

Legislative Assembly

Thursday, 29 November 1990

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

PETITION – ABORTION

Decriminalisation Opposition

MR KIERATH (Riverton) [10.02 am]: I have the following petition –

To: The Honourable the Speaker and members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned, are strongly opposed to:

- (a) the decriminalisation of abortion;
- (b) the removal of abortion from the Criminal Code, and its inclusion in the Health Act;
- (c) the funding of an abortion facility by the West Australian Government.

We, the undersigned, believe that it is the duty of government to protect human life. We believe that any government which aids in the destruction of unborn human life, has lost sight of one of the fundamental reasons why governments exist.

We, the undersigned, urge the government to enforce the Criminal Code for the protection of unborn children as was its original intention.

Your petitioners therefore humbly pray that you will give this matter earnest consideration and your petitioners, as in duty bound, will ever pray.

The petition bears 80 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

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

[See petition No 196.]

Similar petitions were presented by Mr Tubby (353, 21 and 631 signatures).

[See petition Nos 197, 199 and 200.]

PETITION – RAILWAYS

South West Suburban Passenger Service Extension Support

MR THOMAS (Cockburn) [10.05 am]: I have a petition in the following terms –

To: The Speaker and members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We the undersigned support the extension of the suburban passenger rail service to the suburbs of the south west corridor.

This part of the metropolitan area is growing and is widely recognised as one of the most desirable options for the long term expansion of the City of Perth.

Moreover, as recent international events have shown, it is prudent to minimise dependence on oil and environmental considerations support the extension and enhancement of our public transport system.

Your petitioners therefore humbly pray that you will give this matter earnest consideration and your petitioners, as in duty bound, will ever pray.

The petition bears 152 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

The SPEAKER: I direct that the petition be brought to the Table of the House.
[See petition No 198.]

CONSERVATION AND LAND MANAGEMENT AMENDMENT BILL

Introduction and First Reading

Bill introduced, on motion by Mr Pearce (Minister for the Environment), and read a first time.

Second Reading

MR PEARCE (Armadale – Minister for the Environment) [10.08 am]: I move –

That the Bill be now read a second time.

Before I give the second reading speech, it is substantially the same as that which I gave a little over 12 months ago in this place, but I withdrew the Bill last night because so many amendments had been placed on the Notice Paper, the vast majority of which were acceptable to me for a range of reasons, not the least of which was that most of them were made by me. A significant number were moved by the member for Cockburn, and they were of a compelling and significant nature, and also acceptable to me. Contrary to his past practice, a number of amendments moved by the Deputy Leader of the Opposition were remarkably sensible.

On the basis that I did not want the House to argue on this Bill for a week, I withdrew it and had it redrafted to take into account all the amendments except one moved by the Deputy Leader of the Opposition which I guess he will take up at the appropriate time. This therefore gives members an opportunity to see the Bill in its consolidated form and discuss it in a more efficient way. I appreciate the cooperation of all members in this, and I particularly appreciate the efforts made by the member for Cockburn, because the amendments he has suggested, and to which he will speak immediately after I conclude the second reading speech, make a significant addition to the Bill. I pay regard to the amendments of the Deputy Leader of the Opposition as well. This might well be the first time that amendments moved by the Opposition have found their way into a second reading speech.

This Bill will provide the first overall revision of the 1984 Act which created the Department of Conservation and Land Management and its controlling bodies. This Government is committed to continuing to build up our conservation estate; in the past two financial years more than one million hectares were added, including four new national parks and four new marine reserves. This brought the total area of land managed by the Department of Conservation and Land Management to over 18 million hectares. It is with pleasure that I announce to this House that Western Australia is now to have a new category of reserve to be known as a conservation park. Conservation parks will have the same functions as national parks but will be areas which do not have the same national significance; some will be areas which are smaller in size or which have suffered some previous disturbance. A prime example will be the bulk of the popular Lane-Poole Reserve near Dwellingup.

Conservation parks will have the same security of purpose and tenure afforded to national parks by way of a consequential amendment to section 31A of the Land Act. Members may be aware that the creation of this new category of land follows the extensive public consultation which occurred as part of the Department of Conservation and Land Management's regional forest management plans. Another significant recommendation of the forest regions management plans was to afford security of purpose to State forest. These areas currently have security of tenure through section 9 of the Act. This Bill will require any changes in the purposes stated in a management plan for State forest to be approved by Parliament. The Bill requires also a management plan for State forest to specify its purpose or combination of purposes. A list of purposes is included in proposed section 55 in the Bill. The security of purpose to be afforded to State forest has been sought by the conservation movement and the timber industry.

The creation of the Department of Conservation and Land Management in 1984 brought together the functions of a number of diverse Government operations. This is reflected in the fact that some employees, such as rangers and forest officers, have powers restricted to State

forest and national parks. With the responsibilities of CALM crossing many land categories, it is important that employees have the necessary legislative base to authorise their actions on all the lands under CALM's management. The Bill therefore creates a new staff category to be known as conservation and land management officers. The department's forest officers, rangers and wildlife officers will assume this new title in addition to their existing duties, providing limited powers over all of the land managed by the department. The new staff category will not mean any increase in staff numbers, but will substantially increase management flexibility for CALM's field staff. Honorary conservation and land management officers will also be appointed, recognising and promoting the growing public interest in our environment.

Since its creation, CALM has actively sought to promote itself as an innovative manager of land for public purposes. This Bill now seeks to encourage such innovation by providing the department with increased flexibility in management agreements and to remove problem areas in the workings of the 1984 Act. Section 16 of the Act, whereby the department is authorised to enter into agreements for management of private land for limited purposes, is to be broadened to allow the department to manage the land for a public purpose. This will allow the department, for example, to enter into agreements with public authorities and private land-holders to manage land as a regional park. Additionally, it will become necessary in some areas to seek agreements with pastoralists to allow public use of small areas of pastoral leases for activities such as camping adjacent to national parks. The section 16 amendment allows CALM to manage such areas under agreement, while not in any way restricting existing pastoral activity in the managed area. Ningaloo marine park is an example of an area where such agreements are desirable.

With the approval of the Minister and the National Parks and Nature Conservation Authority, exotic trees occurring on conservation reserves will be able to be removed and sold under a licence issued by the department, under proposed section 99A in the Bill. National parks and conservation reserves created or about to be created from State forest have significant and valuable plantations of exotic trees such as yellow stringybark and pine. The trees were planted for future timber or powerline pole purposes when the areas were State forest. These trees are not part of the natural environment and are of limited value to the local fauna. The trees can be removed as necessary operations at a substantial cost, but cannot be sold. Once the exotic trees are removed, the area would be replanted back to the naturally occurring tree species, such as karri, in the case of the yellow stringybark.

Also, subject to stringent limitations, proposed section 99A in the Bill will allow trees to be removed from conservation reserves and sold if such removal is essential. The circumstances are specified to be the construction or reopening of a public road in accordance with a management plan or the construction of fire breaks. The removal of trees must better serve the land involved and the public will be informed prior to the trees being taken. The Act currently allows such trees to be taken and removed as part of the department's necessary operations, but they cannot be sold; for example, if trees are blown down across a road, they would probably need to be burnt by the department. The removal and sale of exotic and other trees as a result of essential works will require the approval of the Minister and the National Parks and Nature Conservation Authority. The proceeds from the sale of exotic trees and trees removed as part of the essential works will be required to be paid into a trust fund. The revenue obtained may be applied only to conservation reserves.

The functions of the department will be amended to include the operations of the Herbarium, the promotion of the conservation of water quality and quantity on CALM land, and the promotion of recreation. The department will advertise its intentions to allow operations compatible with the purposes of national parks, conservation parks and marine parks. The public will have the opportunity to make written submissions on the operations for the parks which do not have a management plan. The Minister's approval will be required for the operations. This procedure will provide greater flexibility than the present requirement to approve of such operations by the time consuming process of producing a full management plan for the park.

The Bill will extend the maximum period of leases granted on conservation reserves from 20 years to 40 years to allow a lessee to recover the costs of investment in the required high standards of facilities. This lease period will apply predominantly to national parks and is particularly applicable to parks such as Yanchep, where significant investment is required to

lift the standard of the leased facilities. The Bill will re-include unvested nature reserves in the definition of this land category, overcoming a problem experienced with the 1984 Act. The definitions of nature reserves and marine nature reserves have been expanded to allow protection of features of archaeological, historical or scientific interest such as stromatolites.

Membership of two controlling bodies established by the 1984 Act will be amended. A person representative of Aboriginal interests will be added to the National Parks and Nature Conservation Authority, given that body's involvement with issues of Aboriginal occupancy of reserves and hunting rights. The Forest Products Council membership will be restructured to include timber union representatives.

The Nature Conservation Trust of Western Australia will be established to seek donations and funds to allow the acquisition of conservation lands. This part of the second reading speech relates to amendments which were previously on the Notice Paper under the name of the member for Cockburn. This was his idea and I think it is an excellent one. It is a good example of the way in which individual members of the Parliament might be able to bring forward ideas and have them incorporated in legislation for the benefit of the people of our State. The suitable lands acquired will be vested in the National Parks and Nature Conservation Authority. The trust will be serviced by the department but will be a body corporate in its own right.

The formal transfer of the Herbarium from the Department of Agriculture to CALM has been delayed. There is consequently a need to amend the definition of herbarium botanist in the Misuse of Drugs Act 1981 to delete reference to the Department of Agriculture. The written certificates of identification in drug cases indicate the herbarium botanist is with the Department of Agriculture. If the identification certificates cannot be used, the botanist would need to make court appearances all over the State to identify drugs. With a consequential amendment of the Misuse of Drugs Act, new certificates of identification can be printed.

The final amendments I wish to cite relate to the intention to extend offences and strong penal penalties which currently apply only to State forest and timber reserves, to national parks, nature reserves, marine reserves and the new land category, conservation parks. Offences on conservation reserves are currently subject to regulations only, with the maximum penalty being \$1 000. Both penal and monetary penalties will apply. Fines have been dramatically increased to be commensurate with the penal penalties. Where the penalty will be imprisonment for one year, the monetary penalty will be \$10 000. Where it will be six months' imprisonment, the monetary penalty will be \$4 000. Premeditated offences should be significantly discouraged by the new penalties. The maximum penalties under regulations will be increased from \$1 000 to \$2 000. On the spot fines or infringement notices will be added, cutting down the department's costs associated with pursuing minor offences.

In relation to that matter, the department's objective, and mine as Minister, is not just to become involved in taking action against people who do the wrong thing in national parks and conservation reserves, but more particularly to encourage people to do the right thing. It has become very noticeable that many rangers are saying that rather than being police officers on these reserves they are now being information officers, advising the public how to look after these reserves in the way they should be looked after. This is a very pleasing aspect of the community's interest in the environmental matters.

The amendments sought form an integral part of this Government's ongoing commitment to the protection of our natural environment. They also continue to enhance the work which was commenced with the creation of CALM in 1985 and provide additional impetus to the record of achievement which has followed in the subsequent five years. The amendments are imperative to the Government's aim to increase the size of our conservation estate and also to ensure that these reserved areas are protected for and enjoyed by generations of Western Australians.

I commend the Bill to the House.

MR THOMAS (Cockburn) [10.19 am]: I will speak very briefly in support of clause 51 of the Bill, which would create part IXA of the Act and in particular provide for the constitution and establishment of the Nature Conservation Trust of Western Australia. This

idea occurred to me when I had the privilege of travelling to the United States last year to represent the Minister for Conservation and Land Management, as he then was, in looking at a number of issues relating to nature conservation in that country.

At a subsequent time I happened to be in Washington and took the trouble to visit a number of private institutions and the national parks service whose headquarters were in that city. I was struck by the creative and positive role played by private foundations in expanding and enhancing the conservation estate in the United States. In that country, a number of trusts and foundations exist, generally with headquarters in Washington, and receive corporate donations and bequests for the purpose of, generally speaking, purchasing land to add to the national park system or nature conservation estate in the broader sense; in some cases, they are not national parks but other forms of land tenure.

This part of the Bill seeks to establish under the Conservation and Land Management Act a body in this State to perform a similar function. It provides for a trust of six members to be appointed by the Minister; that trust will be independent in every sense of the word. If such a body is to succeed it is important for the trust to be seen as independent from the Government and from the body responsible for conservation and land management in this State. It is considered that if such a body is to attract donations it must be seen as an organisation that makes decisions purely on the merits of cases put in support of the acquisition of land.

To fulfil its functions, it is important that the trust is able to be completely independent. For example, there is not usually a large amount of money available from Government to acquire land for purposes of nature conservation. If funds are available, it is important that the money is expended strictly on a merits basis. I recall a case a few years ago in my electorate when I was the member for Welshpool, relating to a small area of wetland – the Watts Road Lake – which was privately owned and developed for housing. Pressure was brought to bear, including by me, to acquire the land and incorporate it in the Canning River regional park. At that time representations were made to the then Minister for Planning, the present Minister for the Environment, to add the land to the regional park. At that time that purchase would have cost around \$1 million; the Minister said that the Government did not have the necessary funds for that purpose. Now that I am no longer a representative of that area, I can consider that issue in a more detached manner. I realise that if the Government has \$1 million available to acquire land for nature conservation purposes, that amount could probably be spent in a better way than by acquiring such land. It is best if decisions regarding land to be acquired and added to the conservation estate are removed from Government – that is, removed from any political influence. By setting up an independent trust, that situation will be created.

The functions of the trust are outlined in the Bill. In simple terms, they are to acquire land for either national parks, conservation parks, nature reserves, marine nature reserves or marine parks. It is considered that sufficient awareness exists in the community of the benefits of nature conservation, and that an organisation such as the trust would be likely to receive corporate donations. It is also likely to receive bequests if it is considered that the money to be used as prescribed by the Bill can only be used for "capital purposes" to add to the nature conservation estate of Western Australia, not for recurrent management purposes. The funds will be used to add in a lasting way to Western Australia's national parks and reserves system.

The Bill contains the general provisions for the creation of statutory bodies where information is required and directions are given. The Bill contains the necessary safeguards and ensures that such provisions are in place. The trust will be serviced by minimal staff of the Department of Conservation and Land Management, but in all senses the decision making process will be independent from Government.

I commend the proposition to the House.

Debate adjourned, on motion by Mr Bradshaw.

CORPORATIONS (TAXING) BILL

Second Reading

Debate resumed from 22 November.

MR MENSAROS (Floreat) [10.26 am]: This is a short Bill. As stated in the second reading speech, it is an integral part of a package including the Corporations (Western Australia) Bill and aimed at joining Western Australia to the centralised organisation of the companies, and securities and futures industry. Logically, this Bill should have been part and parcel of the main legislation. This aspect was not explained in the second reading speech, but I take it that the reason for the two different Bills is that the Government wanted on the one hand to debate the main measures in the Legislative Council where the Attorney General sits. That is logical and understandable. On the other hand, this Bill, representing a small part of the main one, is a money Bill; therefore, it could not be initiated in the upper House. That conflict arose and therefore the legislation has been separated.

As the Government's desire is to cognately debate the two Bills in the Legislative Council, the Opposition could not oppose that move for practical reasons. Apart from pragmatic considerations, and the Government has the numbers, money Bills usually are not opposed in the lower House. However, I feel obliged to state that the Opposition is vehemently opposed to the main measure of the Bill. We consider that the Government has caved in to the Commonwealth Government. We contrast the Government's behaviour with the assurances given by a previous Premier who, in answer to my questions, virtually said that he is more of a States' righter than I. He asked how I could suspect that he had given in to Canberra. Unfortunately, that has happened, at least on an administrative level.

The Opposition is very much opposed to this move. The Government would be in a much stronger situation if it did not cooperate with the Commonwealth in this way. It should act in other ways to strengthen the position of Western Australia. I can give many examples of how that can be done. I refer to the family law area. A Bill was introduced recently to bring family law in this State into line with the Commonwealth situation. About 20 years ago, prior to a High Court decision, in the field of offshore petroleum an agreement was reached which resulted in mirror legislation between States. Had that agreement not been reached the North West Shelf gas development would not have proceeded.

I object formally to the measures contained in the Bill. The Opposition is opposed to the main Bill.

MR WIESE (Wagin) [10.30 am]: Briefly, the National Party accepts the need for this Bill to be introduced into this House and to be passed – this is in recognition of the fact that it is a taxing measure – on the understanding that it will then go to the upper House. I understand that the Corporations (Western Australia) Bill has been initiated in that House and will be dealt with later today. I also express the National Party's disappointment in being asked to rubber stamp a takeover of control of the companies and securities industry from the State by the Commonwealth Government; we have a grave abhorrence of this move. Sections of the business world in Western Australia have believed for some time that the State Government would finally stand up and be counted in this area of Commonwealth and State responsibilities to ensure that control remained in Western Australia. The control should lie with the States as it is not a Commonwealth responsibility. However, unfortunately, it would appear that after a brief kick and a scratch by the State Government, it has caved in and we will be asked to agree to legislation which will incorporate Western Australia, along with other States, into the Federal legislation.

I assure the House that the National Party will oppose that legislation. We can see no major practical difficulties with the control remaining in Western Australia. The State legislation will ensure that a uniformity of approach is adopted in this matter, and we feel that control remaining with the States is a far more practical course than that proposed in the legislation presently in the upper House. I should not be debating that legislation as I will have an opportunity to do so when the Bill comes before the House.

The Bill currently before the House allows any fees or taxes to be levied as a result of the passage of the Corporations (Western Australia) Bill. The National Party concurs with the remarks of the member for Floreat, and it accepts the need for this Bill. Therefore, we shall not be voting against this legislation.

MR D.L. SMITH (Mitchell – Minister for Justice) [10.33 am]: I thank members opposite for their cooperation, if not for their support for the main thrust of the Corporations (Western Australia) Bill introduced into another place – however, we can debate that legislation in full when it reaches this Chamber. The member for Floreat indicated a requirement for this Bill

to be dealt with as quickly as possible so that a cognate debate can take place in the upper House, and so the matter can quickly reach this House.

However, I emphasise that it is in no way true that this State has caved in on this issue. We tried our utmost to maintain State control over this issue, including taking the matter to the High Court along with New South Wales in an attempt to support the smaller States in opposing the Commonwealth takeover. History will record that we were the last State to give way on this matter, and we did so only on the basis of an understanding from the Commonwealth; we still reserve the right to hold the legislation until such time as the Commonwealth's undertaking is honoured. I do not wish to delay the House, so I thank members opposite for their cooperation and will join them in a full debate when the Corporations (Western Australia) Bill comes before us.

Question put and passed.

Bill read a second time.

Third Reading

Leave granted to proceed forthwith to the third reading.

Bill read a third time, on motion by Mr D.L. Smith (Minister for Justice), and transmitted to the Council.

HOUSING AGREEMENT (COMMONWEALTH AND STATE) BILL

Second Reading

Debate resumed from 18 October.

MR C.J. BARNETT (Cottesloe) [10.36 am]: This Bill seeks to ratify the Commonwealth-State housing agreement of 1989. The relevant enabling legislation has already passed through the Federal Parliament, and this legislation now comes before this Parliament. In many ways this Bill is a fait accompli as the Premier, on behalf of Western Australia, signed the agreement on 20 March 1990. The agreement itself was deemed to have come into effect on 1 July 1989.

Nevertheless, this Bill is an important piece of legislation because it, in conjunction with various allocations by the State Government, effectively determines housing policy in Western Australia. The agreement determines both the aggregate level of funding and the composition of that funding.

The Commonwealth-State housing agreement provides financial assistance from the Commonwealth to the State, and broadly defines that the assistance provided should be allocated to a fund for rental housing and a fund for home purchase. The agreement further requires that the State maintain separate accounts for these purposes; that is, a rental assistance account and a home purchase account. The agreement also covers a number of other matters, including information and reporting requirements; a stipulation that the State provides matching funds; and it contains a number of references designed to encourage the use of private financing for housing purposes – for example, as is the case with the Keystart scheme.

I intend to make some general comments about the Commonwealth-State housing agreement, and will then refer to specific matters within the rental housing and home purchase areas. Firstly, the Commonwealth-State housing agreement causes me some concern regarding State autonomy. Recently the Premier, at the recent Premiers' Conference on State-Commonwealth relations, sought to shift areas of responsibility back to the States. During that conference the Premier identified a number of areas of such responsibility, and housing was one such area – I would certainly agree with that. I concede that the Commonwealth-State housing agreement provides an increase in the degree of flexibility in the system and involves a minor shift of responsibility from the Commonwealth to the State. However, I am concerned that this 10 year agreement will enshrine within it a degree of duplication of responsibility between the Commonwealth and the States. It is quite a prescriptive agreement in the way that housing policy can be determined, in the way in which the aggregate level of funds is determined and in the way in which those funds are distributed. While it is a shift in the right direction, from my point of view it is too little. The Opposition would like to see more autonomy for the State in housing policy.

A second general comment relates to the overall level of Commonwealth funding contained in this agreement. In recent years the Commonwealth has given a relatively lower priority to housing than it did in the early to mid-1980s. The level of funding under the agreement for 1989-90 is set at \$97.7 million. The agreement specifies that funding will be maintained in nominal terms for the first four years. Under the Minister's own estimates, as included in her second reading speech, the increase for this financial year is around 2.5 per cent. After allowing for inflation, it is clear that housing funds from the Commonwealth will decline in real terms by five per cent this year, and by a similar five per cent next year. There is a legitimate concern about the level of the Commonwealth commitment to funding. We are facing real declines in Commonwealth funding for housing over the next year. A related point is the continuity of Commonwealth funding. This agreement provides a guarantee on the nominal funding level for four years, but after that period no guarantee exists. The agreement specifies that after that initial four year period funding will be determined by negotiation between the Commonwealth and the States on a triennial basis. This matter is of concern to us because it makes a lower level of Commonwealth funding a reality after the initial four year period of what is a 10 year agreement.

I move to the first of the two major areas of housing policy and commence by commenting on the area of rental housing. The major recipient of these funds, and the major provider of public rental housing, is Homeswest. I will provide for the House a number of indicators on Homeswest's performance in the area of rental housing. In doing so I recognise that these indicators are by their nature partial, but nevertheless they do provide for members a sense of what are the Opposition's concerns about the nature of Government policy on rental housing. I refer first to the waiting list for rental housing. As of 30 October 1990 there were 16 184 people on the Homeswest rental waiting list. That compares with 11 190 in 1986, and 8 243 in 1983. Over a seven year period we have seen an approximate doubling of the waiting list for Homeswest rental housing.

Mrs Henderson interjected.

Mr C.J. BARNETT: I said they were partial indicators, and that is one indicator.

Mrs Henderson: You cannot compare apples with pears. You cannot compare the 1983 figure, which included people who were dual-listed for purchases with today's figures.

Mr C.J. BARNETT: If I accept that point, that would reduce it, but there has been a significant increase in the waiting list.

Mrs Henderson: I am not denying that, but it is important to be accurate.

Mr C.J. BARNETT: The figures were provided by the Minister so I assume they are accurate.

The second indicator of Homeswest's performance is rent increases. In September of this year the Minister for Housing announced rental increases in the order of 17 to 56 per cent to be phased in over an 18 month period. Those increases have already been debated in this House and I do not intend to go through that debate again. Members on this side do not necessarily disagree that Homeswest rentals should be increased and brought into line with market rates, but we disagree, and find some objection, with the timing of these increases. When we have a period of relatively low increases it is not appropriate on welfare grounds to have significant increases concentrated in a short period of time. We do not object to the level of rent, but rents have been increased too rapidly and by too much. Members may not be so aware of the composition of those rent increases. The first instalment of those increases, as of November 1990, shows that for supporting parents in Homeswest properties rent increased by 6.4 per cent; that is relatively modest. For the unemployed in Homeswest rental accommodation, the November increase was 9.3 per cent. For aged persons the increase was 18.3 per cent. Not only are Homeswest tenants facing significant increases over a short period of time, but those increases have been very much concentrated on aged members of the community. The priority of members on this side of the House is not to put that burden on the aged people in our community; our priority is to balance the increases across all tenants of Homeswest. The increases are highly discriminatory against the aged — the people with little or no ability to supplement income.

Mr Lewis: Do you think that should be referred to the Minister for Consumer Affairs?

Mr C.J. BARNETT: It is an intriguing irony given the Minister's two roles.

The third partial indicator for Homeswest performance relates to construction. Homeswest obviously has an important role in home construction for rental purposes. It has to provide the necessary rental accommodation for those 16 000 people on the waiting list, and equally to provide some sort of countercyclical force within the building industry. The building industry in Western Australia is in recession. In 1989-90 the total number of new housing commencements, both private and public sector, amounted to 16 547. That is a decline of 36 per cent over the previous year. The recession in the building industry is severe, though it is not as severe as it was in 1982-83. The recovery this time around is, however, somewhat different in nature. It is normal in the building industry that when interest rates fall the industry responds very quickly. During the course of 1990 we have seen successive falls in interest rates; they are now at a level where one would expect to see the housing industry recovering. That is not happening this time. The major reasons for this are factors other than interest rates – a low level of consumer confidence and a high degree of uncertainty in the community about employment security.

Mrs Henderson: Do you think interest rates have fallen enough?

Mr C.J. BARNETT: Interest rates will fall a little further, but that will be it.

Mrs Henderson: In relation to falls in official interest rate will it fall further?

Mr C.J. BARNETT: The housing rate always lags and it has a little bit more to go.

Mrs Henderson: Has it lagged more than usual?

Mr C.J. BARNETT: Not more than usual; and a lot of evidence has been produced by the banking industry to show that the lag between housing rates and market rates has reduced significantly over the last three cycles. That is a direct result of financial deregulation. The lag is getting less. The housing industry will recover in the next 12 months. The recovery is sluggish because of uncertainty in the economy at large. Organisations such as the Master Builders Association and the Housing Industry Association still foresee a very sluggish and generally recessed industry over the remainder of this financial year. It is in that climate that a public housing authority has the opportunity and some responsibility to act as a countercyclical force.

The Capital Works Program allocation for Homeswest for 1990-91 is \$191 million. That is a decline of \$105 million over the previous year's figure of \$296 million. In other words, we have seen a 34 per cent drop for Homeswest construction in nominal terms. After allowing for inflation, it is a 40 per cent drop in Homeswest's allocation. The situation is compounded because the Government's other housing authority, the Government Employees Housing Authority, also has had a cut of approximately 27 per cent in construction expenditure this year. Members may wonder what is the implication of that; we have already talked dollar terms in the Budget debate. It means that the number of new Homeswest commencements in 1990-91 will total 744. That compares with new commencements last year of 2 015. In other words, Homeswest construction commencements this year will total approximately one third of what they were last year. That is a massive decline in the public housing program in this State.

Mrs Henderson: Are you going to talk about completions?

Mr C.J. BARNETT: No.

Mrs Henderson: What about the other figures I gave to you? Why don't you be fair?

Mr C.J. BARNETT: The Minister refers to completion figures. A few moments ago she brilliantly referred to apples and pears. If ever one wants to compare apples with pears and confusion, one should compare commencements with completions.

Mrs Henderson: I am not asking you to compare commencements with completions. I am asking you to compare completions with completions.

Mr C.J. BARNETT: The Minister will have an opportunity later. I want to make the relevant comparison which is commencements with commencements. If we compare commencements with commencements – apples with apples in the Minister's cute vernacular – there has been a decline from 2 015 to 744, an absolutely valid statistical comparison – a one third cut in Homeswest new construction commencements for this year. Members may be interested in where that impinges. Not only is it down to a third, but where

does it impinge? Broadly, no area escapes. Albany is probably the only area that had an increase. For the rapidly growing south east corridor, there is a decline from 518 to 211 in the Cannington area of Homeswest. However, the figures are even more significant in some country areas because country builders are more dependent than city builders on public housing programs and so therefore are their employees and suppliers. There were 204 commencements last year in the Bunbury region; this year there will be 39, a huge decline. There were 73 commencements in Geraldton last year and this year there will be 42. Last year, Homeswest began 104 commencements in the Port Hedland region and this year the figure will decline to 31. These construction cutbacks are impinging very heavily on rural areas because the country builder, more than the city builder, depends on Homeswest constructions.

Mrs Henderson: Do you know there are still three times more commencements than there were when the Liberals were in office?

Mr C.J. BARNETT: Is that not good? Homeswest is cutting its program at a time when the building industry is in recession. One of the roles of public housing is to act as a countercyclical force. This year it is acting as a procyclical force. Expenditure on housing by this Government is adding to the cyclical instability in the industry.

Mrs Henderson: That is not true and you know it.

Mr C.J. BARNETT: It has to be, because the Government's cut is greater than the private sector change. It is exacerbating the problem.

Mrs Henderson: What about Keystart? Conveniently you have not mentioned that.

Mr C.J. BARNETT: If the Minister contains her excitement, I will get to Keystart.

I will focus now on Homeswest's activities in land acquisition and land supply. The 1988-89 Homeswest annual report – that is the last one that is available – reveals that Homeswest actually spent more on buying and developing land than it did on building rental accommodation. It did that in the context of a waiting list of 16 000 people. In the year just completed, provisional figures indicate that approximately \$114 million was spent on housing and a smaller amount of about \$93 million was spent on land acquisition and land development. Nevertheless, more was spent on land than on housing in 1988-89. In 1989-90, nearly as much was spent on land acquisition and development as was spent on housing construction. Homeswest has its priorities wrong. It is out there in the marketplace playing around as a property developer and neglecting its prime public and social responsibilities to provide low cost rental housing.

Mrs Henderson: Don't you think it is a prime social responsibility to provide cheap lots for housing for first home buyers? Is that not a valid activity?

Mr C.J. BARNETT: I do see a role for public agencies in land supply; I am not disputing that. However, Homeswest's prime charter is to provide housing. I do not deny it has some responsibility in the supply of land, but I am talking about a lack of balance in its priorities. It is defended sometimes by the Minister and others on the basis that Homeswest is in the land market because it needs to be self-funding and, if it can develop and sell land and make a quid, it can provide more accommodation. That argument has some logic and a nice flow to it.

Mrs Henderson: It does.

Mr C.J. BARNETT: I am glad the Minister agrees that it has some logic. However, what that philosophy demands, if it is going to be successful, is that Homeswest can actually beat the market. It is very damned hard to beat the property market. If Homeswest puts capital resources into land acquisition and development and then the market unfortunately, without the control of Homeswest, happens to turn down, Homeswest will be stuck with land holdings. It will have assets tied up in land and will not have the financial ability to put those assets or capital where they should have been put; that is, into the provision of rental housing. That is exactly what happened to Homeswest; it did not beat the market. In the past two years, Homeswest has put resources into land, there has been a downturn in the property market, its capital was tied up in land, and we have seen as a result a massive decline in the provision of rental accommodation. I am advised that, at the moment, Homeswest has approximately 1 600 developed unsold residential lots on the market. Its assets – public funds for housing – are tied up in unsold developed property.

Mrs Henderson: Don't you think that is a valid activity for Homeswest?

Mr C.J. BARNETT: I told the Minister that I accepted a public role in the provision of land supply. However, Homeswest's responsibility lies in public housing. Homeswest has its priorities wrong.

Mrs Henderson: Do you think 1 600 is too many?

Mr C.J. BARNETT: When the building program has been cut to a third, 1 600 lots is too many.

Mrs Henderson: All of that land is not used for public housing. It is for private construction for first home buyers. One thousand six hundred lots is not a lot.

Mr C.J. BARNETT: It is a substantial amount.

Homeswest is not the only Government player in the land market. A number of other agencies are involved. I am advised by industry sources that, at the moment, approximately one-half of all developed land on the market is provided through Government agencies of one form or another and I am not including the R & I Bank which is a commercial entity. Various government bodies, State and local, are providing almost one-half of the land. One may argue that that is an appropriate role for Homeswest; I do not think it is. Recently, I read in the *Sunday Times* of 11 November an advertisement, the heading for which states, "Now waiting for you in Broome . . . A great climate and 11 brand new homes for sale". It says it is close to Cable Beach and the advertisement has been placed by Homeswest. I do not know what Homeswest is doing acting as a spec builder in Broome. I find it appalling that our public housing authority is playing in the land market and as a spec builder in Broome and around this State while there is a neglect of public housing.

Mr Lewis: They have a waiting list in Broome.

Mr C.J. BARNETT: Perhaps those people who are waiting for a Homeswest home in Broome will read the *Sunday Times* and they may be in a position to buy one of these spec homes. The building industry is not thrilled that Homeswest is playing in the property and land market while there are 16 000 people on a waiting list for rental homes and while there have been substantial cuts in funds for the Homeswest Capital Works Program.

Mrs Henderson: On the contrary, the building industry is very pleased for Homeswest to be a player in the market.

Mr C.J. BARNETT: The building industry is extremely courteous to the Minister and I admire its courtesy.

I move now to the second major area of housing policy; that is, home purchase assistance. The First Home Owners' Scheme, a Commonwealth scheme, was introduced by the Hawke Government in the early 1980s at a time of very recessed activity in the building industry. It proved to be a popular scheme and consumed a large sum of money. I am not convinced of the equity of the scheme, but everyone accepts that it worked effectively in assisting people to purchase their own homes and in stimulating the building industry. The funding of the scheme has been progressively cut back by the Commonwealth Government in recent years and it is clear that the Commonwealth Government now places a lower priority on housing than it did previously. Housing is no longer the flavour of the month for the Commonwealth Government. I do not mind if the responsibility for housing is returned to the States where it belongs. Nevertheless, the First Home Owners' Scheme was an important component of the housing sector in Western Australia. It is estimated that in 1989-90, \$16 million from that scheme found its way into the housing sector in this State. It was a significant element of housing expenditure.

The Commonwealth Government announced in its Budget this year that it would terminate the scheme and it implied - I admit it was only an implication - to the building industry that compensation would be paid to the States. On the advice of the Minister I am told that the compensatory payment to the State this financial year amounted to \$625 000. I commend the Minister for following up this matter with the Commonwealth and for trying to seek additional funds. As a result of what is happening in Commonwealth-State relations in the housing area no-one holds much hope for additional compensatory funds for the cessation of the First Home Owners' Scheme. Indeed, we find that a scheme has not been set up in this State to replace the Commonwealth scheme. First home owners, to the extent that they

received a kick start by way of a grant to enable them to purchase their first home, had a Commonwealth scheme which has been terminated and to date no State scheme has been announced. We now have a gap in housing policy. The Minister has indicated she is working on a State scheme and I hope it will be a well-funded and effective scheme.

The second area of home purchase relates to Keystart. The Minister is very proud of Keystart, which was introduced in March 1989. It is a scheme of accessing private finance to provide housing. Housing repayments are tied to the income of the purchaser. The scheme provides a low start repayment option for the purchaser and it is underwritten by the Government. I am uncertain about the nature of that underwriting. It is a scheme which is designed to meet the gap between those people who qualify for Government assistance and those who fall short of being able to finance their home through normal private channels. The scheme has received a substantial allocation of funds and the 1990-91 allocation is \$300 million. There is no doubt the scheme is popular. The 1990-91 allocation was used up very quickly and it is obvious that there is a place for it.

Mrs Henderson: The 1990-91 allocation has not been used up.

Mr C.J. BARNETT: It has not been used up – there is a strong demand for it.

I have some concerns about Keystart. There is a place for such schemes and to the extent that public housing policy can try to access private funds it is the correct way to go, but there are question marks over it which members in this House should take an interest in. I do not pretend to have the answers, but I do intend to pose the questions. There is an ad hoc nature about Keystart. For instance, the allocations tend to be made in lumpy instalments. It sounds very good at the time of the announcements, but it means there are infusions of large lump sums and the Minister should spread the allocations more evenly.

