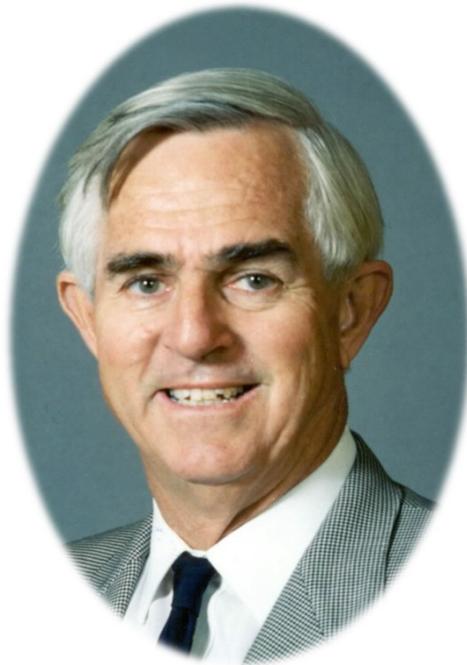




PARLIAMENT OF WESTERN AUSTRALIA

INAUGURAL SPEECH



Hon Max Evans, MLC
(Member for Metropolitan)

Legislative Council

Address-in-Reply — Fourth Day

Tuesday, 17 June 1986

Legislative Council

Tuesday, 17 June 1986

ADDRESS-IN-REPLY — FOURTH DAY

Motion

HON. G. M. EVANS (Metropolitan) [7.57 p.m.]: It is an honour for me to be elected to this Chamber, and I offer my congratulations to you, Mr Deputy President (Hon. D. J. Wordsworth), on your return, and ask you to convey those congratulations to the President on his return.

I wish to thank the Clerk of the House for all the help he has given new members and for his introduction to this place. We found it a great help, and I appreciated it as a new member of the House.

I would like to make reference to Hon. Ian Medcalf, my predecessor, who helped me very much before coming to the House and has helped me in the House since. For many years we have been associated professionally and in business life. Since coming here I have recognised the great contribution he has made to this House. I owe a great debt to Hon. Ian Medcalf as my predecessor. He is also a great friend of mine. His predecessor, Sir Keith Watson, and I merged our accounting practices many years ago, and I have learnt much from him. It is a great honour to follow them into this House.

Today I wish to speak on various subjects which have been of interest to me in my professional life, and in my service as Chief Commissioner for Boy Scouts in Western Australia. Also I will refer to my personal interest in sport as a parent and competitor, my education at Scotch College and my time as a member of Scotch College Council.

Scotch College is apolitical. Mick Gayfer from the National Party, John Halden from the Labor Party, and myself from the Liberal Party are all from Scotch College; so it is truly apolitical.

In recent times I have taken an interest in State Government and local government authorities through my firm, which does many local government audits.

In the last two years I have taken considerable interest in the many new developments in accounting standards for the public sector, and some improved budgetary and financial management skills that have been developed for use by Governments. We must take note of these, and I will be making further comments on these matters in other debates.

My main interest of recent times, and the one thing that stimulated me to come into politics, was the fact that I believe something must be done for small business. Small business is the backbone of this community. Most of our businesses in the public sector are small—not small in thinking, because their owners are big in that respect and they work hard to make a profit. They work hard for their employees, and that improves the state of the whole work force.

Small businessmen are the men who have to suffer all Government taxes imposed on them, whether it is the financial institutions duty, the bank account debit tax, or payroll tax—all these taxes must be paid from their pockets.

The small businessman has to find the wages packets for his employees every Friday out of his own pocket. Unless members have been in business for themselves they will not know what it means to have to go down to the bank to find the money, or to bring down stock levels, or to collect from debtors. This is all part of small business life—keeping people employed and improving the work force and the life of Western Australians generally. The employees of the small businessman will, as often as not, have wives and children to support, so many people are supported by his business.

The small businessman takes the risks; he puts up his capital and risks it all going into business for himself. He knows that if he does not succeed he may go bankrupt and have to find a job for himself again. He gets no statutory holidays, no redundancy pay at the end of the day, and no workers' compensation. But he has a go and he wants to be out there working for himself.

In this House I will contribute to debates on legislation affecting small business people—the backbone of this State. We must allow them to continue with the work they are doing by removing regulations and getting Governments off their backs.

