands came in because I was hoping someone would say the North-West Shelf gas project.

Mr O'Connor: An amount of $2 million is being spent a day on that project.

Mr HARMAN: The Government is spending $2 million on the North-West Shelf gas project and 50 000 people are out of work in Western Australia.

Mr Bryce: There are more than that.

Mr HARMAN: Yes, more than 50 000 people are out of work and the Government is spending $2 million a day on the North-West Shelf gas project. Obviously, the Western Australian people are not getting the benefit of that expenditure.

Mr O'Connor: Have a look at New South Wales and you will find that we are doing so much better.

Mr HARMAN: I am not worried about that.

Mr O'Connor: I can believe that.

Mr HARMAN: The former Premier said that Western Australia had an economy of its own which is not related to the Australian economy, and $2 million per day is being spent by this State Government.

Mr O'Connor: No, by the developers.

Mr HARMAN: An amount of $2 million is being spent each day and we have over 50 000 people out of work. When the Tonkin Government was dismissed only 7 000 people were out of work.

Mr Bryce: What a disaster!

Mr Brian Burke: We will put them to work after March.

Mr MacKinnon: I hope you will tell us where and how.

Mr Brian Burke: We will.

The DEPUTY SPEAKER: Order!

Mr HARMAN: I would like to illustrate a few points about the north-west.

Mr Brian Burke: The Minister has the staggers.

Mr HARMAN: The Government has signed a deal with the Japanese to spend money in Japan so that the Japanese steel mills can make steel pipes for the North-West Shelf gas project. Who will benefit? It will be the Japanese workers in Japan. It is no wonder that BHP is on the rocks and that the workers in Wollongong are storming Parliament House in Canberra, demanding a job; and the Treasurer in Western Australia gives a contract worth $100 million to the Japanese so that Japanese companies and workers will get the benefit.

Mr MacKinnon: Will the steel come from Western Australia?

Mr HARMAN: What the Treasurer said—

Mr MacKinnon: Get your facts right.

Mr HARMAN: The ore might be coming from Brazil!

A further point that has come to my notice is that a flare tower required for the north-west project was built in South Australia and shipped to this State. Woodside-Burma has called tenders for the construction of three more flare towers and I have found out that the company may grant that contract to a firm outside Western Australia. The job will cost over $1 million. I have asked the Minister some questions in relation to this matter and in answer to one question he advised that tenders had been called and he would be discussing the matter with Woodside-Burma. In answer to a

further question which I asked a couple of weeks later, he advised that no decision had been made. I have since established that the design work for the construction and fabrication of the flare towers, which was worth $250 000, is being undertaken by a firm in Sydney.

Mr Brian Burke: That would be a local source by this Government's definition.

Mr MacKinnon: That is a complete lie.

Withdrawal of Remark

Mr BRIAN BURKE: Mr Deputy Speaker, on a point of order, the Minister should not use those words, "That is a complete lie".

The DEPUTY SPEAKER: What is the point of order?

Mr BRIAN BURKE: I would have thought that the words used by the Minister were obviously unparliamentary and I seek their withdrawal.

The DEPUTY SPEAKER: Order! I ask the Minister whether he is prepared to withdraw those words.

Mr MacKINNON: I withdraw those words.

Debate Resumed

Mr HARMAN: Some firms in Western Australia are quite capable of undertaking design work of this nature, but they have not had the opportunity to do so because the contract has been let to a firm in New South Wales.

The Minister for Industrial, Commercial and Regional Development has the responsibility to try to have contracts for work to be carried out in Western Australia let to Western Australian firms. I wonder who will get the contract for the flare towers and whether it will be a firm in some other State. I would be horrified should that occur because that would mean at least 100 people in the fabrication industry in Western Australia will be out of work.

What is the Government doing? It is turning its back in respect of the franchise on insurance and genuflecting to private companies. Each day $2 million is being spent on the North-West Shelf gas project and 50 000 people in Western Australia cannot find a job. It is an agonising situation for people who are out of work and it is agonising for mothers and fathers who have sons or daughters on the threshold of their career who cannot find a job. This Government really deserves the censure of the people of Western Australia and in a few short months it will get it.

MR COURT (Nedlands) [8.26 p.m.]: I would like to add my support to the Budget brought down by the Treasurer and particularly to the initiatives introduced to assist employment opportunities.

Mr Brian Burke: In South Australia.

Mr COURT: I tried very hard during the last speech—

Several members interjected.

The DEPUTY SPEAKER: Order!

Mr COURT: —not to interject because after I spoke in this House last time, I read the *Hansard* proof, and I found parts of my speech had been left out, but the interjections of the member for Maylands had been recorded.

Mr Davies: They knew quality.

Mr Old: It would need to be better than the speech the member for Maylands just made

Mr COURT: I was disappointed that the Leader of the Opposition found the Budget a bore because it is a major policy statement. I was a little disappointed in his reply because he said most of the things I said in my maiden speech, but he failed to outline what the Labor Party would do for the economy of the State if its policies were implemented.

Today, at lunch time, I was listening to Federal Parliament and Mr Hayden was referring to the questions that the members of the Opposition were asking tonight. He mentioned that the Opposition wants co-operation with the States to freeze Government charges for a year. How would that work? The New South Wales Government put a freeze on the level of the increase of Government charges based on the CPI. In other words, it allowed charges to go up no more than the CPI increase. Even with that restriction, the New South Wales Government found that it ran out of money for that year. If Government charges are frozen for a year I would like to know what sort of services the Governments involved would be able to provide.

Contrary to what the Leader of the Opposition said in his speech on the Budget and what the member for Yilgarn-Dundas said; that is, that the Opposition would like to look at protection policies to see whether protection could be taken off, Mr Hayden said he wanted protection to remain as it was an assistance brought in for BHP. It is interesting that these economic initiatives were not mentioned in the Leader of the Opposition's speech in relation to the Budget. Instead, he had to wait for a meeting, presumably of Labor Leaders from all the States, to come up with initiatives after the Budget was introduced in this House.

During his speech the Leader of the Opposition trotted out good Liberal philosophies including the philosophy of good economic growth which is opposed by the conservatist element in the Labor Party.

I would like to comment on the words "performance audits". Whoever the parrot is who writes the speeches for the Opposition, he keeps using these words and tonight we are told that housing projects will be funded with performance audits. The Opposition said it would bring in performance audits.

Mr Bryce: It is time there was amplification in this Chamber. Obviously back-benchers cannot hear.

Mr COURT: I would like to confine my comments to employment as it is the area which concerns me. Governments can do much in relation to employment, but others have to pull their weight—employers, employees, parents, and educationalists. They must perform and do their share. The Labor Party tends to confine its attacks on employment opportunities to the young school leavers, but we should be concentrating on all levels of employment. In the first speech I made in this House, I expressed my concern at the lack of opportunities for youth, and I would like to quote briefly from what I said—

> Our overall wage-fixing system must become more flexible so that people like the young leaving school have the opportunity to start employment immediately on realistic wage levels.

Mr Brian Burke: He is quoting his own speech. Who is the authority you are quoting?

Mr COURT: It was good enough for the Leader of the Opposition to bring out. To continue—

> Currently, employers are reluctant to put on young school leavers because for the first year or so while they are being trained they cost too much and they earn too little for the employers. We must be realistic. They must have basic job training first. It is more important for persons going for their first job to gain experience, confidence, and a good reference than to receive the wage paid. As they become more productive they should be paid more.

Mr Brian Burke: He is quoting himself!

Mr COURT: This is an important area. I am trying to discuss rationally the subject of employment opportunities.

Mr Parker: On the basis of that thesis, how do you explain the fact that in a large number of cases people are employed from the age of 15 or 16 until they are 18 and then they are sacked on the day they turn 18?

Mr COURT: I appreciate the member's comments. I will come to that in a minute.

The Labor Party tends to blame youth unemployment on the lack of correct educational programmes.

Mr Pearce: We do not.

Mr COURT: That is what the member for Gosnells said in recent discussions in this House.

Mr Pearce: Oh, come on!

The ACTING SPEAKER (Mr Crane): Order!

Mr COURT: The member for Fremantle in his speech on the Budget touched on the apprenticeship position and suggested Governments should employ more apprentices, the range of apprentices available should be expanded—

Mr Brian Burke: Governments should not be applying to suspend them.

Mr COURT: —and the private sector should be pushed to put on more apprentices. The private sector would love to put on more apprentices; it would love to train more young school leavers in the many existing and new technology trades, but the incentives are not there. The great future for youth is in their training to become tradesmen, particularly in the areas of high technology, but employers cannot bear the cost of the training.

Mr I. F. Taylor: Last year the Leader of the Opposition suggested, in relation to apprentice employment, that we should do away with payroll tax on their wages, and your Governemnt rejected that idea.

Mr COURT: If I may continue my remarks, Mr Acting Speaker?

Mr Brian Burke: Go on.

The ACTING SPEAKER (Mr Crane): Order! I have tried to be tolerant, but there have been a lot of unnecessary interjections which have interfered with the member's delivering his speech. I ask all members to show him respect and allow him to proceed without interruption, as is provided by Standing Orders.

Mr COURT: Educational institutions have responsibilities, particularly in keeping up with the rapidly changing demands of industries. Employers have responsibilities in training the future backbone of their business, and parents also have responsibilities. I believe skilled tradesmen will be the new professionals of the future. Parents should accept the training period of an apprenticeship as similar to the training of a person to be a doctor, a lawyer, or an accountant. They should

help to support their child or children from the time they leave school until the four-year training period is completed, in order that their child or children might learn the skill. In that way parents would take some of the burden off the employers. The long-term rewards—

Mr I. F. Taylor: What if they cannot afford it?

Mr COURT: I am saying the situation is no different from that of parents who support their children while they are doing tertiary training or are going to one of the colleges of advanced education. I am talking about young school leavers, and when a parent cannot support his child, I would like to think facilities will be available so the school leaver can undertake the necessary training. I have employed a number of young people and have put many through apprenticeships, so I have a little experience in this area.

Mr Pearce: You would like someone else to pay for them.

Mr COURT: In the last couple of years, our business, like many others, has found it difficult to justify the employment of apprentices. Our business, like most, has had to cut back on the number of people we have been able to train.

I turn now to the question of employment at other age levels. In our economy today we see unemployment caused by people not being adequately retrained for some of the new techniques and technologies. We spend a lot of money on education, and it is pleasing to see more emphasis going into adult education, and the changing attitude of unions and employers to the retraining opportunities that are available.

The major cause of high unemployment, however, results from a rigid centralised wage and conditions fixing system which apparently takes no account of economic downturns. It works well when everything is going along fine, and businesses are reasonably profitable and can afford to pay wages and conditions that are won. The Labor Party has a responsibility in this area—as I have said before—on which it has reneged. There must be more flexibility in the system when a downturn occurs. It is understandable when a union leader like Mr Halfpenny negotiates diligently on behalf of metal trades workers, but when these negotiations include a well-orchestrated campaign of industrial stoppages which affects many employers and creates heavy losses, and when this so-called pacesetting award results itself in massive retrenchments and the closure of many companies, things have gone a bit too far.

Mr Pearce: That is nothing to do with us.

Mr COURT: The Labor Party should be urging the unions to take into account industrial reality. As members on both sides have said, we all know our industry must remain competitive and, more importantly, it must remain competitive internationally. Instead, we see the Opposition supporting policies which are keeping thousands of people out of work.

Mr Pearce: Such as?

Mr COURT: I just explained it; unrealistic wage increases when a downturn occurs in the economy.

Mr Pearce: Who said we have supported policies like that? We do not campaign for union wage rates.

Mr Parker: You were sitting there when the Leader of the Opposition said he supported a moderation of wage demands.

Mr COURT: Fortunately, some responsible unions have negotiated short-term deals with employers to keep the work force employed. An example of this is to be found in some sections of the timber industry in the south-west which have accepted four days' work for four days' pay, not only to keep themselves employed, but also to keep operating local towns they support indirectly. This is a commendable and brave step in the face of a short-term downturn in the demand for their particular product. It keeps the skilled work force intact, and it is more humane than some of the workers having to be retrenched.

Mr Pearce: Are you suggesting we have opposed that?

Mr COURT: The Opposition has not said anything publicly about it.

The Labor Party talked recently about the iron ore industry. It has a disastrous industrial relations record, and repeated warnings from Liberal Governments over many years that it will affect our competitive position have gone unheeded. Over the years the ALP has been inactive on this point. Now it admits that perhaps our local industry is not as competitive as it should be. Opposition members are saying something should be done. Unfortunately, the horse has bolted—the damage has been done.

Mr Pearce: Who was the jockey when the horse bolted?

Mr I. F. Taylor: The jockey fell off long ago.

Mr COURT: Let us look at some of the Labor Party's announced policies and the effects they will have on employment. Let us look at the mining industry which is a major employer of people in this State, directly and indirectly. That cannot be disputed.

Mr Davies: It employs only three per cent of the work force.

Mr COURT: I said it employed a major percentage directly and indirectly.

Mr Davies: Every time they cut back, the multiplier effect works in the other way.

Mr COURT: Let us look at some of the stated policies of the Labor Party.

Several members interjected.

Mr COURT: The first thing it wants to do is to create—

Mr Brian Burke interjected.

Several members interjected.

Mr Young: You have been drinking again.

Mr COURT: I wish the celluloid hero would keep quiet.

Mr Brian Burke: It was the Minister for Health; I know he is plastic, but that is silly.

The ACTING SPEAKER (Mr Crane): Order! I suggest the member for Nedlands ignores interjections and carries on, and I will give him the protection of the Chair if any members try to drown him out.

Mr COURT: The first thing the ALP wants to do in the mining industry is through the mutual resource development fund it proposes, which would be administered by the AIDC. This fund would borrow money so the Government could purchase equity in resource projects. Foreign investors seeking approval for new projects or expanded projects in the industry would have to offer 10 per cent equity to the fund in each venture. The funds borrowed by the Government to acquire this equity would be guaranteed by the Government. Would it guarantee a mining company's risk capital? No way!

The small company will have to risk its capital in exploring; if it finds something it can put into production and requires some foreign investment to get it off the ground, it will have to offer 10 per cent to the mutual resource development fund. The ALP at both Federal and State levels seems to think it has a better way; it has a better way of bringing in more controls and stricter rules and getting more Government involvement in the mining industry. The Leader of the Opposition in this State, and Mr Keating at the Federal level, are trying to say to the mining industry that things will not be much different under a Labor Government.

Mr Brian Burke: Can I ask one question? You would have to agree that the member for Yilgarn-Dundas produced a very creditable article in this morning's paper. I thought it was excellent; did you read it?

Mr COURT: I was down south this morning.

Mr Brian Burke: *The West Australian* goes right throughout the State.

Mr Clarko: Does it help our relationships with Japan?

Mr COURT: A Federal ALP Government would put the mining industry in Australia on the defensive.

The mining companies would have to defend their right to make profits, their right to participate in some of the ventures, and their right to distribute some of the profits. This would make it difficult for some of the smaller companies, prospectors, and the like, who were looking for assistance and trying to attract funds. The Australian Labor Party is committed to greater Government involvement.

As I mentioned, Mr Keating has been trying to convince industry leaders that they should not take too much notice of the written party policy; but, unfortunately, as we all know, that policy happens to be binding on the parliamentary party. Liberal Governments leave mining and exploration to those who are expert in the field—the people who are best qualified to undertake it. Why should the Government become involved in exploration and mining when the mining companies already have such a good record?

Beside its natural resources development fund, the party wants also to expand the role of the Australian Industry Development Corporation so that it also could have equity in mining projects. This is the great socialist dream—more centralised control from Canberra!

Another area in which Mr Keating seeks increased Government involvement is the Australian hydrocarbon corporation. This is Mr Keating's little baby; and it would operate alongside the commercial companies that want to have involvement in the oil and gas industries. As Mr Keating says—

> The corporation may emerge in any of the activities of an integrated oil company, though its major functions will be in the area of oil exploration and production. It may operate independently or in joint venture with private companies and will be funded as appropriate by commonwealth grants and loans and by public borrowing.

Here we have Mr Keating wanting to be the Rex Connor of the 1980s!

The ALP wants the Government to control essential resources. I have mentioned three different

operations in which the party wants to obtain equity in the mining industry. Can members imagine Labor Governments controlling 10 per cent of the mining industry in this country?

Another interesting control that the ALP wants to impose is a restriction on customer equity to less than a controlling interest, to ensure the maintenance of an at-arms-length relationship in the terms and pricing of mineral exports. This is an interesting part of the ALP's policy; and it is one on which it seems to have a bit of confusion. For example, let us consider the new smelter that the Government is trying to attract to the south-west. If one of the parties wants to take a controlling interest in the smelter, and it takes much of the production, that would be disallowed under ALP policy.

Mr Blaikie: I think you should repeat that statement.

Mr COURT: I said that if one of the parties wanted to take a controlling interest, and to take much of the production, that would be disallowed under the ALP's policy. There appears to be some confusion in the State ALP which, in its recent study of the iron ore industry—

Mr Shalders: They have been confused for years.

Mr COURT: —said that customer nations should be encouraged to take a bigger share of Pilbara iron ore, and that consideration should be given to increasing their equity in the mines if this does not diminish Australian ownership overall. The view of the ALP is expressed in the following—

> Mr Grill said that the Cliffs Robe River project with a significant Japanese equity, was receiving preferential treatment in purchases and this could create ill-feeling in the local industry. In the longer term, it would be better from the Japanese point of view to deal with bigger, more efficient producers such as Mount Newman and Hamersley.

On the one hand, the ALP is saying that more customer equity shall be involved; on the other hand, it is saying that is not a good policy because it could result in different ways of achieving cheaper prices.

In trying to follow through the ALP policies on the mining industry, to see what effect they would have on employment, let us consider its policy on royalties. Many people in the Labor Party, and particularly the strong conservation proponents, believe that mining is a high-profit industry. When one looks at the profit returns for the mining companies over the years, one finds that the situation is not all that flash. The mining companies are subject to many taxes; and they certainly put a lot of money back into the Government's coffers before they start making a profit at the other end. A check of the profit returns over the years indicates that certain elements in the Labor Party do not know the situation. They seem to have the philosophy that if the Government is stuck for cash, it should turn to the mining industry to see if it can pull a bit more out.

The Federal ALP's policy is to change the existing situation in relation to royalties and introduce another great socialist dream—a Federal resource rental tax. The ALP wants to establish this tax, which will require State Governments to co-operate by giving up State taxes, royalties, and charges currently applicable to the resource industry. Would a Labor Government in this State give up that income and stand in the queue, begging for something back? Members opposite know they might not get that money back, because the Federal Government would be using the funds to take up more equity in the different mining ventures in which it wants to become involved.

Mr Shalders: You do not think they would even think of doing that, do you?

Mr COURT: Would a State Labor Government hand the question of offshore sovereignty to the Commonwealth? There is no reply or interjection from the Opposition side. I would like to know the views of the Opposition on the subject.

Mr I. F. Taylor: Let's face it; a while ago you did not want us to say anything. Make up your mind.

Mr COURT: I would like someone to reply. Would the State ALP hand offshore sovereignty to the Commonwealth?