Mrs Henderson: I have and I announced six months ago that instead of the funds being released in one sum they would be staggered over a period of 12 months.

Mr C.J. BARNETT: That is a good move.

My second point relates to interest rates. I find it curious that in November 1990 the Minister announced a 1.5 per cent increase in Keystart home loans, while at the same time interest rates generally were falling. At a time when the Government expressed pleasure in the fact that interest rates were falling, we find that the interest rate on a Government sponsored scheme is increased by 1.5 per cent. I do not know what is the explanation.

Mrs Henderson: I will explain it.

Mr C.J. BARNETT: I hope the Minister will explain it in her reply to this second reading debate. To have a 1.5 per cent increase in a market environment of falling interest rates is perverse, if not damn bizarre; or, it indicates that the original structuring of Keystart was wrong. As a result there was a 1.5 per cent increase in interest rates to put the scheme in its correct commercial setting.

Mrs Henderson: That assumes there has been no change in the financial market since it was put in place and you know that is not the case.

Mr C.J. BARNETT: That is a spurious point.

The point I am making is that Keystart interest rates increased at a time when interest rates were falling and it indicates that Keystart was not structured properly. It raises questions. The member for Applecross raised the issue of what happens in a falling property market as is currently being experienced. For example, if someone takes out a Keystart loan, the property price falls, and through personal circumstances he is forced to sell his property. He could find that the amount he owes is not only greater than the amount he borrowed, but is greater than the market price of his property. Therefore, Keystart has the potential to put someone it set out to help into debt. It may not happen in a great number of cases, but it is a weakness in the structure of the scheme which must be addressed.

The Minister has commented about the computer modelling of Keystart.

Mr Strickland: She has not provided the information she promised to a few days ago.

Mr C.J. BARNETT: That is true, but people in the industry have undertaken computer modelling of Keystart and the key parameters on which it must be based. Firstly, what

happens to the home price? If home prices rise quickly Keystart will stack up well and there will not be the problem I referred to. Secondly, what will happen to people's incomes? If they increase strongly the repayments, tied to a percentage of income, will rise accordingly and the scheme will still be okay. The assumed rates of income and house price rises to make Keystart okay are nevertheless fairly high.

Mr Lewis: It is founded on 6.5 per cent.

Mrs Henderson: It is founded over 20 to 25 years, not over one or two years.

Mr C.J. BARNETT: A financial package must be played out over the long term. If one takes models of Keystart and makes some less optimistic assumptions on slower rates of increase in house prices and incomes, there may be a big question mark over Keystart. In fact, those models of less optimistic rates of price and income increases show that, for example, a 30 year Keystart home loan could very easily stretch to be a 50 or 60 year loan.

Mrs Henderson: You do not need to use optimistic or pessimistic figures. Figures for the past 25 years can be used and it is not necessary to hypothesise.

Mr C.J. BARNETT: With due respect to the Minister, I profess to have some knowledge of financial modelling and it is necessary to take a range of assumptions. On the basis of the less optimistic assumptions, people today taking out a Keystart loan, thinking they have a 30 year mortgage, may find that their mortgage will extend up to 60 years if the property market has a slower rate of long term increase, and certainly if incomes have a slower rate of increase, which I think is very probable. That is the real danger of Keystart. The Opposition is having prepared for members a set of financial analyses; in other words, time series projections on computer models of different scenarios with Keystart. I hope the Minister will give positive consideration to those analyses. Keystart is an innovative scheme and has a role to play, but it has some problems and we should not put people into exposed financial situations.

Members on this side of the House accept that there is a public responsibility in the housing area. We also believe that area of responsibility is properly based within the State. We have some concerns about this Bill and the transition, and particularly about the level of Commonwealth funding in the aggregate and the continuity of Commonwealth funding over the 10 year period of this agreement. The Opposition also has serious concerns about the direction of housing policy in this State. That concern relates to waiting lists, although I agree that is not entirely within Homeswest's area of control. The Opposition is concerned about the dramatic cutbacks in construction programs at a time of building industry recession. It is also seriously concerned about the relative priorities of Homeswest. The Opposition does not believe it is appropriate for a public housing authority to be spending almost half of its capital playing the property market, trying to beat it and – surprise, surprise – failing to do so. Its responsibility and priority needs to be returned to its prime charter of providing rental accommodation and home assistance for the needy and disadvantaged people in the community.

I have not touched on all of the problems in this area. The Auditor General has raised matters of concern about Homeswest in his annual report. Delays have occurred in the tabling of Homeswest's annual report, and the organisation has morale problems. Those are issues for discussion on another day.

In conclusion, members on this side of the House are concerned about the direction and performance of housing policy within Western Australia. The Opposition supports this Bill and the Commonwealth State Housing Agreement 1989. It is in essence a fait accompli and we do not intend to oppose it or to try to amend the Bill.

MR WIESE (Wagin) [11.15 am]: It was interesting to listen to the rundown on the housing situation by the member for Cottesloe. It is probably one of the best summaries of the situation that we have heard in this House for many years. He highlighted many of the problems in the housing industry in Western Australia. Although I do not wish to be a prophet of doom, the reality is that the Government must accept the truth of many of the comments made by the member for Cottesloe. It is much more than a perception by the general public; it is a fact that Homeswest is not building or providing sufficient housing for the people it was set up to service. In the next 18 months or two years the situation will become much worse because of the economic climate in this State and in Australia. The

rural areas of Western Australia particularly will face many difficulties in the next 18 months. In those circumstances it is very important for Homeswest to get its act together, to decide what its priorities will be and what role it will play, and to get on with the job.

When making those comments one must focus on the Bill before the House and the fact that the agreement we are about to ratify will have a significant effect on the future of housing and housing finance in Western Australia in the coming 10 years, which is the period covered by the agreement. It is also important to note that the agreement basically provides a guaranteed level of funding for the next four years and from that time the situation will be reassessed. The State will be required to go cap in hand to the Commonwealth Government to try to negotiate a better funding arrangement and an improved level of funding for public housing in Western Australia. The key to this agreement lies in the Minister's notes on the second reading speech in which she stated —

While the Agreement applies strict reporting and matching conditions on the State, failure to ratify this Bill could result in serious losses to the State in funding for public housing.

Those words are the key to what I dislike about the whole housing situation, housing funding and the relationship between the Commonwealth and State Governments in this area. If we do not ratify this agreement the State will suffer financial loss. That is a major problem in the relationship between the Commonwealth and the State in the housing area. We are the mendicants going to the Commonwealth to get a share of the tax paid by the people of Western Australia to the Commonwealth Government. In this case we shall be asking for a grant to cover the provision of public housing. I do not believe the Commonwealth Government has a role in the housing area. It is a State responsibility and each State should make decisions on its priorities and what it wants to do to ensure that adequate housing is available for the people of that State.

Each State has a different set of problems and circumstances. Some States are going through a growth period, while other States are static; that certainly has been the position in Western Australia in past years, although that is about to change, if it has not already changed. The different circumstances which exist in each State require that different priorities be set and that different decisions be made by each State. Yet the Commonwealth State Housing Agreement is common to all States and does not provide the flexibility that the States require in order to be able to look after their own housing problems as they see fit. The duplication that exists in funding and decision making in the housing area is unnecessary. The only role which the Commonwealth Government should take in respect of housing is to provide funding. The States' responsibility should be, and is, to provide housing for their people.

The Commonwealth State Housing Agreement imposes some conditions and constraints on the States. I guess every housing agreement imposes conditions and restraints on the States, so this one is no different in that regard, but some of the conditions which are imposed by this agreement will have a significant effect on the ability of this State to provide housing and to assist those people who need housing. That effect will be experienced specifically in respect of the provision of rental housing and in the amount of rent which is paid by Homeswest tenants.

The introduction of the requirement within this agreement to work towards a system of charging market rents will have a significant effect on those people in Western Australia who pay rent. This move will be phased in over a three year period. Rents will have imposed on them an annual review, and in setting those market rents there will be a requirement to recover through the rental structure the operating expenses of Homeswest, interest charges, and depreciation. The requirement to recover interest charges will have a significant effect on the level of rent that will be set for Homeswest tenants in future years, as will also the requirement to recover the depreciation component.

I object strongly to that requirement in the agreement. If the Western Australian Government considers that it can still provide an adequate level of housing and can still work within reasonable rental structures without taking into account those factors, then that decision should be made at a State level. To have it imposed upon us by the Commonwealth Government is not a proper way to conduct State—Commonwealth relations in this field; or in other fields, for that matter.

The requirement for the States to provide a larger amount of matching funding will also be a significant factor in the ability of the States to provide housing, particularly in this State where State funds are under enormous financial pressure. We can contrast the States' situation with the situation of the Commonwealth Government where, because of its access to general taxation and because of the growing amount of tax that it takes as a result of any wage indexation increases, it has an increasing source of revenue all the time. The States do not have that increasing source of revenue; their revenue is very much constricted, particularly in the current economic situation. In this State we are facing a decrease in our revenue base rather than an increase. It will be interesting to see what level of revenue income this State will achieve this year as a result of the current economic climate in Western Australia and the decreased activity in some significant areas of our economy. That situation will cause this State a great deal of pain, and I am sure it will cause also other States a great deal of pain. That is a reflection of the difficult situation that we face in Western Australia because of the Commonwealth's ability to dictate the manner in which we shall conduct our housing policy.

The member for Cottesloe made some comments – and I do not want to go into the specific areas – about the decrease in the number of new housing commencements in Western Australia. I want to follow up that point because I believe that decrease has been very significant in the rural areas of Western Australia. In virtually all the areas within my electorate, there will be a minimal commencement rate of Homeswest housing. That will be a common situation right throughout the rural areas of Western Australia. The member for Cottesloe outlined the fact that country builders are very dependent upon Homeswest as the major provider of housing in country areas. He was absolutely correct. Homeswest is a major factor in determining the number of houses that are provided in country towns. There is not a great deal of private housing investment, even in the best of times, in many country towns because many people move out of country towns when they retire and do their building in the coastal areas to which they move rather than in the towns. So it falls upon Homeswest to be a major provider of housing for the people who are employed in country towns. We will feel the effects of the minimal level of commencements in country towns. If those houses are not built, we will not be in a position to provide housing for people who come to the towns for employment. If the housing is not there, people will not stay. We are not able to get employees to come to country towns and stay there because there is no housing available.

Mr Trenorden: Some of those houses have not been maintained for years.

Mr WIESE: That is a factor. However, the first factor is that the housing is not there. That makes it very difficult for country employers to get employees to come to the country. Homeswest will not be building those houses, and that will have a significant effect in country areas.

The point made by the member in his interjection is a very valid one, and it applies throughout the country areas. The amount of maintenance money available to maintain the standard of housing in the country has been decreased enormously. We are getting virtually minimal amounts of maintenance to improve the housing. There is no money to provide paint, to maintain the fencing, fix verandahs and all those things which are going wrong in the houses. Homeswest staff will tell members what enormous problems they have in carrying out what is considered to be essential maintenance.

I am aware of many occasions when people in the towns in my electorate have actually moved out of Homeswest housing because they consider the facilities are inadequate and the required level of maintenance has not been carried out. That is a sad situation, and it reflects very badly on Homeswest activities.

Another factor mentioned in the interjection by the member for Avon concerns the basic standard of housing out in the country. A great number of Homeswest houses in country towns were built 30, 40, and perhaps even 50 years ago. They are weatherboard and asbestos homes. They were adequate 40 years ago, and they provided housing when there was nothing else there, but today those houses are completely inadequate; they are not up to the standard people have now come to expect, and have a right to expect. For that reason we are finding it very difficult to attract many of the professional people who work in the city. When they are transferred to the country they look at the houses provided, and they and their

families are not willing to go from their very adequate level of housing into the country to live in a standard of housing which represents an enormous drop from what they are used to. They are not willing to do that, and it is not practical to expect them to do it.

I have seen people in Westrail accommodation earning \$40 000 or \$50 000 a year. The wife may also be teaching and drawing a salary of \$30 000 or \$40 000, and the level of housing they are expected to live in is absolutely abysmal. I have seen the same sort of thing with employees in the Education Department, and the same level of housing is provided to members of the Police Force and the Department of Agriculture. Those are the specific areas with which I am familiar and they are highly qualified people with university degrees and so on. Some of them have even had overseas experience. They come into the country areas, they see what they are expected to live in and they will not stay. I cannot blame them.

That situation reflects very badly on the standard of people we are able to attract into the country areas, and it is a major factor in people and departments moving from our country towns to the coast. The Government cannot get adequately skilled staff to go into the country towns, so they address the problem by moving its departments from the inland areas to the coast, and the inland areas miss out. Country towns miss out on the population, and on the abilities and the standards which such people are able to bring to our communities, and we are the poorer for it. The move away from country towns by departmental people has a very significant effect on the business people in those towns.

I do not want to comment at any great length on Homeswest's role as a land developer. Suffice it to say that I believe there is a role for Homeswest to play in land development, but that role should be to develop land and provide land on which to build Homeswest homes. That is where I believe its activities should start and finish. I question very strongly the role Homeswest plays as a developer of land in the general housing market. I do not believe that Homeswest should be in that field. It should be encouraged as quickly as possible to move out of land development with the idea of selling the land it develops for profit.

Mr Kobelke: Are you suggesting all the land developed by Homeswest should be in the same area?

Mr WIESE: Of course not. Homeswest can develop land in the south of the city, in the north of the city, in the east or in the west of the city.

Mr Kobelke: Are you saying it should all be in the same area, or the same streets?

Mr WIESE: It depends on the suburbs. In a newly developing suburb I am sure there will be occasions when Homeswest will have homes and land in a certain area, but I do not see any problem in having other developers interspersed with different developers building houses in the same area. I do have a problem with Homeswest being a developer of land and that being a very significant source of its funding. I do not believe it is the role of Homeswest to be developing land with the object of selling it at a profit.

I think the field has been very adequately covered. I have probably strayed a little from the Bill before the House, which is basically a Bill to ratify the Commonwealth/State agreement, but it seemed that this was an opportunity to make a few points which needed to be made. I am sure the Minister will reply. The real problem which we in the National Party have with the whole of this agreement is not the fact of the agreement – like the Liberal Party, we accept that this agreement should be ratified – but the manner in which the Commonwealth/State funding arrangements for housing seem to have developed. I reiterate my initial comment: I believe the Commonwealth's role should be that of a provider of funding. That is where it should start and finish. From there on the State should take over and ensure that the development that takes place and the housing that is built is done to meet State priorities and to solve the State's housing problem.

MR SHAVE (Melville) [11.40 am]: As the member for Cottesloe said, we are not opposed to this housing agreement but I would like to speak about the operations of Homeswest in the marketplace. Homeswest is a classic example of what we have seen with the rest of this Government over the last seven years. It is a classic example of people who have no experience in the private sector believing that they can do best with the public's money and with public development of property. The member for Cottesloe alerted us to the situation that occurred in Broome, and I will read a few extracts of the advertisement Homeswest put in the newspaper. This is how it reads –

Homeswest offers the perfect opportunity for fun-lovers, retirees or investors wishing to capitalize on the idyllic, year-round, balmy tropical lifestyle of one of WA's most attractive tourist destinations.

Surprise, surprise! There is so much real estate for sale in Broome at the moment that if it goes on for much longer they will be giving it away.

Mr Minson: Half of it is in liquidation sales as well.

Mr SHAVE: That is right. The Homeswest advertisement continues –

Own your own Broome Retreat! Fully finished homes, on generously sized, centrally located blocks are immediately available. Perfect for escaping the rat-race at holiday time . . . or permanently!

The advertisement then says – and this is the real promotion –

Fully finished 2 & 3 bedroom homes, just minutes from Cable Beach.

3 bedroom houses and land from \$100,000 to \$115,000

2 bedroom duplexes and land \$92,000 and \$95,000

I cannot wait to get on a plane to Broome to spend \$120 000! I bet there are a lot of buyers there! The article continues –

No conditions of sale, restrictive covenants, limits of purchase . . . nothing!

Imagine what these will be worth just a few years down the track! So don't miss the boat, –

Beat the liquidation sale! That is not in the advertisement, Mr Acting Speaker, I added it, so I thought I should mention that. The advertisement continues –

– contact these agents right now for further information.

There we have it. The public housing lists in this State have doubled since 1983, yet our State housing authority is doing private developments.

Mr C.J. Barnett: Speculative development.

Mr SHAVE: The member for Cottesloe called it speculative, but I call it a disaster.

Mr Kobelke: There has been a fourfold increase in public housing since we came to Government – is that a disaster?

Mr SHAVE: In just seven years this Labor Government has doubled the waiting list for Homeswest housing – and how have we paid for it? Aged pensioners have had their Homeswest rent increased this year by 18.3 per cent.

Mr Kobelke: The lowest increase in Australia.

Mr SHAVE: That is a good consumer price index increase.

Mr Clarko: It does not make any difference to a widow in Nollamara if it is the lowest rate in Australia when her rent has increased by 18.3 per cent and the CPI is six per cent.

Mr SHAVE: Yes, the Government left the unemployed alone – it put their rate up by only 9.3 per cent.

Mr MacKinnon: And it swelled the ranks of the unemployed as well.

Mr SHAVE: Yes, it is an expert at doing that.

Several members interjected.

The ACTING SPEAKER (Mr Ripper): Order! Let us hear from the member for Melville.

Mr SHAVE: I understand that the number of Homeswest constructions this year will be one-third of what it was last year.

Mrs Henderson: Why don't you look at the total number completed?

Mr SHAVE: The Minister starts something in 1985 and finishes it in 1990, and says, "Wait for the completion." The Minister is dragging, and people know what she is doing. They cannot have any repairs done to their houses because there is no money, but what do this Government and this Minister do?

Mr Strickland: It is just like the schools.

Mr SHAVE: Yes, it is just like the school renewal program.

Mr Clarko: Are you saying that the queue to get a house is longer, people have to pay more in rent, and they cannot get any maintenance done?

Mr SHAVE: That is right, and the Minister and a couple of her assistants who have interjected say she is doing everyone a favour. It does not matter which way we look at it, Homeswest has lost its direction and its charter because the Government has been too involved in too many other areas. It has been worrying about too many other problems instead of concentrating on the basics. When we are returned to Government in two years' time we will not be speculative property developers, we will not be taking the public's money and saying that we can do it better than the private sector. We will be putting things out for tender when houses have to be built and we will make sure that the competitive marketplace makes the decision. I will give a classic example of how this Government operates and how it wastes money.

Mr Kobelke: And will you reduce the number of houses by a quarter, as you did before?

Mr SHAVE: We certainly will reduce the waiting lists, and we will tell the public what we intend to do when we release our policy prior to the next election. I can tell the member for Nollamara that we will not be spending the public's money building \$120 000 units in Broome that cannot be rented and then telling people they will get the dream of a lifetime. Those units probably will not be sold in 12 months' time, because the Government is desperate enough to take expensive advertising in the *Sunday Times* in Perth to try to quit them. Those units will probably cost the public \$150 000 each. I suspect that the construction costs and the actual costs of those units will exceed \$115 000 now, if we add the interest; if they do not, I will be very pleased. However, none of this will be going on in two years' time.

Mr MacKinnon: Neither will those expensive apartments in North Fremantle.

Mr SHAVE: No, and in two years' time we will not be charging pensioners an 18 per cent increase in rent because of the incompetence of this Government.

Mr C.J. Barnett: It is a funny Labor Government that builds speculative properties on Cable Beach. It is an amazing priority for a public housing authority to be building beach resort houses.

Several members interjected.

The ACTING SPEAKER: Order! The member for Melville has the call, but some other members seem to want to participate in his speech.

Mr SHAVE: On 28 August the former shadow Minister for Housing, Mr Lewis, asked this question of the Minister for Housing –

What is the total number of applications registered on Homeswest's wait listings within the township of Broome for –

- (a) rental accommodation;
- (b) home purchase?

The reply was –

- (a) Rental accommodation – there are currently 389 applicants on the waiting list.
- (b) Home purchase – there are currently 120 applicants on the waiting list

Here we have it. People are waiting for State housing. The Government and the Minister are acting as property developers. They are providing idyllic lifestyle developments at \$121 000. The Government is a joke!

Mrs Henderson: You are shallow.

Mr SHAVE: It is a shame that the Government believes it can become involved in speculative property deals at the expense of people who cannot get a roof over their heads.

As an example of Government incompetence, I will relate a recent event. I had a sign placed over my electorate office to let people know that I was available to assist them to come to

terms with the many crises facing this State. A Government officer came along to put up a sign on the building. The sign was not as large as I would have liked but it was sufficient at the time. I asked that man what was the cost of the sign; the answer was \$285 or thereabouts. I thought that was a little expensive for a sign of that size. Subsequently when I decided on a more appropriate sized sign – at my own expense because I did not wish to waste taxpayers' money – I called for an independent quote. My brother assists me from time to time so he arranged a quote and a man from Palmyra came to my office to give a quote. Having operated in private business for most of my working life I usually call for two or three quotes.

Mrs Henderson: And you have not been successful in private business.

Mr SHAVE: The Minister may think that but other people may think differently. There are no liquidation sale signs on my hotels at the moment.

Mr Minson: And a Royal Commission is not inquiring into your business dealings either.

The ACTING SPEAKER: Order! I trust that the member will be returning to the subject of the debate which is the Bill before the House.

Mr SHAVE: I will return to the subject matter. I wish to complete the story of the sign. The gentleman quoted an amount of \$250 for a sign two or three times the size of the sign supplied by the Government –

The ACTING SPEAKER: Order! I trust the point of the anecdote will be relevant to debate.

Mr SHAVE: Absolutely.

The ACTING SPEAKER: I am waiting for that relevance to appear.

Mr SHAVE: Mr Acting Speaker, you will have no problem with me.

I thought it strange that one sign cost \$285 and the quote for a much larger sign was \$250. I decided to call out the Building Management Authority officer who erected the original sign, and to ask him for a quote. His quote was \$600. If that represents the efficiency of the BMA, and the public of Western Australia are being ripped off to that extent with such a small item – and I guess BMA erects about 1 000 signs each year; so at a \$400 price difference, that represents \$400 000 – I shudder to think what is happening with the Johnny-come-lately capitalists on the other side of this House who are developing housing in Broome. This is not a laughing matter; it is a very serious matter. The Government is building these retreats for everyone in Broome while 389 people are on the waiting list for rental accommodation there. Does the Government call for quotes in relation to such developments?

In closing, I confirm the comments of the member for Wagin. He stated that Homeswest had a right to develop its land. However, the appropriate way to develop that land is to put it to private tender and incur the appropriate costs. Homeswest does not have a charter to be a speculative land developer. In two or three years when we return to Government, officers in Homeswest who currently believe that they can continue to use public money to speculate are in for a large shock.

Mr Trenorden: What about the price of land in Northam? I refer to an ex-hospital site in Northam which is to be privately developed. Restrictions have been placed on the land in that it has been tagged for a certain number of Homeswest blocks. It is an impossible situation because the price of land is currently in excess of \$20 000 per block, and development costs would be well in excess of the market price of the land. The Government refuses to develop the area, yet in Broome it does what it should not do.

Mr SHAVE: I thank the member for that.

MRS HENDERSON (Thornlie – Minister for Housing) [11.57 am]: I thank the Opposition for its support of the legislation and for the indication that it will not seek to amend the Bill at the Committee stage.

The member for Cottesloe raised the question of State autonomy. He stated that the Federal Government is seeking to reduce its commitments to housing and that this has restricted the grants to State Governments. It is true that reductions have occurred in Federal funding to the States for housing. However, the member for Cottesloe should consider the figures

closely. Previously Federal moneys were provided by way of loans and the State Government was required to repay those loans over an extensive period. As a result there was an annual debit to the amount of money available to the State for housing as some was required to make repayments on Federal loans. While the Federal Government has provided funds over three or four years and the increase between those years does not match inflation, in seeking to compare those amounts with previous amounts we should take into account the difference between the moneys offered as grants now and previous loans.

Last year the State Government repaid some \$52 million to the Federal Government for previously advanced housing loan money. In future years these repayments will decline. However, I agree with the member for Cottesloe that any reduction in funds for housing is unfortunate. It is a matter that we are concerned about. I have expressed that concern to my colleagues in the Federal Parliament. However, the Federal Government has encouraged State Governments to take up some very innovative and progressive schemes. I do not decry that aspect of housing contributions by the Federal Government.

The member for Cottesloe also raised the question of waiting lists. He sought to compare the 1983 situation with the current waiting lists. He declined to inform the House that we have an opportunity now for people to dual list for purchase and for rental. The quoted figure of 16 000 on the current list comprises 8 292 people who put their names down for rental accommodation only and another 7 892 who have also put their names down to purchase a home. It is not possible to compare the 1983 rental accommodation list with the current figure that now includes people who are dual listed for rental or purchase.

Mr C.J. Barnett: I am happy to compare the 1986 figures with the current figures. That would represent an increase from 12 000 to 16 000; it is not a 100 per cent increase — 50 per cent will do.

Mrs HENDERSON: I am happy for the member to do that. I am not saying there has been no increase in the waiting list. I am saying that it is necessary to compare like with like. My figures indicate the numbers dual listed.

The next point raised by the member for Cottesloe was that of rental increases. This is an area in which Western Australia lagged behind other States for a long time; we had the lowest public housing rental figures of any State in Australia.

Mr Strickland: That was just before the election.

Mrs HENDERSON: It was not just before the election; it was the result of a substantial number of years in which the rental level had not increased in line with inflation.

Mr Strickland: You fooled the people. You said that we were going well and we could keep the rents low. All of a sudden reality took over and you had to come good.

Mrs HENDERSON: That is not true.

Mr Strickland: Explain it.

Mrs HENDERSON: I am about to. There were serious inequities in the Homeswest rental situation as people who were single with no dependants paid a smaller percentage of income than families.

Mr C.J. Barnett: Are you talking about the aged?

Mrs HENDERSON: I am not just talking about the aged.

Mr C.J. Barnett: It is predominantly the aged.

Mrs HENDERSON: I refer to low income people, both singles and families with two or three children. Homeswest sought to rectify the inequity. The 16.5 per cent of income rental level was the lowest in Australia, and a low income couple with three children under the age of 16 years paid 20.5 per cent of their income in rent. If that level is increased from 16.5 per cent to 22.5 per cent it still leaves 75 per cent of their income as disposable income. Therefore, nobody could accuse the Government of introducing a harsh measure as it is still lower than many other States.

The member for Cottesloe said that he believed the increases were introduced too quickly; however, they are to be phased in by three increases over 18 months. We made it clear that the increases in the Federal pension for pharmaceuticals would be quarantined, and that the

latest pension increase would not be taken into account when determining the income for rental purposes.

I expected members opposite to have more concern for those low income people in the marketplace waiting for Homeswest accommodation, for these people are paying between 30 per cent and 40 per cent of their income in rent. These people would have faced a long wait if the inequities had remained, and the rental deficit continued increasing, and the money had been taken from moneys that would otherwise have been used for construction. The rental deficit has increased rapidly because the Government has targeted those people most in need for Homeswest accommodation.

I was interested to hear the member for Cottesloe mention low income families because he spent some time preparing his speech and studying the figures. In examining the situation for low income families with children he should have conceded that the Government had changed the situation dramatically regarding the family allowance supplement being included for assessment for rents. The situation under the former arrangements was that 100 per cent of the family allowance supplement was included in the assessable income for rental calculation. This was reduced to rent calculated at the rate of 10 per cent of family allowance supplement, and this has resulted in a dramatic change. Therefore, the Opposition will be hard pressed to create an argument that people paying 22.5 per cent, maximum, of their income in rent in Homeswest accommodation have been harshly treated.

Mr C.J. Barnett: I agreed that it should go up with the inflation rate.

Mrs HENDERSON: The member for Cottesloe was a member of the poverty task force which recommended that public housing rent should be increased to a minimum of 20 per cent of income.

Mr C.J. Barnett: It was a good recommendation.

Mrs HENDERSON: This would free-up houses for people on the waiting list. We have applied the recommendation endorsed by the member for Cottesloe by increasing the rent from 16.5 per cent to 22.5 per cent of income. I commend the member for his work on that task force.

Mr Strickland: You are saying that you had it wrong and you believe you are now getting it right. That confirms what I said earlier in that rents were kept low prior to the election. You have now had a rethink and the rents will increase to 22.5 per cent of income.

Mrs HENDERSON: The member for Scarborough is wrong; it was not just before the election. If the member looks back over eight to 10 years, he will see a pattern in which Homeswest has not increased rents in line with inflation.

Mr Strickland: It is called keeping the rents low.

Mrs HENDERSON: It is not artificially in line with elections; it is part of a general pattern.

Mr Fred Tubby: We do not blame you; we know that your predecessor is responsible.

Mrs HENDERSON: I am not shirking from the decision to increase rents. I am more than happy to outline to the House the reasons for the rent increase. I would have thought the member for Cottesloe would have said how pleased he was about the increase, as it one of his recommendations.

Mr C.J. Barnett: I did.

Mrs HENDERSON: I am pleased about that.

The next point raised by the member for Cottesloe was that of the construction program. This is an interesting discussion and it reminds me of a debate which took place last night in which the Opposition had a problem —

Mr Fred Tubby: We did not have a problem.

Mrs HENDERSON: The member, in particular, had a problem.

In that debate the Government was attempting to remove the shackles from private enterprise and the Opposition found difficulty supporting that. The member for Cottesloe today spent some time talking about the Government acting in a counter-cyclical way in relation to the building industry. That is a surprising argument to come from the side of the House, which

is the strongest proponent of market forces and private enterprise. I am surprised that the member for Cottesloe is pleased that the Government should act in a counter-cyclical manner. Indeed the Government has acted to cushion the downturn in the building industry. The member for Cottesloe conveniently forgot to mention that \$300 million has been allocated to the housing program fostered under the innovative Keystart scheme. This must pain the Opposition because it never thought of it. The scheme provides an opportunity for builders in this State to have a boost when they need it most. Builders in this State have not been slow in coming to the Government to say, "We support the program and it is a pity it did not happen a long time ago. It is innovative and is using the resources available in the marketplace."

Mr Strickland: Provide us with the information you promised so I can do an analysis and let you know the outcome.

Mrs HENDERSON: I will wait with bated breath for that!

In dealing with the housing program, the member for Cottesloe chose to inform the House of the number of commencement projects this year compared to last year. However, I will provide the other half of this story which the member neglected to provide. At the end of the day people on the waiting list await the construction of housing units. The number of completed housing units which were handed over to Homeswest clients in 1989 was 1 790, and the figure for 1990 is 1 633 units of housing. I can understand why the member for Cottesloe did not look at the positive parts of those figures which indicate a strong rate of construction. Of course, we are talking about an expenditure of \$191 million and a construction program which is three to four times larger than it was under the former Government. The member for Cottesloe was not here at that time, so I will not lay the blame at his feet. I hope that in future, if he is fortunate enough to ever be in Government, he will continue to maintain the Homeswest construction program.

The next point raised by the Opposition was that of land acquisition. I know that it upsets the Opposition that Homeswest should be acting as a successful developer of land. I am disappointed that the member for Cottesloe has fallen into the trap of not recognising that thousands of people in the community have a valid aspiration to own their own home. The Government has a responsibility to assist, particularly first home buyers, by ensuring a ready supply of cheap developed blocks of land on the market in a range of locations. The day the Government abrogates that responsibility will be a sorry day for Western Australia.

Mr Clarko: Land is dearer today than it has been for decades.

Mrs HENDERSON: It certainly is.

Mr Clarko: That is due to Mr Keating's policies, which the Minister supports.

Mrs HENDERSON: Is the member for Marmion saying that the increases in the price of real estate when we had a period of galloping growth were a direct result of Mr Keating's policies?

Mr Clarko: The worst Treasurer in the world has given us the highest interest rates and unemployment figures we have had for decades.

Several members interjected.

The SPEAKER: Order!

Mrs HENDERSON: One of the reasons that Homeswest is acting as a land developer – and I support Homeswest's position – is that the Government will never return to the policies of the Governments that preceded it of developing large estates of public housing, which in many cases were unmitigated social disasters. Previous Governments took the easy way out; they developed residential properties side by side and street by street which resulted in whole suburbs being blighted and targeted as being areas for low income earners. It is not a natural social mix or a reflection of the rest of the community. It is a reflection of the lack of good planning.

Mr Clarko interjected.

Mrs HENDERSON: Is the member for Marmion suggesting that the Liberal Government did not develop wholesale estates of public housing?

Mr Clarko: I am saying that Herb Graham did exactly that in Innaloo and north Doubleview – and for purely political purposes.

Mrs HENDERSON: What did the Liberal Government do when it was in office?

Mr Clarko interjected.

Mrs HENDERSON: Is the member saying it did nothing? That was the policy of all Governments until the Labor Party came to Government in 1983 and changed things for the better. I challenge any member opposite to tell me that it is not more enlightened and more progressive to develop privately owned homes alongside rental homes in such a way that people are scattered and there is a mixture of people from all backgrounds. That is exactly why Homeswest must act as a land developer. It develops land, which in many cases it has owned for years, and scatters its rental accommodation; usually 1:9 or 1:10. I would be surprised if the member for Cottesloe says that is a bad policy.

Mr C.J. Barnett: There is some merit in that argument of spreading public housing within private housing, but that provides no logical nexus between the need for pursuing that policy and Homeswest having to be the land developer. We are not disagreeing on the policy or the nature of the housing, but the situation where public authorities are developing 50 per cent of the land market in Perth. The Opposition thinks that is inappropriate.

Mrs HENDERSON: Perhaps the member for Cottesloe should look at what has happened. Homeswest owns substantial tracts of land suitable for housing which is due to the foresight of people in the past who acquired that land or marked it for housing. I compliment those people who came from both sides of the House. That land is now available for housing and it needs to be developed. It certainly benefits the people purchasing land if Homeswest develops it and sells it at the cheapest possible rate to first home buyers. Is the member for Cottesloe suggesting that Homeswest sell those tracts to the private sector, the private sector develops them and adds its profit margin, and sells them to first home buyers and then Homeswest will line up and buy a few blocks for rental housing?

Mr C.J. Barnett: Homeswest put 40 to 50 per cent of its capital budget into the acquisition and development of land, and that has contributed to the neglect of the housing construction program.

Mrs HENDERSON: The outcome is that a first home buyer wanting to buy a block of land can buy a Homeswest developed block of land for \$31 750 in the Perth metropolitan area. A person wanting to buy one from the private sector would pay from \$45 000 to \$50 000; that is the difference. A caring Government seeks to ensure that first home buyers have the opportunity to buy land at a reasonable price.

Several members interjected.

The ACTING SPEAKER: Order!

Mrs HENDERSON: It is important for the State as a whole that Homeswest continues in its role as a land developer. Homeswest has been at the forefront of innovations. I attended the opening of the Stratton Homeswest development, which shows how we can use land efficiently; it embraces the most modern planning principles to provide for narrower lots, lots that have reduced building setbacks, and it gives people the opportunity to buy accommodation that best suits their family size and lifestyle. It gives them the choice that the member for Marmion does not think they should have.

Mr Clarko: The Minister gives them a smaller area to live in.

Mrs HENDERSON: The member for Marmion should listen and he will find out. The member for Marmion is not aware of the position. The Stratton development has blocks ranging from 350 to 800 square metres, so people with families can choose larger lots, and single people and couples have the choice of smaller blocks. People have a wider choice; they can have a smaller house on a smaller lot designed with the most modern planning principles and that is the kind of development Homeswest is undertaking. I challenge the member for Marmion –

Several members interjected.