Only in the last two weeks we have seen the real impact of the fringe benefits tax on business, and particularly small business; we have come to realise the paper war the small businessman will confront because of this tax. For the first time in many years my friends opposite will know as politicians what keeping business records is all

about. The fringe benefits tax and the substantiation rules will come home to members opposite with respect to their allowances. I advise them now to keep a record of their allowances and to do all the necessary paperwork, something they have probably never done before. I would not wish this on them, but this is one of the problems we will have to share with the business community. The Government has its problems, but we will have our problems with the substantiation of our expenses. We will join with the business community in cursing the day a fringe benefits tax was ever brought into law.

Several years ago the Perth Chamber of Commerce appointed me to chair a committee inquiring into the accountability of the public sector. We set up the committee because we believed there needed to be a lot more interest taken in the accountability of the public sectors so that it was more responsible in the way it handled public money. From what we saw, there was not enough accountability. The figures come in each year, budgets are drawn up year after year, but no-one seems to be accountable for the accounts. This applies to Governments, local authorities, authorities, and boards.

One example is in the 1981–82 activities of the Australian Wheat Board, a body that borrows millions of dollars each year on the wheat crop. That board had failed to lodge a financial statement for several years. How many similar bodies have been neglected?

I commend to this House to have its Standing Committee on Government Agencies look at all Government departments. Much needs to be done to police the operations of them and other bodies to see that they are accounting properly for the funds for which they are responsible.

At a State level the Perth Chamber of Commerce tried to trace the costs of Government capital expenditure outlined in the Estimates. The Press provided quotes of what the Ministers had said about how much such and such would cost. We found it impossible to go back over the years to find out what actually were the major capital costs and if they were actually on budget, and if they were not, whether someone was held responsible for the accounts. In free enterprise, heads roll if expenditures do not meet target figures. It is a really hard game out there. We cannot tolerate non-accountability of public funds.

Also, some years ago we undertook an investigation of work done by the Public Accounts Committee, and we found very little work had been done on investigating financial matters. I am pleased to say that lately a lot more has been done in this area. I look forward to debating the work of the committee in the years ahead.

Last year the Perth Chamber of Commerce issued a discussion paper on public sector accountability, and that paper was sent to all members of Parliament. I suggest that all members read that document and consider it not as a political one but as one prepared by businessmen and indicating their thoughts about the whole process of government and Government expenditure. It is a good paper and it should be read and digested by all politicians and public servants.

An interesting new subject which has arisen over the last two years is public sector accounting. In 1984 the two national accounting bodies—the Institute of Chartered Accountants in Australia and the Australian Society of Accountants—together with representatives of State and Federal Governments, established the public sector Accounting Standards Board to assist in developing a nationally harmonised approach to public sector external financing for Federal and State Treasury officials and officials of the State Auditor General's Department.

There has been a determined effort on behalf of the Australian accounting profession to develop a consistent set of accounting standards relevant to the private sector.

Until recently scant attention was paid to developing accounting standards to address problems unique to the public sector which would provide guidance to those involved in presenting and reviewing financial reports of Governments and Government agencies and for other people using those reports. This is so despite the magnitude of the public sector's financial activities, which in outlay terms currently account for 42 per cent of gross domestic product and, strangely enough, for 20 per cent—or 10 000—of accountants, who are employed in the Public Service, and who have never really worried about accounting standards which they learnt years before.

The goals of the public sector Accounting Standards Board can be summed up with the board's plan for the future, which is to work towards the promotion of the development of external financial reporting in the public sector and the development of a standard of reporting which will provide all users of public sector financial statements with meaningful financial information. In pursuing these goals, its concern extends to reporting at the Federal, State and local government levels by departments, statutory authorities, and Government.

The development of public sector accounting standards has not been targeted exclusively at statutory bodies and business undertakings; it is aimed at the wider public sector, including departments of State Government and local government.

While the accounting bodies accept that they cannot legislate for legislators—us—the quality of standards developed should be received by Governments and Parliaments as complementary to their objectives of improving the quality of financial administration and reporting.

The absence of accounting standards for the public sector has been a cause of great concern to me for some time. Much work has to be done at both the Federal and State level. We must take a closer look at how our accounts are presented to us.

All entities should be required to disclose the accounting procedures adopted, particularly when accrual or other accounting bases have been adopted. This particularly applies to Government agencies and authorities and their cash operations.