Mr Bateman: Are you Western Australian or Australian?

Mr COURT: We know the ALP's policy on uranium mining. We know that if the ALP was in Government, the industry would not get off the ground. What about the diamond industry in which the Federal Government is planning to become involved? Currently all these are matters on which the State ALP has no policy. How will it justify its 15 per cent or 14 per cent involvement in a diamond industry?

Mr I. F. Taylor: You are quite happy that the Malaysian Government has an interest?

Mr COURT: I am just asking where the ALP would find all the money to obtain an equity in the different mining companies.

Mr Grill: What a diatribe! You contradicted yourself in what you said.

Mr COURT: Before the industry starts, the Commonwealth wants to get its fingers onto it.

Mr Rushton: Sticky fingers!

Mr COURT: In connection with mining, it is time that the ALP stopped talking in generalisations and became more specific. It should tell the public about some of the things I have mentioned tonight.

Mr Grill: Will you tell us about the Malaysian equity of 15 per cent? Do you approve of that?

Mr COURT: Will the member for Yilgarn-Dundas tell us how the great equity schemes in the new mining projects will operate?

Mr Grill: We will tell you.

Mr COURT: The first thing that would happen if a Labor Government were elected and bought up 10 per cent or 15 per cent of a mining company is that members would resign from the Parliament and become directors of the companies—

Mr I. F. Taylor: You really are a silly fellow. What absolute nonsense!

Mr COURT: —until they were broke; and then they would go on the dole. It is an insult to the great performances of our mining industry that a Government could just step in and become involved, thinking it could do a better job.

I leave the mining industry and turn to the timber industry. No matter how members opposite try to cover up their policy, they know it will have an adverse effect on employment.

Mr Evans: That is not so. It maintains it at the level you have set in the working plan. Debate that one!

Mr COURT: In the timber industry, the policies of a State Labor Government would have a serious effect on employment.

Mr Evans: I am saying that what you are saying is utter nonsense, and that you do not know what you are talking about. You haven't got a clue.

Mr COURT: How can the Opposition spokesman justify the karri cut in the current working plan if he pulls out the karri from the Shannon River basin?

Mr Evans: Tell me the area of forest that is not included in the cutting area. Can you tell me that? Of course you can't!

Mr COURT: I have asked a simple question, and I have not been given an answer.

Mr Evans: That is not the only area available.

Mr Carr: He spent a morning in the south-west, and thinks he knows all there is to know about trees now.

Mr COURT: I have spent more time there than has the member for Geraldton.

The Labor Party's policies will hurt employment. Members of the Labor Party talk about cutting out payroll tax and the Federal Government's replacing it with some other magical source of funds; yet, in practice, Labor State Governments invariably have increased payroll tax. The Federal ALP wants to introduce a national superannuation scheme—

Mr I. F. Taylor: An excellent idea! We will have a close look at that.

Mr COURT: —to which employees would have to pay one per cent of their wages; and under the scheme they would be entitled to payments additional to the pensioner entitlements. This is simply another form of payroll tax in which one per cent of a person's wage would go to the scheme.

The Leader of the Opposition took great pains in the past to explain that it was not wage increases or shorter working hours that were affecting our employment and our economy. Admittedly he changed his tune for the first time during his Budget speech; and he said that perhaps some short-term sacrifices should be made by the work force, or words to that effect. The ALP speaks of increased worker participation with one breath; and yet in the next, when it is suggested that employers negotiate more directly with their employees, which would of necessity require them to be involved in and informed about the running of the businesses, the party says, "No", and runs back to the all-powerful centralised arbitration system.

The Labor Party's policies will be disastrous for employment. That should have been mentioned by the Leader of the Opposition in his Budget speech. He should have explained the effect of Government equity participation. He should have explained the effect of the party's forests policies—

Mr Pearce: You explain them.

Mr COURT: —and he should have explained to the thousands of unemployed people, many of whom support families, about the benefits of a rigid, centralised wage-fixing system.

Mr Parker: Who is talking about that?

Mr COURT: Opposition members are the people who are saying they want to stick with a rigid, centralised wage-fixing system.

Opposition members interjected.

Mr Parker: We say we believe in the arbitration system which, if you check back with your Federal colleagues, you will find they are also saying; and they are also talking, particularly under the new Minister, about going back to the system of centralised wage fixation.

Mr COURT: That is just what I said members opposite support.

Mr Parker: So do your Federal colleagues; but it is not so rigid.

Mr COURT: It is rigid enough to put thousands of people out of work with the flow-on effects. Members opposite know only too well the flow-on effects of the last metal trades award, let alone the one that is being negotiated now. Members opposite should become involved with some of the businesses that have had to put people off because they just could not meet the wages and conditions.

I conclude by saying that I support the Budget and the initiatives taken by this Government to stimulate employment opportunities. I shudder at the thought that a socialist Labor Government would have a spend-more, control-more Budget if it had the chance.

Debate adjourned, on motion by Mr I. F. Taylor.

INDUSTRIAL ARBITRATION AMENDMENT BILL (No. 2)

Second Reading

Debate resumed from 19 October.

MR PARKER (Fremantle) [9.00 p.m.]: Before us tonight we have a Bill which already has been the subject of a considerable amount of public comment, almost all of which has been adverse. In large measure the Bill is designed to dismantle the basis of the industrial arbitration system in Western Australia, to dismantle the foundations of that system, and to move towards a system in which the rights of workers to organise are substantially undermined and in which any following collective bargaining which takes place does so with much strengthened employer organisations and much weakened unions.

Mr Herzfeld: What about the workers' right to choose?

Mr PARKER: If the member waits a little I assure him I will be canvassing the whole field. I assure the member I will not disappoint him.

The Bill does a number of things and, briefly, I will outline just what it does. Firstly the Bill undermines the arbitral system in Western Australia by further restricting the right of the Industrial Commission established in this State in 1912 as the Arbitration Court, and continued by the 1979 Act introduced by this Government's predecessor and handled then by the present Premier when he was Minister for Labour and Industry. It undermines the rights, responsibilities, and role of that industrial arbitration system. That is the first thing the Bill attempts to do and it does this in a number of ways which I will detail later.

The second thing the Bill attempts to do, as the Minister's second reading speech indicates, is to ensure that the so-called right to choose, or the right to work, is created for groups of workers or individual workers throughout the State irrespective of the industry in which they work, and one might say—and I will come back to this later—irrespective of whether the Government has a right to be legislating to do this.

In the process, the Bill substantially detracts from the rights and the responsibilities which have been granted to trade unions in this country over a long period through a long historical and legal process—which I will detail later—to ensure that we have a situation in which those unions are unable or are not as well able—assuming they were set up and remain within the State arbitral system—to properly represent the interests of their workers and to properly advance the cause of the people of Australia on whose behalf they have been established.

Thirdly, the Bill proposes to impose extraordinarily harsh penalties on those unions and perhaps in some ways most particularly on employers and employer groups which seek to achieve industrial peace in their own operations in a way they find acceptable, in a way the unions and the workers they represent and negotiate for find acceptable, to ensure that industrial peace prevails. The Bill provides harsh penalties if they engage in certain practices which historically they have engaged in and which historically have been accepted by the State, not just in recent time, but over past decades. The penalties are harsh not only in terms of the monetary amounts, but also in terms of the dislocation of industry, and we have heard the member for Nedlands, when speaking about an earlier Bill, talking about one aspect of the dislocation of industry.

The Bill creates far more substantial dislocation to industry than—to quote Malcolm Fraser—a thousand Norm Gallaghers. It will create far more dislocation than that if it is used in the way in which it can be used, in the way in which the trade union movement and the industrial organisations of employers believe it can be used, and that I consider it can be used and is intended to be used. By a simple capricious act,

individual people will be able to take on an employer or a union and, in considering the idea of disrupting the work force and concentrating on an employer, that one person can make it virtually impossible for an employer to carry on his normal business.

Mr Sodeman: Have unions collectively not done that in the past?

Mr PARKER: I am not saying it has not happened in the past, but I am making the comparison which the member did not hear, that not a single employer of substance in his electorate is not opposing this legislation.

Mr Sodeman: Are you saying that any employer who is not opposing this Bill is not an employer of substance?

Mr PARKER: I do not know each and every employer in the member's electorate, but I do know all the employers of substance in his electorate and I know that none of them is supporting the Bill.

Mr Young: You are only talking about the large ones.

Mr PARKER: I said I was aware of certain employers who are employers of substance and that I am aware of their attitude. I do not know the attitude of employers who are not employers of substance in the Pilbara. I freely concede that, although one can be led to believe, by the attitude of the organisation that by and large represents them, they as well by and large oppose the legislation.

Finally, the legislation greatly expands the powers of the industrial inspectorate in a way which would ensure that the industrial inspectors could act in a way detrimental to the interests of workers, unions, and employers.

The Bill involves a whole range of detail with which I will deal as we go through it, but I wanted to make those brief points to outline its general nature. I would now like to comment on the way I see the Bill affecting the economy of the State and the way in which the State operates.

The first thing is that, if the Government and the Minister do not believe there is a deeply and honestly held belief and a committed view amongst a very large proportion of the industrial work force in this State and, indeed, in the industrialised countries of the world, that they have the right to organise and that they have been granted that right by legislative programmes over the years and for which they have fought—more recently through the International Labour Organisation—the Government is not aware of the true feelings of the people who work in industry in this State.

Mr Herzfeld: They have never said anything about that. They have always acknowledged they have had the right to organise.

Mr PARKER: This right-to-work legislation—as the Minister described the Bill in his second reading speech—which will turn this community into a right-to-work State—and the Minister in the Legislative Council referred to those States in the United States of America which were right-to-work States—overlooks the fact that right-to-work legislation, where it has been introduced in the United States, is and has been intended to grant a theoretical right to organise for trade unions, but, at the same time, to make it virtually impossible for those organisations to exercise that right. That is the situation and that is what is intended by this Bill.

Mr Sodeman: That is not true. What about the Teachers' Union?

Mr PARKER: That union is not covered by this Bill.

Mr Sodeman: Precisely.

Mr PARKER: We are talking about a Bill which will move in the way I have suggested. If the member will be more patient he will hear precisely how it will achieve these things. I do not make unsubstantiated statements; I will come back to them and expand on them.

We need to understand the basis of the industrial law upon which these amendments are founded and which they are designed radically to change. I do not want to traverse the whole of the development of industrial law in Western Australia or Australia, but I want to touch on two or three salient points.

The first is that the establishment of the system of conciliation and arbitration in Australia arose from the fact that during the 1890s depression we had massive economic dislocation throughout the country. Because of that depression industrial activities were engaged in by nascent groups of workers such as the AWU, the shearers' union, the miners' union, and the waterside workers' union all of which sought to establish industrial conditions for themselves and their members at a time when it was very difficult for those conditions to be met.

Every time we have a situation where things change, it is interesting to note that members opposite talk about what used to be the case. I do not know how many times I have heard members opposite talk about the great role the trade union movement used to play in the early part of this

century or the latter part of the last century when it was establishing these rights. But now they say the trade union movement's role seems to have changed and it is doing something completely different. I will explain later precisely what the predecessors of members opposite said. Precisely the same arguments were used by the conservatives of the 1890s and the early 1900s to categorise the role of trade unions and to oppose the rights and the granting of legal entitlements to trade unions to organise because of what they claimed to be various forms of union activity. Precisely the same statements were made by them as are being made by members opposite today.

It is a bit like what members opposite have said about John Curtin and Ben Chifley when they have referred to them in glowing terms and to the great times Australia had then, to how terrible it is that we do not have the same leaders in the Labor Party today, and to how the party has changed. When we look at history, we find earlier conservatives were saying exactly the same things about Curtin and Chifley when they were in Opposition as members opposite now are saying about the ALP in Western Australia and Australia today.

Mr Hodge: When Gough has been dead 20 years they will say the same thing about him.

Mr PARKER: Yes, already we are hearing nice things about Gough in the Federal arena, if not here. I have a great deal of admiration for him and I regard him as one of the great Prime Ministers of Australia.

Mr Rushton: Chifley influenced their demise for a long time.

Mr PARKER: It would not be such a long time had there not been such an undemocratic electoral system.

Mr Blaikie: Speak to the Bill.

Mr PARKER: I am answering an interjection from the member's Deputy Premier. The point I was making was that Chifley's successor got more than 50 per cent of the vote at the 1954 election after Chifley was defeated.

That is the basis of this industrial legislation. That was the mood of the country. The Minister has referred to the mood of the country at the time of the introduction of the system of conciliation and arbitration and the later introduction of the Industrial Arbitration Act in Western Australia. We saw a situation where it was determined that it was necessary to create an Act different and radical—using the term in its broad sense—in a departure from the general conditions and methods of determining and resolving industrial disputes and industrial matters within the Commonwealth and Western Australia.

Mr Young: I thought you were going to develop the theme about how people have spoken in glowing terms of what we saw as the very significant role unions had to play.

Mr PARKER: I will come back to that, but the Minister can refer to it now if he likes.

Mr Young: I make the point that when we make that comment we are talking about the time when people fought and died for the right to join a union, but we now have the situation of a whole lot of people fighting not to join a union, and that is what this legislation is about.

Mr PARKER: As I will indicate shortly, these statements by the Minister's ideoligical predecessors about whom he spoke were in terms similar to those of the statements he has just made. The Minister is saying it is all right that people fought and died for the right to join a union, but, now that they are winning, the situation is different.

Mr Young: Who is winning when people are fighting not to be members of a union?

Mr PARKER: In regard to any organisation, that is an extraordinary position to adopt.

Mr Young: We are fighting for the people who don't want to be members.

Mr Hodge: Pull the other leg. It's an election issue.

Mr PARKER: In 1904 the ideological predecessors of the Minister made statements similar to his as to whether unions were or were not entitled to do certain things. When those statements are brought out, one can determine the extent to which it is appropriate to say a change has occurred in the perceptions of this Government's predecessors towards the role of unions in our society.

The determination to create a system of industrial arbitration was, as I said a moment ago, a quite radical departure from the previously existing system. It was a radical departure because it adopted the concept that industrial disputes would be dealt with or resolved, as the case might be, not on the basis of might, but on the basis of what was equitable. They were to be dealt with on the basis of what was good for everybody concerned and for the community as a whole. That determination was to be made by an independent authority which would, firstly, bring the parties together to try to have them resolve their disputes between themselves, or would, secondly, if the first course failed, create a situation in which the authority—the judicial or quasi-judicial

body—could resolve the dispute. That was the theory behind the system; it was not to be a might-is-right situation, which is what collective bargaining is all about.

Collective bargaining creates the situation in which anybody having the power to obtain something, will use that power. That is what the Minister wants to introduce into Western Australia, and this view can be substantiated by his comments. He ought to consider other countries of the world in which collective bargaining has been adopted as the accepted system for the fixing of wage levels and the settlement of indistrial disputes.

This Government is saying it wants such a system when it says it does not want a centralised system such as our present industrial arbitration system. This philosophy is not surprising when one considers the change of control in the Liberal Party of this State, and in Australia generally. We are hearing now the same *laissez-faire* economic policies as were put forward by Liberals and conservatives in the late 19th century and early 20th century. After having been in discredit for so many years, these policies are being resurrected and put forward with a monumental lack of success by those conservative successors.

I have indicated the distinction between the two systems. At present we have a system which in large measure—I would be the first to suggest problems have been encountered—has served the test of time in Australia over the last 80 years. It is a system which generally has ensured no huge discrepancies in wage rates in the different industries in which individuals work, and even in regard to the different skills and trades which people undertake. Of course, there are relativities of wages, and ranges of skill which have been accepted over the years—one expects such things to develop. In addition, for one reason or another some industries are in a better position than others to pay or the unions are in a better position to negotiate; thereby employees in those industries receive higher wages and better general conditions of employment than others. However, one must compare the situation in Australia with that in other countries, particularly the United States of America, and Great Britain. In those countries huge discrepancies in wages have occurred as a result of collective bargaining. We do not have in this country the huge injustices in the relativities of wages that one witnesses in those other countries.

The member for Nedlands spoke of award flowons. The concept of comparative wage justice, about which he was talking—but did not realise he was—has in general terms served Australia very well. For example, it has ensured that we do not have huge boilups of professional or semi-professional people such as occur in North America and the United Kingdom as a result of collective bargaining. Certain people in those countries have felt constrained either by duty to the people they serve, or simply by their not being in a position to affect their employers adversely, or for some other reason, not to engage in industrial action. Such people in Australia are not left behind, and that is as a result of our arbitration system and comparative wage justice. In comparison, in Britain and North America we find precisely the opposite. We find large boilups of individual groups of workers who perform valuable and skillful work, but, for industrial reasons related to their positions in the market-place, are unable to bargain in the way in which other groups of workers are able to bargain. As a consequence these individual groups are left far behind in terms of the general level of wages in the community enjoyed by people with lesser skills, importance, or seniority.

In the United States of America another situation exists as a result of differing legislation in various States. In New York and California, unions have the right to bargain and are able to obtain decent wages and conditions for their members. They operate in the marketplace and often for substantial economic reasons are in a position to press home their demands. Frequently they obtain wages and conditions far greater than those applicable to workers in this country, or those in other States of their country in which employees' rights to bargain are not enshrined in legislation, or where so-called right-to-work legislation has been introduced.

Those points should be well recognised by this Government; it will find that, when the legislation before us comes into force, it will not affect at all the people for whom this Government has vitriolic hatred. This Government will find that those people are in a position to undertake their bargaining activities irrespective of the legislation, and that is as a result of the marketplace they are in, and in which this Government says they should operate. These people in a bargaining position will be able to press home their advantage.

I will give an example. A carpenter in New York City working on a major construction site is able to obtain excellent wages. He is in a city in which there is full-scale unionism and no prohibition on the right to organise. As a result, he is paid $40 or $50 an hour during a 30 or 32-hour week. In the same State, but in a country town or lesser city where the same industrial imperatives are not operating, carpenters earn $10 or $20 an hour—they still have the right to bargain. If the

situation is transferred to American States which have right-to-work legislation, one finds that, say, carpenters earn much less than those to whom I have referred. That occurs not only in regard to individuals in unions, but also to the whole community.

It is true to say the general level of wages trade unions are able to obtain for their members is reflected in the general level of wages in the community concerned. That is a point about which this Government should be concerned. It does not want the general level of wages to be as high as it is, despite the fact that the current level is a product of this Government's marketplace philosophy. It wants to place itself in a position where the level in real or absolute terms is well below the level it should be. This Government adheres to the view that wages and conditions should not be determined on an equitable basis, but rather based on who has the power. Having adhered to that philosophy, it must make sure that the group it does not want to have an advantage as a result of its membership, does not have the power to press home that advantage by initiating action in the marketplace. This Government wants to tie one hand of that group behind its back, and in some cases it wants to tie both hands. That is the attitude of this Government; that is the root philosophy behind this legislation, and the existing industrial legislation.

I will deal with one aspect of the second reading speech delivered by the Minister for Health representing the Minister for Labor and Industry in another place. The speech states—

> This Bill is designed to further the splendid original purpose of industrial legislation—to protect individual rights in a manner appropriate to the needs of the time.