The ACTING SPEAKER: Order! It is quite appropriate from time to time for there to be interjections which aid the understanding of the House but we cannot have two people

attempting to speak at the same time and one person speaking over the member who has the call. The Minister has the call and she is answering interjections from time to time, but there should be no interjections while she is speaking.

Mrs HENDERSON: I am not surprised that this is a sore point with the Opposition, because it shows an innovativeness it did not demonstrate while in Government. Since the Stratton development went on the market, of the 188 lots 95 have been sold. People like innovative developments; they like to have a choice and the opportunity to buy variable lot sizes. In Stratton the Government has sponsored innovative house designs to suit the style of block on which they are constructed.

The member for Cortesloe mentioned the Keystart scheme and complimented the Government on accessing private funds. He talked about the change in interest rates since the scheme was introduced. When that scheme was introduced the —

The SPEAKER: Order! This conversation from my left is getting too loud; it is more and more difficult to hear the Minister.

Mrs HENDERSON: Interest rates were calculated by means of a core rate plus a rate related to inflation. The core rate was 6.5 per cent for those people who earn less than \$450 a week, and 7.5 per cent for those who earn more than that. To that core rate was added the rate of inflation for the previous six months multiplied by two to produce an annual rate. That meant that most existing borrowers were paying 13.5 per cent or 14.5 per cent interest on Keystart loans depending on their incomes. Homeswest recommended to me that those interest rates should be increased by one per cent. That was a direct result of the fact that the interest rates for the funds that had been borrowed for that scheme, which were borrowed mostly on the short term money market but which are borrowed increasingly on the medium term money market, had increased dramatically. However, they also changed because of the realisation that people are much more comfortable with a rate of interest that they understand. People did not understand this dual segmented interest rate. It was decided, therefore, to adopt a variable interest rate more in line with what banks are charging and to move that rate in accordance with the average banks movements. For new borrowers that rate was 16 per cent and for existing borrowers it was 14.5 per cent and 15.5 per cent. Of course, bank rates are now moving and I am pleased that a number of bank rates have dropped below 16 per cent variable rate. In fact, they have broken through the 15 per cent barrier. Homeswest, in line with its policies, will review that 16 per cent rate and officers have told me that it is very likely that there will be a decrease in the near future.

However, the key benefit of the Keystart scheme is not that it was ever promoted as a low interest loan scheme, but that it was promoted as a low start scheme whereby repayments were pegged to income and whereby people were given the capacity to borrow much more than they would otherwise be able to borrow. The member for Marmion said that real estate values had increased dramatically. In fact, they increased by approximately 40 per cent during the housing boom. If the Government had not taken steps to ensure that people's capacities to borrow were increased, a huge number of people would have been excluded from purchasing their own homes because of increases in the price of real estate. That occurred right across Australia. The Keystart scheme's greatest success has been in that area. It has given people who would not otherwise have been able to purchase their own homes the opportunity to do that.

Mr Fred Tubby: Will they ever end up purchasing their own homes?

Mrs HENDERSON: Yes, they will.

Mr MacKinnon: If they start buying when they are 40, they will be pretty old.

Mrs HENDERSON: The problem is that the Opposition has only ever experienced one kind of loan. That was the loan that they took out when they were quite young, probably not earning a lot of money, probably married and probably finding the instalments quite hard to meet. However, as they got older they found that it was easier to pay those instalments. When they reached my age they found that the payments were nothing like the proportion of income that they were at a time when they were struggling most, when they had more expenses, when they were seeking to set up a home for the first time and when they had young children.

This scheme is different from the normal loan. Why should we not use the fact that people

are more likely to earn more as they get older? Why should we not use the fact that real estate values increase at a rate better than inflation if the loans are taken over 20 years?

Mr Strickland: It is a very simple scheme. In effect, you are borrowing more and paying more interest. It will cost people more in the long run. You are saying that the Government will soften it for them early and equalise the pressure of the loan while on their incomes.

Mrs HENDERSON: Is that not better than locking them out? Is that not better than putting them into rental accommodation for 10 years until their income reaches the level at which they can borrow?

Mr Strickland: It has some advantages.

Mrs HENDERSON: I am pleased to hear that.

Mr Strickland: The Government has to be very careful of those parameters because if there is a fall away in income, these people can get further and further behind and may get into hopeless situations. I have heard about a hopeless case.

Mrs HENDERSON: Of course. Obviously, any responsible person would look at the rate at which it is pegged to income and would watch carefully if the income declined dramatically.

Mr Strickland: They have no choice.

Mrs HENDERSON: The other side of that is that people who are on the lowest incomes have the greatest capacity for that income to grow. If the loan has been pegged at 27 per cent of their incomes, in all likelihood their incomes will increase more than the person whose income is high. The scheme has been very carefully modelled. There is no doubt that a person's indebtedness increases. I have said that several times in this House.

Mr Fred Tubby: Their incomes might increase, but their disposable incomes don't. Under your Government, the level of disposable income has decreased significantly.

Mrs HENDERSON: That is not because their incomes have increased; that is because their incomes have not increased with the rate of inflation.

Mr Strickland: Their indebtedness increases and you are saying that it only increases at the beginning of the loan.

Mrs HENDERSON: I said, "for up to 15 years". That is what I said. I did not say at the beginning.

Mr Strickland: That is okay if everything is going along sweet and rosy and there are no problems. However, that scheme costs more in the long run than does the conventional scheme.

Mrs HENDERSON: It costs more compared with what? Does it cost more compared with renting for 10 years waiting for one's income to increase to a rate where one can borrow?

Mr Strickland: It costs more than the standard borrowing scheme.

Mrs HENDERSON: These people are excluded from the standard borrowing scheme. We are not targeting people who can walk into a bank and borrow money to buy a house. We do not duplicate the banks.

Mr Strickland: You have given them another scheme that costs them more.

Mrs HENDERSON: No, it does not cost them more if we look at the alternative of putting them into rental accommodation for 10 years and denying them the opportunity to get into home ownership.

Mr Fred Tubby: They will never end up owning their own homes.

Mrs HENDERSON: Of course they will.

Mr C.J. Barnett: Minister, we are not denying that there are some innovative aspects to Keystart. We are saying that there are some real question marks about the scheme. It is very sensitive to movements in house prices and income levels. If we have a slightly less optimistic but nevertheless realistic scenario, these problems can arise. That is the point we are raising. We are not criticising the scheme wholesale. The related point that we are raising is that there are some very real concerns in the financial sector about what the final unfunded liability of the State will be. It may be, if property prices and incomes move in the

way that the Minister hopes, that there will be no liability. Under the other scenario there could be a very substantial liability. The Minister should understand why members on this side of the House are a little nervous when we get financial advice from you people.

Mrs HENDERSON: I am not asking the member to accept my financial advice. I am happy to show him the modelling projections that have been done. As I indicated in the Estimates debate, it is no good looking at the current situation in which housing prices have fallen and where some people believe they have now stabilised and plateaued and where income has not been growing at a normal or average rate as has been the scene in Australia over the last 20 years. One has to look at a 20 and 25 year period and consider the projections. The pattern that exists at the moment with real estate values fits the pattern that has persisted over the last 25, 30 and 40 years; that is, rapid increases, followed by decline, followed by a plateau, followed by rapid increases.

The member for Wagin referred to rural housing and maintenance. He indicated he was concerned about Homeswest's lack of presence in the rural area in the coming year. Perhaps he does not have the advantage of having these figures. In 1990-91, approximately \$1.3 million worth of housing will be constructed in the agricultural region which includes Geraldton, Northam and Esperance. In the Northern Rivers area which includes Denham, Carnarvon, Meekatharra, Newman, Exmouth and Yalgoo, \$1.129 million will be spent on housing. In Broome, Halls Creek and other areas in the Kimberley, \$1.4 million worth of construction will take place. In Kalgoorlie there will be \$2.1 million worth of construction and in the south west there will be \$353 000 worth of construction. Therefore, it is not accurate to give the impression that the Homeswest construction program has been cut back to the bare bones in country areas. That is not the case; the substantial construction program will continue.

However, we need to be aware that the problem referred to by the member for Wagin of low income employees not being able to find housing in country towns is a real problem. There is no doubt that the lack of private rental accommodation in some country towns concerns the Government. However, in many of those cases, some of those people are not income eligible for Homeswest housing. That certainly does present a problem of what those people do in towns where there is no private rental accommodation and they do not fit the parameters for Homeswest housing.

The member for Wagin raised the question of maintenance. He said there was a lack of maintenance during the coming year and I advise him that in the financial year 1990-91 an amount of \$26.3 million will be spent on maintenance for 34 000 dwellings; that is, \$775 per house per year. It is a much higher level of maintenance for each house – obviously not every house will require maintenance – than is the average amount of money spent by the private sector on the maintenance of rental accommodation.

Several members interjected.

Mrs HENDERSON: I will have to check that, but I do not think it includes the major upgrades; for example, the work being done in South Hedland.

Mr Shave: How much was spent last year?

Mrs HENDERSON: The member knows very well; it is in the Estimates.

The Bill before the House is important and it places in context the Federal and State Governments' commitment to housing. In my view it shows that both Governments, particularly the Federal Government, had the foresight in seeking to guarantee funding to the States for four years so the States know what will be their level of funding. I am pleased that the Federal Government has turned to issuing grants for housing funds rather than loans – it is a major advance. I commend the Bill to the House.

Question put and passed.

Bill read a second time.

Third Reading

Leave granted to proceed forthwith to the third reading.

Bill read a third time, on motion by Mrs Henderson (Minister for Housing), and transmitted to the Council.

ACTS AMENDMENT (BETTING TAX AND STAMP DUTY) BILL (No 2)

Cognate Debate

On motion by Mr Clarko, resolved –

That leave be granted for the Bill to be debated concurrently with the Bookmakers Betting Tax Amendment Bill.

Second Reading

Debate resumed from 1 November.

MR CLARKO (Marmion) [12.33 pm]: I do not intend to say very much about these Bills, but I will take the opportunity, while waiting for the Minister to come into this House, to say a few words. The reason we have the two Bills before the House today is because an error was made, as I interpret it, in putting together in one Bill an Act to amend the Stamp Act 1921, the Bookmakers Betting Tax Act 1954 and the Betting Control Act 1954. It is not consistent with section 46(7) of the Constitution Act which states –

Bills imposing taxation shall deal only with the imposition of taxation.

I understand that the Parliamentary Counsel is responsible for the legislation which comes before the House and I place that error before him. I will explain to the House why I consider the Parliamentary Counsel has made an error: Only yesterday I received from the Minister for Racing and Gaming a letter in which, in a very soft way, she slapped me on the wrist for an amendment I moved which was accepted by the Government on the Totalisator Agency Board Betting Amendment Bill which passed through this House a few weeks ago. The Minister wrote to me saying that she was surprised I had put forward the amendment in the way I did and her letter stated –

I had assumed that you would have sought legal advice on the purpose and wording of your amendment when I accepted the amendment during Committee.

The amendment I put forward was prepared by a lawyer. In our party room a lawyer moved that set of words and I saw considerable merit in that amendment because it concerned the clause in the Bill which dealt with the purchase of 6PR by the Totalisator Agency Board. The Auditor General of this State said that purchase was illegal. I take it that the Government gave some cognisance to it as being illegal because it introduced legislation which included a clause which was, in effect, validating the purchase of 6PR retrospectively.

In the party room I said I felt we had no choice but to accept this retrospective piece of legislation, although I thought it was disgraceful that 6PR had been acquired in that way. I did not want to see that radio station affected in such a way that it would not be able to provide the service it now provides to the racing industry and I recommended to my party that it accept the amendment. A member of our party who is a lawyer recommended that we add another set of words to the legislation which, in effect, said that notwithstanding that validation if at some future time – perhaps at a Royal Commission or something of that sort – it was found that the individuals who collectively made the decision had done something illegal this legislation should not prevent them from being brought to account. I thought it was sensible and took his precise words and moved an amendment in this place.

However, the Parliamentary Counsel wrote to the Acting Executive Director of the Office of Racing and Gaming and gave me a slap on the wrist. I advise the Minister that my decision was based on legal advice. I think the Parliamentary Counsel must have had a bad day the day he wrote the letter because I find his letter waspish in the extreme, as my colleague the member for South Perth would say. The Parliamentary Counsel said that some of the words were meaningless and they could be interpreted in a different way. It would have been much better for Mr Calcutt, if he found a weakness in the amendments I moved in this place, to contact me instead of writing to the Minister or her officers telling her or them that I should not do the things I did. What I did was correct.

I have been in this House for some time now and when I was on the Government side, from 1974 to 1983, on many occasions Ministers of the Court Government said in the party room that there was a need to change legislation because lawyers or Crown Law Department officers had told them that it had to be changed in order to achieve what was required. The party would agree because the lawyers were of that opinion. The Minister had his way

simply because a lawyer had said there was something wrong with the legislation. Lo and behold on many occasions the Minister would come back into the House within a matter of months and with a sheepish look on his face would introduce amending legislation. He would say that the lawyers had told him that the amendment which had been approved a few months previously was not achieving what it was set out to achieve and in some cases it made the legislation worse. I know many lawyers and I respect many of them, but there are lawyers who are good and lawyers who are bad and some who are indifferent. My time in this Parliament has made me more wary of Crown lawyers than I was previously.

As I said, the legislation is before the Parliament because of a mistake which was made by Parliamentary Counsel. The Opposition supports this legislation and it has the same attitude to it as it had to the legislation which was passed a few weeks ago.

MR TRENORDEN (Avon) [12.40 pm]: I note that the member for Marmion spoke for only six minutes on this legislation, and I have no intention of equalling that time. The member placed on the record that this Bill has been introduced to correct an existing situation. I have received telephone calls from a number of people for whom the passage of this Bill is dear to their hearts, and I certainly will achieve nothing by speaking to it any longer. The National Party supports the Bill.

Question put and passed.

Bill read a second time.

Third Reading

Leave granted to proceed forthwith to the third reading.

Bill read a third time, on motion by Mrs Beggs (Minister for Racing and Gaming), and transmitted to the Council.

BOOKMAKERS BETTING TAX AMENDMENT BILL

Second Reading

Order of the Day read for resumption of the debate from 1 November.

Question put and passed.

Bill read a second time.

Third Reading

Leave granted to proceed forthwith to the third reading.

Bill read a third time, on motion by Mrs Beggs (Minister for Racing and Gaming), and transmitted to the Council.

APPROPRIATION (GENERAL LOAN AND CAPITAL WORKS FUND) BILL

Second Reading

Debate resumed from 27 September.

MR MacKINNON (Jandakot – Leader of the Opposition) [12.42 pm]: This Capital Works Budget in itself is solid proof of the mistakes, both deliberate and otherwise, of the Western Australian Government in office at present. It is a clear indication of the impact upon this State of a Government that has lost so much, gained so little, and has committed the taxpayers to pay so much well into the next century for nothing. It underlines the need for a wide ranging Royal Commission into WA Inc, with terms of reference at least as comprehensive as those for the Fitzgerald inquiry in Queensland, and as appropriate as those for the present Royal Commission being conducted in Victoria. As an aside I express my view on the continuing cover-up by this Government, its penchant for blaming people no longer in office for mistakes and its often stated claim that the person in office should not be blamed because he or she was not responsible for making earlier decisions.

Today the situation in Perth reached an all time low, when one of the city's and Australia's most well known businessmen tried similar tactics to handball the blame for the collapse of his business empire. I refer to the man who won the hearts of millions when he won the

America's Cup competition and inspired the whole Australian nation with that feat; that is, Alan Bond. I lauded his success at the time. I now have a sour taste in my mouth because Alan Bond seeks to pass the blame for the collapse of his business empire to his former deputy, the late Peter Beckwith. We have watched the Labor Government in this State indulge in similar tactics and we have heard the following statements many times: That was before my time; I was not Premier at the time; it was not my responsibility to make such decisions, the people who made those decisions have paid the political price; and so on, ad nauseam. Given that the political leaders of this State have openly indulged in such tactics, it is not surprising that a former friend of the Government should choose to walk the same path and adopt similar tactics. My comments about Alan Bond's attempts to absolve himself of blame for a corporate collapse by passing that to a dead man will not determine his credibility in this matter. He will be judged by others, both for the morality and truth of the statement. He will be judged by people who know him well and who also knew Peter Beckwith well. My major concern lies not with Alan Bond or why he finds it acceptable to act in the same way as the two Premiers who followed the architect of WA Inc, Brian Burke, in the most senior political office in this State.

My concern is to determine the truth of who decided what and when about deals which have led to this unprecedented Capital Works Budget which looks more like a detailed plan of retreat for a band of marauding pirates than a document reflecting responsible management of this State today and for the future. I sincerely hope that for once Premier Lawrence was genuine when she said she intended to establish a wide ranging, and not a limited, inquiry into WA Inc. This State cannot even begin to go forward without such an inquiry, as I have said many times previously. If it is deficient in any way or falls short of the standard, depth, and breadth of such inquiries as that carried out by the Fitzgerald Royal Commission in Queensland, then on behalf of the Opposition and the people of Australia I will shout those deficiencies from the roof tops. The standard of behaviour to which I refer is central to the two most important issues in Australia today – that is, the ethics and morality of Government – and it stretches not just to the areas I have spoken about today but also to the treatment of this Parliament today. We are debating the second most important Bill to come before the Parliament in this year's political landscape. At the moment there are two Ministers of the Crown on the Government benches – two and a half if one includes the Minister for Works.

Mrs Watkins: What a disgusting thing to say!

Mr Carr: What a disgrace!

The SPEAKER: Order! It is unnecessary to criticise anybody in this place in such a personal way. I would like debates in this place to centre on the points under discussion rather than to attack personalities.

Mr MacKINNON: I withdraw the comment even though you, Mr Speaker, did not request me to, in view of your remarks. Three Ministers are in the Chamber at the moment, but the Premier has not seen fit to attend Parliament for this most important debate, and I understand she will not be in the Chamber during question time today. The handling of the parliamentary business this year has reached an all time low. At the end of this parliamentary session 40 Bills have been introduced in two weeks and we are expected to debate those Bills on behalf of the people of Western Australia. It is nothing less than a scandal. It is a disgrace and reflects on the democratic process.

Mrs Watkins interjected.

Mr MacKINNON: The Government Whip can try to support the Government's actions as much as she likes but, just as she and her colleagues have for so long defended the Government's attitude to the establishment of a Royal Commission, she is now attempting to defend the indefensible. How can the Government claim to be conducting the business of this House in a reasonable way when we are asked to debate, for example, the Australian Securities Commission legislation – arguably the most important legislation in Federal-State relationships in the past 10 years of Australia's history – within one week of its introduction into the Parliament? In addition, we shall be asked to debate the R & I Bank Bill and the commitment to commercialisation of that bank. We have been given one week to examine that most important legislation.

Several members interjected.

The SPEAKER: Order! It is vitally important that rulings and requests by the Speaker be adhered to by members on both sides of the House. Interjections are disorderly, and members know that. They know also that I do not mind them, as long as they are put in what I call a responsible manner; that is, when the person on his or her feet has paused for breath. I will accept interjections if they are done in that manner. If they are done in a manner which is designed to shout over the top of the person on his or her feet, no matter what that person is saying, they are improper.

Mr MacKINNON: We are being asked to debate in less than a week a most important piece of legislation relating to the premier financial institution in this State. I say for the Minister's information that we do not even have the most crucial part of that legislation, which will set up an authority under which we will establish the R & I Bank as a company. I refer to the memorandum and articles of the company. The Minister may not know this, but that is what guides a company in its operations; not this Bill.

I could refer to a list of other Bills which we have been asked to debate in a short period of time. That is typical of the treatment we are given by this Government, which is Executive dominated and which treats the Parliament with contempt. I have given a commitment that on our return to Government not only will we ensure that the Parliament will play a proper role in the process of democracy in this State but also that we will not do what the Premier has done this year. The Premier said that she would change the sitting times because it was a bit tough our having to sit here late at night. However, the Premier has not been here for the last two nights, so I cannot see how it is too tough on the Premier!

Mr Lewis: She is rarely here.

Mr MacKINNON: I agree, but she is never here after 9.00 pm. I give a commitment that when I am the Premier of this State, this Parliament will sit for as long as is necessary to enable it to handle properly the business of the Parliament. I also give a commitment that we will not try to ram through legislation in the dying hours of every parliamentary session, as has been the wont of this Government under Premiers Burke and Dowding and is now the case under the current Premier. That will not occur. We will have a Parliament which works the hours that are appropriate. We will ensure that it is not abused by the Executive and that the Parliament has the necessary powers to enable it to exercise its proper role in the democratic process.

Mr Graham: Two weeks ago your shadow Leader of the House was congratulating our Leader of the House on the organisation of the Parliament.

Mr MacKINNON: I too congratulate the Leader of the House on the way he handles the day to day operations of this Parliament. I have dealt with that man, and I say with some feeling that I believe he is one of the few members on the other side of the House who is straight and honest. He is a man of ability and integrity. I do not agree with his politics, but I have a great deal of respect for the Leader of the House. I cannot say the same for many other people on that side of the House.

Mr Troy: Did you look in the mirror this morning?

Mr MacKINNON: The Minister should not interject because he will not be sitting here for much longer. I withdraw that comment; I think he should interject for as long as he can because he will not be here for much longer. The member for Fremantle will soon take the Minister's place. I would not be surprised if that occurred very soon.

The Leader of the House is now in the Chamber. He did not have to come back just because I congratulated him!

Mr Pearce: I was told during the last session that the member for Applecross was going to put me in gaol.

Mr Lewis: That is still an option.

Mr MacKINNON: That is not the issue we are talking about.

The Capital Works Budget is selling out and has sold out the children of this State in a very blatant and disgraceful way, in four main areas. First, it is not maintaining the capital structure of the Government assets we have in Western Australia. Those assets are wasting

away by the deliberate policy and commitment of this Government. Secondly, and even worse than that, any Government assets which are of any value are being sold off and the proceeds squandered. Thirdly, the Government is putting the State further into debt, at an alarming rate. Fourthly, the Government is wasting the moneys which it is spending on capital works projects through disgraceful management and a lack of ability to make the difficult decisions necessary to ensure the proper expenditure of those funds.

We are committed to an alternative in each of those areas, and I will comment on those alternatives as I proceed. Those alternatives relate to asset sales, the treatment of the Budget, forward estimates, the way this Government manages its building projects, and the expenditure of those funds. We will implement those alternatives when we are in Government for the benefit of the taxpayers of this State.

This Budget is selling very short indeed the children to whom we will bequeath this State, and who will have the responsibility to pick up either the good parts or the bad parts of the decisions we now make as a Parliament and that members opposite make as a Government. One of the legacies which the Government will leave to a future generation, and which it is now imposing on the children of Western Australia, is the disgraceful situation which applies in the education area at the present time. That disgraceful situation is being presided over by a man who supposedly has an interest in education. However, that interest has seen the maintenance and minor works budget this year slashed from \$21.4 million to \$19.4 million. When we take into account inflation, instead of the expenditure being close to \$24 million, it is \$19 million, which is about 20 per cent shy of what it should have been.

I ask members to recall when in Western Australia's history have vandals been able to go to a school, write graffiti all over the walls, and, by Government policy, that graffiti would not be removed? That happens in third world countries, which cannot afford to remove graffiti, but it is now happening in this State.

Dr Edwards: Many of those countries do not have schools.

Mr MacKINNON: I agree. We have schools, and this Minister is presiding over a Government which has determined that graffiti will not be removed unless it is offensive. So vandals can write whatever they like on the walls of a school in this State, and as long as it is not rude or offensive, it will not be removed. The logic of that situation is beyond my comprehension.

Worse than that, this Minister and this Government are presiding over a situation where maintenance levels in every school in Western Australia are being reduced to the extent that the quality of those buildings is deteriorating. Mr Speaker, you know as well as I do that unless you maintain the level of maintenance of your home on an annual basis it will cost you double that amount to catch up the following year; it will cost you double plus a margin, because it has deteriorated even further. The legacy which this Government is now passing on to both future generations and Governments to fund is the catch-up funding that will be necessary. So next year, the minor works budget will not have to be \$24 million, which is what it should have been this year, plus an additional 10 per cent, which would make it \$27 million, but if it is to be relative, next year to catch up it will need to be \$30 million to \$33 million, almost double this year's allocation. That is the stupidity of the policy now being followed by this Government in this capital works budget.

The Government intends to put children into dangerous situations at school. The Government has issued an instruction that no routine tree lopping will be undertaken, and that where hazards occur, that work is to be undertaken as a fault. We do not know when a tree will become a hazard until it starts to fall. We need to undertake regular maintenance – as is done annually by the State Energy Commission along power lines – in order to prevent hazards from occurring. So the Government is putting children into a potentially dangerous situation.

[Leave granted for speech to be continued.]

Debate thus adjourned.

[Continued on p 8139.]

Sitting suspended from 1.00 to 2.00 pm

[Questions without notice taken.]

MATTER OF PUBLIC IMPORTANCE*Royal Commission Into WA Inc – Terms of Reference*

THE SPEAKER (Mr Michael Barnett): Earlier today, within the allotted time, I received from the Leader of the Opposition a letter relating to the terms of reference of the proposed Royal Commission into WA Inc. Subject to sufficient members rising in their places in support of this matter, I will allow it.

[At least five members rose in their places.]

The **SPEAKER**: In accordance with the Sessional Order, half an hour will be allocated to each side of the House for the purpose of this debate.

MR MacKINNON (Jandakot – Leader of the Opposition) [2.36 pm]: I move –

- (1) That this House agrees that the WA Inc Royal Commission terms of reference must include:
 - (a) A clause ensuring, as was the case in the Victorian Royal Commission, an all encompassing authority to report on –
 - (i) whether there was dishonesty, impropriety, malfeasance or negligence on the part of any person;
 - (ii) whether there was any failure on the part of any Minister of the Crown, officer of government department or any of its agencies to conduct appropriate administration, supervision or monitoring; and
 - (iii) whether government policy caused or contributed to any losses incurred in the various matters which are the subject of the WA Inc Royal Commission Inquiry;
 - (b) A specific reference that no claim for executive or Crown privilege by any present or former member of Parliament will be accepted;
 - (c) Sufficient authority to inquire into the Government's role and propriety of action in all the various business deals that have become known as WA Inc and include all dealings in this area including:
 - (i) the SGIC;
 - (ii) the GESB;
 - (iii) the R & I Bank;
 - (iv) the SEC; and
 - (v) any other Government Department or Agency
 - (d) A specific reference to inquire into the Smith "Government" file and specifically allegations involving Government surveillance of Opposition members of Parliament and who authorised and paid for such activity, and to whom the information was provided, and the report of bribery in the Stirling City Council; and
- (2) That the Terms of Reference be announced as a matter of priority so as to enable parliamentary and public debate on their adequacy.

We now have a commitment to a Royal Commission by the Premier and the Government of Western Australia, belated though welcome that announcement was. Two outstanding matters relating to the Royal Commission need resolution: The appointment of the Royal Commissioner; and the terms of reference. The Premier has given an indication that she will not, despite that commitment to the Royal Commission, consult the Opposition parties on the terms of reference of that Royal Commission or on the appointment of the Royal Commissioner. Today in this motion we want to have the opportunity, prior to the announcement of the Royal Commissioner, to outline what we think are some of the important principles that must be included in the terms of reference for any Royal Commission.

The Liberal Party has already put forward in specific terms what it believes should have been the case in the form of the Royal Commission Bill which it introduced into this Parliament

earlier this session. Quite a bit has happened since that time and, given that the Government will make a decision on the terms of reference within the next few days, it wanted to make sure that its point of view is on the record so that the Premier and the Government will take into account that point of view and, we hope, support this motion which encompasses the primary and basic principles that should be included in the terms of reference.

The first point is that, in relation to paragraph (a) of the motion, the Government should learn from the mistakes of the McCusker report. The lesson from the McCusker report was that it did not resolve the public concern about WA Inc by announcing a limited inquiry. I was interested to hear the Premier this morning on the Marie Mills Show admit that the McCusker report was not inadequate. When asked about what she was looking at for the terms of reference she said that, among other things, she was looking at deficiencies or things left unexamined by the McCusker report. She has at last acknowledged what we have said all along about the deficiencies of the McCusker report.

Paragraph (a) requests the Government to follow the lead of the Victorian and Queensland Governments. It is interesting that a Government in Queensland of the directly opposite political persuasion of this Government held a Royal Commission, and also that Victoria has just appointed a Royal Commission. In each State, the Royal Commissions' terms of reference allowed an inquiry along the lines of the terms of reference we have included in paragraph (a) of the motion. Victorian matters which we have included in that paragraph were included only after the Liberal and National parties in Opposition stressed very strongly that that was what should occur and the Labor Premier agreed. In Queensland, Fitzgerald had to go back to the Government, after his initial terms of reference came down, in August 1988 to get broader terms of reference which I referred to earlier and which referred to matters such as neglect, violation of duties, official misconduct and impropriety. All of those are fundamental to any commission established to inquire into WA Inc. If clauses similar to those are not included in the terms of reference of the Royal Commission, the Opposition will not accept the terms of reference and neither will the people of Western Australia.

Secondly, we want acknowledgment by the Premier that her commitment given in the Parliament and outside the Parliament that no claim of Executive privilege will be included in the terms of reference will be fulfilled. There is no reason that it cannot be included as a specific term of reference to ensure that the Premier's integrity and bona fides are maintained. It is an important and fundamental factor if this Royal Commission is to have the credibility and integrity we all hope it will have.

Thirdly, the inquiry must have sufficient authority, as referred to in paragraph (c) of the motion, to inquire into the Government's role and propriety of action in all the various business dealings known as WA Inc. Reference was made to that aspect in paragraph (a) of the motion.

I am concerned that the public comments made by the Premier in the last few days appear to indicate that the terms of reference of the Royal Commission will be somewhat narrow. She has said that they should not be too broad because otherwise it would take 10 years to complete the inquiry. I do not believe it will take that long; I suggest it will probably take a little more than a year. I have indicated that the Government has done the right thing in setting a one year period for the appointment of the Royal Commissioner. Any inquiry should enable the commission to inquire into the various matters relating to the State Government Insurance Commission – of which the Opposition has been critical – the Government Employees Superannuation Board and the Government's use and abuse of the R & I Bank. It is a scandal that the other day it was revealed that the R & I Bank had loaned money to Warren Anderson. It should also include the State Energy Commission and its involvement in the Rothwells rescue, and any other Government department or agency. If the Premier of this State does not ensure, for example, that the Midland abattoirs are part of the inquiry, she will stand personally condemned. I am sure my colleague, the member for Applecross, will confirm that three current Ministers of the Crown – the Premier, the Minister for Education, and the Minister for Community Services – were involved in that scandalous Select Committee and the work it undertook. It was scandalous in the way it conducted itself and in the report it published. If the events surrounding and involving the Midland abattoirs issue and the conduct of that Select Committee are not included, it will be seen for what it is – a cover-up of the actions of the Government in WA Inc matters. The motion also states that the Royal Commission must not be excluded from examining those

affairs which involve the Government of Western Australia and particularly the propriety of the Government's actions in each of those affairs. It must be established in connection with the points listed under paragraph (a) whether Ministers of the Crown were involved in dishonesty, negligence or malfeasance or whether there was any failure on the part of any Minister of the Crown to conduct appropriate administration, supervision and so on.

The terms of reference of the Royal Commission will not be adequate if it is unable to examine the very specific allegations and concerns that have been raised about the Smith "GOVT" file. As I have said publicly in the past, this issue is probably the most important aspect of all the matters raised in this Parliament in the past three or four years. It goes right to the core of the democratic process of this State. I repeat that the nonsense spoken by the Premier and others about the Foss committee are highlighted when one considers that committee. The Premier said it is not appropriate for Liberal members of the upper House to inquire into the actions of Liberal Party members. I refer to item 12 of the matters into which it is proposed the Select Committee shall inquire, and will read them to the House as an indication of why the Government is so paranoid about that committee. It is suggested that the following matters be investigated –

6. who requested it to be done, and –
 - (a) were any present or former Ministers or members of Parliament or their staff or associates directly or indirectly involved in such request;
 - (b) how it was paid for;
 - (c) how much was paid;
 - (d) by which department was it paid;
 - (e) who authorised such payment;
 - (f) what appropriation was relied upon to justify such payment

It continues –

8. what source payment was made from if payment was not made from Government funds;

It continues –

10. which present or past members of the Government or their staff were aware of the nature of the work which was done or the contents or existence of the tape prior to or in excess of public disclosure.

Perhaps the Minister for Justice was referring to that in his comment reported in a south west newspaper that he was aware of certain matters. The Royal Commission must be given the power to determine these matters. It was further suggested that the Foss committee should inquire into the following –

11. if such persons were aware prior to or in excess of public disclosure why they did not reveal their knowledge to –
 - (a) the Parliament;
 - (b) the Corruption Commission;
 - (c) the public.

That is what the Foss committee is all about and those are the central matters. They are of key importance to the Smith bugging files. So too are the issues of propriety involving the Stirling City Council. That matter has also been included in this motion. Central to the whole issue is why a private detective in the employment of the Government was at the same time spying on Liberal members of Parliament. That is a fundamental issue, and if it is not included in the terms of reference of the Royal Commission, that will again be a condemnation of this Government and an indication of its inability to ensure that all these matters are inquired into.

Finally, the motion concludes with the request that the terms of reference be announced as a matter of priority to enable parliamentary and public debate on their adequacy. It will be noted that the Opposition has not asked for the announcement to be made as a matter of urgency; early next week or at the weekend will be good enough. We do not ask the

Government to rush this matter, clearly it must ensure that it covers all the points raised in this House both now and when the Royal Commission Bill was debated earlier in this session of Parliament. Given that the Opposition has led the fight for the establishment of a Royal Commission in Western Australia, and that it has forced the Government's hand by and large to set up that Royal Commission, I do not think it would be appropriate to make that announcement without giving the Parliament a brief opportunity to debate the adequacy of those terms of reference. After all, Government members and Opposition members represent the people of Western Australia in this Parliament, and they are looking for guidance and leadership from the Government on this question. As members of Parliament we have the right to discuss those terms of reference when they are announced and to express our opinion on their appropriateness or otherwise. I sincerely hope that on this occasion in Parliament the Government will not play silly games and amend this motion, but will instead support it so that some confidence can be restored in the Government and so that its statement when announcing the appointment of this Royal Commission can be relied upon and believed.

MR COWAN (Merredin – Leader of the National Party) [2.49 pm]: I second the motion. I begin my comments with the issue on which the Leader of the Opposition concluded. It is quite apparent that this Parliament will not be able to directly debate the terms of reference of the Royal Commission. It is true that, because a Bill amending the Royal Commission Act was introduced and debated in this House recently, we are able to enter into some general debate about Royal Commissions, but I do not think it will be possible for this Parliament to debate directly the terms of reference which will be given to the Royal Commission inquiry.

There is one perturbing feature about that. The terms of reference will be finally determined by the Government. It is mostly the activities or actions of Ministers and officers acting under orders from Government Ministers – in other words public servants – in conjunction with some individuals in private enterprise about which we want the inquiry conducted. We have a situation where Caesar is judging Caesar.

Let us remember that the Government is supposed to be an instrumentality of the Parliament. It is very important that the Parliament should have the capacity to debate the terms of reference of the Royal Commission of inquiry. It causes me some concern to witness the statements being made by the Government which would indicate, to me at least, that the terms of reference will not be brought to this Parliament for direct debate, but will be announced at some stage after the Parliament rises. I am sure the Government will take the opportunity when one of the forums which can be used for public debate, the Parliament, will be in recess for the terms of reference to be announced by the Premier. That is very disappointing, but I can see that that appears to be the strategy of the Government.