We are also concerned about the materiality of information, including financial statements. I will report on that more in a moment.

Regard must also be taken of the treatment of funds occurring after balance day. That means we cannot bring figures from one year into the next year; there must be a good clean cut-off. In the private sector we would all like to move profits from one year to the next to save tax. One cannot bring sales in or make movements of funds, because there are standards in the private sector which stop this. In the public sector we must have similar standards so that we can compare one year with the next.

The public sector Accounting Standards Board believes we should be planning for the future by working towards better financial management generally, improving financial reporting and increasing efficiency and effectiveness.

It is important that the Government of the day recognises the value of the Work that has been done and fully supports the implementation in every Government department and authority of the standards recommended. I will endeavour to assist in future debates on these subjects.

I will refer now to anomalies existing in Government accounting which have existed in that accounting over the last several years throughout Australia. The private sector has had to live with accounting standards which have been upgraded from time to time to account for current trends.

They have been controlled by the Accounting Standards Board, and by the legislators through the Companies Code. They put in rules and standards on how to present accounts. This does not apply to Governments.

The private sector auditor must report that accounts are "true and fair", the Auditor General reports the facts. I am most gratified in reading the Auditor General's report to see how well the facts are brought out there, but rarely do I see the follow-up to those facts. The Auditor General gives all the facts, anomalies, and accounting standards, but he cannot say, "This is not true and fair." These statements are made in the private sector.

In his 1983-84 report the New South Wales Auditor General stated that while cash accounts are fundamental to management of cash flows, a consequence of having only cash accounts is that the cash deficit or surplus for a Budget year gives no clue as to the operational cost or effectiveness of Government operations. That is so important in the whole business of accounting. People want to adjust the figures at the end of the year because cash accounting makes that so much easier than accounting on an accrual basis.

The public sector Accounting Standards Board intends that the accounting standards of the private sector shall apply to the public sector with no variations.

Governments at the time of preparation of the Budget and financial accounts for the current year are usually under considerable pressure to produce a balanced Budget and to minimise the chance of a deficit for the current year or to end up with a small surplus. In recent years various Governments have used different techniques to achieve this objective. I will give some examples. In New South Wales several years ago the Government raised approximately \$500 million by selling off rolling stock and leasing it back from a conglomerate of finance companies. In a year when the Government faced a \$300 million deficit, the sale money went to Consolidated Revenue to reduce the deficit. The Auditor General advised that lease payments in New South Wales that year rose from \$21.5 million to \$66.7 million, an increase of 209.8 per cent. He went on to say that the lease payments would escalate further in future years under the nature of the deals and the fact that further lease-back arrangements had been scheduled in 1984, 1985, and 1986. In other words, he was predetermining the cash flow on the sale of assets to come back in and lease them back at a high interest rate.

Governments for many years leased new rolling stock, ferries, buses, and trucks. That has been a different matter because the lessor, the person supplying the finance, had the benefit of the investment allowance so he could do a very attractive deal to the Government because the lessor got the benefit of the investment allowance which was not required by the Government. This was changed after the massive leasing of the powerhouse in New South Wales. It has been stopped because the Government was working with free enterprise to help avoid taxation.

Private companies will sell buildings and premises and lease them back, but usually they are doing it to reduce their interest bill or to use the funds to generate more profit to survive in the workplace. If they sell off the buildings and use the funds to finance losses, and keep funding those losses, the eventual result will be to go out of business or into liquidation.

The advantage of lease-backs to Government is to improve the cash flow of the incumbent Government, but it imposes a huge liability on future Governments and future generations. The leases are usually over about 10 years.

The New South Wales Auditor General referred to a liability of \$1 billion which would be influenced by floating interest rates and exchange rates. When one realises that these leases were entered into several years ago, the debt on the same items could be at least \$1.5 billion after making repayments in recent years.

Another accounting anomaly that has been used in recent times has been referred to by my friend Tom Sheridan, the Auditor General of South Australia. Last year he qualified his report by saying the accumulated deficit could be reduced by a further \$7.7 million if the necessary regulation had been in place to effect the planned transfer of the highway funds. He went on to say the same principle applied to housing moneys of \$18.6 million retained in the deposit account. The Government commenced the year with a deficit of \$64.8 million which reduced by \$13.7 million surplus, but could have been further reduced by \$26.3 million that had been held out of the accounts at 30 June to be spent the following year.