Mr Bertram: Who wrote that?

Mr PARKER: I understand Bill Mitchell wrote it.

Mr Pearce: That is before he went into tax evasion.

Mr PARKER: I understand four or five drafts from the Department of Labour and Industry were submitted to the Minister for Labour and Industry, but were not acceptable. Apparently the Bill and those speech notes were sent to Mr Mitchell who, during his campaign in regard to tax evasion, found a few moments to sit down and draft these flowery words.

Mr Davies: I thought his campaign was related to combined electoral rolls.

Mr PARKER: That appears to be so. His writing this speech must have enabled him to learn a few industrial principles, and entice him to support the Opposition's long-held view that this State should have joint Commonwealth-State electoral rolls. That being as it may be, he wrote the speech to which I have referred, which states that the Bill upholds the splendid original purpose of industrial legislation—

Mr Young: It has a certain ring about it, doesn't it!

Mr PARKER: Yes, it does. One can tell it was not written by the Minister for Labour and Industry.

Mr Young: I wouldn't concede that. It sounds like Gordon Masters to me.

Mr Davies: He hasn't been here long enough to know the splendid tradition of industrial legislation.

An Opposition member: What about Mitchell as a pommie shop steward?

Mr PARKER: He has been described as the antithesis of a pommie shop steward, so possibly he wrote the speech.

Mr Bertram: Is he fairly well paid?

Mr PARKER: I think he is fairly well paid, at about $20 000 a year.

Mr Young: What, as the Government Whip in the Council?

Mr PARKER: I thought we were talking about Mr Mitchell.

Mr Herzfeld: It was about whether you believed in compulsory unionism.

Mr PARKER: I will tell the House about that.

Mr Herzfeld: It is hard to tell because you have been going for half an hour and haven't mentioned it.

Mr PARKER: I will inform the House now.

Mr Herzfeld: You have had two bob each way.

Mr PARKER: If the member cares to wait, I will say exactly what I believe in, which is the Opposition's position. I support what one could call the old system even though it has one or two flaws. Basically the old system provided for preference to unionists whereby the employer had a responsibility, with all other things being equal, to employ unionists. That was conditional upon an individual wanting to be a unionist. He had the right to opt out and to pay the equivalent of his

union dues to a charity or to Consolidated Revenue.

Mr Rushton: Or to the Labor Party.

Mr PARKER: He was not entitled to pay that amount to the Labor Party. The legislation did not allow for one cent to be paid to the Labor Party; it was paid to the Consolidated Revenue Fund from whence it was paid to various charities or simply remained in that fund. Those unionists then obtained a certificate of exemption. From my experience during the time I was invloved with the trade union movement, and from my wide reading of the history of the matter, and having a considerable understanding of the nature of the industrial relations system in this country and, in particular, this State, I am aware of only one or two cases throughout the whole history of that system in which certificates of exemption granted in the way I have described were not honoured by either employers or unions.

Mr Young: Yes, times have changed because this has happened on building sites and many other places in the work force in the last few years. It bears no relationship to the philosophy you are espousing.

Mr PARKER: Because in the last few years, especially in 1979, the Government abolished the provision for these exemption certificates in the Industrial Arbitration Act.

Several members interjected.

Mr Young: What about a union organiser who goes to a site and demands membership of a person, otherwise the site will be closed?

Mr PARKER: That is the point I am making. At the time that person was working on the site, if he had pulled out of his wallet his exemption certificate and told the union organiser that he was exempted, none of those problems would have occurred.

Mr O'Connor: Cut it out.

Several members interjected.

Mr PARKER: That is true. I challenge members and the Government to point to a single situation, in the last 10 years before the preference to unionists clause was taken out of the Act in 1979, where an employeer who was in a possession of an exemption certificate was discriminated against by an employer or a union. I challenge the Government to produce a single example of that. Another corollary of that—

Mr Young: The point I was making to you was that the philosophy which you say existed then could not exist under circumstances now where people are demanding membership of people who are already members of other unions and are employers or subcontractors. Not only are they required to be a member of a union, but also they have no right to be member of a union.

Mr PARKER: Those people could have obtained certificates of exemption under the Federal Act. Most of the instances the member has referred to and those mentioned by the Minister in another place—relating to the Builders Labourers' Federation and the Transport Workers' Union—were under a Federal award. Under the Commonwealth Conciliation and Aribitration Act—I think it is section 129B—people can obtain certificates of exemption by applying to the registrar or the deputy registrar who has an office in Perth. I challenge the Government to provide an example of a person who has been out of employment or who has been discriminated against by a union or an employer because he had an exemption certificate. That was the universal experience which was accepted in industry by employers and unions.

Another point I wish to make to illustrate the Minister's ignorance in this sphere relates to the position of a subcontractor. It is one of the most difficult decisions for a High Court judge to make, let alone an individual in the work place.

Mr Young: I have had as much experience as you in working out the circumstances.

Mr PARKER: One fact the Minister may be aware of because of his involvement in the accounting sphere is that the Commissioner of Taxation takes a much stricter view of who is employed and who should be a PAYE employee than the people who refer to subcontractors in the building industry when they try to determine who is a subcontractor and who is not. The Commissioner of Taxation has a much stricter view.

With the general situation of a subcontractor, ever since the High Court has been in existence, there has been a case before it to determine whether or not a person is an independent contractor or a subcontractor. That question still exercises the minds of the top judiciary of the land, let alone the individual employers, union officials, union secretaries, etc., who are trying to grapple with the situation at the shop floor level.

The Minister may not be aware that the Commonwealth Conciliation and Arbitration Act and awards made under that Act, as well as rules of unions allowed to be registered under that Act, provide in precise terms the categories of independent subcontractors that fall within the constitutional rules of the organisations concerned and in particular the building industry. Because of the nature of that industry, under section 24 of the Act, they fall within the preference clause.

Mr Herzfeld: Do they want to be?

Mr PARKER: It is a different argument as to whether they want to be or as to whether they are able to be. The Minister was saying that those people are not allowed to be members of a union and that attempts have been made to get them to join a union. Those statements indicate the Minister is ignorant on that matter.

Mr Young: It does not make me ignorant of the situation because someone goes onto a site and arbitrarily, without the benefit of the judicial system, says a person should join a union or the site will be closed down. There is nothing very judicial about that.

Mr PARKER: I suggest to the Minister that nothing in the Bill will alter the situation.

Mr Young: I have news for you. There is a lot within the Bill that will alter that.

Mr PARKER: It is not news. I do not think it will and far more qualified people than the Minister and I have made comment on that. They have made it clear they do not believe it will alter the situation.

Mr Young: I suppose it depends on the opinion of QCs.

Mr PARKER: We have received good advice to indicate that the legislation will not fix that problem.

I was interested in the interjection of the Premier when I was referring to an exemption certificate under the Federal award and the fact that people have the freedom to not join a union.

Mr O'Connor: You are wrong; I did not comment on that basis. You were referring to compulsion to join. There is no compulsion to make a subcontractor join.

Mr PARKER: I specifically distinguished between the question of whether or not there was a right for them to join a union and whether or not they should join unions. I was referring to the question of whether or not there was a possible right for them to join unions. The interjections led me away from the main point I wished to make in respect of industrial legislation in Australia.

I referred to the words of the Minister when he introduced this legislation and spoke of the "splendid purpose", so-called, of the introduction of industrial legislation. If one reads the debates of the politicians of the past, one notes they were capable of making the same grandiose statements as those made today. Secondly, one will note that the lie is given to the statement of the original purpose of the legislation, as was suggested in the second reading speech.

The second reading speech on the Commonwealth Conciliation and Arbitration Bill took place in the House of Representatives on 22 March 1904. The legislation was introduced by the then Prime Minister (Mr Deakin), who said—

> The object of the measure has been stated to be, so far as its attainment may be possible, the establishment of industrial peace.

He then went on to talk about the opposition to it. To continue—

> I find that in the Commonwealth the burden of the argument in opposition to it is that the proposal is made in the interests of the employees—that it is a one-sided measure which casts a burden upon employers, and yields advantages only to those whom they engage.
>
> It is sufficient for my purpose if it establishes the necessity of bringing both employers and employees under the control of the law, and of endeavouring to obtain the creation of an impartial tribunal which shall mete out even-handed justice between them.
>
> Its object is to forbid tyranny on both sides, and as far as may be possible, to introduce into our industrial system a new standard which shall apply to all the persons concerned, subject to the interests of the whole.
>
> What is sought to be done, therefore, is not, as is popularly supposed and currently stated, to endeavour to declare in an Act of Parliament what wages shall be paid or what conditions shall be observed in any particular trade. That is obviously and transparently impossible. What is sought to be done is to create a tribunal which, having the confidence of the public, and possessing all the knowledge that can be obtained in relation to any matter that may be brought before it, shall have authority to pronounce judgment between the disputants. It is not to pronounce judgment, be it observed, according to the bidding of the statute which creates it. On the contrary, the Court is to be launched upon its work with a larger and more general charter than that of any other Court in the world. This may multiply some of the difficulties of its task, but it will remove immensely more. The Court, when it comes to consider any propositions submitted to it, by way of complaint, either on the part of employer or employee, will look to no section of an Act which bids it fix such and such hours, wages, or conditions. What it will do will be to take evidence of the general conditions

> already obtaining in the trade in question. It will build upon facts as it finds them; it will take the experience which has wrought out the customs and conditions of employment. It will take these as existing and endeavour to shape them in accordance with its own conceptions of equity and good conscience, based upon an examination of the facts.

Those were the words of the then Prime Minister when he introduced the Bill.

Mr Young: What did the then Mr Cook have to say?

Mr PARKER: I think he did have some comments to make, but they were not terribly significant.

Mr Young: I can believe that.

Mr PARKER: I looked in vain because I know members opposite are so fond of the views of Lord Forrest. However, I am afraid he kept silent on the matter so I will have to disappoint members opposite on that point.

I would like to conclude on this point with some of the closing comments of the Prime Minister. He said—

> I recognise—and ask honourable members to recognise—that by legislation of this character something can be accomplished, but not very much; that by administration under such legislation, if it be sympathetic, wise, and not too rigid, a great deal more can be done, but not all. Beyond both the legislation and the administration there is the public opinion to which I have already referred, which, aiding legislation and assisting administration, can accomplish most. Unfortunately at present public opinion is too often biased, partial, and uninformed upon industrial affairs.

One might say that is the situation at the moment. It has not changed a great deal. Despite what Deakin was saying in those extremes where he was discussing the concept and need for consensus for the operation of the legislation to be effective and the need for community support, we find now the situation where in this State, under a different Act admittedly, but almost the same system, there is no community support for the proposition which the Government is putting forward. There is no support from the participants in the scheme and no support from the employer organisations which deal with the Act and the vast employers in this State.

Mr Young: But there is support from the people.

Mr PARKER: That is not true. People have been asked a specific question and they have answered in a certain way. The former leader of the Government used to say he did not take any notice of opinion polls, but I notice since his departure that has not been the case.

Mr Young: On a question as basic as this situation, people can express a view and not be totally biased against the Act; therefore, it can be of no consequence.

Mr PARKER: The question was, "Do you support the freedom of choice regarding joining of unions or not?"

Mr Young: Which is what this legislation is very much about.

Mr PARKER: It is not; it is about many different matters. One can stretch a point and say the 1979 legislation allowed that by deleting the preference clause, but I will come back to that matter shortly. This legislation goes very much further than that. It seeks to undermine the whole of the system with which I have been dealing.

While we are still on the question of the splendid original purpose of industrial legislation, I indicate that an even more flamboyant speech was made at the time of the introduction of the Industrial Arbitration Bill of 1912 by the then Attorney General (the Hon. Thomas Walker). The Minister has expressed concern about some of the matters I have raised in this debate. However, the then Attorney General in the 1912 debate went back to the peasants' revolution of 1348. I have absolutely no intention of doing likewise. He said that he could not help but realise that the measure he was introducing was a milestone in the history of the development of the British race. He went on to talk about the former relationship between serfs and masters.

Mr Carr: Gordon Masters!

Mr PARKER: I doubt that even in his wildest dreams, the then Attorney General could have conceived of someone like Gordon Masters.

Mr Young: I hope not; it would make Mr Masters pretty old by now.

Mr PARKER: He went on to talk about the rights of the great body of workers throughout the British dominions, and the history of the development, and is reported as making the following statement on the Bill—

> It is an actual part of the great movement that I am endeavouring to depict; it is the outcome of a long series of struggles and conflicts, a long period of suffering and misfortune, and a long awakening from the darkness of the nights that have been into a re-

> alisation of the day that is dawning, and the power and possibilities that are at hand.

Compared with Mr Walker's, the language of the current Minister is quite moderate.

At that time, federally, considerable opposition was expressed to the Commonwealth Conciliation and Arbitration Bill. Basically—to use the British term—a Federal Whig Government was in power, and the Opposition included the Labor Party and the Tories, or Conservatives. Subsequently, the Whig groups split and some went over to the Tories and some to the Labor Party. At the time, the Deakin Government accurately could have been categorised as a Whig Government.

The Tory Opposition—not the Labor Party Opposition—was trenchantly opposed to the introduction of the Commonwealth Conciliation and Arbitration Bill. Opposition also was expressed by employer organisations, which saw it as a socialistic measure, and said so on numerous occasions. They attempted to undermine the legislation by refusing to participate in certain aspects of it. So, very little has changed over the years.

The Hon. Frank Wilson, then member for Sussex and spokesman for the State Opposition on the Bill at the time it was before the House in 1912 said almost exactly the same things I have heard members opposite say. *Hansard* reports him as follows—

> I am quite open to admit that trades unions have done excellent work in past ages and even are doing good work in many directions now, and I am not going to emphasise here the position I have always taken up that my opposition to trade unionism is based on the one fundamental principle that they have turned themselves easily into political organisations.

Does that not sound familiar? To continue—

> If trades unions would concern themselves about the betterment of their members and their fellow men in connection with the trades and industries to which they belong, there could not possibly be any exception taken to them, but when they want to take charge of the country, and not only influence the legislation of that country for the betterment of a certain few represented by their own members, then I think we are justified, we may be right or wrong, in taking exception to their action, and to any legislation which will confer largely increased powers in that direction.

Mr Young: He obviously had the public on side, because he became Premier shortly after that.

Mr PARKER: Perhaps, but he did not stay Premier for very long.

Mr Hodge: What year was that?

Mr PARKER: It was in 1912. Absolutely nothing has changed; the Tories are saying the same things now as they said in 1912. I suppose it gives one a certain confidence in life when, at a time when all other things are changing, when we have a time of future shock and of technological change, the conservative parties in this State have not changed their position one iota on these issues over a period of 70 years.

Mr Herzfeld: One fundamental change has occurred. While you people now are supporting the union lords, we on this side are looking after the interests of the serfs.

Mr PARKER: The member for Mundaring has just shown the entire House and anybody who takes the trouble to read the report of this debate just how little he knows of this topic.

Let me deal briefly with the statement of the member for Mundaring. To paraphrase his interjection, he said that the union members were the serfs and were in bondage to the union overlords. Every aspect of the relationship between union leaders and union members is different from the relationship between lord and serf.

Mr Herzfeld: Have the serfs any say in whether they will go out on strike?

Mr PARKER: This shows how little information the member for Mundaring has on these matters. The member says union members virtually are in bondage. The fact of the matter, of course, is that under both Federal and State industrial legislation, union members elect the people who are to manage the affairs of the union, and are required to elect them at no greater intervals—and often, it is less—than four years.

Mr Herzfeld: They have the system so rigged that once they get there, they cannot get rid of them.

Mr PARKER: That is very interesting, because today the great majority of elections are conducted under the auspices of the Australian Electoral Office and, occasionally, under the State Electoral Department.

Mr Herzfeld: Not too many are conducted by the State office.

Mr PARKER: Both unions to which the Minister referred in his second reading speech—the Builders Labourers' Federation and the Transport Workers' Union—have regular elections conducted by the Australian Electoral Office; and, in fact, their elections are held every three years.

Mr Herzfeld: Who conducts the elections of the Amalgamated Metal Workers and Shipwrights Union?

Mr PARKER: Indeed, only recently an election was conducted by the Australian Electoral Office.

Mr Herzfeld: Only because the first election was rigged.

Mr PARKER: No, a slight irregularity occurred in the first election and the result of the second election confirmed the first election.

Mr Herzfeld: The Communist leadership got a pretty good shake-up.

Mr PARKER: By his interjection, the member for Mundaring has completely undermined the point he made about these people being serfs, because he has just pointed out that union members were able to give the Communist leadership of the union—although I understand only one Communist actually stood for election—a good shake-up.

It may be of interest to the member for Mundaring to learn that about 1978, in an election conducted by the returning officer of the same union to which he is referring, a rank and file member of the union, without the support of any substantial group of the leadership of the union, defeated a very well-known and respected—by both sides of the fence—assistant secretary. The member for Mundaring has destroyed his own point about these people being serfs.

Mr Herzfeld: One example does not make a rule.

Mr PARKER: The member has so little knowledge of the subject that he can make himself an idiot in the way he has done tonight and not even realise he has done so.

Mr Sodeman: Are you saying standover tactics have not been used within the union movement?

Mr PARKER: No, I am not saying that at all. However, the standover tactics which may have been used within the union movement are no more than have been used within the community in general, within large sections of the business community, and in the way in which this Government conducts its affairs.

Mr Herzfeld: What about the painters and dockers? Does that reflect the general attitude of unions?

Mr Hodge interjected.

The SPEAKER: Order!

Mr PARKER: Mr Speaker, if the member for Mundaring wishes to interject to ask a question, I will be happy to try to accommodate him; however, I think he is going a little far at the moment.

Of course problems are experienced with unionists; anyone who says otherwise would be foolish. Some of these problems have been graphically demonstrated in recent months although not to my knowledge in this State. However, these situations are catered for by existing legislation. For example, the painters and dockers' union to which the member for Mundaring refers is catered for by the Commonwealth Conciliation and Arbitration Act. Firstly, that union can be deregistered for any illegal activities in which it may be engaged; and, secondly, its members can be prosecuted for any criminal activities. Indeed, recently, the Cain Labor Government issued some 200 prosecutions against members of that union and the Builders Labourers' Federation and employers associated with alleged graft and the like.

Union members have the right through the ballot box to dispose of the existing leadership of the union and they often do so; it is not as though it is a right which is only theoretical, and not exercised; the right exists and it is regularly and increasingly exercised.

It may be a matter of interest to members to learn that the platform on which the now official of the AMWSU defeated his more highly regarded rival was not that he was a member of the Communist Party—although he was—but that he had been too moderate in his dealings with the employers relating to an agreement seeking a lack of disputation in the industry. The campaign was based on the fact that the incumbent official was not doing his job properly because he should have been more militant in his approach to the employers.

Mr Sodeman: In your opinion, has the industrial relations situation improved over the last decade?

Mr PARKER: Certainly, over the last 12 months in Western Australia a significant improvement has occurred.

Mr Sodeman: I said over the last decade.

Mr PARKER: I would say the situation has improved over the last decade. Indeed, the Minister for Resources Development has said publicly in this State and in Japan that industrial disputes in the Pilbara no longer are a problem in regard to exports. The member looks incredulous, but it is true.