It is very important to address two others matters: Firstly, the timing of the announcement. As I have said, the timing of the announcement of the terms of reference will undoubtedly be after the Parliament rises, so I do not think the terms of reference will be delivered to the people of Western Australia much before the end of next week. Unless we proceed somewhat more rapidly with the matters before the House it is very likely that we will not see those terms of reference much before Christmas.

Given the delays in persuading the Government to get to the position of calling a Royal Commission, I have no argument with the delay in finalising the terms of reference. In Victoria an inquiry was announced and terms of reference given where some people are already saying that those terms of reference are inadequate. That inquiry will deal mainly with projects concerned with the Companies Code. In fact the same complaints which were made about the limitations imposed on the McCusker inquiry are now being made about the Victorian Royal Commission of inquiry inasmuch as it will be too limited in its pursuit of the losses incurred by the Victorian Tricontinental Bank.

In Queensland the Royal Commission of inquiry was announced and given terms of reference. The commissioner had to come back to the Government on two occasions to have the terms of reference extended purely and simply because in the first instance they were not broad enough to satisfy the inquiries being conducted.

I have no argument about the time the Government might take, but I would like some commitment to be given that the Parliament will be recalled. If the terms of reference cannot be completed before the Parliament rises, let Parliament be recalled and those terms of

reference be debated at a special sitting of the Parliament. It would not be all that disadvantageous to the Government, because it is very much a case of Caesar being judged by Caesar. We want an inquiry into the Government's failed business dealings. For the Government to determine the terms of reference on its own would be a mistake. It would be far better to broaden that input to the Parliament rather than just the Ministers of the Crown who form the Government.

Another very important issue is something which was not addressed in the Premier's announcement the other night, and that is the question of Crown or Executive privilege. We need a categorical undertaking from the Government. It does not have to wait until the terms of reference of the inquiry are announced; we need a statement now from the Government that there will be no excuse for anybody. If the commissioner calls somebody to give evidence, that person will not be able to claim Executive or Crown privilege. It is very important that that is clearly understood. It needs to be stated quite categorically. It can be stated now. It needs to be done to reassure the public that having finally reached the decision to have a Royal Commission of inquiry, the Government is dinkum about it and it will not be a whitewash.

I strongly support the terms of this motion. It is important that the terms of reference are debated in this Parliament. It is important that the terms of reference are as broad as they can possibly be. It is also important that nobody will be able to claim privilege or immunity, and that an announcement is made about when the terms of reference will be delivered to the people of Western Australia.

MR PEARCE (Armadale – Leader of the House) [2.56 pm]: The Government does not propose to support this motion for this reason: The wording of part (a) is in very specific terms and calls on the Government to put a specific form of words into the terms of reference of the Royal Commission. We do not propose to accept the words in the form they are put in the motion. I believe they have been taken out of the terms of reference of the Victorian inquiry which was established under somewhat different circumstances.

Nevertheless, I shall respond to the general points which have been made. The Government will take this motion on board as an Opposition bid for what should be in part of the terms of reference. It is the Government's intention to announce the terms of reference very soon. The Premier has been saying for two or three days now that we are close to making that announcement. It will certainly be made before the Parliament rises, so the question of recalling the Parliament and all the other things the Leader of the National Party wants will not be necessary.

Likewise we hope to be in a position to make an announcement with regard to who shall be the Royal Commissioner, but that is not something we can decide for ourselves. Offers have to be made, things have to be discussed and someone has to accept the offer. That is taking a little more time than some of us thought it would. It is certainly not the case, as the Leader of the National Party seemed to suggest, that the Government is setting itself up for a whitewash. We are turning over the whole conduct of the inquiry into these matters to somebody else. It will not be a Government person; it will be an appointed Royal Commissioner who will be independent, and it will be someone of such stature that the State can feel he is an independent and competent person of integrity. As a result the fears raised by the Leader of the National Party will be put to bed very quickly once the terms of reference and the commissioner are announced.

The Premier has already made it abundantly clear that the terms of reference and the powers entrusted to the Royal Commissioner will be wide and comprehensive in regard to the matters to be inquired into. The Premier made that commitment when she first announced the Royal Commission; that commitment will be honoured, and it will be seen to be honoured once the terms of reference are published and once the name of the person to conduct the Royal Commission is known.

The Government is not unduly concerned with the point of view being put forward by the Opposition because it is one which we accept. The terms of reference need to be wide with regard to the powers, and comprehensive with regard to matters to be investigated. The Royal Commissioner needs to be a person of great competence and integrity who will clearly be independent of the Government, and the people of Western Australia will need to have confidence in this process. There would be no reason for the Government, having called a

Royal Commission, to set it up in such a way that it would be seen as shonky or quickly seen through by the people of Western Australia.

Many of the allegations which will be made before the Royal Commission will prove to be baseless, scandalmongering, self-serving or designed for political reasons, and the Royal Commission will find in many cases that there is no substance in them. In other cases he may well find substance, but there is no purpose in the Government's setting this commission up in a way which will be quickly seen through. We would still have all the pain of the allegations made, but we would not get a decent result at the end of the day. Before the McCusker report was produced, many members said the same things as they say now.

Mr Lewis: And we were proved correct.

Mr PEARCE: You were not.

Mr Kierath: And more.

Mr PEARCE: No, that is not the case. Members opposite made all sorts of claims about corruption of Government members, about matters into which McCusker was inquiring.

Mr MacKinnon: The Premier admitted that the McCusker inquiry was not adequate.

Mr PEARCE: I am not talking about the matters into which he was not inquiring. People on the Opposition side made claims of corruption with regard to those matters. Mr McCusker found clearly that that was not the case. My view is that the Royal Commissioner will find the same result with regard to this matter.

The second point relates to Opposition participation. It was a pity to see the Leader of the Opposition launch once more into a defence of the Opposition's actions in not curtailing its committees in another place. When it comes to saying that the Opposition ought to be involved in writing the terms of reference, I had assumed that the Opposition was involved in writing the terms of reference for the Foss Select Committee. If ever there was a self-serving set of terms of reference, it is those of the Foss committee.

Mr MacKinnon: Don't you want to find out who was involved in clandestine activities?

Mr PEARCE: Claims have been made that someone had been bugging me, I understand. I do want to know the answers to some of the questions, and they will be referred to the Royal Commissioner. That matter needs to be settled by him because when the terms of reference were written for the Foss Select Committee one allegation was that a person or persons – and we cannot name them for a range of reasons – took \$30 000 to progress a planning decision of the City of Stirling. The Foss committee wants to inquire into who is making tapes about that allegation. I would have thought that anyone faced with such an allegation, would draw up terms of reference that would at least look at the criminal offence first, to find out if people were routinely, or even in a specific way, making money out of planning decisions of the City of Stirling. That should be investigated.

Other matters also need investigation, but the way the terms of reference of the Foss committee are set up the bribery allegations are down the list of priorities. The terms of reference are determined to be a steering away of people from an investigation which could be very embarrassing indeed for members opposite. There is no point in members opposite saying that they are experts when it comes to writing terms of reference. In his speech today, the Leader of the Opposition was concentrating away from a key allegation which needs to be investigated in the City of Stirling.

The terms of reference of the Royal Commission will allow for a proper investigation not only into the City of Stirling but also into the other matters the Leader of the Opposition has raised. However, when we look past the Foss Select Committee to the efforts of the Pike Select Committee we see the real motivation which drives the Opposition in these matters. The Pike committee is desperate to get a witness or two to make a wild set of allegations or two before the Royal Commission is set up and takes over – Mr Lewis: How do you know that?

Mr PEARCE: That is what is happening.

Mr MacKinnon: How do you know? Have they been telling you?

Mr PEARCE: They have been telling "The 7.30 Report", and I can watch television with the best of them. It is not very hard to see precisely what has been happening with the Pike Select Committee.

Mr MacKinnon: Is it proper to allege that a Select Committee in another place is leaking information? What proof do you have?

Mr PEARCE: Fact one is that a person presented an unsubstantiated claim – an untested, unproven and untried claim – that a bribe had been offered to a former member of Parliament –

Mr Kierath: How do you know?

Mr PEARCE: I saw it on "The 7.30 Report".

Mr MacKinnon: That was not "The 7.30 Report". I watched that program, and I have a transcript of it. Michael Heath did not say that.

Mr PEARCE: It was unsubstantiated –

Several members interjected.

Mr MacKinnon: Have the Government members on that committee been telling you that?

Mr PEARCE: No, I have not spoken to any member on the committee. This claim was based on the evidence, as I understand it, of a single witness, and it is unsubstantiated. That has been leaked to "The 7.30 Report" by a person or persons unknown.

Mr Clarko: Did you hear it on Channel 9 last night?

Mr PEARCE: I heard it on "The 7.30 Report" and read about it in *The West Australian* as well. No bribe was actually paid, no money changed hands, according to the claim apparently made before the upper House committee. Yet contrary to the privilege of the House that matter has been leaked. What would be the purpose of that?

Mr MacKinnon: You don't know that it leaked out of that committee. It could have come from Corporate Affairs; it could have come from anywhere.

Mr PEARCE: An allegation has been put before people without its being tested. The real difference between the Royal Commission and the Pike Select Committee is that before a Royal Commission allegations are tested by independent and impartial people. Before the Pike Select Committee they are not; they just get reported, either by way of a leak – as in this case – or they are reported by the Pike Select Committee producing its own report of allegations.

I have never struck before anywhere in the history of Select Committees in this place or any other, the proposition that a Select Committee should publish a report of allegations without testing those allegations. What is the purpose of a Select Committee's inquiry into allegations if its only job is to print allegations under privilege? For the Opposition to have any credibility in this matter, it should heed the words of the editorial in *The West Australian* that dealt with this matter.

There is now a process in Western Australia for testing these matters. If the Opposition has anything to put to the test, any allegation which can be backed up with proof, that formula is in place. That is why the Opposition is so jumpy about a Royal Commission. That is why motions are moved regarding terms of reference. That is why the Pike Select Committee is trying to drag the last shred of political advantage from the situation. The Opposition has nothing to put before a Royal Commission. When I entered the House on Royal Commission day, I said that now was the time to put up or shut up for the Opposition. All we have seen since that day is much squirming by the Opposition; it has a real desire not to face up to what it has helped to create.

Mr Clarko: What about yourself? Were you not the Minister for Transport when changes were made to an Observation City inlet road to the lobby? Someone told me that you made a decision to override the Australian standards. If it was not the Leader of the House, it was another Labor Minister for Transport.

Mr PEARCE: That is typical of the member for Marmion and his colleagues.

Mr Clarko: A council official said to me that in regard to the entrance to Observation City a

special road exists which is totally against the national standards. The standards were overridden by a Minister for Transport in this State who gave special approval, contrary to the national standards.

Mr PEARCE: That claim is not true.

Mr Clarko: The road clashes with Australian standards; I drive past it every day and there is great potential for traffic accidents every five minutes.

Mr PEARCE: The totality of that claim is not right. I have no problem with going before a Royal Commission and discussing that or any other matter. What is the Opposition's problem in dealing with a Royal Commission in that way?

Mr Clarko: I have no problem.

Mr PEARCE: Why does the member not take that claim to the Pike Select Committee or the Foss Select Committee?

Mr Clarko: Mainly Government people will be in trouble. When the Leader of the House talks about the City of Stirling, some of his pals are involved.

Mr PEARCE: That is what the member hopes. However, the facts are different. As with the McCusker report, findings will be made. Those findings will bear not only on the credibility of the people investigating but also on the credibility of people who made the allegations in the first place. That is the aspect of the matter that only sank home to some people on the opposite side of the Chamber the day the Royal Commission was mentioned. Judgments will be made about the credibility of the people making the allegations. Time will tell what the findings of the Royal Commission will be. The Opposition will not need to worry about the Royal Commissioner being given wide powers or a comprehensive brief. That will be the case. It will be done very soon and the Opposition will have the opportunity to make all the claims it wants. I point out to the people of Western Australia the fact that the Opposition is scrabbling for the last little bit of political advantage out of the Pike committee because it has no confidence in the Royal Commission.

MR LEWIS (Applecross) [3.11 pm]: We should remember that this debate is about an inquiry into Government business dealings and how those dealings have been seen by the Opposition, the media, and the public of Western Australia. We have grave concerns that illegality may have been associated with these dealings. What the Leader of the National Party said about the Government's appointing or structuring terms of reference for an inquiry into itself is very true. Therefore, the Government must be particularly careful to ensure that it is not seen by the public as trying to hide behind the terms of reference by not allowing a full and comprehensive inquiry into the allegations and controversy in the Press over the past six years. The Government would not want to be put in the position Premier Kirner in Victoria found herself when a member of that Royal Commission resigned because he was found to be an inappropriate choice.

Mr Taylor: That is not right.

Mr LEWIS: It is true though.

Mr Taylor: No, it is not.

Mr LEWIS: He had to resign because he had worked as an adviser to the Victorian Government. He took the proper course and withdrew. The Victorian Government had to amend those terms of reference on at least two occasions to make them suitable and appropriate to the task that the public of Victoria saw was required. I would hate to think that the Western Australian Government would make the same mistake that it made with the McCusker inquiry where Robinson Cox framed the terms of reference, presented them to the Attorney General who, after vetting them, presented them to the Ministerial Council of Attorneys. Those terms of reference were ridiculously narrow; they did not include the investigation of any Government business dealings or mention the Bond Corporation. All they did was to inquire into the massive corporate failure of Rothwells. Although the Opposition called on the Government to widen those terms of reference the Government in its stubborn stupidity hid behind the narrow terms of reference. The Government told the Opposition that it would get what it was given.

Mr McCusker brought down a very large report, and the Government hid behind it and said

that we did not need a Royal Commission. Mr McCusker did not investigate matters which were brought out week after week by a concentrated campaign of the Opposition and the media who had seen the truth in what was not revealed in the McCusker report. In the end the pressure from the public of Western Australia was so great that the Government recanted and said it would appoint a Royal Commission. It is a Royal Commission into the Government, and it is right and proper that the terms of reference should be adequate. The Government should approach the Leader of the Opposition and the Leader of the National Party and liaise about the terms of reference. However, the Premier and the Government have been so arrogant as to say "You will get what you are given". Is not the Opposition a legitimate part of the Parliament of this State? The propriety rests with the Government; it should ask the Opposition whether the terms of reference are suitable.

The terms of reference must be broad enough to enable the commissioner to fully vet all allegations if a witness brings forward matters which have not been heard before. The commissioner or his staff should have the ability to go down that track if he or she believes a proper investigation should be undertaken. They should not be so inhibited that investigations are cut off, which is what happened with the McCusker inquiry. This Royal Commission and its terms of reference must get to the heart of what went wrong. The briefs of the terms of reference should be: What are the total losses that can be rung up to WA Inc? Why did it happen? Where were those checks and balances that normally exist within a bureaucratic structure and Executive Government? Why did we end up in the mess that we did? Who is responsible for what happened? Many different allegations have been made. One only has to read the list in yesterday's paper of what Mr Connell thinks should be investigated. He was close to the Government – perhaps too close – and if he says all those matters need to be investigated, obviously the terms of reference should be wide enough to allow that. I am not saying that they must all be investigated, but if the commissioner sees the need he should be able to investigate them.

The Royal Commissioner in his findings must recommend to the Government what measures should be put in place so that these things do not happen again. He must identify those wrongdoers, not just in the course of breaking a law, but also in the course of malfeasance, dishonesty, violation of duty and impropriety. He must investigate what Government departments should or should not have done especially the various agencies such as the Government Employees Superannuation Board, the State Government Insurance Commission, the State Energy Commission of Western Australia, the R & I Bank and the Police Department. The terms of reference must be wide enough to inquire into political donations which may have been made prior to or subsequent to certain acts of the Government; that is very important. That critical point was included in the terms of reference of the Queensland inquiry. The terms of reference must include Ministers, past Ministers, past members of Parliament, Government departments, their agencies, advisers to the Government and any person who has been involved.

I will recap by saying that the terms of reference must be comprehensive enough to allow a complete investigation of all the matters to do with WA Inc as well as other matters referred to in the course of those inquiries. They must be wide enough to establish the dishonesty, violation of duty, impropriety, malfeasance, and neglect of fiduciary duty by Executive Government, and whether there was appropriate administration of Government agencies and police. It must inquire into the Government's surveillance of members of this Parliament; why the Government was paying someone to sweep the phones for taps of a person who was charged and standing before the courts on a serious matter.

Why did the Government have to do that? That in itself is a scandal in the extreme. There must be no Crown privilege for any present or former Minister which will enable him or her to cop out and not answer questions. The Smith file must be investigated. I was pleased to hear the Leader of the House say that the Royal Commissioner and the terms of reference will be announced before this Parliament rises because it is important that those matters are debated. We have also to find out why it happened, what are the total losses, and who is responsible. We must ensure that it does not happen again, and identify how we can recover the money lost and the people responsible for the wrongdoing.

MR TAYLOR (Kalgoorlie – Deputy Premier) [3.21 pm]: I want to give an example of how people can interpret things incorrectly. As the Leader of the House pointed out to Opposition members, they must be very careful what they say in these circumstances. The

member for Melville referred to the situation in Victoria in which a proposed Royal Commissioner was forced to resign.

Mr Lewis: He withdrew.

Mr TAYLOR: Whether he withdrew or not, an accusation was made by the Victorian Leader of the Opposition that he had a working relationship –

Mr MacKinnon: He was the Deputy Leader of the Opposition.

Mr TAYLOR: The Deputy Leader of the Opposition. The accusation was that he had a working relationship with John Cain which went back to their sharing a holiday house on the coast of Victoria. That was not correct. In fact, even though that person was forced to withdraw or had his commission withdrawn by the Government, after the event the Deputy Leader of the Opposition in Victoria apologised and said he was wrong. Therefore, members of this Opposition must be careful and make sure that they have their facts reasonably straight.

Mr MacKinnon: That individual who was forced to withdraw was a political adviser to the Government.

Mr TAYLOR: He may have been. He was forced to withdraw and the Victorian Deputy Leader of the Opposition was made to apologise for what he said.

This Royal Commission will not be a whitewash as has been suggested by members opposite. It will be a comprehensive inquiry into past matters relating to government in Western Australia.

Mr Lewis: We have not suggested that it will be a whitewash.

Mr TAYLOR: The Leader of the National Party used that word. He said he was hoping it would not be a whitewash. I assure him it will not be.

The terms of reference will be acceptable to the people of Western Australia although I expect that, no matter what the terms of reference are, the Opposition will not find them acceptable unless they involve examination of government in this State for the last 100 years. The terms of reference will become a political football. The Government will set terms of reference as it sees fit and proper. I am sure that when the people see them they will agree that they are reasonable.

The Premier made clear where the Government stands on the matter of privilege. I support completely her view. We also must bear in mind, as has been stated on a number of occasions, that civil liberties are involved. No inquiry, including a Royal Commission, should walk boots and all over people's civil liberties.

I do not know whether it was by accident that the Leader of the National Party said that immunity should not be offered. I am inclined to agree with him, although it will be a matter for the Royal Commissioner. We must be extremely wary of immunity because, as can be seen from the Press in recent days, some people are trying to get themselves into positions of being able to do certain things with immunity. The Royal Commissioner has sufficient powers to deal with that matter without any requirement to give immunity to any person. That will be his judgment and not the Government's.

Mr MacKinnon: As it should be.

Mr TAYLOR: Immunity must be treated very seriously. We all know what happened in Queensland with immunity. A couple of people given immunity should have been the first charged with offences.

Mr C.J. Barnett: The Leader of the House said the other night that the Royal Commissioner could approach the Attorney General about immunity. Is that what you are saying?

Mr TAYLOR: I am suggesting that the Royal Commissioner must be careful about granting immunity because there are people in the community who, given the opportunity of obtaining it, would grasp it with both hands.

We have been asked when the terms of reference and the Royal Commissioner will be announced. We have been working hard on both matters. I do not expect the terms of reference to be announced after the Parliament rises. We have at least a week to go and I hope the terms of reference will be announced as soon as possible. That is a matter for the

Premier, but the sooner we do it the better off we will be even though I recognise that, whatever the terms of reference, they will be a political football. The main thing is that they are seen to be fair and reasonable and give the Royal Commissioner the ability to do the job that the people and this Parliament want done.

In conclusion, I believe strongly that the continued operations of the Legislative Council committees is an abuse of the parliamentary process and of the process of setting up a Royal Commission.

Mr Lewis: Why are they worrying you so much?

Mr TAYLOR: I will give the member two reasons. First, when the Pike committee first reported, it gave no consideration to anyone having the right to respond to the allegations in the report. It issued that report knowing full well that the Crown Solicitor and McCusker said that what it was putting forward endangered McCusker's inquiry.

Mr MacKinnon: Which it did not.

Mr TAYLOR: The Leader of the Opposition does not know that.

Mr MacKinnon: McCusker would have said so if it did.

Mr TAYLOR: I am not sure. He made his view clear to the committee. The Crown Solicitor also said that what the committee did was unfair from a legal point of view. There was no doubt that that was the case. The Foss committee wants to bypass the key issues relating to the Stirling City Council; that is, whether corruption was involved. It is sidestepping that issue.

Mr MacKinnon: I am the one who referred it to the Ombudsman.

Mr TAYLOR: And the Ombudsman found the police were doing the right thing.

The Government does not intend supporting the motion because the Government believes that the decisions it makes in relation to the terms of reference and the appointment of the Royal Commissioner will be correct.

Question put and a division taken with the following result —

Ayes (19)			
Mr C.J. Barnett	Mr Kierath	Mr Minson	Mr Fred Tubby
Mr Clarko	Mr Lewis	Mr Omodei	Mr Wan
Mr Court	Mr MacKinnon	Mr Shave	Mr Wiese
Mr Cowan	Mr McNee	Mr Strickland	Mr Bradshaw
Mrs Edwardes	Mr Mensaros	Mr Trenorden	(Teller)
Noes (25)			
Dr Alexander	Dr Edwards	Mr Leahy	Mr Thomas
Mrs Beggs	Dr Gallop	Mr Marlborough	Mr Troy
Mrs Buchanan	Mr Graham	Mr Read	Dr Watson
Mr Carr	Mr Grill	Mr Ripper	Mrs Watkins (Teller)
Mr Catania	Mrs Henderson	Mr D.L. Smith	
Mr Cunningham	Mr Gordon Hill	Mr P.J. Smith	
Mr Donovan	Mr Kobelke	Mr Taylor	
Pairs			
Mr House		Mr Bridge	
Mr Blaikie		Mr Wilson	
Mr Grayden		Dr Lawrence	
Mr Nicholls		Mr McGinty	
Mr Ainsworth		Mr Pearce	

Question thus negatived.

STATEMENT – BY THE MEMBER FOR EYRE*Royal Commission News Report – 53 Mount Street Purchase*

MR GRILL (Eyre) [3.33 pm] – by leave: Mr Speaker, I thank the House for its indulgence.

I wish firstly to refer to page 8 of today's *The West Australian* in which there is a list of detailed suggestions put forward by Laurie Connell in respect of the scope of the proposed Royal Commission. I refer to the bottom of page 8 where it states that among the matters which should be referred to the Royal Commission should be –

- (1) Purchase by Julian Grill of house at 61B Mount Street from Lord Alistair McAlpine for \$351 250;
- (2) Swap by Lord McAlpine of a house at 53 Mount Street with a value of \$750 000 for the house owned by Mr Grill;

Those few facts do not in themselves make an allegation of corruption and they do not in themselves make an allegation of dishonesty; but they do, in the way in which they are presented in the list form, certainly give an innuendo of both corruption or dishonesty. Quite frankly, it is not an innuendo that I can allow to go unchallenged or uncorrected. I forthrightly say to the House that the innuendo entailed in that news report is entirely fallacious – it is absolutely and utterly fallacious and dishonest – and it needs to be, and will be, refuted comprehensively.

I do not know whether this allegation will go to a Royal Commission. Certainly, if it does no-one can say when it may be dealt with. I am not here to argue that it should not go before a Royal Commission. If that is the way people want these matters handled, so be it. At least, a Royal Commission will give people the opportunity to clear their names and I think a number of people in this State will relish that opportunity. I do not know whether this matter will go to a Royal Commission and I do not know at what time. Therefore, I believe it is incumbent upon me to refute those allegations now.

It is also my belief that far too many allegations have been made by way of innuendo. Many of them have been made in a very snide fashion over the past few months and years; they have been made easily and, in the atmosphere that has been whipped up over the past year or two, they are very hard to refute. A number of people have been vilified and a number of people have been unfairly vilified without a shred of evidence and in circumstances where they do not have a chance to clear their name. To that extent, a Royal Commission in this State will be a good thing and it will allow those people the opportunity to clear their names.

I believe I have been specifically made a target of a smear and rumour campaign over the past couple of years. I cannot name the people who have commenced that campaign. I know some of the people who have been involved in it, wittingly and unwittingly. At times it is hard to bear some of the allegations which are made by the underground Press and some of the allegations which inevitably are believed by some of one's colleagues and which one knows are totally untrue and incorrect and are able to be substantially refuted. However, one is not in a position to do it because the features of those allegations are that they are not made directly; they are not supported by facts; they are not made in the open and there is never any evidence to support them. There is nothing to grab hold of and to refute and to say it is wrong and dishonest. Those people who have been involved in those campaigns should remember that.

The purchase of my house at 53 Mount Street has already been the subject of a huge amount of Press comment and speculation. It has been the subject of an investigation by *The West Australian*; it has been the subject of an investigation by *The Australian Financial Review* – the journalists making those investigations have indicated those facts to me. It has been the subject of comment in the *Sunday Times*; it has been the subject of comment on numerous occasions in the electronic media; and, it has been the subject of comment in that malicious underground rag put around, I believe, by friends of the Liberal Party, "Not The West Australian".

Mr MacKinnon: Do you know who put it around?

Mr GRILL: I do not, and if I did I would personally sue them and urge the Government to take criminal action against them. I do not know who they are but I hope one day they will be brought to justice.

The pertinent facts in relation to the purchase of 53 Mount Street have always been public. Many of them are on the public record and many of them can be found out by making a trip to the Titles Office to look at the mortgage documents. I have already made detailed statements to members of the Press and to investigative journalists in respect of these matters. I say to this House and to the public of Western Australia that that transaction, both on my side and on the side of companies associated with Lord McAlpine, was entirely honest. My wife and I paid the full value for that house. We received no improper financial gain as a result of the purchase. It also saddens and hurts me that Lord Alistair McAlpine, a person whom I admire, and who has made a substantial contribution to this State over a period of years and has adopted this State and country as his second home, should also have his reputation sullied by these sorts of allegations made directly and indirectly. He has adopted this country of his own free will, and I believe he has made it a better place.

I have made, in detailed form, not just verbal statements to investigative journalists and to the Press, but also have made available a detailed written statement of the sequence of events in relation to this transaction. I do not have time today to go through those events, dates and payments because that statement is long and detailed, but I am prepared to table this document, which sets out, in clear, consecutive terms, the process by which that house was purchased by me and my wife. That document has been available and in the hands of the Press for months and months. It has been the subject of painstaking and detailed inquiry. I have never heard that one fact set out in that statement has been in any way seriously questioned.

[The paper was tabled for the information of members.]

Mr GRILL: Not only that, the sale and purchase of this property was the subject of a very intensive inquiry by the Corruption Commission – an inquiry that was conducted over some weeks, which involved the interviewing of dozens of witnesses, and which caused me, my wife and children intense embarrassment. Those policemen, who were operating, they tell me, in accordance with proper police instructions, did not come to me with those allegations in the first instance. They did not ask me to refute the allegations that had been made – and I might say made in secret, by persons whom I will never be able to identify, and who will never have their motives or actions opened up to any sort of scrutiny or examination. I was not asked to refute those allegations made in secret. However, a range of other people were interviewed, to begin with without my knowledge, but as time went on information kept trickling back to me from one source or another. I received telephone calls from friends who were involved with either the auctioneer, the estate agent, the valuer, the banks, the architect, the builder, my staff, the Premier's staff, or members of the Press; dozens and dozens of people. In the process of that investigation, my reputation was more than just sullied, and it was sullied in a way in which I really had no ability to clear myself. I will comment about that later.

Finally, at the end of all these investigations, when the police had beaten the bush around Perth, up and down the Terrace and the business district, in Parliament, in the Premier's office, and elsewhere, they came to me, and the first thing they said to me, in the presence of my lawyer, was, "You are in the clear. We have investigated this matter to date, and before we even ask you any questions we would like to say to you that in our eyes you are no longer under suspicion. Our investigations to date, without your saying a word, have indicated that you are certainly not guilty of the allegations that have been made against you."

I was then able to give them some documentation which absolutely put the seal on their views of my innocence. I, of course, asked the obvious question: "Why didn't you come to me at the outset and seek those documents and ask for an explanation? Why was it necessary for you to interview dozens of witnesses and to sully my name around Western Australia?" Their answer was that they were subject to normal police procedure and had been told by the Corruption Commission that the investigation had to be detailed and thorough, and that they had to go through all the facts with a fine toothcomb. They did that, and I am not complaining about that. I think they did their job, and at least I can stand here now and say they went through the facts with a fine toothcomb and found that the allegations were baseless.

However, that does not help my reputation. I asked my lawyer to write to the Corruption Commission and inquire as to whether the procedure could be changed and whether in

future, when innocent people are made the subject of baseless allegations, they can at least be given the opportunity to answer the allegations up front and to provide documentation to refute them, without their reputations being sullied in the process of a long and detailed investigation. My lawyers were simply sent back a letter, indicating a certain section of the Act, and indicating further that unless the Act was changed, they could not change their procedures. I believe that the present procedure lays it open for very substantial injustices to be perpetrated, not just on me and on my wife but on members and on everybody else in Western Australia. Widespread suspicion was raised about me in that investigation. I had no public opportunity to refute that suspicion. At the end of the procedure, there was no report from the commission which in any way cleared my name. In fact, there was no report at all.

Mr MacKinnon: The Corruption Commission does not have the power to make a report. Do you think it should have that power?

Mr GRILL: That is right, and I will get to that shortly.

There was no way in which, given that investigation and given the fact that there was no report, I could clear my name. That allows the situation to continue where people with unscrupulous desires and motives can raise these types of allegations again and again, without an opportunity being provided for those against whom the allegations are made to refute them. I do not mind these matters going to a Royal Commission if they have to, but I am not prepared to see them go unchallenged. I believe I have challenged them today.

The legislation governing the Corruption Commission is an absolute abomination. It is the source of considerable injustice, and could be the source of further considerable injustice in this State. It has the ability to unfairly ruin the precious reputation of the citizens of Western Australia, on the basis of secret and malicious allegations, which those people do not have the opportunity to counter or refute. I cannot go into a prescriptive list of the changes that I believe should be made to that legislation, but they would need to be dramatic if the Corruption Commission were to operate in any fair way at all. We are seeing in Western Australia today a Star Chamber-type atmosphere, where people with malicious motives can make secret allegations against people in the public arena and see their reputations ruined, while they themselves sit back without there being any scrutiny of their motives or actions. I do not know how this Parliament can stand by and see that continue. It has already done an injustice, and I believe that injustice should be rectified as soon as possible.

APPROPRIATION (GENERAL LOAN AND CAPITAL WORKS FUND) BILL

Second Reading

Debate resumed from an earlier stage of the sitting.

The SPEAKER: Before I call on the Leader of the Opposition to continue his remarks I want to make a statement in respect of this Order of the Day. Members should note that not all expenditure proposed in the General Loan and Capital Works Fund is involved with that fund. There are items listed in those Estimates which are funded from other sources. I advise members who wish to raise questions concerning those items which do not involve expenditure from the General Loan and Capital Works Fund that they should do so during the second reading debate of this Bill. I have informed the Chairman of Committees that consideration by the Committee of General Loan and Capital Works expenditure should be restricted to discussion of the Estimates of Expenditure of that fund alone.

MR MacKINNON (Jandakot – Leader of the Opposition) [3.51 pm]: Before I resume my remarks on the General Loan and Capital Works Fund Budget I want to make a brief comment about matters raised in the explanation to the Parliament by the member for Eyre. There are two matters about which I want to comment. Firstly, it is interesting that the former member chose today to criticise the legislation which set up the Corruption Commission. He was a member of the Government, a Minister of that Government, and he supported its creation. To date he has made no public comment, either as a Minister or as a backbencher, criticising the weaknesses of that commission.

I believe the points he made are accurate. There are weaknesses in that legislation. The Corruption Commission should have the power to report. I remind members that the Chairman of that Commission –

Point of Order

Mr DONOVAN: I am a little confused about which debate we are having. If we are to have a debate on capital works, is that an appropriate time for the Leader of the Opposition to denigrate the speech we have just heard and which should be treated with some respect in this place?

The DEPUTY SPEAKER: There is a different Standing Order which applies. The General Loan and Capital Works Fund, as far as I am aware, allows a fairly general debate, but Standing Order No 117 states specifically that there shall be no debate on matters of personal explanation. That is very clear, so I ask the Leader of the Opposition to observe that Standing Order and tailor his remarks accordingly.

Debate Resumed

Mr MacKINNON: The Chairman of the Corruption Commission approached me, the Leader of the National Party and the Premier – not together – and we spoke to him. The Leader of the National Party and I spoke to him about his concerns about the weaknesses in this legislation, and as a consequence we have proposed a Bill which has been presented to the Legislative Council allowing the reporting to the Parliament by the Corruption Commission. I sincerely hope that members opposite will listen to the words of the former Minister, the member for Eyre, today, and look at that legislation more carefully, because I believe it is worthy of support by members of Parliament.

Mr Deputy Speaker, I acknowledge your guidance on the ruling about the matter not being debated, because I had another matter I would have liked to debate, but I shall leave it for another opportunity.

Before I return to the Capital Works Budget, I want to say this. A couple of days ago I had an interesting discussion with one of the newer members of this House. I shall not name him because I do not want to embarrass that member. I asked him, "What is the most surprising aspect of Parliament that you have found since you have been here?" He said, "I find the most difficult part the fact that parliamentary speeches seem to be a little irrelevant; Parliament is not playing the role I thought it would." I said to that member, "I am not surprised because of the way this Government treats important debates." Mr Deputy Speaker, look now! As I said this morning –

Several members interjected.

Mr MacKINNON: I am talking about Opposition and backbench members like the member who interjected who are being treated by this Government as mushrooms.

Mr Catania: Speak for yourself.

Mr MacKINNON: Members should look now and see how many Ministers are in this Parliament while we debate the Capital Works Budget.

Mr Catania: It is cup-of-tea time!

Mr MacKINNON: I do not care whether it is cup-of-tea time, supper time or any other time. Look how many –

Several members interjected.

The DEPUTY SPEAKER: Order!

Mr MacKINNON: I ask members also to remember that during this whole debate today, while the Government controls the conduct of this House, the Treasurer, who is responsible for the Capital Works Budget, is not here. I am quite sure the more senior members on both sides will recall quite clearly, as I do, that under previous Premiers prior to Labor coming to power, the Treasurer sat religiously through this debate. The Treasurer would note the concerns of the member and would respond accordingly. That does not happen now. The debate we are having today is a very important one; the Capital Works Budget. As I said this morning, it is the second most important debate in this Parliament every year. The Treasurer was not here even for the Consolidated Revenue Fund Budget. She is not here again today. The remarks of that member were very accurate.

Mr D.L. Smith: It is a little unfortunate that the Duke of Edinburgh is in town today.