I mentioned materiality before. In accounting terms that is a very material variance. When one is holding out of the accounts \$26.3 million and one only made a surplus of \$13.7 million, it is clear that twice the surplus has been held out of the account for use in the following year. Is that true and fair?

In his report to 30 June 1985, the Victorian Auditor General reported on long-term lease-hold commitments of \$1.2 billion in respect of sale and lease-back of \$624 million in one year of assets of the Metropolitan Transport Authority, the Port of Melbourne Authority, the State Energy Commission, and the State Transport Authority. If one looks at the exchange rates from then until now, one can see that \$1.2 billion would now be far greater because a lot of the money was in foreign currencies and interest rates have gone up.

We have not missed out locally either on making certain that the figures come out nicely at the end of the year. The Auditor General reported last year that the Estimates provided for \$23.5 million for interest on short-term investments and \$22 million from the State development fund. However, the transfers were not effected. That was on a year-end surplus of \$0.8 million. So \$45.5 million was left out of the accounts in a year which had a surplus of less than \$1 million. When one looks at that in respect of the Budget and reads the Treasurer's statement, one realises that he is bringing \$45.5 million from last year into this year because no interest was brought in from the short-term money market and budgeted for this year. The Treasurer said —

Perhaps there is no better demonstration of the restoration of the State's financial fortunes than that this Budget provides for a modest surplus of \$1 million. I am advised that this is the first time since 1944–45—the first time in 40 years—that the State has budgeted for a surplus. The Government believes it has made substantial progress during its term towards the achievement of its goals

I would be frightened if it made any more progress when one considers there was a surplus of \$1 million and that \$45 million had been brought over from last year.

Are these State accounts fine and fair when this can be done? This is the question that is being addressed by the public sector Accounting Standards Board—we must have better, more straightforward accounting. These are men, Federal and State Government and Auditors General, and outside bodies who want standards applicable to the Government as well to the private sector.

I have mentioned the sale of Government assets and I am hoping personally the public sector Accounting Standards Board will research all different types of Government sales of assets, land and buildings, and rolling stock, and how it will come into the books. I hope they will look at whether it goes into Consolidated Revenue, or is kept in deposit accounts or held by statutory authorities. Normally it cannot be spent in the year in which the funds are received because it has not had the approval of the Government at the time of the Budget.

I refer now to an example from England. I am in favour of the sale of assets, but it depends on how one uses them. The Chancellor of the Exchequer, Mr Lawson, has promised extra public funding of five billion pounds during the next two years to be paid for by doubling the rate at which State assets should be sold to the public. We in Australia are selling assets, and I am not against that; this Government has done it. The question is where the funds go. If we keep selling assets to pay operating costs—in household language if we sell off the wheelbarrow, the lawnmower, and the car to pay for food, education and clothing, and then the house—unless we replace them with some other income the eventual end is bankruptcy.

In Government terms a lot more money must be raised to cover the sale of assets. I hope that the Government does not enter into the sale of major assets. I would like to think that that sort of thing will not occur in these times of hardship and that a new formula for Budget restraint and control in Government expenditure will be drawn up.

In my time in business I found that people in authority enjoy spending other people's money. They often have little to spend themselves and find that it is a nice feeling to be in a position to put their names to newly-erected buildings. However, they must have respect for other people's money when they work out the expenditure estimates and reduce them until the revenue matches them. In the case of the Government it immediately goes around increasing existing rates of income tax and sales tax. If that does not provide enough revenue it finds new sources such as a gold tax, a fringe benefits tax, a financial institutions duty, and a bank accounts debit tax. Things that have

never been thought of before have been introduced—disallowing deductions, investment allowance, entertainment expenses, and the abolition of negative gearing—all of which bring in income to match uncontrolled expenses. These taxes become a disincentive to business. They take away incentive from the person who has put up his own money and has no holidays, long service leave, or redundancy pay.

The Government needs the money and the people will have to pay it; and this will have to stop because the public will object. The Government can only get so much out of the business sector before it reacts.

A well tried formula was made famous many years ago by an American named Harold Geneen from the International Telephone and Telegraph Corporation. That formula was income, less profit, equals expenses. I came across this formula in the 1950s when I was attending the University of Toronto and I have used it with my firm and my clients. That is the sort of thing which the Government must look at—what is reasonable revenue for the year earned by a reasonable increase in taxes and charges. What sort of surplus is required in order to break even? Therefore we have the expected revenue and the anticipated surplus, which should equal expenses.