Mr Sodeman: I am not looking incredulous; I heard the statement, and what you say is accurate. However, it is a very shallow assessment on your part. If you consider the 10 years or so before that period, you would understand why it is better now.

Mr PARKER: I do not have with me the statistics concerning industrial disputation, but at some time in the future I might bring them to the House. It is some time since I have seen them, but my understanding is that periods of strong union activity generally have coincided with dislocation in the economic status of the workers caused by substantial changes in Government policies.

For example, when Medibank was first substantially tampered with, when fees were reintroduced for medical services, a great outbreak of industrial disputation occurred. I accept that part of the reason was that substantial strikes were organised in opposition to the Federal Government's move; however, it was also partly because workers were trying to achieve a situation in which their real level of wages was maintained.

That situation also applied in a number of similar examples. When one goes through the industrial relations statistics over the years one sees a correlation between social dislocation caused by Government policies and a high level of industrial action. So, what appears to be a high level of industrial disputation within Australian industry is not a high level at all. In fact, to some considerable degree that has been declining. It went into a period of substantial decline, for example, when the Whitlam Government first introduced with the support of the Conciliation and Arbitration Commission the trade union movement's proposal for a system of wage indexation. The level of disputes dropped dramatically because the real level of wages was being maintained at that time.

Mr Sodeman: The worst year was 1974.

Mr PARKER: Precisely, and 1974 was also a year in which there was a substantial real increase in wages, as the member no doubt will recall, as there has been in the last year. The point I made about the last year is that it is a matter of deliberate Government policy—centralised negotiation and fixation has been disregarded in favour of work-place negotiation and this has led to the real increases in wages to which I referred.

Prior to 1981-82, 1974 was the last year in which there was a real increase in wages. In that year of course there was a whole range of reasons for that real increase, but the important thing is that the Government of the day moved to correct the situation by creating a system of centralised wage fixation, a system which had been advocated for a long time, which was rejected the year before by the Conciliation and Arbitration Commission, but which it came finally to accept in 1975. As soon as that system was instituted, no further increases were made in the real level of wages; in fact, over a period of time, a decrease occurred until that system was abandoned.

Secondly, a real decrease occurred in the level of industrial disputes.

As I said, one would be foolish to say that industrial relations is not a problem facing Australia. It has been a problem for some considerable time, but when members opposite commence to talk about industrial relations, they are always talking about union problems. They always say that somehow the unions are at fault. Many people much more conservative than I, and in some cases more qualified than I—and whom I will quote later in my speech—show that the blame for such a high level of disputation by no means can be sheeted home to the trade unions concerned.

Mr Sodeman: You are incorrect in that statement. Of course it is not only the unions that are the problem.

Mr PARKER: I know.

Mr Sodeman: Of course; but we have not said that.

Mr PARKER: Government members usually do.

Mr Sodeman: We have not.

Mr PARKER: When members opposite talk about industrial relations problems, they talk about unions. When Government members talk about problems in the Pilbara, they always refer to strikes or unions in the Pilbara. The unions are bashed constantly. We never hear similar statements about management in the Pilbara, but, in fact, in one particular case that I can remember—and I am referring to Goldsworthy Mining Ltd.—problems with management were a big component of the dispute. In that case management did something about the problem. Management policy was changed completely; problems were worked out with the union representatives. Virtually no industrial disputation has occurred in that company since that time. Problems similar to those that company had apply now with some of the other companies in the area.

Mr Sodeman: You do not think the problems relate to the changing fortunes of the industry?

Mr PARKER: I am sure that in the last 12 months the changing fortunes of the industry have had somewhat of an impact on the situation in the iron ore industry. However, in the case of Goldsworthy, what was happening in the work force had been known for some considerable time before the change in management philosophy. The change in the nature of the industrial relations did not happen with the change in the

knowledge about the future of the company; it came about with the change in the management policy of the company. If the member for Pilbara has spoken with management, he will be aware of this.

Mr Sodeman: I have, and they have stated that that is quite correct.

Mr Hodge: It sounds like you have won one over.

Mr Brian Burke: But he will not be here for long.

Mr PARKER: I believe Government members generally fail to understand the issues. One of the reasons the Government is not able to deal appropriately with industrial relations in this State is that it has no understanding of the system with which it is tinkering at the moment.

The judicial bodies established—the State Industrial Commission and the Commonwealth Conciliation and Arbitration Commission—have a character which is completely different from that of traditional judicial bodies with which lawyers deal every day or with which citizens have the misfortune to deal from time to time. The arbitral bodies are different from mercantile arbitrators which decide such cases as disputes in building contracts. The role of the bodies to which I am referring is much more akin to a legislative role than to a judicial role.

All the bodies throughout the Commonwealth—the Commonwealth Conciliation and Arbitration Commission, the State commissions in some of the States, and the wages boards established in the two States that do not have arbitration systems such as ours—perform judicial roles; they make laws and determine rights. They do not adjudicate as to past rights and practices; they look at past rights and practices in order to determine rights and practices for the future. That is a substantial difference, and a difference which needs to be understood if one is to have any success in dealing with the industrial legislation in this State.

An annotated version of the Industrial Arbitration Act 1912, to the extent that it had then been amended, was published in 1950. The publication was authorised by the then conservative Attorney General (Mr Abbott), but the actual annotation was written by then up-and-coming barrister, Mr F. T. P. Burt—now of course the Chief Justice of Western Australia (Sir Francis Burt). His comments concerning the nature of the industrial laws are well worth repeating because of their importance. In this instance, he is referring to Commonwealth law, but his comments apply to State law as well. He says—

> Although the Commonwealth Court can only impose duties and confer rights upon the parties to the dispute before it, it may by its award, control a party's relations with third persons who are not parties to the dispute nor before the Court.
>
> The ambit of the Commonwealth's powers with respect to arbitration is fixed by the constitution.

This will become useful in a later stage of my argument. To continue—

> It is beyond the power of the Commonwealth Parliament in any way to extend these powers and it is beyond the power of the State Parliaments, by enacting inconsistent legislation or in any other way, to whittle the power away. Any State law or any award made by a State industrial authority or any industrial agreement made under the provisions of State industrial legislation will if inconsistent, and to the extent to which it is inconsistent, with a Commonwealth award validly made, be void and of no effect . . .

That is under section 109 of the Constitution and various cases to which he refers.

Mr Young: We do not disagree with that.

Mr PARKER: I will come to that. I think the Government does disagree with that, because if it did not disagree with it, it would not have enacted much of the legislation it has enacted.

Mr Young: During the Committee stage you will find that much of what you are saying now is totally incorrect.

Mr PARKER: The Minister would not have made many of the comments in the way that he did during his second reading speech if he was aware of the position concerning inconsistency.

Mr Young: You are assuming that a Federal award or a Federal law is omnipotent and that, in fact, it covers every aspect of what this legislation is covering, but it does not.

Mr PARKER: I will come to that because it is a very important point, and one taken up by the then Mr Burt, who referred to the test of inconsistency and the test covering the field, which is, I assume, what the Minister meant when he referred to a law covering every situation.

Mr Young: What is terribly important is whether the award covers every aspect.

Mr PARKER: The concept of whether the law or award covers every aspect is referred to in the jargon of industrial relations; that is, it covers the field. It is a shorthand way of saying the same thing as the Minister said. I would like to point to

Mr Burt's views on that issue. In relation to consistency, he says—

> The test now applied is 37 C.L.R. 466 at page 489 . . .

First of all he quotes Mr Justice Isaacs as follows—

> If a competent legislature expressly or impliedly evinces an intention to cover the whole field that is a *conclusive* test of inconsistency where another legislature assumes to enter to any extent upon the same field.

And then he says—

> There can be no doubt but that the Commonwealth Parliament intended that an award of the Court should cover the field.

An award of the court can include an award for preference. He continues—

> By section 51 of the Commonwealth Conciliation and Arbitration Act it is provided that any State award order or determination which is inconsistent with or *deals with* any matter dealt with by the Commonwealth Court shall to the extent of such inconsistency or in relation to the matters dealt with, be invalid.

Mr Young: That is not argued.

Mr PARKER: If it is not argued, there is absolutely no point in much of the Bill before us. The unions which the Government says expressly it wants to get will not be covered.

Mr Young: You are making a mistake by assuming that because a union happens to be under a Federal award, anything it does cannot come within State legislation. You are arguing against what Burt says.

Mr PARKER: No, I am not. The Minister does not understand the point.

Mr Young: I understand perfectly what you say.

Mr PARKER: No, the Minister does not. Section 47 of the Commonwealth Conciliation and Arbitration Act provides that the Commonwealth commission may make an order for preference.

Mr Young: Yes.

Mr PARKER: On a number of occasions the Constitution has been held to validate that section, and also section 4 of the Commonwealth Conciliation and Arbitration Act which, even without section 47, has been held to allow preference to unionists to be awarded in Commonwealth awards.

Mr Young: That is right.

Mr PARKER: Section 51, taken in conjunction with section 109 of the Commonwealth Constitution, says that if an award of the State deals in any way under that legislation with that matter being covered, if it does not deal with it in the whole of that way—and I do not think State law in this case deals in any way with that matter—that State law shall be inconsistent and invalid. It does not matter for the purposes of the discussion, and I am sure the Minister will know that any of the preference clauses awarded by the Commonwealth commission are somewhat less strong in their provisions than, for example, the old preference clauses in WA, and as they are in some of the other State jurisdictions. That does not matter although one must say there is a tendency in the Federal jurisdiction to award preference to unionist clauses, stronger than hitherto, which are although not as strong as those clauses which used to be in WA prior to the introduction of the 1979 Act.

Mr Young: Yes.

Mr PARKER: So Mr Burt is saying that in his judgment it does not matter that the award deals simply with one aspect of the preference question. If it deals with it at all, it excludes expressly the State Legislature or a State award under a State tribunal from dealing with the issue.

Mr Young: If it deals with what issue?

Mr PARKER: The issue of preference.

Mr Young: You see, I think where you are mistaken is that you are not going to get any argument from us on the question of whether or not a proper Federal award in the case of a person properly under that award, and an employee of a person subject to that award, is or is not subject to the preference clause. We concede that. The point we are making is that if that is valid—and we do not argue that—the Federal award, under those circumstances, would be valid in respect of the matters of preference but it does not preclude those sections of our legislation which deal with other matters.

Mr PARKER: For example, many of the sections of the Minister's legislation deal with whether somebody can be promoted or otherwise because of his union membership, or whether someone is dismissed, or employed in the first instance, because of his union membership. It covers all those matters, including the aspect the Minister referred to in his second reading speech as to whether the Government will allow what it describes as "standover tactics" in regard to people going to work places and telling workers that if they do not become members of the union, they will have to leave the site. These matters

vary from award to award, but different Federal preference clauses allow those things to be done.

Mr Young: They do not allow it. No award has been handed down which says a person may go onto a site and use duress and standover tactics.

Mr PARKER: It is a matter of how one defines "duress". If the Minister defines "duress" as being physical duress, he is right.

Mr Young: Or verbal duress. Where would our legislation be inconsistent if it said, "You may not come onto a site or anywhere else and use duress to make a person do certain things"? Where does an award specifically say "you may"? Therefore, where could our legislation be in conflict with that?

Mr PARKER: Is the Minister talking about duress in terms of someone coming onto a site and saying, "This building site is covered by the Builders Labourers' Federation. The members are employed under a Federal award. You are not a member of the union—join up or get off the site"?

Mr Young: Or making a threat as to whether a person did a particular act, or, if he did not, he would lose promotion.

Mr PARKER: In the Minister's opinion is the proposition I have just put to him duress?

Mr Young: I think it could be construed as such.

Mr PARKER: If it is, it is expressly validated, because it is allowed by the preference clause of a Federal award.

Mr Young: Whenever that is challenged, as no doubt it will be, because you will be rushing to the courts to do it, you will find you are wrong.

Mr PARKER: I do not agree with the Minister. I have carried out an extensive survey of Federal awards covering this matter, as have other people who are better qualified in this area than I am.

I shall refer to some conservative industrial practitioners, not union-orientated ones, who have views of the matter completely different from those of the Minister.

Another question is taken up—I shall not deal with it fully now—by a very prominent industrial practitioner and Queen's Counsel who deals exclusively not only for employers, but also for major employer groups throughout the Commonwealth and who is of the view that the legislation, apart from being drafted badly and, in his terms, absurd, is also completely inappropriate and will be able to be overcome simply by an employer indicating he is dealing with a Federal union and the membership of a Federal union and not with a State union and the membership of a State union, irrespective of the fact that the members may not even be employed under a Federal award. That is his point of view and I accept the implication of one of the Minister's earlier comments that, if one gets the opinions of two Queen's Counsel, one is likely to end up with three opinions. Nevertheless, the weight of professional opinion in this matter is solidly against the Government's position and not in support of it.

As far as I am aware the Government has not produced one piece of information yet—the Minister may feel constrained to do so during this debate—which supports the Government's interpretation of the legislation. By contrast, we either have or will make available during the course of this debate views which have been expressed concerning the matter under discussion.

I shall deal with a couple of other aspects of this inconsistency question, because it is very important. It really goes to the whole heart of the legislation.

If members read the *Labour Law Reporter*, which is a CCH document and authoritative in this field, they will see it also deals with the "covering the field" test which it says is applied by the courts on numerous occasions and which includes examining the Federal law and deciding which field it covers. That is the point. It is not whether the Federal law in its terms, covers a specific situation. It is a question of whether the Federal law intervenes in that particular field and that is where the Minister may be mistaken.

The Minister is saying if the Federal law does not, in its terms, specify some action, inaction, wrong doing, or right doing in relation to an employment contract—if it does not make reference to it specifically—the State's law is not inconsistent. That is not the question.

The point is, if that Federal law has entered into the field in which the State law proposes to legislate, then the State law becomes inconsistent.

There is no question that the Federal law has entered into this field of preference to unionists, in terms of employment, promotion, dismissal, redundancy, and all those matters. The Federal law certainly has entered into that field under sections 47 and 51 of the Act and a whole range of provisions which have been awarded.

The Minister should look at some of the most recent provisions awarded which, as the High Court itself said, tend towards providing for compulsory unionism, despite the fact they are not compulsory unionism clauses as determined by the High Court. I refer, in particular, to the Altona case in the High Court in 1972 and more

recently, the Uniroyal case in 1977 to which I shall refer a little later.

While I am dealing with this question of inconsistency which goes to the nub of the issues we are discussing tonight, I shall refer to the views of a very prominent industrial lawyer, probably one of the most prominent employers' lawyers operating in Australia today; that is, Mr Ian Douglas QC. He has as his clients such organisations as the Australian Bankers Association, Alcoa of Australia Ltd., and other aluminium companies, and Carlton and United Breweries which rely on him for industrial expertise and advice. Those organisations have not had a large number of problems with unions. This can be seen if members look at the history of Carlton and United Breweries which was once an associate of the Swan Brewery Co. Ltd. Its industrial relations were good and on the same general terms as those of Alcoa and the Australian Bankers Association, although that organisation has had its problems, but it has not had too many union membership difficulties in recent years.

Mr Douglas was one of the guest speakers recently at the Industrial Relations Society's convention in Mandurah at which the issue of "Preference—Panacea or Poison" was debated. Because this Bill was before the Parliament, Mr Douglas chose to address his remarks to that convention mainly in relation to the Bill.

I shall deal with some of the points made by Mr Douglas, because they are very important. He said that the Federal Parliament and those of the six States have the constitutional power to deal with unionism generally. He went on to say—

> Elections, office bearers, membership in all of its aspects, including, and I emphasise this, compulsory unionism, preference, discrimination, deductions to a degree and, of course, the question of non-members.

He concluded by saying—

> Now that is what exists as a matter of power.
>
> The Federal power lies in Section 51 (35) of the Constitution—that is the industrial power.

The only real limitation on that relates to whether there is an interstate dispute. Mr Douglas then goes on to detail how the High Court has specifically upheld some of the provisions which have been implemented under section 51 (35) of the Constitution. He then says—

> Trade unions, of course, are needed—they are vital to the operation of the system that is set out in the Act—in fact the Federal Constitutional power—the industrial power cannot—or could not effectively work without the existence of trade unions.

When I turn to another aspect later on dealing more specifically with the role and importance of preference, I shall detail for the House why it is so important to allow preference and not to undermine the ability of trade unions to organise, as this legislation proposes to do.

Mr Douglas goes on to say—

> I just wonder whether the WA Government has those words in mind in relation to its Bill.

He wonders whether the definition of "industrial matter" and the other aspects of the Bill relating to the historical aspects which he dealt with much more briefly than I in the introduction to his speech, were what the Government had in mind. Mr Douglas said—

> Any of those matters presently can be made the subject of any interstate dispute at the election of any union, thus providing the award making power for the Commission.

I suggest the net effect of this legislation will be, firstly, to undermine the power of the Industrial Commission to deal with disputes which are still properly within its jurisdiction, but, secondly, and in the longer term, to ensure a very great number of unions and resolutions of industrial disputes take place not in this State system, but rather in the Commonwealth system.

Indeed, we already have had the situation where one substantial—not in numbers, but in importance—union has determined that, if this legislation is carried, it will remove itself from the State's arbitral system either by going Federal or by dealing with its employers in a different way.

Members opposite do not realise that, simply by changing the industrial arbitration system, one does not make disputes go away. Because one says the Industrial Commission cannot deal with a matter, it does not mean a dispute will not arise in relation to that matter. It just means the Industrial Commission will not be able to resolve that dispute and that is the tragedy of this legislation. To continue with Mr Douglas' view—

> This includes the making of demarkation awards which, coupled with other factors, give rise to an effective operation of compulsory unionism, and, of course, it has been long established by decisions of the High Court that unions can be selective in their approach to the dispute creation area by deliberately making claims in relation to union members only. That too, is a recognized fact

of the industrial practice under the Western Australian system and I would have thought that that aspect is placed in serious jeopardy by reasons of the proposed Section 96.

Section 5 of the Federal Conciliation and Arbitration Act without being too specific provides that it shall be an offence for an employer to dismiss or threaten to dismiss or injure or threaten to injure an employee in his employment, by reason of the fact that he is or is about to become a union member and I'll say more about that in a moment, because it gives rise to questions of inconsistency between the Federal Act and the proposed Western Australian Bill.

Section 47 in the Conciliation and Arbitration Act is the preference section—the Commonwealth power has specifically exercised—the Parliament has specifically exercised the power available to it, and has chosen not to deal with compulsory unionism not to provide that concept in form for the Commission, but to deal with preference alone.

He goes on to say—

The way in which section 96 of the Bill will operate is to attempt to say—

We shall deal with this in more detail in the Committee debate. To continue—

—that unionists who are members of Federal organisations are defined as being non-unionists for the purposes of the Act.

The intention of doing that is so that the State Government might attempt to intervene in a situation in which, in fact, it has no right to intervene. It is attempting to establish a basis upon which it can adjudicate on matters involving Federal unionists. It then seeks to go through the artificial situation of having to declare them non-unionists, in order to intervene in a matter which is perhaps not within its jurisdiction, but is within the Commonwealth jurisdiction.