Mr MacKINNON: The Duke of Edinburgh is coming to the Parliament tomorrow. I understand every member has been invited to attend that function. I remind members

opposite that the conduct of this Parliament is in their hands. If members opposite had wanted to they could have adjourned the Parliament today and had another day next week or the week after. We can do that. If members want to pay their respects to the Duke of Edinburgh, as I think we should, let us adjourn Parliament. But let us have a proper debate on proper subjects at the proper time.

Several members interjected.

Mr MacKINNON: That is what should happen. It is outrageous that this Government is treating this Parliament with contempt. This is not a condemnation of the Government only; in other words it is of Ministers as well. It is just as big a condemnation of the member for Balcatta and other backbench members opposite who put up with it and allow themselves to be abused by the Executive of this Parliament. As my colleagues sitting over here who have been in Government will confirm, when we were in Government we would not have allowed it. We would not have been allowed to get away with it. It would never have happened. The backbench members would have exercised their authority, as they should. But what has happened? Members opposite have been treated like mushrooms. When did members opposite first find out that there would be a Royal Commission? Did the Premier consult them?

Mr P.J. Smith: Why should she consult me?

Several members interjected.

Mr MacKINNON: A very good question! Mushrooms!

Several members interjected.

Mr P.J. Smith: She consulted no-one, and rightly so.

The DEPUTY SPEAKER: Order!

Mr MacKINNON: Irrespective of the member, the Government should have been consulting them. They have been sitting over there slavishly defending the indefensible and supporting firstly Premier Burke, then Premier Dowding and now Premier Lawrence. How often have they ever brought backbench members opposite into what has been going on? When this Royal Commission brings out the facts members opposite will be ashamed.

Several members interjected.

The DEPUTY SPEAKER: Order! I want to make a couple of observations. One is that the level of cross-Chamber interjection is too great, and that applies to both sides of the House. The second is that in the last five minutes the Leader of the Opposition has tended to indulge in comments which come very close to personal reflections on members. I suggest that the content of a speech is more important than the individuals on whom he may seek to reflect.

Mr MacKINNON: I said earlier today that the General Loan and Capital Works Fund Budget sells out the children of this State, for four reasons. One of those reasons is that the Budget is not enabling the proper maintenance of the Government's assets. Worst of all, it will mean a greater cost to the community of Western Australia and to future generations to fix up those assets.

It is also interesting to note that the Government is prepared to treat people who live in the country more harshly than those who live in the city. It will hurt country people, as happened in my electorate at the Bull Creek Primary School, where we had to jump up and down in order to get the Minister for Education to listen and to get some capital works moneys flowing again. Let us look at what John Griffiths, the Regional Director, Corporate Services said in this document which the member for Roleystone obtained. He said in relation to the maintenance and minor works allocation –

The allocation recognises that the more remote schools will experience the effect of the reductions to a greater extent than metropolitan schools.

In other words, this Government is prepared to allow country students to suffer to a greater extent than metropolitan students. I do not accept that and I am sure members of the National Party do not accept it either. I can assure the people who live in remote areas that they will get equality of treatment rather than inequality of treatment when we are elected to office.

The second point in relation to the non-maintenance of capital projects in this State is the rate of expenditure. In his contribution the member for Cortesloe pointed out that the level of capital works funding in this State as a proportion of the Consolidated Revenue Fund has declined quite considerably since this Government has been in power. As we look to the future we see a diminution of the totality of the public assets for the benefit of the people of Western Australia. That has consistently happened under this Government, and it has happened again this year.

Mr Fred Tubby: Labor's legacy.

Mr MacKINNON: Absolutely – Labor's legacy to the people of this State will be not only a deterioration in the quality of the assets because of a failure to maintain them, but also a deterioration in the quantity of assets because of this Government's failure to maintain in appropriate proportion the level of capital expenditure necessary to ensure the public asset for future generations.

The second way in which the Budget is selling our children down the drain is that the Government is asset stripping like a plundering corporate raider. It is selling off the assets of this State at an unprecedented rate, grabbing every asset it can and then pouring the money straight down the WA Inc gurgler. Instead of selling an asset, which a Government can appropriately do if an asset is surplus to requirements, and replacing it with an asset or reducing debt, this Government is just using the money for Consolidated Revenue Fund purposes. In other words, it is selling the family silver to pay the food bill. Eventually it will run out of silver and will not have anything to eat with the silver, and it will not have any money to buy food. It will be going nowhere. It has sold the fishing line and rod and can no longer catch the fish.

Mr C.J. Barnett: It is selling the silver to pay the gambling debts, not to buy food.

Mr MacKINNON: That is a good point, and a more appropriate analogy; and selling the silver to pay gambling debts leaves our children without hope for the future. I have watched the Government's assets sales very closely. This year the Government will try to recoup \$57 million for the State from assets sales. In the Treasury papers which have been presented the Government has indicated that quite a number of properties are for sale, and I quote –

State Government Departments, agencies and instrumentalities received approval from the AMT –

That is, the Asset Management Taskforce. The quote continues –

– to proceed with the disposal of 344 surplus property assets and the lease to the private sector of 214 properties not currently required for operational purposes.

Question 224 asked the Premier on 3 May whether we could have the detail of those assets, and her reply said in part –

As a result of an Asset Management Taskforce initiative, a complete list of Government assets sold by all Government Departments, Agencies and Instrumentalities will be provided –

Members should note that it said "will be", not "may be". The answer continues –

– for the first time when the 1989-90 State Budget results are tabled in Parliament.

I ask the Deputy Premier, who is presently the only Minister sitting in the Parliament for this, the second most important Budget debate of the year, whether he will give me an assurance that that list will now be provided within the next week so that we can find out which assets the Government is currently considering for sale or has for sale.

Mr Taylor: I can give you the list of what was sold and of those that are currently being got up for sale. As a matter of interest, it is afternoon tea time, and there are not many members on your side of the House, either.

Mr MacKINNON: That was the excuse until four o'clock.

Mr Taylor: Some members stayed on for 20 minutes to listen to another speech. However, I happen to be the Minister responsible, so I will get that information for you.

Mr MacKINNON: I thank the Deputy Premier, and I ask him to make sure that in future

years that is part and parcel of the Budget papers presented. It is very important that the public assets which are being treated with by the Government are reported to the public. They are not the Government's assets, they are public assets and the public are entitled to have information about which assets are sold, and for what price, which assets the Government is considering for sale, and so on; because the public might not agree with the sale and they should have an opportunity to object to it.

The third matter I raised in my introduction was that the Government's General Loan and Capital Works Fund Budget was selling our children down the drain by putting our State further into debt each year. These are the facts, and the source of this information is the Treasurer's Annual Statements. If we add together the direct loan liability according to the Commonwealth under financial agreements, to the Commonwealth outside the financial agreement, by WA Treasury Corporation for the General Loan and Capital Works Fund and by other arrangements on 30 June 1986 the figure was \$2.3 billion, and in 1989 it was \$3 billion. That represents an increase in the State's debt over that time of \$700 million, or 30 per cent.

Do members recall what I said earlier? I said the proportion of capital works spending in relation to the Consolidated Revenue Fund is declining, we are not maintaining our assets or building assets at the same rate, but the State's debt is increasing. We are using loan funds for revenue purposes. That is the first fundamental mistake one is taught never to make when one attends accountancy school, night school, technical school or university and studies Accounting 10. When looking at the total debt one should not look only at direct loan liabilities but also at contingent liabilities; and these are the figures: Contingent liabilities by departments and statutory authorities guaranteed by the Treasurer, guarantees under the Industry Advances Act, guarantees under other Acts, and sureties. The figure in 1986 was \$4.6 billion and in 1989 it had blown out to \$6 billion. That is another increase of 30 per cent over that period, this time in contingent liabilities.

Therefore, in the last four years not only have we not got the same amount of asset replacement; not only has the Government been asset stripping this State and using the money, as the member for Cottesloe said, to pay gambling debts; not only are the assets deteriorating in quality because the repairs and maintenance program has not been kept up; but also the State Government is putting us into more and more debt every year by direct loans and guarantees – in other words, contingent liabilities. Our children are being saddled with a great debt.

Even worse than the aspects to which I have referred are the assets which are actually being constructed, because the rate of such building is dropping rapidly. These projects are being managed abysmally. I will use two examples to prove my point – the Casuarina Prison and the Perth City Bus Station. I seek leave to incorporate a document into *Hansard*.

[The material in appendix A was incorporated by leave of the House.]

[See p 8209.]

Mr MacKINNON: The estimated cost of the Casuarina Prison in 1986–87, when the design work began, was \$53.2 million; in 1987–88 the figure blew out to \$60.5 million, a 20 per cent increase; in 1988–89 the estimated total cost reached \$64.6 million, a 10 per cent increase; in 1989–90 the estimated cost increased by \$14 million to \$78.5 million; and in 1990–91 the estimated cost increased by another \$15 million to \$93.8 million. Therefore, in the last two years alone, the estimated cost of the project has blown out by 50 per cent!

Mr Kierath: In 1987 we said to the Minister for Corrective Services that his estimate of \$55 million was not accurate. We said that it would be more like \$70 million, and he told us that we did not know what we were talking about.

Mr MacKINNON: Correct. The Minister will reply to this point by stating that the increased cost was due to a few design changes. He would have had to completely redesign and rebuild the prison to justify this blow-out! The real reason for the blow-out is that the Government has not been able to tackle the union militancy.

Mr Kierath: The Government buys out the union so that the disputes do not appear in the public arena.

Mr MacKINNON: Indeed. The public will not receive a prison for \$50 million. We

estimated that the cost would be \$70 million, and at the last estimate it was \$94 million and still rising.

Mr Watt: It is not finished yet.

Mr MacKINNON: That is right. Imagine how many schools or hospitals could have been built with the money wasted by successive Ministers for Productivity and Labour Relations, who have not been prepared to bite the bullet.

I now turn to the Perth City Bus Station: In 1987-88 the estimated cost for this project was \$29 million, and the latest estimate is \$34.4 million. My prediction is that the bus station will cost closer to \$40 million by the time it is completed. Therefore, the cost has risen from the initial estimate of \$29 million to a possible figure of \$40 million. That is a tragedy! This Government has lost so much of the taxpayers' money, through not only WA Inc but also the mismanagement of the construction of these assets and the inability to tackle the militant unions with their incessant demands. The Government has been unable to say, "Enough is enough; we are not prepared to pay you any more."

Despite these outrageous blow-outs in the estimated cost of the project, the Minister for Productivity and Labour Relations walks out of the Chamber. We now have two Ministers participating in this debate on this disgraceful tragedy. I bet that each and every Minister has school children in his or her electorate who are receiving second class treatment because of this Government's failure to provide an adequate quality of service to the classrooms of this State.

Mr Fred Tubby: No wonder the Minister for Productivity and Labour Relations is going at Christmas!

Mr MacKINNON: He will probably go before Christmas.

There are alternatives to this situation: When in Government we will implement programs to see that we do not mortgage our children's future and sell them down the drain. I am in politics for my children, and I do not want them to be saddled with a huge debt. Assets sales should be used only to reduce debt or to replace other assets. That is fundamental. That should have happened with this Government, and it will certainly happen in the first year of a coalition Government which I will lead. Within four years we will achieve a balanced Budget through the General Loan and Capital Works Fund and the Consolidated Revenue Fund. Members need only look at what Nick Greiner has achieved in three years; he has achieved a surplus in the balance of New South Wales's Consolidated Revenue and Capital Works Funds. We will achieve the same result. We will reduce the burden of debt facing the people of this State which this Government is asking the children of the future to repay. We will ensure that the Capital Works Program and the Consolidated Revenue Fund will involve a three years' projection so that people can understand the direction in which we are taking them.

The Government has said to the member for Warren that the people of Manjimup will receive a hospital. This Government said that prior to the last election; however, when it lost the seat it went cold on the idea and no commitment has been given for the hospital to be built next year. When will it come? The Government will go back to the people of the electorate before the next election and say, "If you elect the Labor candidate, you will get your hospital." The Government does not provide what the people need, as it is more concerned about what will keep it in power.

Mr Kierath: It promised two schools in my electorate and did an about face. It has sold one of the sites.

Mr MacKINNON: Indeed.

Mr Fred Tubby: During every election the Government would trot out a sign on Albany Highway in Cyril Rushton's electorate promising to build the new Kelmscott Hospital; the sign was taken down every time Cyril won that seat.

Mr MacKINNON: That is correct.

When in Government we will introduce a brand new management program which will utilise private sector expertise to oversee assets sales in Western Australia. We will not tolerate being bullied by the militant unions. The Builders Labourers Federation and the

Construction, Energy and Mining Workers Union are the primary culprits, and if these unions want to undertake disruptive actions it will not be to the cost of the taxpayer. I would rather close down a project than give in to the ludicrous demands that cost this State so dearly. I will put this money into other areas where we know that the work will be done properly to ensure that we provide the services which the people of this State deserve.

As I said at the outset, the Capital Works Budget is a tragedy. It clearly shows that the WA Inc chickens have come home to roost on the shoulders of the children of Western Australia. Our children will be asked to repay the debts and put up with second class facilities for which the Government is responsible. As a result of the disastrous manner in which the Government has acted, which has seen it lose money and mismanage the assets of this State, the Capital Works Program of this State has been downgraded. The concern of the Government about the severe problems with this Budget has been more than adequately expressed to us today by the attendance of members opposite – it has been abysmal, with one or maybe two Ministers present at any one time. This clearly shows the arrogance of the Government, the kind of which I have only ever seen from a Government which is about to become an Opposition.

MR COWAN (Merredin – Leader of the National Party) [4.19 pm]: Every member of Parliament has indulged in the practice of going straight to the Capital Works Program when the Budget is introduced to see how his or her electorate has fared. No matter how hard we try, the instinct of survival leads us to those pages to see what has been done for our constituents through the General Loan and Capital Works Fund. Indications from information released over the years by the economists in this State are – there seems to be a never-ending supply of economists and consequently a never-ending supply of papers on the economy – that many years ago the State of Western Australia had a good balance of investment of taxpayers' funds in the future of this State. Nowadays, only 27 per cent of the total amount of moneys available for budgeting purposes is set aside for the Capital Works Program. Clearly, a significant reduction in the provision for the future has occurred, not only by this Government but also, I suspect, by previous Governments. That trend needs to be addressed. Greater thought must be given by Governments to providing for the future. The Government needs to set aside some of today's funds to make sure that the present facilities will be adequate in the future. If they are not adequate, additional funds are needed to make sure those facilities are replaced with more suitable facilities.

There cannot be any areas more indicative of the downward trend in allocation of moneys for public services than the areas of health and education. It seems strange that those two areas tend to be the ones most ignored despite the fact that they consume the greatest part of the funds available to the State. Notwithstanding that, the level of services is nowhere near as good as it should be and does not meet expectations. Despite a measure of increased expectation by people, Governments have not been able to keep pace in the fields of education and health. That is particularly noticeable in country areas.

It appears to me that the major thrust of Government policy – the major amount of time spent, whether it be by Ministers or officials – is not so much directed at maintaining delivery of services but at how services can be reduced. A good example of that is the directive issued by an administrator in the Health Department to some country hospitals telling their boards they should either close down for four weeks of the year or, alternatively, close their inpatient services for six weeks while maintaining their external services. What sort of service is that? What sort of Government programming and budgeting is that?

Mr Strickland: It is called crisis management.

Mr COWAN: I thank the member for Scarborough for his information and I hope some members of the Government heard it because it is time we pulled ourselves out of this crisis. One way to do that is to gradually increase the expenditure on capital works so that we maintain the level of facilities for the people of this State. It is not something that can be done overnight.

Mr Taylor: The Leader of the Liberal Party said the amount being spent on capital works is too great and the Leader of the National Party is calling for more capital works money to be spent.

Mr COWAN: I am calling for the provision of more funds for capital works programs. Most

of that can come from the Consolidated Revenue Fund, some comes from the General Loan and Capital Works Fund.

Mr Taylor: Most of the funds come from there.

Mr COWAN: I would not even say most of the funds come from there. The Government is appropriating \$285 million out of the General Loan Fund, but the total capital works fund is \$1.3 billion – the ratio is obvious. We need to invest a greater proportion of our moneys into capital works programs to provide bricks and mortar; to provide facilities.

Mr Taylor: You cannot have it both ways. You cannot have the Leader of the Liberal Party complaining that the debt is too high and the Leader of the National Party saying we do not spend enough money. In fact, the Leader of the Liberal Party is wrong, our debt burden has decreased over the past few years and measures up very well against other States.

Mr COWAN: It is not that good.

Mr Taylor: It is good in comparison with other States.

Mr COWAN: I must have different figures from the Deputy Premier. The economists provide all sorts of figures and, as an economist, the Deputy Premier must have his own set of figures. The figures given to me show that, per capita, Western Australia's debt is not all that healthy. Although I am saying that a 27 per cent investment is the incorrect figure, I am not saying that 44 per cent is the correct figure. However, we must do a little better than we are doing at present. Two examples of services that can improve are health and education. Perhaps the example of health I spoke about previously was not appropriate; the action I mentioned took place, but it involved recurrent expenditure. The operational costs of the hospitals resulted in the request that they either close down for four weeks or close their internal services for six weeks while maintaining the outside services such as extended care, Meals on Wheels –

Mr Taylor: You live in those areas. You know as well as I that at that time of the year those hospitals slow down their operations to less than a walk. During the debate on that issue, the member for Moore, who used to be a member of a hospital board, did not mention that when he was chairman of that board it took the same action. The hospital may not have closed down, but staff took leave, people left the area and things slowed dramatically enabling the hospital's operations to be slowed. The same action has been taken over many years at the Kalgoorlie Regional Hospital. I am sure it will happen again; it makes good sense.

Mr COWAN: That sounds fine, but we must consider the purpose of a country hospital. It probably has three or four objectives; namely, the provision of emergency services, gynaecological and obstetric services – maternity services – the need for permanent aged care where no other form of permanent aged care is available and extended services like Meals on Wheels and sisters visiting various patients at home.. If the hospitals are to be closed, the Minister should explain to those people how the goldfields hospital operated so well and how those country hospitals, if they are closed, will provide maternity care or emergency services. The Kalgoorlie hospital is large enough to absorb some of those losses.

Mr Taylor: I did not say the hospitals should close. You know full well they slow down to a walk – that is the issue.

Mr COWAN: It is not the issue.

Mr Taylor: They should be staffed accordingly.

Mr COWAN: Precisely; would it not have been more appropriate to have allocated those hospitals' funds and allowed them to run their budgets while reminding them that the Government would not tolerate cost overruns which had been accepted in the past? Those days are finished. The hospitals should not have been told that they would lose services nor given an indication that the Government did not care about them.

Mr Taylor: It certainly focused their attention and they have now sorted out the matter.

Mr COWAN: Of course they have, and they would have done so anyway. However, it did not require a heavy-handed Government coming down so hard on hospitals.

I am glad the Minister for Education has returned to the Chamber because I wish to discuss his portfolio. People who live in country areas and who, as a result of their geographical

location, live too far away from a senior high school for their children to bus to school while living at home, are presented with three options. Firstly, they can opt for distance education for their children, although many are reluctant to do that for the simple reason that it is difficult to operate the distance education service in a high school. Secondly, they can send their child to board in a hostel in the country or, thirdly, they can send their child to school in Perth. Parents must make individual decisions about the option they choose. What are their options in relation to boarding their children away from home? To my knowledge the cheapest hostel accommodation costs between \$1 200 and \$1 500 a term. I do not know how many members on the Government side of the House send their children to high schools in the metropolitan area but I should be surprised if any one of them pays educational costs of \$500 a year directly to the school, assuming that they are not paying fees for private schools. It costs more than \$5 000 a year to board a student at a high school hostel. Members of this community are supposed to all be equal and to have equal access to a free education system. Yet because of their geographical isolation an additional cost of more than \$5 000 a year is imposed on some country parents for the education of their children. Of course, the amount is offset by the isolated children's allowance paid by the Commonwealth Government but, as that allowance is marginally in excess of 20 per cent of the cost, parents must still pay \$4 000 a year. The State also provides a small amount of money.

To make matters worse the State, in its lack of wisdom, has placed in jeopardy the existence of the hostels which provide boarding facilities for country students attending high school by insisting that they operate on a deficit funding arrangement. The St Michael's Hostel is a very well managed hostel operating in the town of Merredin. Unfortunately, that hostel does not have a sufficient number of students to enable it to operate economically or at a profit and, therefore, over a period it has built up a deficit. As a result of that deficit one bank withdrew a line of credit and the warden was unable to pay staff wages. The only advice it received from the Country High School Hostels Authority – and no doubt the directive came from a higher source – on removing that deficit was to change banks. It was told to go to the R & I Bank and run up another \$180 000 Government inspired loan. Does the Government have a commitment to education? Does the Government have a commitment to alleviating some of the additional costs imposed on the parents of students who must board in hostels because they are geographically isolated from high schools? Will the same policies continue to be pursued whereby, instead of the Government's addressing the problem, the hostel boards of management will simply be told to change banks when the deficits become too high? What sort of policy is that? It has been described by members of the Opposition as crisis management. The hostel in Merredin had a deficit of \$180 000, and it has difficulty keeping staff because of uncertainty about its ability to pay their wages. This issue must be addressed. The Ministry of Education has a budget of more than \$1 billion; God knows where it is all spent because certainly none has been allocated to the country high school hostels.

Dr Gallop: We are looking after them.

Mr COWAN: By instructing them to change banks?

Dr Gallop: They need more enrolments.

Mr COWAN: I will quite happily send to members of the boards of management a copy of the interjection by the Minister for Education that he is looking after the hostels. His instruction that hostels in deficit should change banks is not policy, it is a cop-out.

Dr Gallop: What is your policy?

Mr COWAN: I make it very clear that some action should be taken within the Ministry of Education to ensure –

Dr Gallop: The Country High School Hostels Authority exists because we are representing your electors.

Mr COWAN: Does the Minister want to listen to my proposed policy or does he want to interject? I would adopt a policy of giving recognition to the handicap faced by the parents of high school students living in isolated country areas. The Government should recognise that the extent of support it gives those people is insufficient. One way of supporting them would be by removing the deficit budget system under which they are now required to operate. Surely, from an Education budget of \$1 billion it must be possible to make some

adjustment to ensure that the hostels are given a fair go. I appreciate that close control must be exercised on the way in which hostels are run, and that those hostels with a sufficient number of students can break even and be run on an economical basis. The Merredin hostel has fewer than the number of students required to operate on an economical basis, and perhaps that is an indication of the quality of courses available to students at the local high school. Perhaps the Minister should consider the structure of the high school system so that, notwithstanding the number of students, the Ministry of Education is able to offer quality education in those high schools which because of their geographical locations and low number of students are unable to provide a full range of options under the present system.

If the Government wants to save money – I have spent the last few minutes advising it on how to spend money – I suggest that it examine the operations of the Building Management Authority and the way in which it maintains school buildings. We have heard some complaints about school maintenance programs. Some comparisons should be made between the maintenance work carried out by contractors and that carried out by Building Management Authority staff. The same could be done in connection with the cost of construction of schools built by the BMA as opposed to those built on a tender basis. Substantial savings could be made by reducing the level of the maintenance force of the BMA and having the work carried out on a contractual basis as much as possible. The BMA staff should be restricted to carrying out repairs required on an urgent basis. A great deal of money could be saved in that area. For example, three schools south of Perth required asbestos removing from the eaves of the building. On two occasions a contract was given to a private contractor. The roof of one school was removed for \$8 000, and the other for \$11 000. The BMA work force was employed on the other. Two-thirds of the way through the work \$15 000 had been spent, and there was still plenty of way to go, and this was not the largest or the smallest of those three schools.

Mr Kierath: It is the old argument of day labour versus contract labour.

Mr COWAN: There are a number of other things in relation to the Capital Works Program I would like to deal with, but I am sure many other members will have contributions to make to this debate and I would not like them to be in a position where they are told to avoid tedious repetition. We should leave something for them.

What is important in this debate on the General Loan and Capital Works Fund is that there has been a trend over a period of time for Governments – successive Governments – to reduce the level of expenditure on capital works. Over the past 12 years it has been reduced from about 45 per cent to about 25 per cent. I do not know the precise figure, but I have seen a deterioration of public facilities in Western Australia. They are not being properly maintained. I have seen a reluctance by Government to build new facilities where they are needed, but I have not seen a corresponding reluctance by Government to become involved in projects which soak up huge amounts of money in the form of public expenditure.

I do not think there is any better example than the Swan Brewery. This State is supposedly broke. The Swan Brewery has been the subject of argument and debate for a long time. The Government has released at least three or four position statements, and shifted ground from its original position on every occasion, yet we still do not have any resolution of the issue. This Government could make a lot of mileage if it came to a final decision that the Swan Brewery development should not proceed. Just as the Government was able to make a decision that a Royal Commission had to be held – and I think that did it credit – it can also restore great credit by acknowledging it is time to abandon the Swan Brewery project and go back to saving money. The Government should turn that area into public open space with limited facilities, make sure that it is linked to King's Park and to the river, make sure that the road can be realigned, and it will win the support of a great number of people in the public arena.

Perhaps we could say that the East Perth development is another area. It is a fine concept, but I question whether now is the appropriate time. It may very well be that in four or five years' time someone else will get to his feet and say that it is a fine concept but we do not have the money. The Government must make tough decisions, but it is time it got its priorities into order when it comes to appropriating funds for capital works programs.

I suggest that the Swan Brewery and the East Perth redevelopment programs are two capital works programs which do not deserve the priority they have. What does deserve priority are

those fundamental bread and butter issues such as schools, hospitals, roads and railways. All those things are what is important.

It is strange that the Minister can proudly announce a schools renewal program which is not really a renewal program at all but an identification of which schools can be demolished. That epitomises the whole dilemma this Government is facing. It has no direction; it cannot give the right priorities in its capital works programs, and until it does people like myself will continue to stand up and ask the Government where it is going. The Government will never get its priorities right if it is prepared to give the East Perth redevelopment project and the Swan Brewery priority above those important bread and butter issues.

MR MENSAROS (Floreat) [4.45 pm]: I have one subject to mention briefly during this debate relating to capital expenditure, particularly by local government. It is something which filled me with wonder, almost disbelief, and a certain amount of annoyance. I refer to the latest vogue – which started about a year ago – of deliberately slowing down traffic by building dangerous bottlenecks at street corners, particularly street crossings, presumably in the sacred name of safety. When one watches and experiences the results of these narrow street peninsulas and various median strips, one cannot find any logical or pragmatic explanation for them, yet because they are a sort of motherhood concept, no-one dares to criticise them and they proliferate like the plague.

Only about a decade ago Bagot Road in Subiaco, a busy thoroughfare for traffic between the central business district and the north western suburbs, was to be widened. This meant taking away most of the verges and uprooting old trees. The obvious reason, which was quite understandable, was to allow a quicker flow of traffic, particularly during peak periods. However, opposition from local residents, particularly to losing the trees, prevented the execution of this plan and the Mayor and several councillors lost their office.

Now the exact reverse happens; not for saving trees but for incomprehensible, obscure reasons. Having received several complaints from constituents in City Beach about newly built median strips, street narrowings and roundabouts, I have written to the council conveying the dissatisfaction of my constituents and asking for an explanation for this sudden, frantic activity of blocking streets and obstructing traffic.

I did not receive any real explanation of one single detailed reason, except general motherhood statements about safety. Such claims of safety, however, are in stark contrast with reality. Local authorities cannot point to even a single accident at places where these obstructions are being built. On the reverse side, several accidents have already occurred as a result of these road narrowings.

One of my constituents, with her daughter in the car, ran across one of these peninsulas at night. There was no street light nearby, nor was there a reflecting sign pointing to the narrowing of the road at this peninsula. Damage to the car was about \$1 000, yet despite my representation to the Stirling City Council, on the advice of the RAC, its insurers, the council did not accept responsibility. The net result is the old story: Because my constituent is not eligible for legal aid – neither did she have the rather large funds needed for litigation – she had to be content with paying for the repair work herself. The local council can sit pretty and go on claiming that these devices are there for safety's sake.

I receive from people numerous claims of inconvenience. Median strips in quiet streets cause people to drive around several blocks before they come to the right side of the road in order to enter their driveways. I always thought that the aim of any traffic authority, including the Main Roads Department and local governments, was to have a quick, safe traffic flow. Hence, people of Melbourne and Kalgoorlie are proud of their cities' wide streets. Yet, we build in the centre or off centre of wide roads two lane wide islands, which are beautifully paved for no use whatsoever.

At cross streets where vehicles can turn to the right, the ideal solution would be to have a separate slip lane on the right hand side with markings of arrows which would allow vehicles which do not need to turn to proceed quickly forward and not to have to wait until the car in front, which must let all oncoming traffic pass before it, turns right. Street narrowing has caused the traffic to be held up. If one car wants to turn right at the crossing all traffic is held up while the car waits to turn right. One such corner at Bagot and Townshend Roads in Subiaco has been accident free for years. However, during the last 10 days a corner house

has been visited twice by cars which have demolished the verandah posts and fences. Even travelling to Bunbury some weeks ago I noticed the same road narrowing obstacles on the main south west highway in Waroona.

I submit that the real reason for such an idiotic trend to be started, developed and maintained is in the system of our budgeting. We all know that Government departments and most instrumentalities spend madly before the end of the financial year, realising that unless they utilise all of their appropriated money they may be allocated less for the next year. If local governments were left with their rate collections as their only revenue the situation might be better because reasonably honest local councils would reduce the cent rate in the dollar value to receive lesser revenue if all the revenue received in one year was not required. For some time now, however, local governments have been receiving revenue in the form of Commonwealth and State grants. In most cases these grants are tailored according to the rate revenue. Therefore, for fear of losing these grants or part of the grants, councils do not dare to reduce their rate revenue. They would rather spend every dollar they are allocated for some purpose, whether that is needed or not. This vicious circle leads to more spending, again whether or not it is needed, to get rid of the aggregate revenue. The road narrowing I have been complaining about which holds up traffic is an easy target on which to spend money.

The only consolation in this whole stupid exercise is that in due course – perhaps in five or 10 years – its folly will be realised, and the whole situation will be reversed and money will be spent on demolishing the brick paving and restoring the roads to their full widths. Once again, the traffic will be speeded up.

I wanted to deal with this one subject very briefly to point out that sometimes a certain course of action creates a proliferation of problems only because it comes under the name of safety and is never criticised. However, people suffer the inconvenience and accidents that result from these actions.

MR STRICKLAND (Scarborough) [4.55 pm]: It was my understanding that the Speaker advised the House that members should ask questions during the second reading speech and that when the Bill goes through the Committee stage members are supposed to talk about the Estimates. That is interesting because for some time I have wanted to ask a series of questions about the capital works area of community services. In fact, I raised the matter specifically with the Chairman of the Estimates Committee when the Community Services Division was before the committee. I discussed these matters with the Minister and the experts from the department. I said that I wanted to ask questions and sought guidance as to when I could ask these questions and when I could expect an answer. I was told that I could do that during this debate. However, when I look across the Chamber I do not understand how I will receive the answers because the Minister is not present. I am not criticising him for not being here.

Mr Pearce: It is not his Bill.

Mr STRICKLAND: Perhaps, by interjection the Leader of the House can tell me when I will be able to ask my questions of the Minister for Community Services? How will I get the answers to those questions?

Mr Pearce: Speeches on the second reading are not normally for answering questions. We have discussed this before. It is my view that that should be included with the Estimates Committees; that is, the Estimates Committees should look at the loan funds as well as the Estimates. That is what I will propose next year.

Mr STRICKLAND: I support the Minister in his attempts to do that because it makes a lot of sense. However, I simply posed that question because I wanted to know how I was going to get those answers.

In the 1986-87 Capital Works Budget, \$3.4 million was set aside for community services but the actual expenditure was only \$2.4 million; that is, it was underspent by \$1 million, or 29 per cent. I do not have the 1987-88 figures but I know that the Estimates for that year were \$4.9 million. In 1988-89 the Estimates amounted to \$8.3 million but actual expenditure was only \$2.3 million, an underspending of 72 per cent.

Referring to the Community Services budget, in 1989-90 the estimate was \$6.4 million; the actual expenditure was \$4.3 million, representing a 33 per cent underspending. The 1990-91

estimate is \$4.5 million. These figures represent substantial underexpenditures. I am concerned about the situation because if underexpenditure at this level occurs every year one wonders what will happen with the Capital Works Program. Other members at other times have raised the question of underexpenditure.

To delve deeper into the Community Services budget I refer to the five projects listed as new works last year which are Longmore workshops, Riverbank workshops, a secure detention remand facility, a long day care facility, and occasional child care. For the Longmore workshops the estimate was \$200 000, the actual expenditure was \$3 320; the estimate for Riverbank workshops was \$200 000, the actual expenditure was \$22 240; the total project cost of the secure detention remand facility was \$4.5 million – the estimate was \$600 000, and an amount of \$74 352 was spent; for the long day care facility the estimate was \$560 000, and nothing was spent; and the estimate for the occasional child area was \$100 000, with nothing being spent. So, in total, an amount of \$1.66 million was set aside for the new projects and less than \$100 000 was spent. In other words, only 6 per cent of the Budget figure was spent. Why has an underexpenditure occurred in each of those five projects? Maybe the Minister can supply good reasons, such as delays, in due course.

Are we witnessing here some sort of scam whereby massive amounts of money are listed under capital works budgets, with large percentages of those funds not being spent? Where has that money gone? The Government has stated that it will raise \$1.4 billion this year for capital works. I understand those funds are raised through loans on a global basis and that funds are apportioned to each project under the Capital Works Program. However, the question remains: Why has only 6 per cent of the estimated expenditure been spent? What has happened to the \$1.5 million set aside for the five important projects within the Community Services budget?

My next concern relates to the source or the proposed source of moneys for such projects. I note that only one Government backbencher is present at the moment.

Mr D.L. Smith: The relevant Minister has been called.

Mr STRICKLAND: I respect the member's integrity. I do, however, raise the question of the integrity of the public process. At least one Government member remains in this place to listen.

Is there a loan source for such funds? Is there a Consolidated Revenue Fund source? Is there a Commonwealth grant source or some other source of funds for each of the five projects? Were funds raised and/or set aside for each project? If so, what are the details of the moneys raised or set aside?

I turn to my fourth area of concern. At the end of the financial year, 30 June 1990, were any funds associated with the listed projects returned to the Consolidated Revenue Fund, or returned to some other part of the Budget? If so, I would like to know where those funds went. The Community Services budget is a small one but I want to know where the \$1.5 million allocation went.

Mr Bradshaw: Mr Acting Speaker (Mr Marlborough), I draw to your attention the state of the House. It is an absolute disgrace.

[Quorum formed.]

Mr STRICKLAND: It should be noted that a quorum was called as a result of a lack of attendance by members. Only one Government member was present, and not one Minister.

A Government member: And three Opposition members!

Mr STRICKLAND: I have been asking questions regarding Budget items which fall within my area of responsibility. I was told to ask questions at the second reading stage; however, no-one has been present to provide answers to my questions.

I turn now to my fifth question relating to the five projects previously listed. What is the reason for the expenditure of less than \$100 000 of the \$1.66 million allocated to new works in the Community Services area last year? Were any funds for the projects carried forward to 1990–91? If so, what are the details of those funds carried forward?

I move now to the capital works information detailed in the Estimates documents regarding the five projects. The total estimate for Longmore workshops has increased from \$200 000

to \$301 000 this year. Why has this project increased by 50 per cent? Could the Minister provide those details? The estimated expenditure in the 1989-90 Budget was \$200 000; the actual expenditure was \$3 220. That raises another question, because if moneys were carried forward to the project there should have been a balance of \$197 000 so, once again, where has the money gone? Last year the Riverbank workshops were listed as new works at a cost of \$200 000; this year the total estimated cost has been reduced by \$20 000. What is the reason for that reduction? I note that in the Budget \$158 000 has been allocated to complete the project. What happened to the \$200 000 from the year before? Where has the money gone?