In business a person must prune his expenses to balance the equation because he does not have the privilege of putting up taxes. He is competing with overseas and interstate companies to survive and he cannot push up his prices to create a profit or he will be out of business.

The Government must address the problem of revenue and what is reasonable for the economy. It must avoid all disincentives to business and investors as has occurred in recent State and Federal Budgets.

In 1981–82 the Federal Government talked about programme budgeting which is now part of Government procedures and should become part of Government work papers and the first report of the Auditor General. Programme budgeting is the system used in most OECD countries, the United States, the United Kingdom, and Canada. It has been adopted by most States in Australia and by the Federal Government. It is an approach for focussing on departmental managers, resource allocation decisions, and parliamentary and public scrutiny; and for focussing on the purpose of Government activity and the efficiency or the effectiveness of that activity, rather than on the level of expenditure on certain items or input. It provides a budgetary framework for systematically reviewing the achievements of programmes against objectives as part of the funding process and for retaining accountability of departmental management for the ultimate result or expenditure of funds, whether capital or revenue expenditure.

In business terms programme budgeting can be looked at as budgeting for each department, branch and retail, wholesale, and manufacturing division. It is a breaking down of divisions. We do not have one conglomerate budget for BHP or Ampol—it is broken down into divisions. Why should not the Government be doing things the same way?

It is not sufficient to develop a programme budget on work papers which is the system used by most State Government department at the moment. The programme budget must be able to be fed into a computer and form part of the whole accounting system in order that departmental managers can measure what is happening against the programme budget at any time and are able to ascertain its progress. This particularly applies to Government expenditure. It is integrated into the financial ledger system in the Government computer.

Three departments in the Federal Government have this year undertaken programme budgeting, and it will be interesting on 30 June to see the budgets of those departments broken down into a number of programmes and not just one budget. We will be able to compare the efficiency and effectiveness of one programme. The public and politicians will be able to see what is happening—they will see the good with the bad and not just one overall budget.

I look forward to these developments being fully integrated into the WA Government accounting system and I will support anything that is done in this regard.

I come back to small business. Payroll tax must be seen as a distinct disincentive to employers because only very small businesses are exempt. Australia has a massive unemployment problem and people should be absorbed by private enterprise if any major benefits are to be achieved. If the Government employs people on unproductive schemes there will be no long-term benefit.

An employer today must consider carefully the short and long-term costs of a new employee—workers' compensation, holiday loading, possible shorter working week, superannuation, flexi-time, long service leave, and payroll tax. The average businessman who employs between 10 and 30 employees must consider this every time he employs a person. He is the man who has no workers' compensation, holiday pay, or long service leave for himself. He is locked into a situation and he cannot get off the treadmill. Governments must endeavour to reduce payroll tax. I commend the Government on the reduction it has made to date.

I discovered last year for the first time that Government departments and authorities are subject to payroll tax. The Education Department will pay \$28 million this year in payroll tax to the Government. This amazed me and from inquiries I made with my business friends I found that not many of them realised that this occurred and were unaware of the reason for it. On further inquiry I discovered that approximately 30 per cent of payroll tax collected

by the Government—that is \$90 million—comes from Government departments. The result is that the total revenue is not as great as we have been led to believe. It is \$210 million and not \$300 million. I would like some details from the Government about the 30 per cent of payroll tax which is paid by Government departments.

Last year the Treasurer, in his Budget speech, said that he had reduced the burden of payroll tax by \$40 million over three years; the figure was about \$28 million because the Government had saved \$12 million on the total payroll tax. The rate must be reduced to assist business and help employment, but this can only be done by the Government controlling costs.

I said before that I have a great interest in small business and in recent years it has been hit very hard by land tax. The community and the Government are conscious of this problem and many submissions have been made to the Government. The situation as I understand it is that there will be no changes and the 10 per cent discount which applied last year will still apply and many firms will be on their second or third instalment of the new rate.