The State Government appears to take the view that, if something happens within Western Australia, it is appropriate for the State Government to legislate on it. If that was the mean taken by every State, the Commonwealth would be confined to legislating for Canberra and the Northern Territory which would put into doubt a considerable amount of Australian history over the past 100 or so years.

The State seems to be saying that, simply because an Australian post office exists in Western Australia, it can legislate with regard to its activities and role as a post office. That is what the Government is saying and that is what I, Mr Douglas, and almost every other commentator on the Bill are saying it is impossible for the Government to achieve. However, the Government is trying to achieve that, because it thinks that if something is happening in Western Australia it should have control over it, and should determine whether a member of a Federal union is a non-unionist for the purpose of the Act. Having determined that, it then attempts to deal with that person in a way which enables the State to implement its reactionary legislation which then determines what is and what is not legal with respect to those people. That is what is attempted. I suppose it will fail miserably. To some extent we already have had that argument and, as outlined by Mr Douglas, those elements of the matter seem to have a considerable amount of merit.

Mr Young: I think what you are arguing is that if something happens within the post office we do not have any jurisdiction. What we are saying is quite clearly we do have jurisdiction in respect of certain things that happen within the post office.

Mr PARKER: No, I am putting forward a different point. What the Minister is saying is that the correct analogy is that if something happens in the post office in relation to the operations of the post office, we do have the right to control it. In the example here the postmaster goes out of the post office and lies down in the middle of the road and disrupts traffic, and we obviously have the right to act.

Mr Young: No. If the postmaster hit somebody on the head in a post office, we have a right to act.

Mr PARKER: We have a right to act under criminal law. I challenge the Minister to give an example of where the State has caught people under criminal laws in respect of such a situation happening on any industrial site of any nature. What the Minister is saying is that if, for example, a person sells through a post office something which is monetary, or procures the money which should otherwise go to Australia Post and takes it himself, something which is of the nature of the operation of the post office itself, there is obviously no power. I think the Minister would agree there is no power in this State to act.

Mr Young: I think you picked a bad analogy for that.

Mr PARKER: I picked a good analogy. In relation to industrial law, if a person does something which is of the nature of an industrial award made federally, or by or under a Commonwealth Act made federally, the State cannot act. If a per-

son bashed someone on the head, it is quite plain that that person should get prosecuted as he is in breach of State criminal law, the Police Act, or something of that nature. He cannot be prosecuted because he is somehow under breach of industrial legislation which has been created for quite a different purpose. That is the point I am making. I think the Minister and the Government will find that is the situation.

Apart from anything else, courts in this land, particularly in Western Australia, have taken it upon themselves to strike down as being unworkable any legislation which they regard unfit. The most recent example I can think of is in relation to the CBH dispute in regard to which at the time under the 1912 Act strikes were absolutely illegal and where a prosecution was taken against CBH workers who had been on strike. It was suggested that if the prosecution had succeeded—and it did succeed at the Magistrate's Court—there would be industrial strife of the Clarrie O'Shea type in Western Australia. An appeal was lodged with the Industrial Appeals Court which was headed by three judges. Mr Justice Burt in his decision as president of the court, said that the mere fact that someone who the foreman knew to be the shop steward had been to see the foreman of the works and told the foreman that the men had been on strike and in fact the men had not been to work for the previous three months was by no means conclusive proof that the men had been on strike for three months.

I suggest the Minister will encounter similar situations with even better legal reasons than those in the CBH case.

I suppose one aspect of the Bill about which Mr Douglas is reasonably keen is that it will provide a much greater amount of work for lawyers, and I do not think there is any doubt about that. The Minister will have to agree, judging by some of the interjections he has made. It is implicit in Mr Douglas' view that the reason for the words contained in section 96 is that it is intended that those definitions will override any other definition that is put to us in the WA Industrial Arbitration Act. Mr Douglas goes on to say—

> Now if that is so, then by reason of the definition of "Employee Organization" the definition covers unions which are registered at the moment under the Western Australian Act and unions which are not presently so registered. Now, as a matter of law, a Federally registered organization that has a State Branch operating here in Western Australia—take the metal Workers—that Federal body is to be regarded as an un-registered organization.

He has voiced other criticisms of the Bill which I will take up again when we are in the Committee stage.

I want now to deal with the very important question of the reasons for preference and the ability of unions to have the right to enrol members and to insist that members enrol, all other things being equal. Those matters relate to the need in the industrial arbitration system for there to be an effective union base. It is established by anybody who has ever dealt with the basis of being in the jurisdiction, or anyone who has ever attempted to legislate retrospectively in regard to the arbitration system, with the obvious exception of the current Government, that it is important to the maintenance of a system of arbitration and in ensuring that arbitration takes place that people abide by its decisions, that the courts are able to hear the evidence before them, and that they are able to take on board any disputes and deal with someone who has some authority in representing the unionist concerned.

Both the employer and the union should be strong industrial organisations. It is important, I would suggest, for there to be adequate representation on either side, particularly on the union side where individuals who are not very wealthy may be involved; they should be adequately represented by effective and strong unions. It has always been a fundamental principle of the system that unions should provide such representation, that unionism in general should be supported and encouraged, that people should be encouraged to join unions, and that every endeavour should be made to encourage and assist unions in their organising.

The so-called right-to-work legislation which we have before us today is an attempt to undermine the right of those unions to organise, and thereby it is an attempt to create a situation in which we will find unions will be unable to operate the system effectively. That will lead in part to the breakdown in the system and to a situation where either we will find employers and employees dealing with each other quite away from the restrictive guidelines of the industrial arbitration system, resolving disputes in the way they want to resolve them, or alternatively in areas where they can—and that would be a large majority—going into the Federal jurisdiction.

We have a situation federally where Mr Viner, who was the Minister for Industrial Relations in the Fraser Government, introduced legislation which was somewhat similar in intent and in some cases in wording to the legislation that the Government now has introduced. When Mr Viner introduced that Bill it could have been said a

union would not have gained much advantage from shifting from the State to the Federal system because somewhat similar provisions were intended to be enacted in the legislation. Of course, since then, the position has changed in two respects, the first being that when the legislation came before the Senate it was sent to a Select Committee of the Senate which brought down a unanimous interim report, to which I will refer later, recommending that the legislation should not immediately proceed for various reasons.

The second point is that Mr Viner has been somewhat disgraced in his role in the portfolio and as a result has been demoted to a much lesser portfolio. His place has been taken by Mr MacPhee, a former Director of the Victorian Chamber of Commerce. Mr MacPhee has a completely different attitude towards his relations and the Government's relations to the unions from that of his predecessor, Mr Viner. In fact, he has indicated that irrespective of the outcome of the Senate inquiry in relation to legislation before the Senate, those provisions of the Bill will not proceed and he will not be pushing them through or in any way supporting them in the future. He has decided an overall review will take place of the Commonwealth Conciliation and Arbitration Act and he has told the unions and employers with whom he deals at the national industrial council that the legislation will not proceed. This will provide a great incentive for a large number of unions. I know some very large unions are pursuing the possibility of going much more into the Federal system, and a large number of those unions have been doing exactly that.

Mr Bertram: It will be a compulsion to centralise, and a diminution of that power.

Mr PARKER: As the member for Mt. Hawthorn said, it will be a compulsion to centralise and a diminution of the State Government's power in regard to industrial relations matters. I think it is a tragedy that the State Industrial Commission—

Mr Sodeman: That argument was put forward in 1979 and that didn't happen. It is a bogey that is brought out every time.

Mr PARKER: I put it to the member for Pilbara that this has happened. Since the Government has been in power a specific acceleration of Federal industrial award coverage has occurred in Western Australia. A large number of areas which previously were not covered federally now are covered. To give a few examples: Officers of the State Energy Commission, officers of the municipal authorities, people working in the building and construction industries, people working in the transport industry, not only interstate carriers, but also people in the general carrying area, and, as of only a few months ago, people working on a wages basis for municipal councils and similar bodies such as the Kings Park Board and other associations. These employees have all gone into the Federal system, in some cases in the last few years and in other cases over the last three or four years.

I suggest the member should examine the statistics of the proportion of the work force in Western Australia covered by Federal awards and by State awards; he also should examine the figures of 10 years ago and compare them with today's figures.

Mr MacKinnon: It is still very high in Western Australia.

Mr PARKER: Of course, but it is changing increasingly rapidly.

Mr MacKinnon: Not as rapidly as you would think.

Mr PARKER: That certainly is not true. I do not know what basis the Minister has for saying that.

Mr Bryce: This will stimulate the change even further.

Mr PARKER: He has made it quite clear he is not aware of the facts. The point the Deputy Leader of the Opposition has just made—that it will further accentuate it—is very valid; already, some unions are doing that. I refute the point the member was trying to make about our having said that in 1979 and it did not happen, and now we are saying it again. My predecessors did say this in 1979 and what they said has come to pass and this provision will make it even more likely that it will further come to pass.

Let me deal with the question of preference to unionists in New South Wales awards because the Western Australian industrial legislation and the New South Wales industrial legislation historically have operated along similar lines. Indeed, at one stage the New South Wales legislation was modelled on the Western Australian legislation about which the former Attorney General (Mr Walker) spoke so grandiloquently back in 1912. It has a very similar structure to the New South Wales legislation. It has been operated by Governments of both political persuasions. The New South Wales Act provides that absolute preference may be awarded to the members of any industrial union. That provision was first enacted in 1953 and it required employers in industries which had industrial agreements to give absolute preference in relation to aspects of employment, termination, retrenchment, and all other

matters affecting the employer-employee relationship. Preference was being given.

It is interesting to note that point, as members opposite have implied that to some extent preference to unionists has tended towards perhaps exclusive union coverage in certain areas such as in the Uniroyal case. If members opposite would like me to refer to that case, I will, but I did not intend to do so.

The High Court in the Uniroyal case said there was nothing wrong in the principle of preferences to unionists. Of course, the preference-to-unionism clause in New South Wales, as in the clause in Western Australia used to include the right to opt out for conscientious objection reasons. Whether or not the person concerned held such a conscientious belief, it was necessary to pay an equivalent amount of money to the union dues to some organisation. That provision was recommended by a former Minister for Labour and Industry—the member for South Perth—and put into effect by then Senior Commissioner Kelly. He recommended strongly a preference to unionists situation and the ability of unions to organise in that way. I suggest that no-one is better qualified to comment on such a clause in an industrial dispute in Western Australia than is Senior Commissioner Kelly. We know the Government's attitude towards Senior Commissioner Kelly and the attitude of the present Premier when he was Minister for Labour and Industry, the Attorney General, and the Minister for Police and Prisons who made quite scathing attacks on him in 1980.

As I said before, some of the aspects of this legislation have been dealt with federally and, as a result, the Senate set up a committee consisting of members from both sides of the House to study the matter. Members on that committee included Senator Harradine, the chairman, Labor Senators Mulvihill and Button, Liberal Senators Hamer, Walters, and Withers, and Senator Siddons, an Australian Democrat. Those persons had much more experience in this field than do members in this Chamber including the member for Nedlands, and they came to the view that the legislation should not proceed. Those people, from those different political persuasions, came to that view because they believed that the Federal legislation was drafted badly—one of our criticisms in respect of this legislation.

The senators said they did not believe the legislation would work and they were concerned about the advice given to the Federal Attorney General and the then Commonwealth Minister for Industrial Relations (Mr Viner). They were distressed at the attitude of those Ministers, and the report was a unanimous one.

It is unfortunate that in this State we are unlikely to have the opportunity to examine this legislation in the way similar legislation has been examined in the Commonwealth Parliament. It is my intention at a subsequent stage to move that this matter be referred to a Select Committee and I would be surprised, although delighted, if the Government agrees to that course. In the Commonwealth case it was in the intervening stages when the matter went to the committee that the Government thought better of its position on the matter and decided not to proceed with the legislation. As well, the public have been given the opportunity to obtain a better grasp of what the legislation entails because of the statements of the Minister on the different legal connotations.

One of the interesting submissions made to the Commonwealth Senate Select Committee on Industrial Relations Legislation, and one which is very apposite to the debate, was written by Mr A. J. Macken who is described as follows—

> The witness is a barrister and solicitor of the Supreme Court of Victoria and a Solicitor of the Supreme Court of New South Wales with a specialist practice in Australian labor law as applied in the High Court of Australia, the Federal Court of Australia, the Australian Conciliation and Arbitration Commission and the arbitral and judicial bodies created under State law in New South Wales and Victoria.
>
> The views expressed are his own and are not those of any client or client organisation. That said, the witness acts for a number of organisations of employees registered under federal and State laws and has acted both to register and to procure the deregistration of organisations under both systems.
>
> Between 1974 and 1981 the witness was continuously engaged on behalf of clients in the defence of proceedings in the Australian Industrial Court, the Federal Court of Australia, the High Court of Australia, the Supreme Court of New South Wales, the Court of Appeal of New South Wales and the Industrial Commission of New South Wales involving the examination of federal and state industrial legislation and of the common law doctrines relating to trade unions and their relations with employers.
>
> The standpoint from which the witness gives evidence is that of a professional practitioner who believes that the Australian Conciliation and Arbitration system can be made to function effectively and that what the proposed legislation involves, very prob-

ably in ways not intended, is the destruction of that system.

Having described Mr Macken in those terms, let me quote what he said about the philosophic orientation of the Bill. He said—

> Law reform in the area of public law governing Australian industrial relations can be easily exaggerated as a factor in producing better industrial performance. It is one factor but by no means the most urgent or important.

A point I made earlier. He continues—

> Nor is reform of the statute law necessarily the highest priority. The testing of certain established but increasingly questioned legal doctrines in the High Court by appropriate test cases would be far more useful.
>
> The purposes intended to be accomplished by the central provisions of the Bill would be better achieved by that course than by the enactment of the Bill into law.

In that respect only two prosecutions have been launched under section 100 of the Industrial Arbitration Act 1979. Both involved bricklayers and both prosecutions were successful. There is no evidence to suggest to the Government that section 100 of the 1979 Act is inadequate. It might be more to the point than, in fact, this legislation. Mr Macken continues—

> Good industrial relations in Australia are possible even in industries regarded as conducive to discord: Lend Lease Corporation by its associate Civil and Civic has achieved industrial peace in the building industry by means which are as simple and effective as they are principled:

And the Government talks a lot about, "principle". He continues—

> —profit-sharing,—

Not a principle this Government would agree with. He continues—

> —a concern to ascertain the wishes of the people who work with it, the removal of artificial barriers between management and employees.

Exactly the same situation he described in relation to the lend-lease arrangement in the building industry could also be described in relation to Goldsworthy Mining Ltd., Alcoa of Australia Ltd., the TNT Group, and the Bell Group Ltd. He continued—

> That managerial philosophy cannot be legislated for: legislation is not a factor.

Other factors of importance are:

> (a) the powers personnel and organisation of arbitral and judicial bodies charged with the administration of the Act;

The intention of this Bill is to reduce the power of the State Industrial Commission when dealing with disputes. The Minister cannot deny that a specific clause in the Bill will reduce the power still further. In general terms, other aspects of the Bill will reduce the power of the State Industrial Commission.

One aspect of this Bill will take away considerable power from the Industrial Commission in the course of resolution of disputes. Precisely what Mr Macken suggests. He continues—

> (b) the legislative provisions regulating union administration which in part promote and in part impede the achievement of good industrial relations;

Again the situation, particularly since Clyde Cameron was the Minister for Labour in the Whitlam Government, is that specific intervention in industrial affairs and management of unions has occurred because of actions taken by Mr Cameron. It is impossible to compare that situation with intervention to make them more democratic and give individual members union rights in respect of management. Those provisions were enacted not by a Liberal Government, but by a Federal Labor Government. He continues—

> (c) a false consciousness among professional personnel managers as to what unions are, what unions want and what policies should be followed by employers (There is a view expressed by some successful industrialists that a step towards improved industrial relations in Australia would be to abolish the office of industrial relations manager, recognising it as the first responsibility of the chief executive. Lest this be misunderstood, this could equally mean that a good industrial relations manager should be the Chief Executive.)

Certainly it is my experience that industrial relations officers, managers, and companies are the greatest obstacle to settling disputes because of empire building rather than assisting people. He continues—

> It is my respectful submission that the proposed legislation cannot be regarded as satisfactory even from the assumptions and standpoint of those promoting it. It is the most serious legislative attack on the Australian conciliation and arbitration system since 1929 although it is very probable that this re-

> sult was not intended or foreseen. Both in its terms its consequences and its philosophy the Conciliation and Arbitration Bill is defective.

I recall, for the benefit of members opposite, that the last person who tried to undermine the Federal Conciliation and Arbitration Act was Mr Bruce, a former Prime Minister of Australia. As a result of his actions, an election was called and not only did the Government lose by a landslide, but also Mr Bruce lost his seat. It is one of the few times that that seat, which was later held by Sir Phillip Lynch, has been lost by the conservatives and I suggest that that should sound a cautionary note for members opposite. Of course, the Government of Western Australia made a cursory submission which was not very well thought out and the Federal committee probably took very little notice of it. Basically it outlined the position it is putting to us today by way of this legislation. The Premier sent a letter to Senator Harradine, dated 26 July 1982 which states just that.

I turn now to some of the more specific aspects of the Bill which give concern and some of the aspects outlined by the Minister in his second reading speech which was a rehash of what the Minister for Labour and Industry said in statements to the public in relation to this industrial legislation. The first point in the Minister's speech refers to the industrial relations society's convention which was addressed by Mr Douglas and others in relation to their attitude towards the Government's proposals.

Mr Masters' speech is called "Preference (to Unionists): Panacea or Poison". On page six of that speech, he said—

> Since then, circumstances have changed dramatically, as we all know, and it is the monopoly union that has the power in the workplace.

No basis for that statement has been evinced in this place or in any speech made by the Hon. Gordon Masters. I challenge the Government to show a situation in which a monopoly union has power in the workplace and has used it in the way suggested.

Mr Masters went on to say—

> Yet there is ample evidence that individuals, once organised tend to use their power to curb the rights of others as a matter of self interest.

That statement is undeniably true, but it is absolutely meaningless. The classic example of individuals collectively organised and using their power to curb the rights of others for the self-interest of the group of individuals so organised is the Government. There is no more classic example of the restriction on the rights of individuals than that of almost each and every activity of government. Might I say that particularly applies to each and every activity of this Government. That is the whole concept of government. One creates a State; collectively organises the State; creates management within that State; and then sets about reorganising the way in which the State runs. In doing so, one restricts any "absolute freedom".

The freedoms which are allowed to people in that system are all freedoms within the law. None of them is an exclusive freedom. No absolute freedoms are allowed in any State, and particularly in the State of Western Australia. So, Mr Masters' statement in this regard is meaningless, because that is what happens in every part of the world, including the Government of which he is a member. I suggest that makes an absurdity of the speech he made on that occasion.

The speech made by Mr Masters was almost incredible. One can understand why it created such scorn and derision at the industrial relations society convention. That can best be demonstrated by his use of the saying, "When the weak become mighty, they become mad with the power". What an extraordinary statement! One wonders if maybe the Minister for Health is right. Maybe those are the words of the Minister for Labour and Industry. Very few other people would have the gall to make crass statements like that. What an absurd, inane, banal thing for anybody to say!