The next project is a secure detention remand facility which had a total estimated cost last year of \$4.5 million. This year it is detailed as an \$8.5 million project; how has the project changed to allow it to escalate from \$4.5 million to \$8.5 million? Last year \$600 000 was set aside, but nothing was spent – where is it? The fourth project is long day care facilities and the estimated cost was \$3.33 million – nothing was spent last year, and this year \$1.388 million has been allocated. Occasional child care has an estimated total cost of \$500 000; nothing was spent on it last year; I do not know where that \$100 000 has gone but \$300 000 is appropriated this year. What will be the source of the funds for each of those five projects? What evidence is in place to establish the likelihood of these projects being proceeded with? What hurdles, if any, will prevent each project proceeding in this particular year? Was there any reallocation of funding away from these projects last year? If so, what are the details and the reasons? I only have a very small number of queries concerning capital works in the Community Service budget.

In summary, it is worth reminding the House that of the \$1.66 million of new work listed last year, less than \$100 000 was spent; that is six per cent. Where did the other 94 per cent of that budget go? I do not know how I will get those answers. I was given an indication by a Chairman of the Estimates Committees that this was the right time to ask those questions. The Speaker has confirmed that, and shortly we will be going into the Committee stage. It may be that if the Minister has heard my speech in his office and has some information he will address some of those matters at that stage. It is imperative that the Government answer these questions because the feeling in Western Australia is that one way to top up the moneys and fix the Government's other problems would be to put Claytons projects into the Budget, but not to spend any money on them, and to syphon off the money at the end of the year to put into other matters. If that is what is going on, it is deceitful. I will front the Minister with those questions at the Committee stage and I expect the answers in order to find out whether there is some substance in those suspicions.

MR COURT (Nedlands) [5.15 pm]: I have some comments to make on WA Inc matters and the Royal Commission.

Mr P.J. Smith: Boring! Three years of boring!

Mr COURT: Is it boring? Earlier in the day there was a question about the terms of reference of the Royal Commission. The Government has since then released the terms of reference, which I have only just briefly had an opportunity –

Mr Pearce: I told the member it would be released very soon and he did not believe me.

Mr COURT: I have had a very limited opportunity to look at these terms of reference, but I find it interesting that one of the key items I was looking forward to giving evidence on in the Royal Commission concerned the dealings of Exim Corporation. As I read the terms of reference I will not be given that opportunity.

Mr Pearce: As I understand it, the terms of reference encompass all of the matters raised in your list and *The West Australian's* list.

Mr COURT: Is the Minister saying that the Government is establishing a Royal Commission based on a list that he saw in the newspaper?

Mr Pearce: Not at all; but having made our list on matters about which there are allegations, we compared it with a range of other lists that people had made, and it is my understanding that it encompasses all the matters which have been raised by your party.

Mr COURT: The member for Bunbury, when I said I wanted to raise some WA Inc issues, said it was boring. One of those "boring" matters concerned the dealings of Exim. I have

been discussing Exim in this Parliament for seven years. It is important that a couple of transactions be brought before the Royal Commission.

From my initial look at the terms of reference – and no doubt after we have gone through them in some detail we will be able to see just how wide they are – I am very disappointed that some transactions that I am keen to uncover could be restricted. My other concern is that I have seen this Government in operation before and I would not be at all surprised if, as a part of its media strategy, in the next few days, or weeks, we see charges being laid. The timing will not go unnoticed. From what has happened in the past this Government's tactic has been to try to get the maximum media advantage and it will make it its business to ensure that charges are laid.

Mr Pearce: The Government does not lay charges. The member for Nedlands knows perfectly well that all sorts of investigations are going on at the present time – and he is probably quite right in saying that, but that has nothing to do with the Government. The police or the McCusker task force lay those charges.

Mr COURT: Do you think it would be a coincidence if in the next couple of days a whole series of charges were laid?

Mr Pearce: The Government has no say in it.

Mr COURT: On past experience I would not be at all surprised if that is what happens. In a debate earlier today, it was said that the greatest concern in the community is that there is no trust in the Government.

Mr Pearce: It is certainly true that the level of trust is very low, but the level of trust in the Opposition is no higher. The trust in Parliament generally, is low.

Mr COURT: We have certainly progressed a long way when the Leader of the House admits that the level of trust in the Government is low.

Mr Carr: The level of trust in the Parliament is low. We are in it together.

Mr COURT: That is interesting because it is the members opposite who did everything in their power not to have this inquiry into these particular matters. It is also interesting that the Minister for Fuel and Energy only a year or so ago said in the Geraldton newspaper that he was in Cabinet but he was not involved in the decisions.

Mr Carr: You are misrepresenting me. I was commenting on a remark made about the public holding parliamentarians generally in poor regard. In that context we are in it together because the public has a low opinion of all of us who are associated with the parliamentary system.

Mr COURT: It is a serious situation that the public has no trust in the Government, and the reason it is held in low regard is that over the years it has had the ability to bypass the scrutiny of this Parliament.

A very interesting exercise will be conducted over the next year or two and we will see how this whole matter is brought into the open. As the Leader of the Opposition said this afternoon there will be a number of worried people associated with the other side of the House when the Royal Commission commences its inquiry to get to the bottom of it.

Mr Donovan: Don't forget how far back it will go.

Mr COURT: I laughed when I saw the question about the natural gas sales agreement which was entered into by the State Energy Commission of Western Australia. The biggest sin that would have been committed is that it did not commit itself to enough gas.

Mr Donovan: Hope springs eternal in the human breast.

Mr COURT: It is interesting that in my early years in this Parliament the major economic problem in this State was what to do with the gas and now the major economic problem is how do we get more gas.

Mr Kobelke: Does that have anything to do with the fact that during those years there has been, under a Labor Government, fantastic growth in this State?

Mr COURT: Members opposite were criticising the pipeline concept when SECWA advised them that it would run short of gas in the near future. This leads me to one of the points I

want to make in this debate. An environment has been created by the Government in which it is short of money and literally hundreds of millions of dollars has been lost on ill-fated business ventures. When Government money is spent on capital projects that provide infrastructure which is for the good of this State's future development, people will accept it. If they know a pipeline is being built from the Pilbara to the south to provide energy to that part of the State, they may criticise some of the detail of the proposal, but by and large they accept the proposal.

The Public know that when the water supply has to be extended or dams have to be built those projects must be paid for and that their taxes will contribute towards the costs. In recent years, with money being wasted, the Government has not been able to provide some of the basic infrastructure which is required in this State. The Government cannot carry out a proper maintenance program because of the financial cutbacks that have occurred.

Yesterday I listened to the Minister for Water Resources give his fiftieth version of his speech on bringing water down from the Kimberley. How many times have we heard the Minister say that? The fact is that his departmental officers are making sure that he puts a 50-odd year time limit on that project. My question to him is, "If it is so good, why don't you build it?" The people in this State will accept expenditure on capital works projects if they are for the benefit of the future of the State. When C.Y. O'Connor built the pipeline to Kalgoorlie it involved a huge part of the State's annual expenditure. It was a risk which I do not think any Government would take today.

The Government is not pinpointing the major areas in which capital works are required for the benefit of this State. Instead, it has adopted the mentality of how it can survive from month to month and it is not planning for the long term. The Minister for Fuel and Energy is aware of the Opposition's criticism about the whole question of energy.

Mr Carr: And you are wrong.

Mr COURT: The Opposition has been telling the Government that it must give consideration to future energy supply if it wants to attract industry to this State. The Opposition is of the opinion that the Government should have made a commitment to a new power station two years ago.

Mr Carr: We saved the State tens of billions of dollars by not rushing in two years ago and adopting the only option available at that time.

Mr COURT: That is nonsense. I can provide the Minister with a list of projects which have not come to this State because there has been a question mark about the availability of electricity.

Mr Carr: There is no question about the availability of electricity.

Mr COURT: I advise members that currently Western Australia runs on the tightest reserve capacity ratio of any State in Australia.

Mr Carr: It is a perfectly adequate reserve capacity ratio.

Mr COURT: The Harman report outlines the suggested reserve ratios and Western Australia is below those levels. The Minister is aware from the briefings he has been given that there is a fine balance between the supply and demand projections and he keeps justifying that by saying the Government is saving money by keeping the supply and demand ratio very tight. What he does not say is that because there is not the capacity being put in place —

Mr Carr: There is plenty of capacity.

Mr COURT: I will give an example and it involves the goldfields.

Mr Carr: I know you will claim that we cannot provide power to Mt Keith.

Mr COURT: I am certainly going to suggest that.

Mr Carr: And you are wrong.

Mr COURT: How is the Government going to provide power to a number of projects in that area?

Mr Carr: There has been a close assessment of that. A private consortium wanted to put in a power line and we cooperated with it. Because of the distance involved the company was

able to get its power cheaper by a stand-alone station at the site. There is no shortage of the availability of power. If the costs of the transmission line had stood up there would be no difficulty providing power to that transmission line and subsequently to that project.

Mr COURT: That is a chicken and egg situation. Is the Minister saying that if the company were prepared to accept the costs associated with building the transmission line, he would get power to it?

Mr Carr: Someone has to pay for it.

Mr COURT: Is the Minister saying that it is not just the power generation; he will look after the power generation if they will bring a line into the power station?

Mr Carr: No. The State Energy Commission was prepared to look at all the costs in terms of the cost at which power would or could be provided to that project, but simply because of the distances involved, the costs turned out to be more expensive than the alternative in that particular case.

Mr COURT: I will tell the Minister what happened in Kalgoorlie. The Muja transmission line was upgraded. When that line was first put into place, people were critical of SECWA for putting in so much capacity when the town was not using that much capacity. It is now history that the power was very quickly used up.

Mr Carr: There has been a gold boom since then.

Mr COURT: The additional capacity that was provided was also very quickly used up. So the Government introduced very expensive capital headworks charges for new people to go onto that system; it did not want to attract new people because it could not supply them with power.

Mr Carr: Rubbish!

Mr COURT: The Government charged so much for those headworks charges that companies found it cheaper to install their own power plants – diesel burning power plants – when they were adjacent to that transmission line! An operation in Coolgardie had to build its own power station because the price quoted by the Government was so expensive.

The Mt Keith project is a classic example. The Minister is saying that if companies install a transmission line, the Government will put some power into it. That is not exactly forward planning. The Government is prepared to give one group of industries a transmission line with power in it, but to another group of new industries it is saying that if they install the transmission line, the Government will get the power to them. The Minister does not seem to understand that if these industries are to move into value-added processing, they must have a supply of energy at a competitive price.

There has been a lot of talk about the project to extend the gas pipeline to the goldfields. It may be that when it is all added up, the cost will be marginal.

Mr Carr: It is more than marginal; it is very expensive.

Mr COURT: It may be that the Government will have to say to industry, "Look, we need some firm commitments. The gas pipeline is there, and it is feasible for us to expand on our gas turbine generation in Kalgoorlie." Were that sort of infrastructure put in place, we would begin to attract industry, yet the Government keeps saying it does not have the money and cannot do these things. The Government probably could not justify the Muja powerline when it was first built; it had to get some big contracts from some people to make it worthwhile.

Mr Carr: Of course we have to get big contracts.

Mr COURT: That is the skill. The Minister's job in Government is to say to industry, "We will give you power at a competitive price if you make certain commitments." What worries me is that we sit in this place and hear about building a pipeline from the north. If we need water from that source and at that price, the Government should be honest about it and say, "This is a project that we plan for the future." Did the Liberal Government stand in this House and say every day for eight years, "We want to build a pipeline from the Pilbara with gas in it"? It did not stand here and talk about it; it went out, put the deal together, and made sure that it was built and the gas came down to Perth.

Mr Carr: We are all still paying very high electricity prices, for that reason above all other reasons.

Mr COURT: That is interesting.

Mr Carr: I am not saying we should not have done that, frankly, but you cannot have it both ways.

Mr COURT: If gas is the reason we have high electricity prices –

Mr Carr: It is not just gas. The debt structure of that pipeline is the biggest reason why SECWA has that very high debt structure and, therefore, that very high interest repayment structure. That is not to say we should not have built it, because I think it was the right decision, but you cannot have it both ways.

Mr COURT: If we did not have gas, we would be relying solely on coal or oil, and what would be the price of electricity?

Dr Turnbull interjected.

Mr COURT: The member has raised a good point because the beauty of having gas and coal is that competition brings down the price of both. The Minister knows that if there was not competition between those two fuels, we would have to pay more for electricity than we do now.

Mr Carr: That is not true. I have been a supporter of that pipeline all the time, and I still think it was the right decision, but you cannot criticise the high price of power and pretend that the gas pipeline cost is not part of it.

Mr COURT: Of course a pipeline cost is part of the expense of running the show, but other States have pipelines which run for 1 000 kilometres, and which supply gas to power stations.

Mr Kobelke: But they were not put in place by bad deals.

Mr COURT: What is bad about that gas pipeline?

Mr Kobelke: It was badly structured. If you had not had an election coming up and if you had held out and done a better job on the negotiations, it would have been a good deal. However, you did not; an election was coming up and the deal had to be put together.

Mr COURT: I want to know what is wrong with it. I am told that engineering-wise it is as good as any pipeline in the world. I am told it was built at a competitive price. Can the member tell me what is wrong with it? Members opposite have had a lot of propaganda rammed down their throats. I was at a meeting last year where one of the members of the Trades and Labor Council – I forget who it was – rabbited on and said exactly the same words.

Mr Donovan interjected.

Mr COURT: I do not want to be hypocritical about what I say, but members opposite all rabbit the same line. I said to that TLC person, "If you are so worried about this pipeline that was built by the Liberal Government, when we are in Government we will sell it for double what it cost, and all that money will come back into SECWA and it will be you-beaut." The answer was, "No way. You cannot sell that pipeline. That is an asset of the State and the State should own that sort of infrastructure." So what do we do? Members opposite do not know where they stand on these matters.

Mr Kobelke: Nonsense. If you are committed to supplying people in the Perth metropolitan area with gas, you are giving the purchaser a cheque book to write money with because they have got you over a barrel and you have to take the gas.

Mr COURT: There he goes! He is now saying the Government should own the pipeline!

Mr Kobelke: I am saying your proposition does not stand up.

Mr COURT: The member has the opportunity to say what is wrong with the deal. I have asked a thousand people, and they cannot tell me. The point I made at the beginning of my speech is that it is a pity that after eight years of Labor Government, we do not have in place some major infrastructure projects so that instead of the taxpayers knowing that \$1 billion has been blown, that \$1 billion could be spent on something from which future generations

will benefit, such as the provision of water and energy. Is it not interesting that \$7.5 million can be committed to a partial renovation of the old Swan Brewery? That will not produce any wealth for this country, yet industries on the foreshore at Albany –

Mr Kobelke: You cannot have it both ways. You want the infrastructure to develop industry but not tourism, which for the last five to 10 years has been our biggest growth industry.

Mr COURT: Is the member telling me that the brewery will become an important tourist asset for this State?

Mr Kobelke: All the facilities on our wonderful river add to our tourist attractions.

Mr COURT: A building that brewed alcohol for years! If members opposite are so keen to clean up Albany, why not help the industries in Albany to the extent of \$7.5 million? Those industries will produce wealth for a long time to come. Hundreds of farmers grow products which supply those factories. Those products are sold internally and are also exported.

Mr Taylor: Hasn't the member for Albany brought you up to date?

Mr COURT: I know the Government is spending \$3 million there, but we must start putting the funds into things that will help us produce wealth in the future so that funds will be available to spend on improving people's living standards in the area of welfare services, cultural facilities and the like. Money has been wasted.

I will return to the point I was leading up to: It is a pity we do not see more planning and public debate on some major capital and public works which will be for the long term good of this State. The Minister for Water Resources cannot have it both ways: He cannot keep telling us about this pipeline. If the proposal is good he should put it to the Parliament and the people, and we will consider whether there is a way in which that project can go ahead. We cannot just have rhetoric in this place. If the Minister is dinkum about planning for the future he must do something positive. The member for Floreat, who has had responsibility for public works and water resources at various times, has taught me something over the years; namely, that the public will accept their taxes being spent on those types of projects but they get pretty angry when they see their money wasted.

It is disappointing that this State is not setting more money aside and planning for those types of projects which will help the production of wealth and ensure a higher level of services in the future. We all know the problems we have in the metropolitan area with extending sewerage schemes, and places like Albany also have those problems. They are expensive operations in the short term, but they have a long term advantage. We are entering the last two years of this Government's term in office, and I would like to see more emphasis placed on facing those hard decisions and planning those services for the future.

MR WATT (Albany) [5.42 pm]: I will make only a few comments about the General Loan and Capital Works Fund Budget, because during the second reading debate on the Consolidated Revenue Fund Budget I spoke about some items that appear in this Bill, particularly as they affect my electorate. I want to talk about my own electorate and also to take a slightly more global approach and discuss the great southern region, of which Albany is a very important part.

We have been made very much aware in recent times by comments in the media, conferences in this Chamber and meetings held around the countryside, of the very severe situation that is occurring in the rural economy, and I think it is brought home to us when we start to analyse regional conditions. More than ever the Government has an obligation to keep up the level of Government activity in the regional areas to ensure that employment, which will be and already is being affected by the rural downturn, is not made any worse than it needs to be.

I was pleased to receive again this year an initiative which was begun last year; that is, details of the Government's non-residential building program, prepared by the Building Management Authority and released by the Minister for Works. I suggest, firstly, that that document has some inaccuracies; and secondly, it is probably incomplete. It is a good idea for those figures to be tabulated in the way they are but I think the BMA needs to pay more attention to detail. For example, I know that at least one thing is listed in the Albany area when it should have been in the Stirling area, and another item listed in the Stirling area should have been listed in the Albany area. I understand there are some anomalies between Armadale and Roleystone, and no doubt there are other inaccuracies. It is not my job to try

to correct the mistakes in the document but I want to make some comparisons about the way those figures have been put together, as in their present form they are probably a little misleading.

For example, although the document is clearly labelled "Non-residential Building Program", if the Government could coordinate all of the Government expenditure, including the business undertakings, and group together in departmental form and electorate by electorate the amounts to be spent, it would be much more helpful. There is no way of knowing at a glance how much is being spent on housing in each electorate, what sort of capital works the State Energy Commission might be doing in an area, or what sort of money Westrail is spending in any given area. If one wants this information one must either ask a parliamentary question or write direct to the department. This information should be tabulated and included in a booklet of the type the BMA has produced.

This booklet includes figures only for the departmental capital works of the normal type that go to make up the State Government infrastructure — things such as schools, hospitals, police stations and so on. Even taking that into account, it is rather interesting to analyse those non-residential building program figures, because last year when they came out it appeared to me as I looked down the list that they were somewhat biased in favour of Government-held electorates. When I analysed those figures I found that the average allocation made to Government-held electorates was approximately double the allocation made to electorates held by non-Government members.

Mr Gordon Hill interjected.

Mr WATT: I want to make it perfectly clear that I am talking averages, and the figures do vary between electorates, both in Government and non-Government electorates. One can find arguments on both sides to say that what I am talking about is not accurate, but members must understand that I am talking averages, and that the figures were prepared by the BMA, not by me. I tried not to distort them — except in one area, which I will come to in a moment.

Mr Gordon Hill: Did you try to distort them in one area?

Mr WATT: I have distorted them by taking out the allocation to the electorate of Perth, because that has a disproportionate number of Government buildings and major allocations of capital expense.

Mr Strickland: That is in favour of the Government's side of the equation, though.

Mr WATT: It is indeed. Nevertheless, the figures prepared by the BMA show an average allocation for this financial year of \$5.03 million to Government-held electorates, excluding the electorate of Perth. The average allocation for non-Government electorates is \$1.27 million; this is in comparison to the \$5.03 million for the Government electorates. It is approximately one-quarter of the allocation provided for Government held electorates, or a ratio of 4:1; last year it was about 2:1. The allocation for the National Party electorates is far worse; they averaged \$500 000. It would be much more helpful if the Government were able to coordinate something along the lines of the figures produced, and also indicate total Government expenditure so that the total picture could be conveyed electorate by electorate. However, I commend the Minister and her department for preparing these figures. I have used them to show that non-Government electorates do not do well in the allocation of funds when compared to Government electorates.

Mr Catania: That is rubbish. It is not true that Government electorates receive more money than non-Government electorates.

Mr WATT: I am responding to the Minister for Local Government who presented these sets of figures. I have spoken about averages and I agreed that some non-Government electorates have a higher allocation than some Government electorates. I made that point deliberately and I have spoken about averages, and the point is undeniable; that is, that Government electorates in total, and on an average per electorate basis, are allocated far more Government funds than are non-Government electorates.

Mr Catania: The member does not have to show me the report. The figures are based on the fact that the Government spends a great deal of money in the Perth area.

Mrs Edwardes: That has been taken out.

Mr WATT: Yes, the member was not listening. I have told the Chamber that I am excluding the electorate of Perth in my analyses.

Mr Donovan: Maybe those electorates need the money.

Mr WATT: The member may make all the claims he likes.

The ACTING SPEAKER (Mr Marlborough): The member for Albany is trying hard to direct his comments through the Chair. I know that members are enthused by what he is saying. This is evident by the constant interjections he has attracted. If members could refrain, we will finish at 6.00 pm and go for dinner.

Mr WATT: Even if you did not appreciate the interjections, Mr Acting Speaker, I certainly did, because they helped me make my point.

To make some comparisons between regional areas, the allocations to Bunbury, Geraldton and Kalgoorlie are significantly higher than those made to Albany; that can be seen even by someone without my biased point of view.

Mr Taylor: One of the problems we face in an electorate like Kalgoorlie is that it was ignored by Liberal Governments and when we came to Government we had to catch up.

Mr WATT: When we come to Government, we will have to reverse the situation. The figures are undeniable.

The programs in need of expenditure in the Albany area include the completion of the refurbishment of the Albany Regional Hospital. I am starting to sound a little like the member for Vasse did with the Margaret River Hospital, but I will not stop talking about the Albany hospital until an allocation is made and the work commenced; we have had commitment after commitment, but nothing has happened. It is a scandal that work has been promised repeatedly, yet it still has not commenced. Also, an allocation is required for the Albany courthouse. The building has a security problem and a dreadful lack of space and facilities. It probably is one of the worst courthouses in country Western Australia, although I believe the metropolitan area has some which are in a very poor condition. I took the opportunity recently to have a look at the Bunbury courthouse, and the facilities provided there are first class. In comparison, the Albany facilities are a terrible shame.

For some years people have worked in the Albany community health centre in cramped conditions in a building which is substandard. A promise was made about seven or eight years ago that Albany was on the top of the priority list for such a building, and for some mysterious reason it was removed from that list. Many other places have received these facilities, yet work has not commenced in Albany. Also, the Albany Police Station requires work urgently. I am sure that the Deputy Premier, being a former Minister for Police and Emergency Services, will understand this problem.

Mr Taylor: I fixed up the licensing centre.

Mr WATT: The licensing centre is excellent and I give credit to the Government for the work done there, as I have done on a number of occasions.

Mr Taylor: What about the hospital?

Mr WATT: I give the Government no credit at all for the hospital!

Mr Taylor: Come on; you have had millions of dollars spent on it.

Mr Pearce: We spent a lot of money on the Albany Senior High School.

Mr WATT: Because it burnt down!

Mr Pearce: It burnt down under your Government and we rebuilt it.

Mr WATT: Wrong. It burnt down in 1973.

Mr Pearce: Do you have a good alibi for that time?

Mr WATT: I will have a private talk with the Minister about that matter later. I have some information which he might find embarrassing. I will not raise it in the House, but it relates to impediments being created for the investigation into the fire by the Government of the day. However, this was a long time ago.

The member for Nedlands mentioned a need for a sewerage treatment plant. The sewerage

facility at Albany is over utilised and it is causing environmental problems at Middleton Beach; however, some work is being carried out in preparation for a new facility. The community has been frustrated by the amount of time taken to achieve the desired goal. I do not know what can be done to hasten this project, but we had the situation recently in which the Environmental Protection Authority had some problems at Oyster Harbour. A proposal was advanced to establish a deep sewerage reticulation system in the Emu Point area, and this would have cost a lot of money. It would have removed the septic problems and moved them to the deep sewerage facility, which has its own problems, in the Lower King area; this would still have the same effect on Oyster Harbour.

The Department of Agriculture is planning to relocate its administration centre out of the town centre and into a location near the edge of town. This will greatly enhance the working facilities of this office, and these people are a very important part of the town's infrastructure. The current building is a little like a rabbit warren, with people moving in and out of offices; it is almost as bad as Parliament House.

Sitting suspended from 6.00 to 7.30 pm

Mr WATT: There has been very limited spending in some areas, particularly in the great southern region. Because of the rural downturn that region has already been affected considerably, and it will be even more. It is interesting to look at the effect that agriculture and related industries have upon employment in the great southern region. A saying down our way is that if the rural industry sneezes Albany catches cold. I said that to somebody recently and he said, "Albany won't catch cold, it will get pneumonia." Statistics for the period 1981 to 1986 show that employment in agriculture-related industries in the region was down by nine per cent; Employment in manufacturing was down 3.6 per cent; in electricity, gas and water by 14.2 per cent; in construction industry by 15.5 per cent – that is an area where Government spending can have some sort of influence – and in the transport and storage area by 12.7 per cent. That shows that the economy in these rural areas is already suffering a decline and we cannot tolerate too much more. The Government must take a hand in ensuring that the impact is at least made as soft as possible by maintaining a Capital Works Program. What we have seen is of great concern to the Opposition because spending in most regions is reduced, rather than maintained, let alone increased.

The value of agriculture to the region in the 1988-89 period was over \$500 million; that is about 75 per cent of the region's gross output. I do not need to remind members that the loss of the Middle East markets for grain and live sheep, combined with the depressed market for wool and the very parlous state the wool industry is in, will combine to bring about a drop in on-farm incomes of at least 30 per cent – and some people estimate even more. I hope the Australian dollar, which has fallen in recent months, continues to fall to enhance the market opportunities for agricultural produce. The one hope that we have is that tourism and a number of things will happen there.

The Deputy Premier commented by way of interjection on the member for Nedlands that the Government had offered a package to foreshore-based industries to fund an effluent treatment plant. That would enable them to improve the quality of their effluent so that it could be discharged either into the Princess Royal Harbour or into a sewer outfall. That has not been resolved because conditions are attached. One of those conditions is that the industries would need to give a commitment that they will remain in business in Albany for the next five years. I heartily endorse that, as it is only right that if the Government contributes that sort of money some commitment should be made by those industries.

Mr Taylor: It is not just a matter of the commitment of funds that brought about that suggestion. The Government takes a very firm view from the point of view of employment in Albany that it must keep a bit of pressure on those industries.

Mr WATT: I endorse that. It is perfectly reasonable for the Government, when committing taxpayers' funds, to expect a commitment in return. The other side to that equation is from the industries' point of view. If they commit themselves to their share of funds and to make an ongoing commitment to the Government, they need to be assured that they will be allowed to remain without further environmental impositions, or for that matter impositions which would impose further costs – some of these businesses are already marginal. I am worried most about Metro Meat Ltd and we have worried about that industry for some time. Given that Metro Meat Ltd has other abattoir facilities it could easily relocate to, it would not

take a lot to push the company away. The other industry is Southern Processors Ltd which needs some assurance – in return for the assurances it is expected to give – that further impositions will not be made against it. I know the Minister is aware of how vital these industries are to the town and the effect those industries have on the economy generally. I hope the Government will give that serious consideration.

I ask the Deputy Premier to note the suggestion I made earlier in my speech that it would be helpful to members and the public if the non-residential building program were expanded to include the Government's business undertakings such as SECWA. That would give the total picture, not just those Government departments which are dealt with in the General Loan Funds borrowings.

MR KIERATH (Riverton) [7.39 pm]: I make a serious allegation concerning a \$100 000 bribe and other favours given to secure approval for the Bond tower in Perth. Since that allegation was made an investigative journalist has been threatened with a gun if he investigated any further. These matters are very serious. I want to read into *Hansard* a statement in which I have blotted out the names of some people. However, I am prepared to give this information to the authorities. It states –

Background Details Regarding Allegations by a Willetton couple with respect to Cr Rod Evans:

While the couple were looking for a business to buy, the man worked with his brother-in-law as an interior painter on the Carlton Hotel in Hay Street Perth which was owned by Cr Rod Evans.

According to the man, the licensee and the exterior painters (who were operating as a separate team) said that the exterior paintwork was being carried out courtesy of Alan Bond, via the Swan Brewery, as a favour to Cr Evans for his help in getting Perth City Council planning permission for the R & I Tower.

In November 1987 the couple purchased a business. In March 1990 the couple went to the police to ask them to investigate what they considered an improper relationship between Perth City Council and a developer which was going to have an effect on their business. During the discussions, the wife used the Carlton Hotel painting incident to illustrate her concern about the possibility of improper conduct within the Perth City Council, and Cr Rod Evans in particular. When she suggested, informally, that the police should question Cr Evans on the matter, she says a Det. Sarg. –

I have the name of the detective sergeant –

– replied that Cr Evans "would scream harassment as they believe he is connected with powerful people." The wife claims the Det. Sarg said the police had been keen to establish links between Cr Evans and known criminal activities for many years, believing him to be one of the key figures in local crime circles, including brothels and drugs. The wife said Det. Sarg. warned her to be careful in dealing with a "heavyweight" like Cr Evans.

The wife did not formally ask the police to investigate the Carlton Hotel allegations because her real concern was the relationship between the Perth City Council and a development.

To the woman's knowledge no investigation into her informal allegations about the Carlton Hotel painting have been made.

In April 1990 the woman visited the Official Corruption Commission in St Georges Terrace with respect to her concerns about the Project. She again used the Carlton Hotel painting allegations to illustrate her argument regarding alleged malpractice within the Perth City Council. She asked the Official Corruption Commission to put on record the fact that she expected some form of retribution against her.

That night one of the two youths guarding the woman's business was bashed over the head with an iron bar in Bennett Street, and admitted to Royal Perth Hospital. The incident was reported to the police, but as the youth was unable to identify his attacker no conviction arose. The woman reported the matter to the Official Corruption Commission.

It was not the original intention of the couple to pursue the matter of the Carlton Hotel painting allegations. However, in view of the intended Royal Commission, they have made their Statutory Declarations in the hope that the matter will be included within the Commissioner's terms of reference. The couple hope that this will stimulate further enquiries into the activities of the Perth City Council and expose any other improprieties, including any which may be linked to the particular development.

In recent times, you, Mr Deputy Speaker, have been known to call for a Royal Commission.

The DEPUTY SPEAKER: Order! It is improper to draw the Chair into debate. If I have any comments to make on this matter, I cannot make them from here under the Standing Orders.

Mr KIERATH: The member for Perth commented recently that he would like to see a Royal Commission into planning activities.

Mr Pearce: Did you not say that the woman had been to the Corruption Commission?

Mr KIERATH: Yes, but the Corruption Commission does not have investigative powers.

Mr Pearce: It has the Police Force at its disposal. It has all the investigative powers it needs.

Mr KIERATH: I will come to that in a moment. I have two statutory declarations from the woman and her husband. Both statutory declarations relate to two different areas. The husband's statutory declaration states —

In approximately August 1987 the manager and Licensee of the Carlton Hotel told me that the outside and foyer of the Carlton Hotel were painted compliments of Alan Bond via payment from the Swan Brewery for Rod Evans' assistance in receiving approval to develop the now R & I tower through the Perth City Council of which Rod Evans was a councillor for 20 years.

He named the person who was the manager and licensee during that period. The wife's statutory declaration states —

Approx March 90 I spoke with Det. Sarg —

I will not mention his name but it is there —

— regarding Perth City Council — the relationships of the establishment with private developers. In that context councillor Rod Evans was talked about. The reply from the police present being that if they were to question Mr Evans he would scream harassment as they believe he is connected with powerful people. They said they had wanted to verify criminal activities involving him for many years because they considered him to be one of the 10 primary organizers of these activities in WA.

These are both signed statutory declarations which I received only at lunchtime today. It is my intention to pursue this further and give it to the proper authorities for investigation. In outlining these matters for this House, there are a couple of things about which we need to be reminded. On 17 November 1986, final approval was given to the Bond Tower. I believe the vote was 15 for the tower and 11 against. That gave approval for a 48 storey tower. That decision was made against the advice of the City Planner, Mr Rod Pether. The approval took into account an extra plot ratio and allowed the developers to retain the Palace Hotel at the front, with the tower being sited at the back. If the plot ratio had not been granted the tower would have lost 10 levels. That is very important. The councillors who voted for the approval included Councillors Hopkins, Evans, Stone, Hale, Armanasco, Michelle Roberts, Leon Musca, Sheila Andrews, Bisset, Mick Lee, Bob Hemery, Vic Vlahos, John McMillan, Jim Gatt and Joe Higgins.

Recently when a very long serving councillor, Councillor Eric Silbert, retired, he made allegations that 10 councillors voted as puppets, as a group. He also said that two councillors, Councillors Hopkins and Evans, were, at that time, extremely keen to see this project succeed. I think these are very severe allegations.

Mr Pearce: Have you any proof of them?

Mr KIERATH: I was given that information today. I have the two statutory declarations. I am not an investigative processor in my own right. I have done everything I can to verify it.

I have the statutory declarations and I will make sure that they are referred. I waited until this afternoon to hear the terms of reference of the Royal Commission in the hope that they would include an investigation of the Perth City Council. Unfortunately, they did not. Another member of this House on the Government side, the member for Perth, has called for a Royal Commission into the activities of the Perth City Council. I believe that body needs to be included in any terms of reference of the Royal Commission. I was disappointed that it was not included and the only avenue available to me is this one.

Mr Pearce: When your leader introduced a Royal Commission Bill, why did he not include this? I am not defending it or these people. People in this place should be on their honour when making allegations under parliamentary privilege.

Mr KIERATH: I challenge the Leader of the House to include the Perth City Council in the terms of reference.

Mr Pearce: You have no evidence. It is disgraceful.

Mr KIERATH: A statutory declaration is evidence.

Mr Pearce: It is not. It just means someone has written it down.

Mr KIERATH: It is a sworn statement. I do not have the facilities to investigate the matter. I can only go on the information given to me. When this information was brought to my attention this morning I said that at the very least I must have a sworn statutory declaration verifying the information. The same people took their story to an investigative journalist. That journalist contacted one of the people I mentioned and told him what he had been told and asked him some questions. The person concerned indicated that he was extremely frightened. The investigative journalist asked for a contact of some other person who had kept the books. I am not prepared to name the journalist because obviously he is still working on the story. This person is prepared to sign a statutory declaration that the person who made the claim about the bribery allegations had told the journalist that he was not prepared to come out in a public forum and say what he knew because he was frightened of getting a gun in his back. It is a serious allegation.

This morning started as a normal day for me, but as it progressed I have become petrified as a result of these allegations. At first I thought it was talk and innuendo and, as I said, the first thing I asked for when I heard the allegations was a statutory declaration, and the people concerned provided the declarations willingly. Then I had the fortune or misfortune to speak to the journalist this afternoon and he told me that the person concerned was worried about saying publicly what he knew to be the truth. It is definitely a matter for a Royal Commission. These are serious allegations about a bribe being offered to obtain favours in a council and they are allegations about a key witness who is dead scared to say what is on his mind for fear of physical threats and intimidation.