Land tax rates increase as a result of revaluations. These take place in one shire after another and increases are phased in over three years. Increases in recent years have inflicted severe financial burdens on many businesses. The rates are not increased as a result of any changes in the tax rate but merely as a result of the revaluation. They have been particularly severe in the City of Perth and it is very difficult to appeal against such valuations. It is correct that the rate of land tax has not changed and it is still imposed at the average rate of 2.4 per cent on properties valued at more than \$120 000.

The Government gave a discount or rebate of 10 per cent last year but that 10 per cent applied right across the board to every person paying land tax, irrespective of whether that tax had been increased. Therefore, those paying an increased land tax were helping those whose tax had not been increased, because their property had not been revalued. It cost a great deal of money; I understand that the amount allocated in the Budget was \$6 million and the Government can say that its income was reduced by \$6 million. However, when that reduction is looked at in perspective it can be seen that it was a very small reduction.

Land tax is often referred to by politicians and the media as a tax on wealthy landowners. Such people are wrong; it is an occupancy tax. It is paid by the occupant of the premises, whether manufacturer, retailer, service industry, or professional office. Every lease allows the landlord to pass such taxes on to the tenant. However, that does not apply to leases on residential properties. For example, if a landlord is renting a small house and land tax increases by \$10 a week, his return from a rent of \$100 a week will be reduced. It is no wonder that many people are no longer investing in properties for private rental. It is not so bad with commercial properties because the owners can pass on the increases. However, if one considers small shopkeepers in the suburbs it can be seen that they have been hard hit by these increases. Some increases have been up to \$1 000 a year and the average small businessman will usually have to absorb that increase because he cannot pass it on. In some cases adjoining shops may be in two different local authorities and in one the land tax is increased and the businessman must pay a much higher rate. However, the business next door may not yet have been revalued by the Valuer General and, therefore, the rates will not have increased. Consequently there would be a considerable difference in the profitability of those businesses. The circumstances are very hard on small businesses.

In recent years many increases based on the revaluation of properties have been of 100 per cent to 200 per cent. Some people might say that this can be recouped from the developer who makes all the profits from the land. However, the developer will capitalise the land tax in the long or short-term period and our children will pay that land tax when they buy the land further down the track. They will pay land tax, with interest added and compounded, because the land has been financed by the developer with the cost to be passed to the eventual purchaser of the land. This tax is a burden to consumers and to small businessmen; it is not just applied to wealthy people and landowners.

It is understood that the tax will continue in the same way this year. The Confederation of WA Industry, the chamber of commerce, and the Real Estate Institute of Western Australia have made submissions to the Government regarding changes to the land tax. However, they have been told by the Government that it does not wish to discuss this subject with them because it is to be discussed in-house. It is not a subject that should be discussed in-house. The Government should consider the people who will be affected by this tax. It must consider the reality of the situation and the unfairness of this matter.

I refer now to sport. I have made a submission with regard to sporting opportunities for children. Gifted and talented students in music, art, and academic subjects are given special treatment in a number of high schools in the metropolitan area. Also children with problems such as abnormal hearing, sight, or learning difficulties, are treated in a special manner. The same applies to aggressive children. However, talented young sports persons are not receiving special treatment.

Today sport is as important as entertainment both for health reasons and as a social activity. For many golfers, tennis players, and footballers it is their only occupation. There are professional sportsmen in our community who make considerable financial sacrifices for many years to develop their skills. They travel overseas or around

Australia to gain greater experience so that they may live on the rewards of their sport. These young men and women are the backbone of free enterprise. They take risks in their efforts to try to reach the top in sport and to make a lifetime's job. They must move around from place to place, be coached, and gain experience at considerable cost to themselves. Some have done very well but others, as a result of injuries, gain nothing from the sport.

The education authorities should assist and encourage sportspersons with above-average talents to develop this talent at school so that they may benefit in years to come from this part of their education. This could be done in a system similar to that which applies to art, music, and academic subjects taught to above-average students. It should not be done at the expense of academic learning. The two must go together as I imagine takes place in high schools that specialise in art and music.

I do not think that this will cost the Government more than it is paying now. The schools already have physical education teachers who are top sportsmen. Many talented teachers are employed in our schools today and they would love to be able to help young people to develop their maximum potential in sport and to make a career of their sport. I envisage high schools for swimming, cricket, football, and athletics, specialising in those subjects just as other schools specialise in music, for example. The teachers are available; they just need the opportunity.