The Minister says, "In our kind of country"—I do not know what he means by that. I do not even know to which country he is referring.

Mr Bridge: That is my kind of country!

Mr PARKER: Perhaps we should have listened to the member for Kimberley instead of the Minister.

Mr Bertram: Maybe he is talking about Marlboro country.

Mr PARKER: It will be interesting to hear his stand on the Bill introduced by the member for Subiaco.

The Minister said—

> In our kind of country, such trends have transferred final authority from Kings to Parliaments and finally to the people, whose will can make and unmake those in authority.

Again, fine-sounding words; but the Minister did not say also that the trends have transferred the final authority from such places as the Parliament and the people to the Executive, for example, when individual Ministers have tremendous

powers in this matter. One would almost think that the Minister was an adherent of Marx, and that he hopes eventually that the State will wither away and that we will have true socialism. I hesitate to suggest that that was the Minister's point of view, but that could sum up his philosophy. "Whose will can make and unmake those in authority"—what a crass statement for the Minister to make!

In this State, as a matter of record, it happens to be the case that the Government is so worried that the will of the people might make or unmake its authority that it creates a situation in which it is virtually impossible for that will to be reflected at all. In the case of the House of which the Minister happens to be a member, it is impossible for the will of the people to be reflected.

How can the Minister have the gall to sit in the Legislative Council, where he is a member of a majority of 22:10, when the circumstances cannot be changed, no matter what the view of the people of the State? How can he have the gall to sit there as a Minister and hold his position as a Minister by virtue of that system, and at the same time say that this will make or unmake those in authority? One shudders to think.

Mr Blaikie: You are not casting a reflection on a member in another place, are you?

Mr Bryce: I would be happy to. The man is a fool. The Minister responsible for this Bill is a complete fool.

Mr PARKER: The Minister has approved of the legislation—

Mr O'Connor: He is a better Minister than you would ever be, if you got the opportunity to be one.

Mr Bryce: If you do not think—

The ACTING SPEAKER (Mr Trethowan): Order! I ask members to cease cross-Chamber interjections, and the member for Fremantle to continue his speech.

Mr PARKER: The Minister accused the people in the industry by saying—

> Aren't they really saying: "don't rock the boat because I've got a comfortable seat and I don't want to move."

That is the Minister's response to the substantial criticism of this legislation which has come from employer groups. Might I say that the only substantial employer groups which represent employers in an industrial capacity in Western Australia have come out strongly against this legislation. The Minister claims support for the legislation from the Perth Chamber of Commerce—not the federated chambers—and the Master Builders Association. My understanding is that that support is by no means in the way suggested by the Minister. But, putting that to one side for the moment, those organisations, irrespective of their position, do not represent and have not represented in an industrial way any employers in this State. The employers of this State are represented either by their own industrial personnel, if they are big enough to have them, or, and in some cases as well, by the Confederation of Western Australian Industry, or by the Australian Mines and Metals Association. The Perth Chamber of Commerce has never represented a single employer in an industrial tribunal, nor has the Master Builders Association. At all times, they use the services of the confederation. By the same token, the mining industry uses the Australian Mines and Metals Association.

The Minister is saying that these people are in a cushy situation, and that they are trying to preserve their own position, rather than being concerned with the welfare of the State. What an absurd and untenable position for the Minister to hold! By any stretch of the imagination, that Minister holds a cushy position in his House. He has no authority to speak on industrial matters. He has no knowledge or experience of industrial relations matters in this State. He has nothing except the advice of his department, and I am not sure that that advice would go along with what he is saying. In fact, I am sure a lot of it would not go along with what he is attempting to put forward here.

The Minister is saying that the people who have had the experience and the involvement, and who know what they are talking about—not only those who are used to the existing system and want to continue it, such as the professional industrial officers, but also the people who have a vested interest in changes like this—support the Bill. Every time changes of this nature are made, we reach the position where lawyers are in great demand. However, as I have said previously, even the lawyers are saying that they are opposed to it, despite the fact that the Minister would say they have a vested interest.

The Minister continued to make extraordinary statements. He said—

> But there is only one legitimate starting point for looking at anything like this: and that is the individual rights on which the whole structure of modern industrial relations is based.

The Minister mentioned modern industrial relations. Industrial relations deals with the ability of workers to live and of managers to operate

their companies. That is what industrial relations is based on, not what the Minister says.

In speaking about individual rights, the Minister went on to say—

> As you retreat from that—you retreat towards a dark age.
>
> As you move towards it—you move towards the light.

That is really an extraordinary statement, particularly when one considers that there are no absolute rights and absolute freedoms.

By the way, that is a tenet of liberalism. Members who read liberal philosophers will find that they all say there are no absolute rights or freedoms. All rights or freedoms must be constrained in the best interests of the community. This Government practises that philosophy every day when it legislates to restrict some right or other, or create a right on behalf of someone and disadvantage someone else by the same legislation. In some cases, that action by the Government is used over-zealously; yet the Minister has the cheek to say that in moving away from individual rights, one retreats towards the dark age.

The Minister then went on to say—

> Industrial relations has become an entrenched occupation, resistant to change.
>
> More often than is good for the public interest, decisions do not reflect the public interest.
>
> Bargaining often degenerates into a vaudeville of gestures as participants exert mutual duress upon one another.
>
> A significant problem is that too many battles of this kind are fought by hired warriors who feel the need to justify their role.
>
> Participants engaged in artificial battle too often reach artificial solutions in a closed-shop atmosphere, locked away from the realities of the community that bears the brunt.

When one reads that sort of stuff, one wonders if the Minister had a surfeit of playing with toy soldiers when he was a child. One shudders at the thought that the man who could pen those words or utter those words could be placed in the position of managing the industrial relations system and creating the industrial relations environment of this State. That is a horrifying thought. It should put terror into the heart of anybody who wanted to achieve industrial peace.

Government members interjected.

Mr PARKER: I notice that the member for Bunbury is an expert on these matters. In a previous debate—

Mr Sibson: I have had a lot more experience than you.

Mr PARKER: The member for Bunbury acknowledged a couple of years ago in a debate here that no-one on his side of the House had any industrial relations experience at all. Now he is trying to say that, in the intervening two years, a lot more experience has been gained.

Mr Sibson: Who said all that rubbish?

Mr PARKER: The member for Bunbury said it in 1980 or 1981. He made that point in the last year or two.

Mr Sibson: I have worked in the mining industry as have many other members on this side.

Mr PARKER: What has that to do with it? Most people have worked in some capacity or other. It is a question whether the member has had an involvement in the system of industrial relations. He acknowledged a couple of years ago that neither he nor any of the members on his side of the House had any experience.

Mr Sibson: What a lot of rubbish. You show us in *Hansard*. I have been involved with Bill Latter for a number of years. If that was not being involved in industrial relations, I do not know what it was, because he would make you look like a pussy cat.

Opposition members interjected.

Mr PARKER: If what the member says is accurate he would be more like a rat than a pussy cat.

Mr O'Connor: He could chew you up.

Mr Pearce: Say "cheese"!

Mr PARKER: The Minister then went on to say—

> Who cares that cash wages have multiplied by four in ten years while real output has risen by only a third?
>
> Who cares that the push for more cash increases and shorter hours goes on while national output this year may suffer the first real decline in thirty years?
>
> Who cares that jobs continue to die while the unreality goes on?
>
> Who cares that the latest unreality includes four million man days of strikes for the calendar year 1981—the worst since notorious seventy-four?

> Who cares that confrontation and power-play impress no one but merely disappoint the public?

The answer to those questions is: Most people care. It is important to recognise—and this is important when the Minister says nothing in this Bill undermines the right of unions to organise—that he made these comments in the context of this Bill and in the context of preference to unionists. It is clear from the context of those comments that, by undermining the right of unions to organise, he also is undermining the right of unions to fight for improved industrial conditions for their union membership.

Mr Sibson: All they cannot do is coerce their members.

Mr PARKER: The member has been out of the Chamber for most of the evening. We have had that argument already and I do not propose to go over it again. I had the argument with the Minister for Health and perhaps the member could speak to him.

Mr Sibson: I do not agree with you.

Mr PARKER: If the member wants to argue that point with me I will be quite happy to deal with him during the Committee stage. I will show him the specific provisions and how they will operate.

The speech the Minister made to the industrial relations society convention shows that he believes that this legislation will result in an undermining of the ability of unions to achieve wage increases and to improve conditions for their members. He sees that as two of the aims of the legislation. In the context of the preference to unionists debate it is clear he believes the Bill is designed to undermine the right of unions to organise when it is clear that right-to-work legislation in the United States has been shown to undermine the rights of unions to organise.

Mr Bertram: He is also attacking the Industrial Commission.

Mr Sibson: Where are the constraints?

Mr PARKER: The member for Bunbury once again shows his abysmal ignorance because he says the Bill has no constraints on unions. The existing State Act and the Commonwealth Act place a large number of restraints on all forms of matters including the ability of unionists to strike and—as the member would put it—to coerce people, what the Minister considers the courts must take into account when determining those methods, and a whole range of other matters. All those constraints are contained in existing industrial legislation, but the member for Bunbury—who really would not know the difference between a unionist and a used car—has the gall to tell the Chamber that there are no constraints in this Bill and that what this Bill proposes to do is to exercise some constraint where currently there is none.

It is extraordinary to think that the legislative and philosophical direction of industrial matters in this State has been put in the hands of people such as the member for Bunbury and the man who is his intellectual equal, the Minister for Labour and Industry.

Mr Sibson: I hope you don't put yourself in a higher category.

Mr PARKER: I will let others be the judge of that. I have a fair degree of confidence in what the outcome would be.

Apart from the speech the Minister made to the industrial relations society convention, he also made his second reading speech to this Bill and dealt with preference to unionists. As I said before, preference to unionists in this State has been long standing and something supported not only by all sectors of the public, but also by all Governments.

Let me quote now from the views of the then Mr Justice Wolff who, in 1939, was the President of the State Industrial Commission and a man who became the Chief Justice of Western Australia and a Lieutenant Governor of this State. I quote his 1939 comments as follows—

> Further it is well known that the employment of non-unionists is a fruitful source of argument and contention in industry and I take the view that the court has power to ensure the promotion of industrial peace by granting this right.

Mr Justice Northmore had earlier said that the preference clause would "eliminate that source of dispute and is there to ensure the peaceful carrying on of the building industry."

In 1964 Commissioners Schnaars, Kelly, and Flanagan said, in relation to preference matters and dealing with the specific issue of the right to choose—

> Insofar as the general question of freedom of association, to which Mr Hosking referred, is concerned, it is our view that this freedom must be seen in the social, political and economic framework of the times. Freedom of any sort even in, or perhaps more especially in, the most highly developed democracies is a freedom within the law and its importance must be assessed in the light of the relevant legal context. That context for our present

> purpose is largely one in which there exists a long standing but well revised system which provides for the compulsory arbitration of industrial disputes; in which disputes are not between workers and their employers but between unions and employers; which provides for the settlement of disputes by awards which are binding on all employers and workers in the industries to which they apply, whether those workers are members of the relevant union or not and whether they or their employers know of the existence of the awards or not and from which there is no exemption; and which provides for the close supervision of the affairs of registered unions. In this context a clause which, by its terms, requires that a worker shall be made aware of its provisions and of the rules of the union before being obliged to become a member of the union or to exercise his right to apply for exemption from such membership, may not seem to restrict the freedom of association in an unreasonable way. And when, on the one hand, the legitimate rights of the minority are protected—as they are by the application which we have given to section 61B—

That is, the conscientious objection section. To continue—

> —and on the other hand, a provision is likely to meet with the conscious accord of the overwhelming majority of the class of persons most affected by it—as we are sure is the case here—it can hardly be said that we have offended against the basic principles of democracy.

I could hardly have put it better myself. It seems that in that paragraph by the Full Bench of the State Industrial Commission at 44 WAIG, page 514, it has encapsulated the arguments that prove the shallowness of the arguments the Government has put forward in regard to freedom of association and its new philosophical approach to industrial relations. The Government should give very serious consideration to those views before proceeding with this legislation.

It is not my intention to go through the Bill clause by clause at this stage, because we can do that during Committee; but in relation to the United States of America inspiration, which to some degree has led to the Government's move in this matter, by no means can one say that the right-to-work legislation which exists in the USA has been successful in the way in which the Government believes. In *The West Australian* of 15 March 1978, a report appeared from Washington on the track record of the anti-strike law, and I quote as follows—

> The Taft-Hartley machinery which President Carter invoked in the coal strike, had been used 34 times by five Presidents before him, since it was enacted in 1947.
>
> The law does not have a good track record in the coal industry.
>
> President Harry Truman tried to use it in 1950, after an eight-month series of strikes and slowdowns in the coalfields.
>
> Mr Truman obtained a court injunction ordering the miners back to work for 80 days but they refused to go, though United Mine Workers chief John L. Lewis ordered them back.
>
> The Government charged the union with contempt but the court, citing Mr Lewis's public order, found the union was innocent of contempt.
>
> The next day, March 3, 1950, President Truman asked Congress for authority, separate from Taft-Hartley, to seize the mines. . . .
>
> Congress did not act on Mr Truman's request. Within hours of his seizure message reaching Congress, management and labour settled the strike.

It makes the point that the very proposals which this Government wants to introduce—the provisions whereby people are ordered back to work within a specific time period and if they do not they can be charged with being in contempt, fined massive sums of money, have their industrial rights taken away, and be deregistered as unionists—have not worked in the United States of America where we might have thought those things would find some sympathy in a country which has a culture different from ours.

There is nothing to suggest that the Government's approach will work. Despite some initial flirtation with this idea, the Federal Government is not proposing to proceed in this way.

Mr Sibson: It works with 90 per cent of the community now; only a small percentage that creates problems. We have thousands of workers who never get into these predicaments.

Mr PARKER: After the member for Bunbury has been away doing whatever he has been doing, he has returned with a second wind. I invite him to follow me in this debate and to put the points he wants to make. I must admit that I find it almost impossible to understand the line of argument he is trying to make.

Mr Sibson: You don't have to understand it; the facts are there.

Mr PARKER: I am prepared to concede the point that the facts are there—no track record

exists for the success of any legislation of this type. The reverse is the case. When any problem has been attempted to be resolved using the machinery to be set up by this sort of legislation, that machinery has failed. That is the track record of this sort of legislation. I challenge the member for Bunbury or the Minister to indicate where it has not failed. The track record clearly shows that this sort of legislation has failed. It is clear from the views of people in industry that this sort of legislation has failed, that this Bill will fail, and that it will not improve industrial relations in Western Australia. Another completely different QC has said that this is an example of a Government of idealogues who know not what they do, but know they want to win the next State election.

Mr Sibson: Are you suggesting it will get some strong support from the public? If you are you are spot on. We don't need it in the south-west because we don't have this probelm.

The ACTING SPEAKER (Mr Trethowan): Order!

Mr PARKER: Would the member for Bunbury support me if I moved an amendment to exclude the south-west from the Bill?

Mr Blaikie: I certainly would not.

Mr PARKER: The member for Bunbury should speak to the member for Vasse.

There is no basis to suggest that this legislation will work. Every person in industry—not just a select group of people—who is a practitioner in the industry, is opposed to this Bill. No class of people who are practitioners in the area and are experienced in this field, support the Bill—not one individual with experience. The public do not know of any person with experience who is for this Bill, and neither do I. Only the Government supports it. The Government must be wondering why these people are unanimous in their non-support of the legislation.

If the Government is not prepared to halt the passage of this legislation, at the appropriate time it should support my move to refer the Bill to a Select Committee as was done with similar legislation in the Commonwealth, which led to the Senate determining that the legislation should not be proceeded with and that the Commonwealth Government itself, as a Government as opposed to a legislative body, should determine that it did not want to proceed with the legislation and wanted to adopt a different tack in industrial relations, one much more akin to that which I have been suggesting and which the Opposition has been suggesting for some considerable time.

We oppose this legislation very strongly. During the Committee stage we will oppose almost every clause; we will go through the clauses one by one. My colleagues and I will ensure that, by the time the debate of this legislation is concluded, the public will have had the opportunity to hear our views, and will begin to understand the futility of what this Government is trying to do in its so-called attempt to improve industrial relations, and will understand the dangers inherent in what the Government is trying to do in terms of industrial harmony and progress.

Debate adjourned, on motion by Mr Court.

House adjourned at 11.31 p.m.

QUESTIONS ON NOTICE

1708. *This question was postponed.*

HOUSING

Inspectors: Number

1744. Mr WILSON, to the Minister for Housing:

(1) Recognising that each case has certain individual considerations, what general factors are taken into account by the State Housing Commission when assessing women in refuges for housing assistance in determining whether an applicant is to be listed "emergent" as against "wait turn"?

(2) Is it obligatory for a woman to have custody of her children before she is considered eligible for assistance?

(3) (a) Is it the official policy of the State Housing Commission that to be living in a refuge is insufficient grounds for being listed for "emergent" assistance; and

(b) if so, what is the basis of this policy?

(4) Is it the current practice of the Commission to approve "emergent" listing of applicants according to the availability of accommodation and consequently refuse to list applicants on "emergent" basis for certain areas on the basis of low vacancy rates in these areas on the grounds that they are over-selective?

(5) In such cases, what attention is given to a woman's need to be close to child care facilities, family support and for security in allowing her to be listed "emergent" for accommodation in an area with a so-called low vacancy rate?

Mr SHALDERS replied:

(1) All applicants including those accommodated in refuges are considered in relation to—

(a) access to alternate accommodation;
(b) medical aspects;
(c) financial aspects;
(d) any other special circumstances, including reason for being in the refuge.

(2) Under normal circumstances a woman would have to have her children living with her in order to occupy SHC accommodation, however there are circumstances when this requirement is relaxed.

(3) (a) and (b) All factors are considered and it is not accepted that a woman in a refuge is automatically listed for "emergent" assistance.

(4) It is not an automatic process to remove an applicant from the emergent list because an offer of accommodation in a less preferred area is refused. However, as the need is to obtain accommodation, not special type accommodation in a special area, the commission must remain firm in rejecting most reasons of "selectivity".

(5) The State Housing Commission is aware of importance of family support but the scarcity of accommodation limits areas of availability. Everyone listed exclusively for one area has special reasons and in most cases is prepared to wait. An attempt is made to house all applicants as close to their chosen areas as possible but it would be disadvantaging for a family in real "emergent" need not to offer suitable accommodation when it became available even though not precisely where asked for.

HOUSING

Inspector: Interviews

1747. Mr WILSON, to the Minister for Housing:

(1) What is the purpose of the interview conducted by State Housing Commission inspectors following application for assistance?

(2) (a) Is a standard set of questions used in conducting such interviews; and
(b) if so, what are these questions?

(3) If there is no standard set of questions, what type of information is sought?

(4) For what specific reasons would subsequent interviews be deemed necessary?

(5) Is it considered appropriate for inspectors to ask applicants questions such as—"Do you clean your house?" and "Do you drink?"

(6) (a) Do inspectors make assessments about an applicant's housekeeping standards when interviews are conducted at a women's refuge; and
(b) if so, how are such assessments made in such situations?