I challenge the Leader of the House to include in the terms of reference of the Royal Commission an investigation of the Perth City Council's town planning committee. It could include the matter to which I am referring and I am sure the member for Perth would have other matters he would like investigated. I have another development I would like to add concerning the Perth City Council's town planning committee and I have already asked questions about it. I now have two developments I would like investigated and I am sure the member for Perth would have some also. I challenge the Leader of the House to put his money where his mouth is and to put up or shut up and include in the terms of reference the Perth City Council and its planning procedures.

DR ALEXANDER (Perth) [7.53 pm]: I was not going to participate in this debate but given the specific nature of the allegations made by the member for Riverton and my involvement with certain practices of the Perth City Council –

Mr Lewis: Your previous allegations of corruption.

Dr ALEXANDER: The member for Applecross should listen to what I am going to say and he should not put words in my mouth.

I have made allegations about the Perth City Council in the past and I have called for the Royal Commission to include the Perth City Council. I have done so publicly and I have written to the Premier on the issue. I will come to that in a moment, but I want first to respond to the matter of the R & I Tower.

I have made a particular study of the R & I Tower and members will remember it was one of the developments that I included in the case studies I presented to the Parliament in 1987. I have absolutely no doubt in my mind that the R & I Tower at the time it was owned solely by the Bond Corporation was given undue planning concessions. It is a matter of record, it has been published several times and it has been analysed. The plot ratio, as the member for Riverton said, was 7:2 when the maximum allowed at that time in that part of the city was six. It was the equivalent of an extra 10 storeys; the member for Riverton is quite right about that. The allegations I made concerned the role in this of a previous Lord Mayor of the City of Perth; that is on the parliamentary record and I do not need to repeat it now.

I have heard previously the allegations made by the member for Riverton, but I have no documentary evidence to back them up.

Mr Pearce: And neither does he.

Dr ALEXANDER: I do not know whether he has.

Mr Lewis: He has a statutory declaration, which is more than the Leader of the House has.

Dr ALEXANDER: I do not have any documentary evidence about those allegations.

The part of the member for Riverton's speech with which I want to take issue involves the list he read out of the names of councillors who voted for and against the development. Having read out the list he then tried to link them to a statement that ex-Councillor Eric Silbert made that they voted en bloc. I have talked to Mr Silbert and only a couple of months ago I had lunch with him in this place. He was referring to the post-1987 period of the council and not the time when the R & I Tower was approved. He may extend his analysis to that development, but I am not sure about that. Certainly, the main thrust of his allegation, as he related it to me, applied to the post-1987 period. That is my first point.

My second point is that I was not on the council when that vote was taken. I was on the council when other votes were taken relative to the R & I Tower, and it was considered many times over several years. Various attempts were made to reverse the original decision to grant those concessions, all of them unsuccessful – the member is correct in that regard. By reading that list and linking them to the allegations of bribery the member for Riverton has put all those people he named in the same basket and I do not believe that is fair.

Mr Clarko: That is what happened when you said the council was corrupt.

Dr ALEXANDER: I am not trying to protect any individual; but reading out a list of names and linking them to a bribe allegation has implications for all the people on that list.

Several members interjected.

Mr Kierath: I put on the record that it is not my intention to group all the councillors – I referred to only one councillor.

Dr ALEXANDER: Fine, we have qualified that matter. Likewise, when members of the Opposition throw the accusation at me that I included all the councillors: I said there was a small group of councillors who were in control of the town planning committee, some of whom may still be there, who pushed through developments which were to their advantage or to the advantage of people with whom they were associated. I do not resile from that statement. That group of councillors were at the City of Perth when the R & I Tower was approved.

Mr Shave: How do you avoid that situation if the town planning committee comprises a small group of people and they control the planning?

Dr ALEXANDER: I do not know. I said at the time that, with reference to the town planning committee, it was a case of what is called log rolling in the United States: "You scratch my back and I will scratch yours. You vote for my development and I will vote for yours." That is how it appeared to me to work. I believe those matters should have been investigated and I called for an investigation at the time.

Mr Shave: Why is the Leader of the House objecting to this being included in the Royal Commission's terms of reference?

Dr ALEXANDER: We have a difference of opinion on this matter.

Mr Shave: You called for a Royal Commission.

Dr ALEXANDER: That is correct. I called for an investigation of the central city developments during the 1980s and I specified several of them on "The 7.30 Report" to be included in the terms of reference of the Royal Commission. Some of them have, in fact, been included in the terms of reference. I note that paragraph 1.4 includes the central city transactions entered into by the WA Government Holdings Ltd, the Government Employees Superannuation Board and State Government Insurance Commission from 1984. I have only just seen the terms of reference and I do not think that includes the R & I Tower – I think it should have and I will continue to pursue that matter. The terms of reference issued by the Premier this afternoon do include major central city transactions and I was calling for an investigation into those transactions only last week. Perhaps this has gone more than half way to meeting my request. The Perth City Council's role in approving all those major central city development needs examining.

The other matter I raise is that the councillor mentioned by the member for Riverton, Councillor Evans, has been the subject of allegations over a number of years. I have made a study of a few cases in which that councillor has been involved, and I certainly think some of those developments need investigation. I have documentary evidence of some of them which I have presented in various forums. None of those matters has been investigated but now that the member for Riverton has raised this matter, perhaps they will receive more publicity. I do not have the details with me at the moment so it would not be a good idea to go into this matter now, but I will do so at some future time.

I have made the points I wished to make, and, if the R & I Tower is not included under 1.4 of the terms of reference, as it does not appear to be at the moment, I hope it will be included, not just for that reason but also because other individual councillors, who may have made up only a minority of the town planning committee, contributed to the distortion of the planning process to the extent that the developers of the R & I Tower got concessions far beyond what was warranted. This matter came back to the council in 1986 because, as the member for Riverton may recall, the Palace Hotel originally was to be preserved as an hotel in perpetuity – that was the wording of the motion. The very next year the council reversed its decision because it was proposed to use that building as a banking chamber, which has nothing to do with its original use.

Mr Kierath interjected.

Dr ALEXANDER: I am not suggesting that the member made allegations involving me. I hope he has not, because any such allegations would be baseless. At the time I was a member of the Perth City Council I did not own any property anywhere in the City of Perth or anywhere else.

Mr Kierath: I said that although we did not agree on many things, we did agree that the Royal Commission should inquire into some of the activities of the Perth City Council.

Dr ALEXANDER: The point I make about the R & I Tower is that it came back for reassessment when the proponents of the development changed the proposal to include a banking chamber in the former Palace Hotel. Many councillors felt at that point that the concessions which went far beyond those normally applied should be reviewed. In the event the council voted to maintain those concessions. Previously the council had been asked to review those concessions for other reasons. The original reason for the concessions was that the old building would be preserved and, perhaps some concessions were warranted on that basis, but certainly not of the scale of the 7.2 plot ratio it received. That was the opinion of at least some councillors at the time, and it has been the consistent opinion of the city planner who has been ruled out not just on this occasion but on so many other occasions by vested interests on that council, that I am amazed he is still in that position.

DR TURNBULL (Collie) [8.03 pm]: I shall begin my contribution to the debate on the Appropriation (General Loan and Capital Works Fund) Bill by asking a question about the Pinjar gas turbine project. I shall ask this rather detailed question at this stage because I am under the impression that the State Energy Commission is not listed in the Budget papers and, therefore, no opportunity will be available to discuss this matter at the Committee stage. The General Loan and Capital Works Fund Estimates of Expenditure for 1990-91 indicate that stage A of the project has been completed and that amounts of \$17.981 million and \$29.012 million will be allocated to stages B and C respectively this financial year. I raise this question because it is my understanding, and that of many people, that the Pinjar gas

turbines are not owned by the Government but are leased. Some statements in the "Report of the Auditor General – 1990 – Volume Two" are relevant to this matter and I shall read them. The Auditor General refers to the global approach which was adopted as an ongoing process in mid-1985 by the State and Commonwealth Governments. He states –

Under the Global Approach the Commonwealth and each State Government voluntarily limits the level of "new money borrowings" each year from all sources by their authorities to global limits agreed by Loan Council. As occurred under the Gentlemen's Agreement, each State and the Commonwealth is free to determine the distribution of the global total between its individual authorities.

The "new money borrowings" for each State includes:

- 'conventional' domestic and overseas loan raisings,
- deferred payment arrangements,
- overseas trade credit,
- financial leases (including leveraged leasing and similar arrangements),
- sale and leaseback arrangements,
- instalment purchase by government departments,
- the net change in temporary purpose borrowings over the financial year, and
- any other form of raising new capital funds (including equity raisings by or on behalf of authorities).

"New money borrowings" exclude operating leases and temporary purpose borrowings within the financial year. All bodies subject to global limits are able to refinance maturing debt outside "new money borrowing limits", provided there is no net addition to the total level of outstanding debt.

The Western Australian Treasury monitors the borrowings of the State to ensure compliance by the State with the agreed global limits.

During 1989-90 SECWA entered into sale and leaseback arrangements amounting to approximately \$53 million. This type of arrangement falls within the criteria for "new money borrowings" set out above. SECWA maintain that the leases are operating leases and have put forward a case supporting this argument drawing attention to the fact that they had sought advice from a large accounting firm which stated that the lease arrangements were operating leases. . .

I have been informed that the Western Australian Treasury holds the view that for sale and leaseback arrangements to be included as "new borrowings" they must fall within the Australian Accounting Standard 17 definition of finance leases. Treasury agree that the SECWA leases are operating leases and should not be included as "new borrowings". It should be noted that Treasury's consent for SECWA to enter into the sale and leaseback arrangements in question was on the condition that they were operating leases as defined by AAS17.

While attempting to follow up Treasury's line of reasoning it became apparent to Audit that the task of classifying leases of this nature into operating leases or finance leases is not an easy task. There is a substantial element judgement in such assessments. However, my view of the arrangements utilising AAS17, and taking into account the environment in which they were entered, is that on balance these SECWA leases have more of the characteristics of finance leases and should perhaps be regarded as "new borrowings".

I wonder whether the items included in the Capital Works Program for 1990-91 in connection with the Pinjar gas turbines involve any of these leasing arrangements which the Auditor General has stated should be considered as new borrowings. I am even more interested to know whether leasing arrangements are in operation for stage B, and ultimately stage C, of the Pinjar gas turbines which are not included in this Budget under new borrowings. As members will be well aware, it is difficult to understand these matters as reported and in the context of the General Loan and Capital Works Fund, because no explanatory notes are provided with these Estimates. The figure mentioned in the Capital

Works Program could easily be for installation only and not for the actual purchase of the turbines. I do not know whether the Minister will be able to answer that question now or at the Committee stage.

Mr Carr: I am sorry; I have only just come back into the Chamber and did not hear the details of what you are asking. It is probably better if I get someone to look at *Hansard* and respond to you in that way.

Dr TURNBULL: I could raise the matter at the Committee stage.

Mr Carr: You could give me a question on notice.

Dr TURNBULL: Yes.

I raise the issue of the leasing of gas turbines because that will have an impact on the financial structure and on the decision about whether to choose the gas or coal fired option and about the type of power station we will have in the future. I believe I can discuss the subject of the new thermal coal fired power station because it appears in the Capital Works Program for 1991; its cost is listed as \$950 million.

Western Australia is fast approaching the time when we will need to make a decision about a new power station. *The West Australian* of 22 November said that a decision would soon be made by SECWA and that SECWA would advise Cabinet of that decision. However, *The West Australian* of 23 November refers to Mr Carr as saying that the SECWA board had discussed its recommendation, which is due to be handed to the Government this month, at length on Wednesday but had not finalised it. Mr Carr said the Government would try to make a quick decision once that recommendation had been finalised.

The Government is facing a difficult problem. Now that the options of coal and gas have been well discussed in the community, and now that reports have been presented, the final decision to be made about a new power station is whether that power station is to be privately or publicly owned and operated. Mr Carr is quoted in *The West Australian* of 23 November as saying that the option of a privately owned and operated gas station is not out of the question. So within the next few weeks there will be a watershed for Government decision making in Western Australia; that is, will the Government be courageous enough to decide to have a privately owned and operated coal fired or gas fired power station?

It is unfortunate that in the last few weeks since October some union activity took place in Collie, and that the Metal Workers Union of Australia decided to involve its members at the Muja power station in an Australia-wide strike. I told the union members at Collie that it was unfortunate that they were involved in that strike action because were a decision made against building a new power station in Collie, or to have a privately owned and operated power station, union members would be made the scapegoats. The fact that there has been industrial unrest in Collie and at Muja this year will be used as an excuse for having a privately owned and operated power station. Many union members in Collie feel, quite justifiably, that it was just the luck of the industrial draw that Muja was chosen for the metalworkers' program rather than Kwinana or another area, be that in Western Australia or in the Eastern States. However, despite the pros and cons of that union activity, a very important decision has to be made, and I hope the Government will make that decision before the end of the year because the establishment of a new power station in Collie will be very important to the future development of Collie.

I turn now to the bolstering up of the Capital Works Program with sums of money which are not expended. The member for Scarborough referred this afternoon to the Government's giving the impression that the State is on the move, and that the Capital Works Program is large and massive and will produce benefits for the capital infrastructure of Western Australia. I will not refer to a department, as the member for Scarborough did, but will refer to two cases which occurred in my electorate, where an impression was given that there would be a lot of activity, but that activity did not come to fruition.

The 1989 Capital Works Budget had an estimated expenditure of \$295 000 for the workshops at the Collie College of Technical and Further Education and the School of Mines. The total project value was to be \$889 000. That project was never commenced. The 1989 Capital Works Budget had an estimated expenditure of \$200 000 for a Department for Community Services office in Collie. The total project expenditure was to be \$250 000. In that case, there was an expenditure of \$19 000 on full designs, right up to the calling of

tenders. Those tenders were solicited, but a tender was never chosen. That item then appeared in the Capital Works Program for 1990-91, with an estimated expenditure of \$90 000 for the renovation of the old water supply office in Collie for a Department for Community Services office. We are now almost half way through the financial year and we have not seen any sign of that project's commencing. I sincerely hope that the expenditure will take place and that this project will not be like the two I have already mentioned. Collie is now the district centre for the south west rural area of the Department for Community Services.

I turn now to country roads. This area does not appear in the Capital Works Program, although two years ago it did. Four years ago it had an estimated expenditure of nearly \$9 million. That expenditure was reduced to \$5 million, and last year that item was dropped completely. I guess part of the reason is that last year there was an increase in the fuel franchise. The fuel franchise for 1989-90 was \$140 million. As members know, revenue raised from the fuel franchise is placed in the transport trust fund. The transport trust fund is divided up so that \$5.3 million goes to administration, \$46.5 million goes to the Metropolitan Transport Trust, and \$88.9 million goes to the Main Roads Department. Last year there was an increase of \$30 million in the fuel franchise tax. That \$30 million was supposed to have all gone to the Main Roads Department to be expended on roads, bridges and similar items. A close analysis of the budget of the Main Roads Department shows that only \$20 million of the \$30 million proposed increase was actually spent on roads, land, bridges and infrastructure related to roads. It is an indictment on the State that money is diverted into the Metropolitan Transport Trust and away from the Main Roads Department. Why can the Metropolitan Transport Trust not increase its borrowings and allow money from the transport trust fund which comes from franchise tax on petrol and diesel to be expended on roads? Expenditure on roads in Western Australia is down on former years. It is not even receiving any loan funds this year. Perhaps members would like to debate that point, but what I am saying is that more of the fuel franchise tax should go to roads, particularly country roads.

The great wealth of Western Australia is derived from areas outside the metropolitan area. It comes from mining and agriculture. Roads and railways are essential for those industries. To add to the cost burden of people who transport their materials and products on country roads which are deteriorating is a gross injustice to the development of the economic wealth of Western Australia.

Another item I wish to raise in relation to my own electorate concerns the General Loan and Capital Works Fund Budget. In the South West Development Authority budget is an item of \$54 000. Members may think that is a very small amount of money in relation to the total Budget. Of course it is, but it has been listed for a study of industrial land site areas in the Collie shire. Unfortunately, due to the fact that the South West Development Authority's budget has been reduced, there is a great temptation for that authority and the South West Industrial Land Site Study group to divert some of this money from the Collie shire study to the South West Industrial Land Site Study.

The Minister for South-West, who is responsible for the South West Development Authority, the director and the chairman, may think that all the Collie people want is the new Coolangatta power station area. This is not so. The South West Development Authority and its officers have been contacted, and they have been told in a number of ways that the two areas, the old Muja power station site and the new power station site at Coolangatta, need to be studied with a view to possibly using them for a new industrial park area such as that in Kemerton Park. If this money is diverted from Collie, it will be another example to add to those I quoted before, the workshops at TAFE, the School of Mines and the Department for Community Services' office.

How do members think they can have industrial development in Western Australia with people trained to manage and work in these new industrial developments unless the training areas and training schools have the facilities with which to do it? The Collie TAFE workshops are badly needed for all the training programs going on in the Collie area, such as the State Energy Commission of Western Australia, the mines of Muja and Western Collieries, and the Kemerton alumina smelter. One could not find a richer area for products of Western Australia than Collie. The Government has cut back the TAFE workshops and the School of Mines where they are needed to run training programs. The Minister for Finance and Economic Development has been trying to push through this Parliament for months a Bill to introduce the State Employment and Skills Development Authority. We are

doing it in Collie. All the industries in Collie are doing it, but we need the facilities to enable us to continue the process. This is probably another example of what has happened on many previous occasions when I have spoken in this House. Words are just words inside the covers of glossy brochures. Action is needed to keep Western Australia going and developing.

Housing is a huge part of the Capital Works Budget. The housing section includes upgradings and improvements for Homeswest stock. That comes to \$2.7 million this year. If there is time during the Committee stage I shall go into this aspect a little more deeply, but one of the things Homeswest could be doing is selling the oldest of its housing stock. Collie has a lot of housing stock at least 40 years old, if not older. No-one will enter into a program to purchase his own house if it is one of these very old houses. They should be sold cheaply so that Homeswest does not have to put a lot of money into upgrading, improvements and repairs.

Mr Lewis: Discount them to their tenants.

Dr TURNBULL: They have to be sold at discount rates.

Mrs Henderson interjected.

Dr TURNBULL: Why bulldoze those houses in which people can live?

Mrs Henderson interjected.

Dr TURNBULL: Yes, and Homeswest owns plenty of other land in Collie. There is a huge block of it in the north.

Mr Lewis: There are 1 600 blocks which can be sold.

Mrs Henderson: There are houses 35 years old at the end of their economic life.

Mr Lewis: You people speak of heritage!

Dr TURNBULL: I agree entirely; they have come to the end of their economic life for Homeswest.

Several members interjected.

Dr TURNBULL: If members will be quiet, may I ask the Minister a question, please? Why should the asbestos roofs on schools be regarded as perfectly all right, but the fact that those houses are made out of asbestos is used by the Minister as an excuse for bulldozing?

Mrs Henderson: I said they were 35 years old; they have come to the end of their economic life.

Mr Lewis: They have not.

Mrs Henderson: Most people would prefer a brick house.

Dr TURNBULL: Of course most people would prefer a brick house, but all people really want is a house. What about all the young people just getting married? The Minister has unreal, palatial expectations if she thinks all the poor people of Western Australia should be housed in new, brick and tile houses. They are very nice little houses. They are a lot better than 40 year old stock in Collie, but many young people in Collie would love to own an ancient house at the bottom end of town into which they could slowly put money. They could do it up and, most importantly, they would own it.

Mrs Henderson interjected.

Dr TURNBULL: In the new ones that the Government would build.

Mrs Henderson: Where would we get the money to build them?

Dr TURNBULL: The Minister could use \$2.7 million, and she will not get it by bulldozing them.

Mrs Henderson: That money is for maintenance.

Dr TURNBULL: It is not for maintenance; it is for improvements, upgrading and additions. Anyway, why will the Minister not sell the old houses? I will go to the Minister's department and find out about the program the Minister is talking about so that I can do it in Collie.

I do not have time to cover two other items about which I would have liked to speak; that is,

the Ministry of Education and, in particular, the Collie Senior High School. The Minister for Education will visit that school a fortnight from yesterday and I think he will get quite a surprise when he meets the headmaster of the school and is shown approximately \$200 000 worth of fairly urgent maintenance and upgrading that is required at that school.

The General Loan and Capital Works Fund is a very important part of Western Australia's Budget as it will develop our capital infrastructure, but it contains grey areas which need attention. One of the most blatant is the one about which the member for Scarborough spoke this afternoon; that is, the fact that we are promised all sorts of new things and then quietly they fall off the end of the system and nothing ever happens.

Mr Strickland: Where does the money go?

Dr TURNBULL: Yes, what actually happens to it? Is it actually raised or not?

The other question in which I am very interested is the one with which I started my remarks: Are the turbines at Pinjar leased? If so, are they being leased under a program of new borrowings or under a program of operating leases?

MRS EDWARDES (Kingsley) [8.33 pm]: The trade figures which were released today quite clearly highlight even further the difficulty Western Australia will face in the future. For the benefit of those members who have not heard the figures and who did not see "The 7.30 Report" tonight, the trade figures for the third quarter of this year had contracted by 1.6 per cent, a percentage which most analysts were not game to forecast. The contraction for the second quarter was 0.4 per cent and, in the Federal Treasurer's own terms —

This outcome of two quarters of negative growth meets an accepted definition of a period of recession.

He did not even use the term "technical recession"; he came straight out and used that "R" word.

The Treasurer went even further in his Press release and said that it is a recession that Australia had to have. But do members know what he said in March this year, just two days prior to the Federal election? Paul Keating, the Federal Treasurer, said on 22 March, "... we won't let there be a recession"; yet today he says it is a recession we had to have.

I have not heard members of this Government say one word about their Government mates in Canberra. They have not raised one criticism about the policy that has put Australia into a recession 18 months earlier than any other country. And why have we had to go into recession 18 months early? Because of economic mismanagement. The Federal Government deregulated the financial market but it was not game enough to carry out the rest of the deregulation which was necessary to help businesses and entrepreneurs compete more effectively.

We in Western Australia must stand up and be counted, and members opposite have not done that. The unemployment figure Australia-wide for October was 7.6 per cent. For Western Australia it was even higher, and I would go so far as to predict that it will reach 12 per cent in the not too distant future. I base that prediction on the fact that the unemployment figure already has a lag time, and in a matter of weeks school leavers will have to be added to that number. As well, retailers normally lay people off after Christmas, so the expectations for our State are not very good at all.

This is probably the first time that this State has hit a downturn in the economy without any money with which to assist the State in providing a buffer to the downturn. What plans does the Government have to assist school leavers to find employment? What training programs will it have in place? During the Committee debate on the Estimates the Minister for Productivity and Labour Relations kept saying that the Budget allowed for the unemployment figures at the time it was drawn up, but he did not take into account the fact that the unemployment figure would be so high. I do not know what forecast the Minister was using, but he kept saying, "We are awaiting more Commonwealth funds for these training programs." The Minister will probably continue to wait for those funds, so what will he do about it? Is it likely he will consider increasing technical and further education fees? Will that help him provide the extra places which will be needed? How many extra places are being planned for next year? Will there be the nearly 2 000 places that are needed? If the Government increases TAFE fees it will deny access to TAFE for many people who

presently undertake courses there. It is an absolute disincentive to train, and a disincentive to those people who will need reskilling. Those places will probably be available at TAFE if the fees are increased because some people will be so disadvantaged they will not be able to afford to keep their places.

When we consider what the Government must do in order to assist this State to buffer the downturn that is happening elsewhere in Australia, we must go back to the employment – or rather the unemployment – figures. Western Australia has the worst record in unemployment growth over the last 12 months, yet the Minister for Productivity and Labour Relations – who changes his title regularly, perhaps so that we will not catch up with him – makes no decision and gives no leadership to help to create jobs or even a training program. I believe there has been a serious drop in Western Australia's ability to create new jobs. It is evident in the unemployment figures over the last 12 months. What will we say to the school leavers? Where will they get jobs? It is no secret that business confidence in this State has seriously declined. How many projects have we lost to the Eastern States? There was the aluminium smelter, and the mineral sands project.

Mr Taylor: That was not lost to the Eastern States.

Mrs EDWARDES: It went to Queensland.

Mr Taylor: It has not gone to Queensland. What are you talking about?

Mrs EDWARDES: What about the submarine refitting station? We heard a great deal of talk in this place about our need for such a station, how we should go to Canberra and state our case, and about how we needed jobs in this State.

Mr Taylor: You should be supporting us.

Mrs EDWARDES: We damn well were. The Minister should recall the motions at that time. The Opposition was prepared to go with the Government, but that did not happen. The Premier travelled to Canberra to talk to the Treasurer on the Friday before she presented that wonderful economic statement. On the following Tuesday she made no mention of the refit in the economic statement –

Mr Taylor: Don't be nasty. It doesn't become you.

Mrs EDWARDES: I am attacking the issue, not the person. What is the Government doing about the issue?

Mr Taylor: Go for the ball, not the man.

Mrs EDWARDES: Perhaps I could introduce a little levity. In fact, the Deputy Premier was acting a little like the Premier prior to the dinner suspension.

Mr Taylor: In what way?

Mrs EDWARDES: The rose – he looked like Carmen with the rose between his teeth.

Mr Taylor: I will talk to the Premier about that later.

Mrs EDWARDES: Western Australia has an economic policy without direction. Several members, including the member for Collie, have spoken today about the power supply situation. When will a decision be made? How long does it take to make a decision? If the Government continues to vacillate, this State will continue to lose projects. Business people need continuity of supply and decreasing charges.

Dr Lawrence: Western Australia has the highest rate of investment of any State in Australia.

Mr Carr: We have saved tens of millions of dollars by not rushing in two years ago to take up the only option at that time.

Mrs EDWARDES: How much has the Government lost with projects going to the Eastern States? What about the Minproc deal?

Mr Taylor: That has not gone to Queensland.

Mrs EDWARDES: What are you doing about that project?

Mr Taylor: We are holding detailed discussions, and they will continue, with the Minproc people.

Mrs EDWARDES: My information is that the project has gone to Queensland. It is

probably like the submarine refitting station. Before a decision was made on that issue, the Government stated that Western Australia would win that project. After the by-elections in Fremantle and Maylands, where did the submarine refit deal go? Not to Western Australia!

We need that power supply decision. The Government should not continue to vacillate. Ministers say that the Government has saved tens of millions of dollars but it has also caused business failures. Businesses rely on continuity of power supply. Small business lacks confidence in the Government as a result of a lack of continuity. When will a decision be made?

Mr Carr: An announcement will be made before the end of the year.

Mrs EDWARDES: Yes "in due course".

Mr Carr: In accordance with the time table set several months ago.

Mrs EDWARDES: That has been consistently extended, time after time.

Mr Carr: It has not been extended.

Mrs EDWARDES: Businesses need to be encouraged to invest in Western Australia. A power supply is a critical criterion to such investment. Business people want to know whether they can expect to be viable when setting up a business. Transport is another consideration which needs to be addressed Australia wide.

Mr Catania: Specify the industries.

Mrs EDWARDES: Recently we travelled to the south west of this State on tour. It was interesting to note when the power cuts were on that businesses had to be warned by SECWA to close down their factories. Some factories were closed for 48 hours – by the time the factory wound down the manufacturing process and subsequently brought it up again. The Government cannot allow businesses to lose money in that way. Employees in one industry were laid off. Obviously this State needs a second power station, and that should be a private power station.

Dr Lawrence: Is it cheaper?

Mrs EDWARDES: I hope so because that is the reason business confidence is so low.

Mr Taylor: Why should the power station be a private one?

Mrs EDWARDES: Maybe it will assist –

Mr Carr: Maybe! The member wants to decide on a "maybe".

Mrs EDWARDES: When we talk about power stations and power supply we know that one union dominates the scene and holds the State to ransom, it would probably assist the situation to have a second power station which would not be controlled by the same union.

Businesses should be encouraged to invest in Western Australia. School leavers over the next couple of weeks need to think they have some prospects for the future. They want jobs. Businesses must be encouraged to undertake developments. It has been said time and time again that investment today will be consumption tomorrow. Businesses need to have confidence in this State.

This Government has supported the economic policies of the Federal Government. The high interest rates and the inflation rate that have been kept at an unacceptably high level have hurt businesses and whatever hurts businesses, hurts families. A gentleman came to my office several weeks ago. He was involved in small business and is probably a good example of what is happening across this State. He owned and operated a factory and employed 13 workers; therefore, he was paying payroll tax. His business was in the service industry – other people who are also suffering could not pay his accounts; as a result of the economic downturn he ended up selling his factory. He now leases premises. This man put off nine employees, so the Government no longer receives payroll tax from that business. Several months later, he sold his home. However, he will survive because he says so. He and his wife are holding the business together because they will not let go a business which has operated for 19 years. They will not allow the Federal Labor Party, and the State Government of Western Australia that has pursued the economically vandalistic policies of the Federal Government, to take away that business. That business will remain when the economy starts on its upward spiral. That man will do absolutely everything in his power to ensure that the Federal and State Labor Governments are thrown out at the next election

because they have taken away his home, and his factory, and nine people are out of work. What is the effect on the State? It has lost a large amount of payroll tax which flowed from that business. That man was able to contribute to this State but that contribution will not continue because this Government supports the policies of the Federal Government.

Returning to Budget considerations, a small increase in dollar terms has occurred in the financial institutions duty charges. Instead of increasing FID charges, to assist businesses retain some confidence in the Government and to encourage them to invest, to get up and go, the FID charges should be halved. Large companies which deal in a huge number of cheques are charged a fortune for FID, and that does not help anybody.

Payroll tax charges were changed but not sufficiently to assist people to employ one more person or even two persons. Businesses will not increase their staff when it means they must pay payroll taxes. I am talking about small businesses which the Government tends to forget.

Mr Catania: What would you have done with payroll tax?

Mrs EDWARDES: Abolish it.

Mr Carr: In what area would you raise the necessary revenue?

Mr Taylor: If you abolished payroll tax, where would you find the \$4 million or \$5 million to replace it?

Mrs EDWARDES: Where did the Minister find the money to invest in the risky deals? If no risky deals had been done by this State, we would have sufficient money to help buffer the State from the economic downturn. If the Government had not lost so much money, we would not have schools in the condition they are in, employment opportunities would exist and training places would be available. This situation is a result of the Government's mates in Canberra – supported by members opposite – assisting in bringing on the economic downturn far earlier than anywhere else in the world. Also, this State has been put in debt because of the money thrown away by the State Government!

This Government should provide leadership to help build the confidence of those in business so they can invest in this State and create jobs. This is absolutely essential not only for those who are unemployed today, but also for those about to leave school. Only by helping the business community will we be able to get the State to improve its economic performance; however, that sector needs the leadership from this Government to help build confidence. Business people all over the State are telling us that they need a decision on the new power station without further vacillation.

MR C.J. BARNETT (Cottesloe) [8.52 pm]: I am pleased to have the opportunity to speak on the Capital Works Program. In commenting on the Consolidated Revenue Fund allocations I referred to the Capital Works Program and I will reiterate those points before moving on to other topics I wish to address.

The Capital Works Program involves around \$1.4 billion. A shift has occurred over the years in the provision in the State Budget for the Capital Works Program. In the 1982-83 Budget – the last coalition Budget – for every dollar that was spent from Current Purposes in the Consolidated Revenue Fund, 44¢ was allocated to the Capital Works Program. However, the same equation for the 1990-91 Budget indicates that for every dollar spent on current purposes, only 27¢ has been allocated to the Capital Works Program. There has been a relative demise in capital works in this State. This is illustrated by a further comparison between the 1982-83 and the 1990-91 Budgets: If the effects of inflation are removed, the expenditure from the Consolidated Revenue Fund has increased by 139 per cent; however, if the same technique is applied to capital works expenditure, a decline of 40 per cent is evident. That is a serious problem for the State's economic and social development and affects such things as the provision of hospitals, schools and other services.

I understand that it is the custom for members to complain when they find that the amount spent on capital works to be undertaken within their electorates is relatively small. In my electorate of Cottesloe, the non-residential building program has a capital works expenditure of \$5.7 million for this year, and \$7.3 million for 1991-92. Among the Liberal Party members of this House my electorate is enjoying the highest level of capital expenditure.

Mr Catania: You should not be complaining.

Mr C.J. BARNETT: I am saying that it is unusual. Two principal projects in my electorate account for that expenditure: Firstly, the swimming facility at the WA Sports Centre has received an allocation, about which I am happy and I hope that the World Swimming Championships will be a great success. Secondly, it is the Government's intention to build a high security facility at Graylands Hospital for mentally ill offenders, including the criminally insane. The second of these matters is the one I shall address tonight.

The issue of the security and, indeed, the care and treatment of mentally ill offenders, including the criminally insane, is not an easy issue. It is a sensitive and emotive matter which attracts rather extreme points of view. I hope that my contribution tonight will be accepted by members opposite as a fair assessment and a genuine attempt to be constructive.

I refer now to the history of the treatment of mentally ill offenders, and the history of the Graylands Hospital site. In 1905 the original Claremont Hospital was opened. From that date the hospital has accommodated mentally ill offenders among its patients. However, it was a very isolated site in 1905, and very different from the nature of the site today. In 1978 a subcommittee of the Royal Australian and New Zealand College of Psychiatrists, WA division, reported on the treatment of these people. They recommended that secure facilities should be built under the control of the Department of Corrective Services. This decision was ratified some five years later. In 1980 a decision was made to split the Claremont Hospital into what was then called the Swanbourne Hospital and the Graylands Hospital. Mentally ill offenders, including the criminally insane, were placed at the Swanbourne Hospital, and the civil patients, who had not committed an offence of any sort, were treated at Graylands Hospital. I emphasise to members that from the day that split occurred no specialist facility has been provided for mentally ill offenders at Graylands Hospital – such patients have been on site, but no specialist facility has been provided.

In 1983 the Swanbourne Hospital was closed and some of the worst cases, presumably the criminally insane, were transferred to Fremantle Prison. However, some other patients were transferred to Graylands Hospital, the facility designated for civil patients. Some concern was expressed by residents and by groups associated with the planning of the possible move of the John XXIII College. A Mrs Jones wrote to the Mental Health Services division of the Health Department expressing her concern about the closure of the Swanbourne Hospital in the belief that some dangerous people would be located in the Graylands Hospital with almost no security facilities being provided. In reply to her concerns, Mr F. Bell, the Director of Mental Health Services, wrote –

The closure of the Swanbourne Hospital will not affect in any way the nature of the patient population at the Graylands Hospital. The two hospitals are separate entities.

However, that has not been the case since that letter was written and some of these quite dangerous and very disturbed people have been placed in low security facilities at Graylands Hospital. In 1985 a report was commissioned by the Government into this issue. This is known as the Cramond-Harding report. Professor Harding was the Director of the Australian Institute of Criminology in Canberra, and Professor Cramond was an eminent professor of psychiatry in South Australia. These were two highly qualified people who were independent of the Department of Corrective Services and the Health Department – it was an external inquiry. The report recommended in 1985 that mentally ill offenders should be housed in a separate unit which should be established as part of a multi functional prison facility. The facility referred to is now identified as Casuarina Prison.