I should also like to see greater interest developed in competition in high schools to help students achieve their potential. The cut and thrust of sport is good for everyone and it should be encouraged. I am not suggesting that we should encourage competition for the sake of winning Australian championships or international competitions, but to help young people attain their self-esteem, confidence, and possibly economic security through the development of their abilities. I would prefer the Government to spend money on lifting the standard of coaching in sport rather than building large concrete buildings for the elite. The money would be far better used for coaching.

With regard to education generally, it seems to me that schools are lacking in that they do not motivate the students to want to succeed. The students need to increase their self-esteem and to be able to visualise what they are going for in the long term. They must aim for a positive lifestyle when they leave school. The schools provide counselling officers who do a good job but they are few in number. They are working on a one-to-one basis. We must motivate the children so that they can set goals for themselves which are worthwhile and which they can go for. That type of ambition seems to be lacking in our schools today. They need help from teachers, parents, and the community. We must do something about this matter.

A famous Western Australian said of Perth Modern School, "I feel some criticism about my education at Perth Modern School because of lack of guidance and direction it gave me." Despite the lack of positive direction at school he went into the work force and then achieved great distinction in later life. That person was not the Premier Minister. He found in the Perth Modern School that the teachers were helping those who wanted to get university scholarships or exhibitions but the rest of the students received no guidance. The same is true today. We must try to instil into our educators the need to do more than just teach the three R's. This will develop in students the desire to succeed in a positive manner.

Finally, we must do something about the tertiary education system to attract more students to this area. Some courses which are popular and have good job potential will not accept students because the courses operate on a quota system. Other courses are not popular and have no job potential but students can easily gain entrance to them. We must make every effort to improve and change our system. We keep students out because of their TAE results but they should be given a further opportunity to gain entrance to tertiary education, whether by paying fees, scholarships, or some other means.

There are many people in the community who are late starters and although they might wish to attend a tertiary institution they could never pass at school. History can show us that these people might well do better in later life, and looking around this Chamber perhaps one can see people with a similar sort of background. They may not have had the opportunity to attend university because they could not reach that magical figure on a computer somewhere. There must be another way for people such as this to get into the system and prove their worth. Some people in this Chamber may have degrees in commerce or medicine or whatever, but nowadays people are often precluded from attending university and developing their abilities.

I know that students in many colleges nowadays are given a very broad education—sport, and other recreations—but some of them may not have done as much academic study as perhaps they should have. Despite this they may have great potential to go on, but their low marks prevent them from doing so. I think we in this place should do what we can to rectify this situation.

Finally I would like to discuss youth organisations. As a former Chief Commissioner of Scouts, I believe there are great assets in the community which must be made available for youth organisations. The public and the police are aware of the mounting problems caused by the mass of unemployed youth who are living on the dole, and are independent of their parents or any other authority. The public are also aware of the need to provide greater support in the raising of their children, such as in youth organisations for sport, music, and group activities. These organisations need greater help, both physically and financially.

Much could be done here in regard to schools. Years ago an architect in Victoria conducted a survey which examined how high school facilities in the suburbs and the country could be made available 24 hours a day, seven days a week, 52 weeks a year, rather than limited to school hours for 40 weeks a year for school children only.

Libraries in country towns, community libraries generally, and school libraries should be expanded for use by the entire community, with a multiple use for all people. The school swimming pool which is available only for the use of students should be made available for school physical education staff to coach high school students and other persons and be available for the “keep fit” brigade, for use, for example, after a jog around the school oval. The use of these facilities could be a family affair and it could be an asset which the entire community could use rather than merely only the Education Department.

Sports ovals and changerooms are great costs to local government and amateur sporting bodies on outside grounds. I believe that far greater use of these could be made in the way I have suggested rather than to be left in the hands of the Education Department. From my experience of years ago, the use of these facilities is usually at the discretion of the principal. The biggest problem the scouting movement had was usually fitting in with the school cleaners, and the hours they worked and when they locked the doors and so on. There are hundreds of millions of dollars worth of assets which are locked up and used only a few hours a week and they should be used for the benefit of the entire community.

I suggest that members give serious consideration to this matter. It is not going to cost money because a lot of these organisations and local governments are arranging more funds to provide these facilities for the youth of the community who we know are looking for leadership and support.

I appreciate very much the opportunity given to me to speak and I hope to be able to speak in future debates of this Parliament.

[Applause.]