Mr SHALDERS replied:

(1) To ascertain and verify application and information given; for example, accommodation circumstances; family size; and general standards—personal and domestic.

Also, away from the formal office situation an applicant is more relaxed and able to better explain particular needs. This is especially pertinent to those who may be deemed "emergent" but is applicable to all applicants.

(2) and (3) There is a standard record of interview card used at all interviews—counter and home. Additional information may be sought or in fact volunteered depending on circumstances.

(4) Additional interviews may be required if—

(a) change occurs in family size;
(b) any change of circumstances—for instance, financial or health, which may necessitate reconsideration of application;
(c) if a doubt as to standards arises at the time of the first visit a follow up interview is made.

(5) Questions asked are those considered to be relevant to the tenants' application; or, if applicable, to a previous tenancy.

(6) (a) An applicant living in a refuge will still sometimes indicate attitudes to personal and domestic standards. It is recognised that in some refuges, applicants have exclusive use of a room and in others it is on a shared basis;
(b) answered by 6(a).

HEALTH: PUBLIC HEALTH DEPARTMENT

Dr J. G. Tees

1759. Mr HODGE, to the Minister representing the Attorney General:

(1) Can the Attorney General tell me what the cost to the Crown Law Department was to represent the Public Service Board in the case heard before the Public Service Appeal Board in July 1981 involving the dismissal from the Public Health Department in August 1980 of Dr J. G. Tees?

(2) How many staff of Crown Law were involved—

(a) in preparing the Public Service Board's defence and actually presenting it before the appeal board;

(b) approximately how much time was spent by the Crown Law Department staff in handling the abovementioned case for the Public Service Board?

Mr RUSHTON replied:

(1) It is not possible to make any precise answer to this question, because the Crown Law Department does not record all professional services rendered by its legal officers in the same way as would a private practitioner.

This is simply because it does not render accounts to its own clients for services rendered in connection with particular matters.

However, by relying on the recollection of the legal officers who were involved, it is possible to say that the cost of representing the board and providing it with incidental advice approximated $1 350.

(2) (a) Two;

(b) 91 hours, in preparing and presenting the defence and in providing incidental advice.

CONSUMER AFFAIRS

Batteries

1783. Mr TONKIN, to the Minister for Consumer Affairs:

(1) Is there a requirement that dry cell batteries be stamped so that consumers will be aware of the date of manufacture, the expected life of a battery or other information relevant to the amount of use a purchaser may reasonably expect?

(2) If not, what is the Government's policy on this matter?

Mr SHALDERS replied:

(1) No.

(2) As there is no present evidence of substantial complaint on this matter, the matter has not been considered.

MEMBER OF PARLIAMENT: THE HON. A. A. LEWIS

Comments

1792. Mr TONKIN, to the Premier:

(1) Has he seen the comments attributed to Hon. A. A. Lewis, M.L.C. in the Legislative Council in which he states that all conservation Ministers in Western Australia had been a disgrace?

(2) Does he concur with Mr Lewis's opinion?

(3) Does he share Mr Lewis's concern that the WA parks authority has not received an adequate Budget allocation?

(4) With which recommendations of the Legislative Council Select Committee into WA parks does the Government agree?

Mr O'CONNOR replied:

(1) Yes.

(2) No.

(3) As the funds available to the Government were severely limited, all departments and authorities received allocations that were less than they requested. To that extent everyone can complain that they received a Budget allocation they considered inadequate. The allocation to the National Parks Authority was $2.7 million, an increase of 19 per cent which in the circumstances of the Budget was a substantial increase.

(4) The committee's report is being considered currently by the Government and it is anticipated that an announcement will be made in the near future.

In the meantime, the National Parks Authority has moved to implement a number of the recommendations relating to the management and operation of national parks.

CONSUMER AFFAIRS

Kerosene

1793. Mr BRIAN BURKE, to the Minister for Consumer Affairs:

What controls currently exist over the price of kerosene?

Mr SHALDERS replied:

None at the retail level.

The maximum justified wholesale prices for petroleum products including kerosene are set by the Commonwealth Petroleum Products Pricing Authority.

COMMUNITY WELFARE: PERMANENCY PLANNING

Programme: Implementation

1794. Mr WILSON, to the Minister for Community Welfare:

(1) In what particular ways will the $100 000 allocated in the Budget for the implementation of a permanency planning programme, be expended?
(2) How many permanent staff will be assigned to the programme initially?
(3) Will these appointments be additional to the existing staff ceilings applying in the department?

Mr SHALDERS replied:

(1) to (3) Details have not been finalised.

1795. *This question was postponed.*

HOUSING: RENTAL

Bunbury

1796. Mr WILSON, to the Minister for Housing:

(1) How many applicants are listed by the State Housing Commission in Bunbury for rental assistance on a wait-turn or emergent basis in—
  (a) two-bedroomed apartments;
  (b) three-bedroomed apartments;
  (c) two-bedroomed duplexes;
  (d) three-bedroomed duplexes;
  (e) two-bedroomed single detached houses;
  (f) three-bedroomed single detached houses;
  (g) four-bedroomed single detached houses?
(2) How many applicants are listed by the State Housing Commission in Bunbury for purchase assistance?
(3) How many rental units of accommodation of each type are to be constructed by the State Housing Commission in Bunbury under the works programme for 1982-83?
(4) How many purchase homes will be constructed by the State Housing Commission in Bunbury under the works programme for 1982-83?
(5) How many purchase homes were constructed by the State Housing Commission in Bunbury in 1981-82?
(6) How many rental units were constructed by the State Housing Commission in Bunbury in 1981-82?
(7) How many applicants were listed for rental assistance by the State Housing Commission in Bunbury at the following dates:
  (a) 30 June 1980;
  (b) 30 June 1981;
  (c) 30 June 1982; and
  (d) 25 October 1982?
(8) What is the area of land stocks held by the State Housing Commission in Bunbury?
(9) Where are these land stocks situated in the Bunbury area?
(10) (a) What portion of these land stocks is to be subdivided; and
  (b) how many building lots are to be made available in 1982-83?
(11) How many of these lots are to be—
  (a) auctioned for private sale:
  (b) used for State Housing Commission purchase homes;
  (c) used for State Housing Commission rental units?

Mr SHALDERS replied:

(1) to (11) The information sought will take a considerable time to collect, collate and prepare and therefore I will reply to the question by letter.

ENTERTAINMENT CENTRE

Lessees

1797. Mr DAVIES, to the Hon Premier:

(1) Referring to question 1753 of 20 October 1982 regarding leasing of the Perth Entertainment Centre by TVW Enterprises Ltd., is it correct to assume that the lease was arranged between the Premier's Department and/or Treasury and TVW Enterprises Ltd.?

(2) If so, why was the matter not handled by the Perth Theatre Trust which it is understood is geared to arrange such matters and should reasonably be expected to do so in accordance with the Act under which the Trust operates?

Mr O'CONNOR replied:

(1) and (2) As the terms of the original lease were negotiated by Treasury and the matters requiring negotiation on the occasion of the renewal of the lease were primarily financial, the Government decided that the matter should be handled by the Treasury.

HOUSING: RENTAL

Metropolitan Area

1798. Mr WILSON, to the Minister for Housing:

How many applicants for State Housing Commission rental accommodation are currently listed—

(a) emergent; and

(b) wait-turn; for

(i) two-bedroomed accommodation;

(ii) three-bedroomed accommodation;

(iii) four-bedroomed accommodation;

(iv) pensioner unit accommodation,

in each of the three regional offices in the metropolitan area?

Mr SHALDERS replied:

(a) and (b) The following applicants are listed with the State Housing Commission—

	Pensioner	2 br	3 br	4 br	Total
COMMONWEALTH/STATE RENTAL SCHEME—					
Metro.-South East Region					
Wait-turn	164	622	475	57	1 318
Emergent	2	6	18	3	29
Metro.-North Region					
Wait-turn	349	1 022	450	114	1 935
Emergent	40	30	19	7	96
Metro.-Fremantle Region					
Wait-turn	178	663	451	27	1 319
	38	8	7	8	61
	771	2 351	1 420	216	4 758
	Pensioner	2 br	3 br	4 br	Total
ABORIGINAL HOUSING SCHEME—					
Metro.-South East Region					
Wait-turn	—	2	17	3	22
Emergent	—	5	6	1	12
Metro.-North Region					
Wait-turn—	—	17	22	3	42
Emergent—	—	2	2	2	6
Metro.-Fremantle Region					
Wait-Turn	1	26	10	2	39
Emergent	—	1	1	1	3
	1	53	58	12	124

NOTE: the above figures include tenants approved for transfer.

HOUSING: RENTAL

Assistance: Applicants

1799. Mr WILSON, to the Minister for Housing:

How many applicants are currently on the State Housing Commission's waiting list for rental assistance in—

(a) the metropolitan area;

(b) other areas of the State?

Mr SHALDERS replied:

	Commonwealth State	Aboriginal Grant
(a) Regions—		
Metro. North	2 056	48
Metro. Fremantle	1 442	46
Metro. South-East	1 469	25
	4 967	119
(b) Country and North-West—		
Southern	143	80
South-West	594	92
Central	281	145
North Central	262	163
North West	631	169
	1 911	649

NOTE: the above figures includes tenants approved for transfer.

FUEL AND ENERGY: SEC

Public Relations Manager

1800. Mr GRILL, to the Minister for Fuel and Energy:

(1) Is it normal practice for the State Energy Commission to employ senior executives in a similar manner to that employed in the pending appointment of a public relations manager, i.e., without advising or consulting the Minister?

(2) Is it fact that the immediate past Premier had occasion to reprimand and/or express disapproval of State Energy Commission actions in similar circumstances in the past?

(3) (a) What public relations staff are presently employed by the State Energy Commission; and

(b) what are they paid?

(4) What emoluments will be granted to the new public relations manager?

Mr P. V. JONES replied:

(1) No. As I have already advised the member by letter, the appointment was recommended as part of a recent review of the State Energy Commission's public relations activities made by an independent consultant. My approval was sought and, having given my approval, it is the responsibility of the commission to undertake the administrative detail associated with the appointment.

(2) I am only aware of the withdrawal of a proposal to appoint a public relations officer in March, 1979. I have no knowledge of any instruction which might have been given relating to the appointment of such an officer.

(3) (a) The State Energy Commission currently employs a staff of nine officers, including graphic design persons engaged in all aspects of producing the considerable number of publications and material relating to safety, such as those which I have already sent to the member. Additionally, this staff assists with the public relations requirements of the Solar Energy Research Institute, and in the organisation of such functions as the International Solar Energy Congress to be held in Perth in 1983.

(b) Salaries are in accordance with the appropriate classifications within the MOA award applying to the State Energy Commission, and the AJA award.

(4) The salary is not yet finalised, but is being considered around the group 1 class 6 salary range.

RIVER: MOORE

Diversion

1801. Mr CRANE, to the Minister for Works:

(1) Is he aware of and familiar with the findings on file No. 6790 of an investigation by the Parliamentary Commissioner for Administrative Investigations dated 17 March 1982 as a result of a complaint from Mr R. S. Leandri of 71 Queenscliffe Road, Doubleview, concerning the lack of action on the part of the Public Works Department and Lands Department in regard to an unauthorised diversion of the Moore River in the Shire of Gingin?

(2) Have officers of the Public Works Department checked the claims that Mr Maraldi, the owner of location 2840, excavated a large channel on his land and blocked the natural course at the upstream end, thus diverting the river away from location 2763 owned by Mr Leandri?

(3) If "Yes" to (1) and (2), are these claims correct?

(4) If "No", why have the claims not been checked?

(5) Has Mr Maraldi been advised by the Public Works Department that his action contravened the provisions of the Rights in Water and Irrigation Act?

(6) If "Yes" to (5), what was Mr Maraldi's response to such advice?

(7) (a) What is the current estimated cost of a diversion structure to reinstate the river to its original course; and

(b) what type of structure would be required?

(8) As the report from the Parliamentary Commissioner clearly states that in his view and for the reasons given that Mr Maraldi has altered the course of the river and that the diversion is a continuing offence, and that since he has contravened section 6 of the Act, the Public Works Department could prosecute under section 177 of the Criminal Code for contravening section 6 of the Act, and also under section 13(1), will he reinvestigate this matter, and in view of the above comments, take appropriate action?

Mr MENSAROS replied:

(1) to (3) Yes.
(4) Not applicable.
(5) Yes.
(6) Mr Maraldi made an attempt to redirect the river back to its original course but the attempt was not successful.

(7) (a) and (b) No detailed designs or cost estimates have been carried out and it may be impossible to reinstate the river in its original course without completely refilling the new excavation which has now scoured out to a major channel which would cost some hundreds of thousands of dollars. A diversion structure to divert some of the flow into the original course could cost in excess of $100 000.

(8) The Parliamentary Commissioner advised the Public Works Department to obtain further legal advice on these possible methods of prosecuting Mr Maraldi and this it has done.

Crown Law Department advice indicates that action against Mr Maraldi as suggested by the Parliamentary Commissioner is unlikely to be successful and, in the light of this, no court action is proposed.

Mr Leandri still has the option of taking legal action against Mr Maraldi to recover the losses which he has sustained.

It could also be noted that the heading of the otherwise fair article on page 3 of the 23 October 1982 issue of *The Western Mail* is not correct as the Public Works Department did not admit that it bungled the handling of this situation.

The Public Works Department unsuccessfully attempted to overcome what appeared at the time a small problem of flood plain management by relatively simple means, but the Government cannot now justify the expenditure of large amounts of taxpayers' funds to restore a comparatively small loss of real estate value to a private person.

STATE FINANCE: EXPENDITURE REVIEW COMMITTEE

Activities

1802. Mr BERTRAM, to the Treasurer:

(1) Is the State "razor gang" still functioning?

(2) If "Yes" what progress has it made in the last three months?

Mr O'CONNOR replied:

(1) and (2) If by "razor gang" the member means the Cabinet Expenditure Review Committee, the answer is "yes". The committee played an important role in the formulation of the State Budget.

STATE FINANCE: BUDGET

Inflation

1803. Mr BERTRAM, to the Treasurer:

Would he identify the main features of his Budget which are aimed at—

(a) curbing;

(b) reducing, inflation?

Mr O'CONNOR replied:

(a) and (b) There can surely no longer be any question that in the present economic circumstances the dominant factor in maintaining inflation at its current level is unreasonable and excessive wage demands. The pressure for wage increases must be moderated if Australia is to reduce unemployment and sell its products on world markets. If the member can advise me what action might be taken in the Budget to get the Labor Party and union leaders to face the obvious facts of economic life and help this country pull out of the recession they have helped to make, I would be glad to consider it.

STATE FINANCE: CRF

Money Owing

1804. Mr BERTRAM, to the Treasurer:

As at 30 June 1981 and 30 June 1982, what sums of money, if any, were owing to the Consolidated Revenue Fund by the—

(a) State Energy Commission;

(b) the Rural and Industries Bank;

(c) the Metropolitan Water Authority?

Mr O'CONNOR replied:

Exclusive of General Loan Fund advances which are repayable to that fund under sinking fund arrangements—

(a) $6.2 million at 30 June 1981 and $3.8 million at 30 June 1982 being interest on General Loan Fund advances due in 1976-77 and 1977-78 which was deferred and made an advance repayable over four years as a means of augmenting the commission's capital funds in those years.

(b) Under a 1973 arrangement with the bank, profits made on the development and sale of land at West Hamersley are to be shared with the Government. One of the conditions was that the Government could call upon the progressive payment of profits at its discretion although it was the Government's announced intention that the funds would be left with the bank as long as possible to enable the bank to expand loans for housing.

In response to requests from the bank the Government decided that planned payments of $1 million in 1980-81 and $2 million in 1981-82 should be temporarily retained by the bank in order to provide added funding flexibility, particularly in the housing finance area. The Budget for 1982-83 provides for a payment of $4 million under this arrangement but consideration will again be given to partial or total deferment in the light of the Government's financial situation as the year progresses.

(c) Nil.

PARLIAMENT HOUSE

Telephones: Toll-free

1805. Mr TERRY BURKE, to the Premier:

Would he please investigate the feasibility of extending toll-free telephone access to Parliament House for people residing outside the metropolitan telephone region?

Mr O'CONNOR replied:

Telecom provides a facility at a cost to the subscriber which enables charges for STD calls received to be reversed automatically, on the basis that the caller pays only the cost of a local call while the STD cost is debited to the subscriber receiving the call.

Any caller ringing STD would have the costs of their call charged automatically to Parliament House if the equipment was installed. Such unrestricted use of the facility can be expected to result in very high expenditure in addition to the present high cost of telephone charges at Parliament House.

With the advent of members being entitled to staffed electorate offices, it would be reasonable to assume that adequate provision is made for people to make contact with their parliamentary representative through their electorate office.

ZOOLOGICAL GARDENS

Restaurant

1806. Mr BATEMAN, to the Minister for Lands:

Further to question 1733 of Wednesday, 20 October 1982 relating to the Zoological Gardens, what was the total amount of profit made by the restaurant for the year ended 30 June 1982?

Mr LAURANCE replied:

Net profit made by the restaurant for the year ended 30 June 1982, was $25 957.94.

ROADS

Bicentennial Programme

1807. Mr BATEMAN, to the Minister for Transport:

(1) Reference *The West Australian* newspaper, 21 October 1982 "Roads Under Review" which states several major road projects are being considered by him for inclusion in the Australian bicentennial road development, including stage five of the Mitchell Freeway which passes through the electorate of the Minister for Defence Support, as Nicholson Road passes through my electorate and also that of the Minister for Transport, will be ensure that this road is also included in the recommendation to the Federal Government for road funds?

(2) If not, why not?

Mr RUSHTON replied:

(1) and (2) When legislation for the Australian Bicentennial Road Development Trust Fund is passed, local authorities will be invited to submit projects for consideration for inclusion in the programme. As stated in a previous answer, the local authorities responsible for Nicholson Road will be able to submit a project for upgrading this road.

PUBLIC SERVICE: PUBLIC SERVANTS

Retirement: Early

1808. Mr DAVIES, to the Premier:

(1) What positive progress has been made with plans for early optional retirement?
(2) From what age is it proposed the option shall apply?
(3) Will the option be open to all Government employees, including members of the Police Force?

Mr O'CONNOR replied:

(1) I have just received a report from the superannuation review committee on the effect on superannuation benefits of an early retirement option to age 55.

As this is the key consideration in any early retirement proposal I intend making the report available to the joint Government employee organisations superannuation committee for consideration and discussion with the review committee. The Government naturally wishes to provide Government employee organisations with the opportunity to study the committee's proposals and make representations on them before making a decision on the matter.

(2) Age 55.
(3) Yes.

ELECTORAL: ROLLS

Advertisements

1809. Mr BATEMAN, to the Minister representing the Chief Secretary:

(1) In view of the numbers of eligible voters whose names do not appear on the newly published State electoral rolls, will he advertise in all daily newspapers advising eligible voters of their responsibility under law to ensure they are correctly enrolled?
(2) If not, why not?

Mr HASSELL replied:

(1) and (2) Prior to the 1980 General elections the Chief Electoral Officer had the State Electoral Department mount an advertising campaign designed to encourage correct enrolment.

I am advised by the department that a similar campaign will be undertaken towards the end of this year.

HOSPITAL

Bentley: Extensions

1810. Mr JAMIESON, to the Minister for Health:

(1) As there appears to be no indication of additions to the Bentley Hospital in the loan estimates, is there any plan for further extensions in the near future?
(2) What plans are there to replace the temporary buildings being used by the physiotherapist section at Bentley Hospital complex?

Mr YOUNG replied:

(1) Yes, the Mental Health Services propose to commence construction of psychogeriatric permanent care and assessment facilities on the site this financial year.
(2) Planning alternatives are currently being developed for the replacement of the temporary physiotherapy facility since it will need to be relocated to allow construction of the Mental Health Services' developments described in (1) above.

HOUSING: KARAWARA

Complaint

1811. Mr WILLIAMS, to the Minister for Housing:

(1) Is he aware of the problems being caused by the behaviour of the family who occupy a State Housing Commission unit at 30 Gillon Street, Karawara?
(2) (a) Have complaints been received from residents of Karawara;
(b) if so, what is the nature of these complaints?
(3) Has the family or person a lease of the unit, or is it on a rental basis?
(4) (a) Is there any substance in the assertions that there is more than one family residing on the premises;
(b) if so, is this in contravention of State Housing Commission policy?

(5) What action, if any, has been taken to overcome the present behaviour of this family?

Mr SHALDERS replied:

(1) to (5) It has been a long-standing policy of the State Housing Commission not to discuss publicly the dealings it has with its clients.

The matter on which your inquiry centres is the subject of a letter received from the member on 14 October 1982 and a reply is being prepared currently.

HOUSING: KARAWARA

Complaint

1812. Mr WILLIAMS, to the Minister for Police and Prisons:

(1) Is he aware of the problems being caused by the behaviour of the family who occupy a State Housing Commission unit at 30 Gillon Street, Karawara?

(2) If so—

(a) on how many occasions have the police been called to the area as a result of these problems;

(b) how many police have been involved on these occasions;

(c) what was the nature of the problems in question;

(d) how many convictions, if any, have resulted from these problems;

(e) has the Police Department made any recommendations in respect of this problem area; and

(f) if so, what are the recommendations?

Mr HASSELL replied:

(1) I have been advised that problems have occurred at this address.

(2) (a) Six occasions since 1 July 1982;

(b) on five occasions, two police, and on one occasion, four police;

(c) domestic altercations between the occupants of the house and relations; damage to premises, aggravated assault on neighbours, and fighting in the street being some of the problems encountered by police when required to attend;

(d) two;

(e) no; police patrols provide additional attention to the area whenever possible;

(f) answered by (e).

QUESTIONS WITHOUT NOTICE

FUEL AND ENERGY: GAS

North-West Shelf: Equity Sale

657. Mr BRIAN BURKE, to the Minister Co-ordinating Economic and Regional Development:

(1) What is the impact on Australian ownership of the North-West Shelf gas project of the decision announced today by Woodside Offshore Petroleum Pty. Ltd. to sell off part of its equity in LNG shipping operations?

(2) Was the State Government consulted about this before it occurred and did it agree?

(3) Does the taking up by the Japanese of equity in the LNG shipping operations increase the likelihood of sales contracts with the Japanese being concluded more quickly?

Mr O'CONNOR replied:

(1) to (3) I suggest the Leader of the Opposition should direct the question to the Minister involved.

Mr Brian Burke: You are the Minister Co-ordinating Economic and Regional Development.

Mr O'Connor: If he does want the answer I suggest it be put on notice.

Several members interjected.

Mr Brian Burke: Aren't you co-ordinating economic development?

AGRICULTURE

Header Machines

658. Mr TUBBY, to the Minister for Agriculture:

Because of the drought in the Eastern States and the generally good season in Western Australia—

(1) How many harvesting contractors have notified their intention of bringing headers into Western Australia and how many machines are involved?

(2) How many headers have been checked at the Parkeston and Norseman checkpoints since 1 September 1982?

Mr OLD replied:

(1) Three contractors are involved and there are six machines.

(2) Thirteen headers.

I addressed a meeting of the Agriculture Protection Board yesterday and pointed out the necessity for great vigilance in this regard. There was no need for me to reinforce that because the board is very much aware of the problems that can result from the importation of machines, especially harvesting machines.

Mr Evans: Has any contamination of machines been noted?

Mr OLD: At this stage, no, but I have issued a warning to people who have any intention of importing machines, and particularly harvesting machines, that in the first instance they must make application to have these machines imported into the State.

Secondly, they will be inspected at Norseman or diverted to Kalgoorlie. With harvesters and headers they would be diverted to Kalgoorlie for inspection, which will be very thorough. It could take some time before those machines are certified free of seeds and are able to be released.

I would suggest to anyone thinking of importing machines from the Eastern States that they think long before they bring any harvesting machinery or indeed any other type of machinery into this State.

FUEL AND ENERGY: GAS

North-West Shelf: Equity Sale

659. Mr BRIAN BURKE, to the Minister for Resources Development:

I ask the question the Premier cannot answer—

(1) What is the impact on Australian ownership of the North-West Shelf gas project of the decision announced today by Woodside to sell off part of its equity in LNG shipping operations?

(2) Was the State Government consulted about this before it occurred and did it agree?

(3) Does the taking up by the Japanese of equity in the LNG shipping operations increase the likelihood of sales contracts with the Japanese being concluded more quickly?

Mr P. V. JONES replied:

(1) to (3) The Leader of the Opposition has assumed that the proposal which was announced by Woodside today, in its half-yearly report, is final. It is not. It is an arrangement which is being discussed. Quite properly, Woodside has informed its shareholders of the discussions.

In response to a question, I mentioned in this place some time ago that the matter of the sale of LNG was being discussed. If the Leader of the Opposition had read the statement, he would have had no need to ask the first part of the question. Of course, it will lessen the equity of Woodside—

Mr Brian Burke: I did not say that. I said, "What is the impact?"

Mr P. V. JONES: The impact will be that it will lessen the equity of Woodside in its part of that operation. There will be various partners with an equal percentage of equity.

The Government was consulted, as was the Federal Government, on the basis of whether, if an arrangement did come to pass, it would meet with our approval. The answer given by the State Government and the Federal Government, on an informal basis, was "Yes".

The last time I was in Japan, this matter was discussed. The discussions have been held back for some time, pending the rearrangements which have been foreshadowed. I used the word "foreshadowed" because it is not final.

EDUCATION: HIGH SCHOOLS

Bentley and Tuart Hill: Travel Arrangements

660. Mr GRAYDEN, to the Minister for Education:

In view of the fact that an undertaking was given in April 1981 that students affected by the transitions of Bentley and Tuart Hill High Schools to senior colleges would be able to travel to and from school in 1982 and 1983 at no added cost to parents, will he advise whether there is any substance in current allegations by a member of the Opposition that that undertaking has not been honoured by the Education Department?

Mr CLARKO replied:

During 1982 the undertaking has been honoured for all students who were enrolled at Bentley and Tuart Hill Senior High Schools or in year seven of the contributory primary schools and who attended the nominated schools.

The undertaking will continue to be honoured for the children described above for 1983.

HOSPITAL: SUNSET

Land: Sale

661. Mr HODGE, to the Minister for Health:

I preface my question by referring the Minister to part (4) of question 1283 of Tuesday, 14 September 1982, when I asked—

(4) Is he aware that the lack of public information available on the future of Sunset and the Government's apparent inability to make a decision on this matter are causing considerable concern and distress amongst many patients and their relatives?

The Minister replied—

(4) No. Only a few patients and relatives have expressed concern to me or my department.

Has the Minister had letters expressing concern from the Western Australian Pensioners and Retirees Association, the Bayswater Pensioners Association Inc., and the Pensioners Action Group? If so, when will he make a decision on the future of Sunset and when will he make a public announcement and end the uncertainty and anxiety that many patients and their relatives feel about the future of Sunset?

Mr YOUNG replied:

I have had similar questions from other members in this House and from the Press so perhaps what I am about to say will not be news to them, although it may be news to the member for Melville.

I have pointed out that the recommendation about the sale of Sunset and, therefore, its closure and relocation of its patients, was made in the Campbell report. A decision has not been made and no decision will be made on that particular matter until a great deal more work has been done on the Campbell report. That will be done before the release of the plans of the Government in respect of Sunset.

At the time I expressed the hope that I would be able to make a decision in a few weeks, I found that there were some further matters that had to be researched. This is not an easy proposition on which to make a firm decision. The decision on the sale of Sunset and its closure would be a long way down the track. It is not a decision that has been made by the Government; it is a recommendation of the Campbell report about the better settlement of old people in our community. This not only would have to be a decision by the Government, but also would need an Act of Parliament in respect of the "A"-class reserve upon which Sunset is situated.

OVERSEAS PROJECTS AUTHORITY

Iraq

662. Mr McPHARLIN, to the Minister for Industrial, Commercial and Regional Development:

I understand that the Western Australian Overseas Projects Authority is carrying out an agricultural programme in Iraq. In view of the hostility between Iraq and Iran, can the Minister advise the position with respect to the safety of Western Australians working on this project?

Mr MacKINNON replied:

At the moment we have four Western Australian men and their wives working on this project and there are seven children there. Five people are working part time as contractors on the project—which involves approximately $7 million—to establish a dry land farming project in Northern Iraq.

Through the Western Australian Overseas Projects Authority we are in regular contact with the Department of Foreign Affairs; and the latest advice from the department, through the ambassador, is that the hostility is confined to the border region east of Bagdad. The project is situated in the north and, on the best advice from the ambassador, there is no threat to these people at the

moment. We will continue to monitor the situation to ensure that the safety of these people is assured.

HEALTH: NURSING HOME

Marshall Park: Standard

663. Mr GORDON HILL, to the Minister for Health:

(1) Could he advise the last date of inspection by Public Health Department officials of Marshall Park Nursing Home?

(2) Was the inspector satisfied at that time that sufficient staff were rostered to properly care for all patients, including absconding patients?

(3) Was the inspector satisfied with the general standard of patient care in Marshall Park Nursing Home?

(4) (a) Are any requirements for changes in conditions of care of patients at Marshall Park Nursing Home by the inspector outstanding;
(b) if so, what are the requirements?

(5) (a) Are the patients accommodated at Marshall Park Nursing Home, Mental Health Services after-care patients only;
(b) if so, how many?

Mr YOUNG replied:

(1) 14 October 1982.

(2) to (4) This visit was not for the purpose of investigating patient care and no comment was made. At an earlier visit on 29 September 1982, the inspector commented on the improvements in patient care since her last visit.

(5) (a) Yes;
(b) 34.

INCOME TAX: AVOIDANCE

Legislation

664. Mr PARKER, to the Premier:

(1) Has the Premier had an opportunity to study the changes to the Fraser Government's retrospective tax legislation?

(2) If so, do the changes, including the provision of 12 months for people to pay, permit him now to support the legislation?

Mr O'CONNOR replied:

(1) and (2) No. The present legislation does not satisfy me totally.

INFLATION

Increase

665. Mr DAVIES, to the Premier:

As the Premier was quoted on the ABC and TVW Channel 3 news in Canberra on 22 February last as saying inflation could reach 15 per cent, is he still of that opinion and does he believe we could reach that 15 per cent if we really tried?

Mr O'CONNOR replied:

I certainly hope we do not. I wish to draw to the attention of members that Western Australia had the best rate of inflation in Australia—11.4 per cent as against the 12.4 per cent average of the other States.

Mr Brian Burke: It was the third lowest. Hobart was lower and so was Brisbane.

Mr O'CONNOR: We were below—

Mr Brian Burke: That was my comment, saying that was one pleasing feature.

Mr O'CONNOR: —the national average. Western Australia's inflation rate was 11.4 per cent, compared with the Australian average of 12.4 per cent. I sincerely hope it does not reach 15 per cent; however, that is always a possibility, depending on the upsurge in wages.

Mr Davies: And Government charges.

Mr O'CONNOR: The member for Victoria Park would know that increases in Government charges in Western Australia have been well below those of the Labor States of New South Wales and Victoria. Where we have imposed increases of perhaps 13 per cent in SEC charges, New South Wales increased charges by 60 per cent. I think the member should be talking to them, not to us.

SMOKING AND TOBACCO PRODUCTS ADVERTISEMENTS BILL

Government Support

666. Mr BERTRAM, to the Minister for Health:

Does he intend to support the Smoking and Tobacco Products Advertisements Bill currently before the House?

Mr YOUNG replied:

Like everybody else, the member for Mt. Hawthorn will just have to wait with bated breath.

EDUCATION

Priest Report

667. Mr PEARCE, to the Minister for Education:

Is it intended by the Government to implement all or any of the recommendations of the Priest report before the next election?

Mr CLARKO replied:

I have received from my officers a report on the Priest report, and I am examining it at the moment. As the member for Gosnells probably would have noticed, I have made comments recently on this matter and have had some discussions in which I referred particularly to the recommendation that a certificate be issued to students at the end of year 11. I am proceeding with that matter at present. I have met with persons from the Board of Secondary Education; I will be writing to them this week asking them to examine this proposition and to consider the various ways in which we might adopt a new year 11 certificate. In my opinion, such a certificate would need to address itself not only to the people who are not in the main academic stream, but also to all other students. I expect this matter will be examined by the board in the next few months.

In the near future I intend to comment on the other matters contained in the Priest report; however, as I do not have those matters before me at this moment, it would be difficult for me now to comment on the issues involved. I can say I would support a number of the issues; however—no doubt, like the member for Gosnells—I have qualifications in respect of certain other matters.

FEDERAL GOVERNMENT

Economic Policy

668. Mr BRIAN BURKE, to the Premier:

(1) Does his Government accept that the Fraser Government's economic policy, which has failed to combat inflation and unemployment, seriously is prejudicing Western Australia?

(2) What action does he intend to take in order to bring about a change in the Federal Government's current economic policy?

Mr O'CONNOR replied:

(1) and (2) The policies being pursued by the Federal Government have some effect on the economic policies being followed in Western Australia, but not half as much as would some of the policies put forward recently by the Australian Labor Party State Opposition in this place, which would burden the people of this State with hundreds of millions of dollars in extra costs. Where that money would come from, I do not know.

Mr I. F. Taylor: Do you or do you not support the Federal Government's policies? Answer the question.

The SPEAKER: Order! The member for Kalgoorlie will cease interjecting.

Mr Brian Burke: Do you realise the ALP is in Opposition, not Government?

Mr O'CONNOR: I said that.

Mr Brian Burke: The point is that our policies cannot be implemented unless we are in Government.

Mr O'CONNOR: If ever the Labor Party gets into Government in this State, its policies will be a total disaster for the State.

Mr Brian Burke: Of course, you are doing so well!

Mr O'CONNOR: We have just seen the best Budget in Australia. By his response to the recently presented State Budget, the Leader of the Opposition indicated his total lack of knowledge of the finances of this State.

To answer the question: Where we see problems developing, we take the matter to the Commonwealth and make the necessary request at that time.

WATER RESOURCES

Agaton

669. Mr PARKER, to the Minister for Primary Industry:

Last Wednesday, the Minister for Water Resources, in answering a question on the Agaton water supply, indicated that the approach to the Commonwealth Government was left to the

Minister for Primary Industry, who would be able to supply information on the matter. I ask—

(1) What has been the result of the approach to the Commonwealth on the suggestions to finance the Agaton water scheme?

(2) Was the involvement of Sir Charles Court, as mentioned by the Minister for Water Resources, prior to his retirement as Premier of this State or since that date?

Mr OLD replied:

(1) At this stage, only a personal approach has been made to the Commonwealth Government, in that some two or three months ago the Premier and I spoke to the Prime Minister on the matter.

Mr Parker: Was there any response to that personal approach?

Mr OLD: Yes.

Mr Parker: Can you tell me what it was?

Mr OLD: No, I am not able to give the member that information. As soon as we have made a formal approach to the Commonwealth, a statement will be issued.

(2) Sir Charles Court's involvement with this matter goes back a long way. He offered his services to the people in the Agaton area to assist them in putting forward a case, and that offer was willingly accepted. Sir Charles has attended meetings in the area, and also has attended meetings held in Perth.

SMOKING AND TOBACCO PRODUCTS ADVERTISEMENTS BILL

Government Support

670. Mr HODGE, to the Premier:

(1) Can the Premier advise me whether the State Government has made a decision yet on its attitude to the Smoking and Tobacco Products Advertisements Bill?

(2) What is that decision?

(3) If the Premier cannot give me this information, why not?

Mr O'CONNOR replied:

(1) to (3) I could ask the member for Melville to wait until he reads tomorrow's newspaper. However, the matter was discussed today; members are to be allowed to make their own arrangements in connection with this issue.

Mr Nanovich: We are not caucused about like sheep.

Mr Brian Burke: A sheep is preferable to a donkey.

Mr Nanovich: Ass!

Mr Brian Burke: The member for Whitford sits over there saying, "ass!" and winking; it is very disconcerting.

Mr Pearce: It pays to advertise.

GOVERNMENT CHARGES

Moratorium

671. Mr BRIAN BURKE, to the Premier:

Bearing in mind the effect of cost-push inflation on Government taxes and charges, would the Premier consider a joint approach with the Opposition to the Fraser Government, seeking a 12-month moratorium on State Government taxes and charges, facilitated by appropriate capital grants from the Federal Government?

Mr O'CONNOR replied:

In the past, the Leader of the Opposition has indicated clearly his inability to understand anything to do with the finances of the State.

Mr Grill: You cannot even answer questions about financial matters. You do not even know what a telex is.

Mr O'CONNOR: When I went to the Premiers' Conference asking for $946 million for this State, the Leader of the Opposition came out with a statement that Western Australia needed $906 million. We received $909 million, and the Leader of the Opposition said it was not enough. His policies indicate to me it would be preferable to go it alone and, in that way, achieve a better result from the Commonwealth.

HOUSING: MORTGAGE ASSESSMENT AND RELIEF COMMITTEE

Means Test

672. Mr DAVIES, to the Minister for Housing:

My question relates to the relief provided for recurring mortgage repayments, and I ask—

(1) Is the means test under which the assessment is made likely to come under review?

(2) If so, is it likely to be widened in any way in view of the fact that, at present, it does not apply to people who have lost their jobs, with the result that this has seriously affected the finances of families where both partners work?

Mr SHALDERS replied:

(1) and (2) The main thrust of the question is whether the means test will be reviewed. The answer is, "Yes".

ENTERTAINMENT CENTRE

Lessees

673. Mr DAVIES, to the Premier:

This question relates to the lease on the Perth Entertainment Centre, about which I already have asked two questions. The Premier told me tonight that because financial considerations were involved in the lease, it was better handled by Treasury. What is the nature of the financial considerations that require it to be handled by Treasury instead of the Perth Theatre Trust which was particularly set up to take care of that kind of arrangement?

Mr O'CONNOR replied:

It was connected with the amount of the lease and the promotion over a period of time. I am quite happy to obtain the details for the member if he wishes.