Shortly after, another report known as the Hill report was released in response to the Cramond-Harding report. This was prepared by Mr Ian Hill, the director of the Department of Corrective Services, and was a departmental report not an independent external report. In this report objections were made to the findings of the Cramond-Harding report. Mr Hill said that he considered that a prison was incompatible with the psychiatric treatment of patients. Other eminent psychiatrists and individuals have since become involved in the debate. Dr John Baird, a psychiatrist with Carstairs State Hospital in Scotland, became involved in the issue during a visit to Western Australia. At the time he expressed the concern that if mentally ill offenders are placed within a civil facility – an ordinary hospital – a stigma effect could be created. The non-offender patient would be stigmatised and become associated in the public eye as being in some way similar. Dr Baird regarded that as a regressive step which would retard what is an improving and more positive attitude in the

community to mental disorder. Only a matter of weeks ago, in response to reports of his views, Dr Baird said that he favoured the treatment of patients within a psychiatric hospital. I place that on record in fairness – and I am trying to be as fair as I can in what is a confused history.

In 1988 the Murray committee, chaired by M.C. Murray, QC, which comprised two Health Department psychiatrists and two doctors from the Department of Corrective Services, presented its report. It recommended that a forensic unit for the criminally insane and for mentally ill offenders, should be placed at Graylands. The Murray committee report has subsequently been criticised because it did not address matters of security or some of the findings of the original Cramond-Harding report. In July 1989 the Government made the decision, based on the Murray committee report, to build a prison facility for mentally ill offenders at the Graylands Hospital. The Government intends to take some of the State's worst offenders, the criminally insane who are clearly very dangerous people, from Fremantle Prison and put them in the facility at Graylands Hospital. Comments from eminent authorities in the field have continued since that decision was made. Dr John Ellard, an eminent psychologist from New South Wales – in fact, a Commissioner for Corrective Services there – has expressed the view that a facility could be built and incorporated within a prison structure. Dr D. Jacobs, currently the Chairman of the Royal Australian and New Zealand College of Psychiatrists, has expressed support for a facility within a psychiatric hospital. A group of eminent psychologists from the UK Royal College of Psychiatrists has expressed the opinion that if an offender is placed in a civil psychiatric hospital there is a serious danger of reversing a trend in the community of greater tolerance, acceptance and compassion for mentally ill people. That is the history of professional reports and the use of the Graylands site.

I have some comments to make on the site itself. As I said previously the site has been used in this way since 1905. At that time it was an isolated site. In the 1960s it was still an isolated site and as a student in the area I can recall seeing cows wandering around the site. Over recent years the nature of that site has changed dramatically. First, with the closure of the Swanbourne Hospital, the Government made the decision to sell off the land for residential purposes. Under the supervision of LandCorp the Government sold the land for the St John's Wood estate, and building is rapidly progressing in that area. The people involved in that development, and those who purchased land, were of the firm opinion that no facility for the criminally insane or for mentally ill offenders would be established on adjacent land. The other major change is John XXIII College. After consultation with the Government the college made a decision to relocate from its Claremont site to the Graylands site. The college administration was under the impression, and was assured in various ways, that there would be no placement of mentally ill offenders in that area. Government involvement has changed the nature of the site, and the proposed forensic unit is adjacent to a growing residential area, John XXIII College and Graylands Primary School is very close as well. I will emphasise what I mean by "adjacent". The unit in which it is proposed to house some of the most dangerous offenders in our State – people who are guilty of, or who have committed the most serious and violent crimes – will be housed within 200 metres of a school playground.

I will comment briefly on the consultation process that has occurred. I emphasise the strong community opposition to this forensic unit's being built. The community is not opposed to the operation of the Graylands Hospital as a facility for civil patients; it is opposed to this forensic unit and it is a very reasoned and responsible opposition coming from informed people. The opposition comes from two major areas: John XXIII has set up a special committee under the chairmanship of Mr Robert Mazza to look at the situation from the college's point of view; the St John's Wood Residents' Association is also active under its convener, Mr Jeff Hancy. There is significant and strong opposition. Until recently I do not think the Government appreciated the nature of that opposition. On 20 September Hon Andrew Menzies, the member for Floreat, asked a question of the Minister for Health. He asked whether the Minister was aware of the unanimous opposition to the siting of the forensic unit in Graylands. The Minister's response was that he was aware of some opposition, and that it was not unanimous. Of course, it is not unanimous but it is more than "some opposition"; it is strong opposition.

I have received numerous telephone calls and letters, as have my colleagues, and I am sure

that members of the Government have as well. These letters demonstrate the genuine concerns of parents and grandparents. In fact, I received an unusual phone call – I will not identify the person because that would be quite unreasonable – from the mother of one of the State's most notorious offenders, a very dangerous and seriously disturbed person. She telephoned me, and I assumed she would attack me for my comments in the media, but she did the opposite. She said that she hoped her son was not put in a forensic unit in a residential area because that would concentrate public opinion on him and other patients. That would make it more difficult for her son to be rehabilitated.

Dr Lawrence: Where is he now?

Mr C.J. BARNETT: To my knowledge, he is in Fremantle. I would prefer not to give the details to the House.

Dr Lawrence: I am asking the question because most of those people are in Graylands right now.

Mr C.J. BARNETT: He may be in Graylands.

Mr Thomas: Fremantle is in a residential area!

Mr C.J. BARNETT: We are talking about different times. I will come back to that point because it is a valid point and I am trying to be fair and rational. It deserves attention.

The groups that have been expressing opposition to this unit felt some frustration about their relationship with the Minister for Health. I was not a party to that and I note it in passing. I am glad that the Premier met with a delegation from John XXIII College in September this year. I understand it put to her a case for an independent and public inquiry into the security aspect. I hope the Premier proceeds with that.

I now wish to focus on what is happening in other States of Australia. In Queensland, a unit was built for these people on the outskirts of Brisbane. It is several kilometres from residential areas. In South Australia, a unit was built adjoining a prison two years ago and it is at least one kilometre from the nearest home. In New South Wales, a facility for the criminally insane was built within a prison. I am not aware of any other State that proposes to build within a residential area a unit for mentally ill offenders. Even in this State, I note that the decision to site the Casuarina prison included in it a buffer zone around that prison which I think is appropriate. Recent media comment by the Minister for Corrective Services about the need for another prison implied that it would need to be in a relatively isolated area and would need a buffer around it. I agree with that as I am sure other members do.

That is the history of the site. It is a history of the inquiries that have been undertaken. It accounts for what has happened elsewhere in Australia and I believe I have documented the very legitimate and rational concerns of residents and people associated with schools in the vicinity.

I wish now to summarise and conclude. First, I am not pretending that this is not an extremely difficult and emotive issue. It is an issue that involves the best care and due sympathy for those patients. It is an issue that also has important implications for public safety and the security and safety of the patients concerned.

The second point relates to professional opinion. I am not a psychiatrist or a professional in the area of corrective services and I do not purport to have any knowledge about that area. However, I have done my best to review the findings of various reports and public comments by various professionals. What I have concluded is that professional opinion in this area varies. If anything, the psychiatrists tend to have a relatively greater empathy for the care and rehabilitation of these people. They tend to favour forensic units within civil psychiatric hospitals. The people who come from the security side of things tend to favour specialised units in more isolated locations. There is also another trend. Those inquiries conducted by independent professionals tend to favour separate units in relatively secure and isolated areas or attached to prisons. Departmental inquiries tend to favour units within hospitals. However, I emphasise that professional opinion, whether it be departmental or totally independent opinion, varies and it has varied over time. There are differing points of view from the most eminent people and all I can do is acknowledge the differences.

Thirdly, I remind the House that the site has changed dramatically. In 1905 it was an extremely isolated site. In the 1960s it was also isolated. It is not isolated now. Planning

decisions by this Government have meant that a residential area and a school have been established immediately adjacent to it. I remind members that I am talking about the proposed site for this forensic unit being within 100 or 200 metres of a playground for young children.

Fourthly, part of the treatment and rehabilitation of mentally ill offenders involves a transition process, with offenders progressively being taken from areas of high security to low security to presumably no security. If that process works well, hopefully the treatment has been successful and they are rehabilitated. In doing that, there is an inherent risk and it is inevitable that there will be cases of failures in the process and mentally ill offenders will commit further offences against innocent parties, whether they be civil patients or residents or children.

The member for Cockburn said that Fremantle Prison is in a residential area. It is. It was built a long time ago. The situation is clearly different. Also, Fremantle Prison does not have to the same degree a process of rehabilitation whereby people are progressively taken from high security to no security. However, the treatment of these people requires that. It therefore requires for those most dangerous patients, the criminally insane, that the first transition from the highest security, a forensic unit, should be protected by some form of buffer zone. As they go from maximum security to low security in the Graylands proposal, they are moved to a civil hospital which is immediately adjacent to residents and to children in playgrounds. It is a different situation from Fremantle Prison and a different situation from an isolated unit.

I wish to make one other comment on security. While a forensic unit can be made to be highly secure, a question of the staffing of that security unit arises. I should imagine that medical staff would have as their prime responsibility the medical treatment and rehabilitation of those patients. I think it is unreasonable that medical professionals should be given the added responsibility of providing security for these people and the responsibility of ensuring the security of adjoining residents and school children. Such difficult security matters should be handled by security professionals, presumably officers of the Department of Corrective Services. I remind members that Graylands has a history of security breaches. Mentally ill offenders and dangerous people have wandered into the adjoining residential area. In fact, three people who could be considered dangerous have wandered out this year. One of them had committed a most violent stabbing recently. Three years ago a patient, not an offender, who could be considered dangerous was housed at Graylands in what could be considered as very low security. He wandered into Perth City and sexually assaulted a young girl. These things happen. However, we cannot compromise the safety of innocent parties.

My final point relates to stigma. All people in this House would agree that community attitudes towards those with mental disorders have improved. We still have a long way to go. The great danger of placing offenders of violent and dangerous crimes in a civil facility is that the other patients in that facility are immediately stigmatised. Patients who have committed no offence and who are no danger to themselves or to other people find themselves in a facility with people who are guilty of the most heinous offences. It is most unreasonable and unfair to civil patients and to their families. It will, in all probability, reverse the trend and lead to a greater degree of community intolerance towards the mentally ill. It will be a tragedy for our community and a tragedy for the treatment of those people.

I advise the Government what I think should happen and I hope it will listen. I am not arguing that these people should necessarily be placed in a prison facility because I am not competent to make that recommendation. As a member of Parliament and, therefore, a community representative I have a responsibility to take action to ensure that members of the community are protected. I do not accept that the criminally insane should be placed in any facility in a residential area, regardless of whether it is in my electorate or any other electorate.

We should create a specialist facility which is situated in an isolated area surrounded by a buffer zone. It will cost money and it will cause inconvenience to psychiatric staff, but that is a cost this community must bear. I hope the Government will reconsider its decision and act with due care and compassion on what I concede is a most difficult but important issue.

MR TRENORDEN (Avon) [9.22 pm]: This Bill is an important part of the political calendar and it provides me with an opportunity to raise matters concerning my electorate.

This year an allocation has been made from the General Loan and Capital Works Fund for a new fire station at Northam. An allocation to construct a new fire station at Northam has been included in the Budget for two years now and, as other members have said, it is amazing that an item can be included in the Budget for that length of time. I am pleased to inform members that the foundations for the new fire station have been laid and the allocation in this year's Budget will be expended. I doubt whether any of the money allocated to this project last financial year was actually expended. Not only is it a permanent fire station with a competent staff, but also it is an important asset in terms of the service it provides to the Town of Northam. The Northam Fire Brigade plays a major part in any emergencies which arise on Great Eastern Highway. A large quantity of dangerous goods is carted on that busy highway which is the main route for vehicles travelling to and from the Eastern States. The new fire station is welcomed by the residents of Northam.

During the Budget debate I asked several questions relating to the Government Employees Housing Authority. I was informed that previous allocations for GEHA housing in Northam have not been expended because of the lack of suitable land. I have approached several agencies, including the Town of Northam, to ascertain the reason that GEHA is unable to purchase suitable land in that area. No-one has been able to answer the question. I have a deep seated suspicion that the decision to reduce GEHA activity in Northam was intentional because there is no logical reason. I acknowledge that there is a shortage of housing land in Northam, but some land is available. In addition, two blocks of land were allocated to the hospital many years ago. The current hospital now stands on one of those blocks and the other block, which is some distance from the hospital, is still owned by the Health Department. The hospital has no use for that land and it has still not used all the land on which it is located. Harrison House, the former nurses quarters, is being demolished and that will increase the land available on the hospital site. The community decided that the unused block of land should be developed. The Assets Management Task Force has control over the land and it has decided, in its wisdom, that it will put this land out to tender to a developer. Limitations have been placed on the land and a certain number of the blocks must be made available for GEHA and Homeswest housing. The cost of developing the land will be very high and it will not provide a satisfactory return to a developer. The cost of a block of land in Northam is between \$15 000 and \$16 000, but development costs would be as much again, if not more. Therefore, this land will not be developed because it will be too expensive.

Mr Thomas: Are you suggesting there will not be any tenders?

Mr TRENORDEN: I am not suggesting it; I will give the member a 100 per cent guarantee that that will be the case. It is not practical because of the development costs.

Mr Thomas: The proof of the pudding will be in the eating. If it comes off, it will not be a bad idea.

Mr TRENORDEN: If that point of view were applied to a suburb in Perth, it would be feasible.

Mr Thomas: The task force would not have recommended that unless it was based on some sort of valuation.

Mr TRENORDEN: It has a valuation of the land, but it does not understand that it will have to sell that land at an exorbitant price once it has been developed.

Mr Thomas: The valuation would have taken into account what would be realised on the developed blocks.

Mr TRENORDEN: It is the unanimous opinion of the people in real estate and of the Town of Northam and the Shire of Northam that the cost of developing this land will be beyond the means of a developer.

Mr Thomas: Do you know when it goes out to tender?

Mr TRENORDEN: I do not know, but it has not been put out to tender yet. I am trying to convince the Government that the Department of Land Administration should develop the land. More than 30 sites have been identified by Government departments on which Government houses will be built over the next decade.

Mr Thomas: Why don't we put it out to tender and if we don't get any bites we can do that.

Mr TRENORDEN: That involves time. I am sure that is what will occur because there would be no interest in the land and the method of development of it will have to be reconsidered. It is excellent land which is located on the side of a hill. We would prefer to go straight to the Department of Land Administration and to avoid that process if possible. DOLA is not greatly occupied with projects at the moment and it believes it could handle this project. It is an important issue for the community. I am sure the Speaker would not argue with that, particularly as his electorate of Rockingham has grown like a mushroom.

Members will be surprised to hear me refer to the weirs on the Avon River! I admit to being somewhat emotional about the Avon River and I concede that from time to time I go over the top when talking about it. I have real empathy with that beautiful stretch of water. Members will not be surprised to learn that if one travels from Perth to Adelaide, using the shortest route, it is the only river one crosses bearing in mind, of course, that it is part of the Swan River.

Mr Gordon Hill: Do you want us to build more rivers?

Mr TRENORDEN: No, I want us to look after that river. The catchment area of that river is the size of Tasmania; the Avon flows through the Lake Grace area, Southern Cross and north of the Wongan Hills. It covers a very substantial area. Because of the geography, and perhaps demography, of Western Australia the river has not changed over many years. However, some serious damage was done to the river as a result of the river training scheme in the 1960s when areas of it were bulldozed. The river now runs at twice the speed and has a huge amount of silt, and that silt is moving into the weirs. I ask members who visit Northam to look at the extent of the silt blockage which can be seen from the bridge. It is becoming a major problem. In time the river will become completely silted up and the swans, of which we are so proud, and the work carried out on the river banks will be in jeopardy. A great deal of work is needed. Of course, the Avon flows into the Swan River, which also needs silt traps. The Avon Weir is an enormous silt trap.

It should not be the responsibility of the people of Northam to remove the silt from that river. It is a substantial project, and if the weirs were not in place the silt would run into the permanent water holes close to Toodyay and through to the Avon River National Park to the Swan River. Nobody in their right mind would want that to happen. The Northam town is faced with this serious silt problem, and naturalists are concerned about two weirs further down the river which are in danger of breaking down. Those weirs may break down completely and disappear in the first heavy wet season. If that happened the water they retain would be released and would replace the pools which existed 50 or 60 years ago. One pool close to the town of Northam was used as a swimming pool many years ago and the locals regarded it as a bottomless pool. Old newspapers carry reports of competitions in which people attempted to dive to the bottom of the pool. Nobody was ever successful and many people drowned in the pool. The water in that pool is now ankle deep, and when the tractor tube races are held on the river many people walk across that section. The water becomes deep enough to float a tractor tyre only when the river is high. That is an indication of the extent of silt in the Avon River.

The town of Beverley is trying to establish a scheme to install a pool in the townsite for beautification purposes. That project should be supported by the Government. To its credit, Alcoa of Australia Ltd is considering supplying some money or encouragement for that activity. The Avon River flows through the heart of Beverley and certainly a pool in that town would attract more bird life and ducks. It would beautify the area and enhance the landscape.

The town of Wandering has the opposite problem; the Water Authority has erected a dam in that town but it leaks. The development of that town is reliant upon an adequate water supply and the present system cannot cope with the demands of the town. An additional water supply should be piped to the town either through the flourishing town of Boddington – a short distance away – or through the Shire of Pingelly. Either route would be satisfactory and they are similar distances. It is appropriate now for the Water Authority to investigate the cost and viability of using one of those two routes to improve the water supply to Wandering.

One issue that is constantly raised in my electorate in connection with capital works development is the Brookton Highway. Unfortunately, fatal accidents occur regularly on that

highway and the condition of this important stretch of road is appalling. On some stretches of the road an aluminium can placed on the verge would vanish from sight because of the steep incline on the edge of the road. One can imagine the difficulties facing a driver carrying a truck load of goods trying to steer his vehicle back onto the bitumen if a wheel goes off the edge of the road. The camber of the road is incorrect and the surface is undulating in many places. Many hospitals on that route do not allow ambulances to carry patients along that road because of the uncomfortable ride they would have.

It is important also to refer to the hospitals in my electorate. The Brookton Hospital accommodates extremely aged people and it has a high occupancy rate. Rarely is a spare bed available in that hospital. It is run very efficiently and I am told by officers of the Health Department that it is among a handful of hospitals in this State which are run on very low budgets. Yet, during the time I have been a member of Parliament – almost five years – the Brookton Hospital has struggled for funding. The matron of the hospital has been operating on deficit funding for that period at least. She has run the overdraft in the hospital and each year she has a struggle with the Health Department to get an allocation to meet the requirements of the hospital. Brookton Hospital is an important issue, and the people of Brookton are about to explode about this issue because they believe that this year's measures may result in a terrible impost on that hospital, forcing it to close, which will be a dreadful thing for the area.

There is a great deal of concern about the secondary road program in this State. Julimar Road, which runs west out of Toodyay, is now being more heavily used as an arterial road by the many people who have moved into Toodyay and who are using Toodyay as a dormitory area from which to travel to work in the metropolitan area. It is important that money be made available through the Main Roads Department to enable the shire to commence a secondary road program, because it is unfair that the shire has to constantly meet that situation.

The SPEAKER: Order! We are having some difficulty hearing the member for Avon because of the number of conversations that are going on to my right. I am not asking for them to cease, but merely to be conducted in a quieter fashion.

Mr TRENORDEN: Curtin University and the Muresk Institute of Agriculture have been having discussions for more than a year in an attempt to resolve their differences of opinion about the funding for students, particularly at Muresk. The amount of money that is paid from Curtin University for the number of full time equivalents of students at Muresk is very low. There is definite pressure for Muresk to move from Curtin University to the University of Western Australia.

It is appropriate that this State have a fully fledged debate about agricultural education. I know the Premier has an interest in agricultural education. In fact, I have given her accolades in the past. Her dealings with the agricultural colleges when she was Minister for Education did a lot to alleviate the problems of country people at that time, and her efforts were appreciated, because I know the Minister went against much of the advice she received at that time, and in fact she made the right decision. However, we need to take further the matter of agricultural education. I have here a very interesting publication, the Bureau of Statistics *Western Australian Year Book 1990*. Every member of Parliament should have a copy of that. That yearbook lists the value of agriculture to the economy of Western Australia, and when we compare that with the effort we put into agricultural education, we should be ashamed of ourselves. At a time when Asia is becoming a market for our agricultural produce, we need to place a different emphasis on agriculture – a marketing and economic emphasis. Those attitudes do not exist at the moment. We as a State need to turn around the argument about agricultural education. It is not appropriate that UWA should drive all agricultural education from Crawley. I believe that UWA probably should drive it, and that may be the end of the argument, but Muresk has a farm of 5 000 acres, and UWA has two properties within the Shire of Northam, and those properties are not utilised because most of the activity takes place at Crawley. I do not have time to go into that debate now but I hope that in the coming year the agricultural education debate will be put firmly on the Western Australian agenda.

In conclusion, having thrown a bouquet to the Premier, I should now throw her a rock because I do not believe it was appropriate for the Premier to announce to the Press the terms

of reference of the Royal Commission before announcing them to the Parliament. I know the Premier is under extreme pressure – this year has been a remarkable year, to say the least – but that action is not consistent with the remark she made when she first became Premier about turning this Chamber into a Parliament. The Premier obviously needs to speak to the Press, but she should first have made the announcement to this Chamber. That is disappointing, because the Premier said the Royal Commission could be a turning point in Western Australian politics. I hope, for the Premier's sake and for my sake, that it will be a turning point in Western Australian politics. All of us who sit in this Chamber know what has happened to the standing of politicians, and if we are to restore some standing we will need to use this Chamber as a Parliament and to treat members of this Parliament from time to time as an entity.

I now turn to the Mayor of Perth, Mr Chas Hopkins. I do not know that man, I did not know his predecessor, and I have no real knowledge of people who have close contact with him, but I did watch his election campaign, which he ran on corruption issues. However, since he has come into office he has made no attempt whatsoever to keep his promises.

Mr Lewis: Was the member for Perth part of that campaign?

Dr Alexander: No.

Mr TRENORDEN: I do not say that to get members on opposite sides of the Chamber going.

I do not believe, from looking at that man's actions, that he ever had any intention of keeping his promises. All of us in this Chamber get abused from time to time for our election campaigns, but I do not believe that any party in this House has run such a dishonest campaign as has that man. Chas Hopkins has said there is no corruption in the City of Perth; and that issue is outside the terms of reference of the Royal Commission.

Dr Alexander: Some of the buildings in the central business district are included.

Mr TRENORDEN: Yes, but not the question about car parks and the issues which have been running now for several years, which have put a heavy cloud over the City of Perth. We are fair game as politicians, and when we make promises we are required to keep them, but the Mayor of Perth is in the same boat and has the same responsibilities. The campaign which got him to the position which he now enjoys was the most dishonest campaign I have ever seen.

Dr Alexander: As long as this is not an election speech for Reg Withers!

Mr TRENORDEN: I do not know Reg Withers. I have never met him. I have no association with him.

Mr Pearce: That probably means you still have 10 toes, unlike many of his colleagues!

Mr TRENORDEN: Yes, I still have 10 toes.

Mr Wiese: You will lose your toes shortly.

Mr TRENORDEN: That is fair enough. It is not only those of us in this Chamber who have to lift our game, and we have a process called elections which allows some cleansing of the system. I expect that Mr Hopkins will face a difficult time in getting back in office. I hope that will be the case. It does not help the situation, where the previous mayor was removed from office on a campaign of corruption, that the present incumbent got there on a campaign of cleaning up the City of Perth from corruption, but as soon as he got there he shut the door and denied to all reporters who have gone to see him that there is corruption in the City of Perth; he fixed it up from day one. He also said – and I remember this clearly – that on Friday afternoons his door would be open and all that people would have to do was come to see him. However, come to his door now and one can stand there as long as one likes; it will not open! I believe those sorts of campaigns do not deserve the support of the community, and at a time when we are going through a cleansing situation within the State in respect of positions in local government and in the State and Federal system, we all need to lift our game.

I wanted to make those points because we, as members of the State Parliament, have a considerable number of rocks thrown at us, and a considerable amount of abuse comes our way. The smell goes a little wider and covers more than just us.

MR WIESE (Wagin) [9.50 pm]: I want to highlight a couple of items that I see as interesting as a member of this House looking at the Budget introduced by the Treasurer a couple of months ago. This Budget is probably an indication of how the Government sets its priorities. If we look at a few of the items we can see what is being allocated by way of capital expenditure to areas which are without doubt the major income earners of this State. The mining and agricultural industries are the two major earners in Western Australia. But how much has been allocated to these major income earning industries? If we look at a few other areas we begin to wonder what are this Government's priorities. How does the Government determine how it allocates its funds?

The Capital Works budget allocation for agriculture last year was \$1.07 million. That was pretty small for an industry the size of agriculture, with all its many needs. This year's allocation is \$565 000. The capital spending in the arts area was \$50 000 last year. This year it is \$928 000, an enormous increase. I have not bothered to work out the percentage increase, but it is enormous. I do not begrudge that spending on capital works for arts, but one must ask oneself, which is the more important, agriculture or arts? If we believe that agriculture is more important, where should we be putting our spending? The answer is self-evident.

The other major industry which, with agriculture, earns the majority of Western Australia's export income is mining. Something like 60 per cent of Western Australia's export income comes from the mining industry. Last year the Government spent \$1.9 million on mining. This year it proposes to spend \$352 000. This is a substantial drop in capital spending.

Let us see with what we can contrast mining. Perhaps we can contrast it with spending on the Zoo. Last year the Zoo received \$2.4 million. This year it is to receive \$1.275 million. It is certainly a drop, but let us look at some of the smaller segments of capital works at the Zoo. An amount of \$743 000 is to be spent on the African Savannah exhibit. Contrast that with agriculture's entire allocation of \$565 000. It is a pretty poor comparison.

Mr Pearce: It is a silly comparison.

Mr WIESE: It is a very poor comparison.

Mr Pearce: You are talking about loan funds for capital works; you are not talking about Estimates.

Mr WIESE: I am talking about the capital expenditure in one section of this State and comparing it with another. Perhaps it is a silly comparison, but it is a comparison which highlights the way in which this Government allocates funding.

Mr Pearce: What capital work do you want for agriculture which you did not get?

Mr WIESE: I will get to that in a minute, but I have another point to make. I want to contrast the spending on mining with another section in the Perth Zoo, where \$212 000 is allocated for the tree kangaroos and crocodile exhibits. Silly as it may be, let us make the comparison and see whether members think we should be doing things a little differently. The Leader of the House asked me what project I believed should have been receiving some sort of funds.

Mr Pearce: I said in agriculture.

Mr WIESE: Exactly; in agriculture. A major project in agriculture has been on the drawing board for the last four or five years. Last year something like \$100 000 was allocated for drawing up plans for a major facility to be built at the Katanning Artificial Breeding and Research Institute. This year we have no allocation for anything at all at that facility. That facility was to be a major project to help move some of the staff and research workers from Jarrah Road in the centre of the metropolitan area in South Perth into the country, which is where I believe agricultural research should be conducted.

Mr Pearce: You just want it conducted at a different location; you are not saying it is not being conducted.

Mr WIESE: The project for Katanning was to go there a long time before I came into the Katanning area. Whether it is in Katanning or anywhere else, the concept behind the original proposal to expand the facilities at ABRI was an extremely good one because it would have moved staff out of the metropolitan area into the country. Those people are involved in

research work which is desperately needed in the agricultural areas. It was a project of great merit. It did not matter whether it was situated at Katanning or elsewhere, the concept of moving those staff into the country was one which had to be encouraged. I was very happy to see, when I inherited Katanning in my electorate in the redistribution, that something of that nature was projected for that area. I supported it absolutely, and it is a great tragedy that the project seems to have dropped off the Government's list of priorities. I hope it will be returned to those priorities in the very near future. If there was ever a time when agriculture needed help and research work done to indicate some of the directions in which we should be going, now would be the time. In fact it is probably too late for that research work to assist a great number of farmers out there in rural Western Australia. That research work should have been undertaken over the last five or 10 years. If it had been, perhaps some of those people out there would not be in the plight they will be in the next two or three years.

Another area to attract my attention is the capital expenditure allocated to resource development. I see an allocation of \$10.3 million to assist industry to establish in various parts of Western Australia. A sum of \$5 million is allocated to assist SCM Chemicals Ltd, \$228 000 to assist Kemerton, and \$5 million to provide the infrastructure at Jervoise Bay. I am very happy to see that, because I believe there is a role for Government to assist and encourage industries to establish, especially if it is to help industries to establish outside what I refer to as the coastal strip of Western Australia. I hope we will see more of that. Positive moves are needed in the resource development area to help industry become established away from the coastal strip, in rural Western Australia. Let us take the projected tannery at Darkan. I am aware there is certainly no call from the proponent of that development for assistance, but I believe a substantial cost will be imposed on the municipal authority of Darkan and some problems will occur in that area if that project goes ahead. Assistance should be given to the local authority to help ensure that the project does go ahead. Substantial upgrading of some of the roads in that area will be required, and there will be a very urgent need for housing in a town like that, which at present is just a basic town serving a rural population. The town does not have many housing facilities and it will be a very positive move if we can have assistance from the Government to establish housing in Darkan for the people who will work in the proposed tannery.

The establishment of a water supply will be a major cost to the tannery proprietors. It looks as though they will be able to get a major, good water supply almost on site, or in very close proximity to the selected site. Perhaps if there were any doubts about the project assistance should be given to help develop the water supply on the site. When those people were looking for a site in the Darkan area one site they selected was very close to the little pipeline which comes off the Collie to Williams comprehensive water supply pipeline, out to the townsite at Darkan. Unfortunately that pipe is not big enough to provide the amounts of water needed by a project such as the tannery. It was quite alarming and disappointing for me to find that on approaching the Water Authority the proponents of the tannery were quoted an amount, well and truly into five figures, which they would have to pay to upgrade the pipeline into Darkan if they were to use it as their source of water for the tannery.

Rather than trying to hinder the establishment of an industry such as that, and that is certainly what happened in that case, the Government has a role in helping to provide the necessary infrastructure. That was a classic example of where, with some assistance and a willing consideration of the project, it might have been possible for a water supply to be established and for the water supply to the Darkan townsite itself to be upgraded – it certainly needs it. However, because the quote was so high the proponents were forced to look for an alternative source of water. They found one, and hopefully the project will be able to go ahead; but the people of Darkan will have to put up with their currently quite inadequate pipeline and water supply, and that is a tragedy because that could have been changed so easily if the Western Australian Water Authority had been willing to assist.

I have spoken about capital expenditure in agriculture, and about the lack of capital expenditure to get the Artificial Breeding and Research Institute project off the ground in Katanning. I mentioned that a total capital expenditure of \$565 000 had been provided for agriculture. It is tragic that such a small amount was allocated, but when one examines the situation closely it is much worse than tragic, because not a single new project is included in that \$565 000. The majority of that money will go towards completing current projects and this year not a single new capital expenditure item in agriculture is included in the Budget

under discussion tonight. An amount of \$44 000 has been allocated to build an ablutions block on the Ord River, \$43 000 has been allocated to upgrade a telephone installation in the Albany office of the department, and \$90 000 has been allocated to repair a dam at Manjimup which is unserviceable. That is the total allocation to spending that has not been carried through from the previous year. It is a crying shame and something for which this Government should be condemned. It is something for which the agriculture industry will pay the price because it is an indication of very poor support for the agriculture industry from this Government.

The total capital allocation for sport and recreation is \$2.4 million. All of that money has already been spoken for so no new expenditure by way of capital assistance to sporting projects in rural areas will go ahead. Expenditure of \$4.5 million has been allocated in the General Loan and Capital Works Fund Budget, and virtually all of that will go towards upgrading and rebuilding the swimming facility at the Superdrome in Graylands. The tragedy is that an enormous number of projects in country areas require some form of capital funding from this Government if they are to get off the ground. In my electorate alone I am aware of four or five major projects which, under the present rural economic climate, will not get under way in the foreseeable future without some kind of capital assistance from the Department for Sport and Recreation. They include a project to establish a swimming pool at Darkan, where presently there is no such facility. The children at Darkan must be bussed to Williams to go to a swimming pool. The Darkan community is very busily raising its one-third contribution towards installing a swimming pool but I am afraid that in the current economic climate they will be struggling to get any more money than they have already raised, and because no allocation is available to sport and recreation funding from Government the one-third raised in the community will not be matched so that project for a swimming pool in Darkan will not get off the ground.

The same situation applies to a proposed recreation centre at Wagin. As everybody in this House knows, Wagin is the home of the Woolarama. At the Wagin sportsground there is a makeshift building which was bodily removed from Albany, transported to Wagin by the community and re-erected there. It serves the purpose but it is far from an adequate facility for the Wagin Woolarama, which is probably the largest show outside the Perth metropolitan area, and the largest sheep show in Australia. The facility is grossly inadequate, and without assistance from the Department for Sport and Recreation for a recreation facility in Wagin that project will not get off the ground. Likewise, Katanning has an urgent need for a major sport and recreation facility but no capital funding is available for that.

In Narrogin, a major project is on the drawing board to establish an artificial grass hockey oval in the town. Narrogin is a major town for hockey but without this type of facility it is struggling to compete at a State level with other towns which have such artificial surfaces. That project, again, despite the efforts of all people in the town will not get off the ground without some assistance.

When speaking about sporting facilities, it is interesting to note that they are acquired – and some good facilities have been established in country towns – with a great deal of assistance from the community; capital expenditure has been provided by the shire councils together with a major contribution of capital raised by the community itself. That is how towns acquire the facilities they need, and the various communities have been very happy to do that.

A classic example of the sort of self-help projects that go on in the community is the way the rural communities throughout Western Australia have adopted the concept put forward by the Minister for Water Resources whereby water pipelines are provided to some of the towns that have carried on for years with inadequate water supplies. Such projects have gone ahead on the basis that the Government has provided a portion of the funding and the local community has contributed the labour. People have actually dug the trenches and laid the pipes and in that way connected a water supply to their towns. One major project extended a pipeline from Katanning to Pingrup and on to Nyabing. The Government and the community must be praised for their efforts in that area.

This year we opened a project established in the same way when a pipeline was extended to the town of Kukerin. We have another project on the go which I am hopeful will receive funding this year – and that has been promised – to provide a pipeline from Kojonup to Muradup, another centre which has no water supply whatsoever. So the rural community has

shown that it is willing to help itself. All it needs is encouragement from the Government. If the rural community receives that encouragement, some worthwhile projects will get off the ground.

While talking about capital expenditure, I wish to sing the praises of the Minister for Water Resources for the provision of capital expenditure of \$38 million for a major project. I refer to the Harris River dam, which is virtually complete. Everyone in the great southern region will be greatly pleased to see the opening of the Harris River dam early this December. It is a major project and will be of enormous benefit for a large number of people who have been serviced in the past by the Wellington dam. Over several dry years experienced in agricultural areas recently the water supply from Wellington was not up to World Health Organisation standards. I doubt that many people are aware of that. That water supply from Wellington serviced the whole of the great southern but the quality of that water was dreadful. Many people will be pleased when they receive water from the Harris River dam because at last they will be able to drink decent water and perhaps have a decent shower without the dreadful slimy suds produced when trying to lather up with water from the Wellington dam.

I turn now to education. Many times I have mentioned two areas in our education system that require an input of capital expenditure in agricultural areas. First, I refer to the provision of covered areas in some schools which have no such facilities. I note that an allocation of \$500 000 has been made for that purpose. However, in this day and age that amount represents a drop in the ocean compared with the need for covered areas in rural schools. Anyone who has visited many country schools will probably have seen that children must stand under the trees in the school ground or try to shelter in the little shade from the verandahs – be it winter or summer – and would realise the desperate need for covered areas in those schools. In particular, the Wagin Primary School in my electorate is very much in need of a covered area. I hope that provision will be made for that in the near future. For years – long before I came to Parliament – the East Narrogin Primary School supposedly has been at the top of the list but that school still does not have a covered area. If ever a school desperately needed a covered area, it is the East Narrogin Primary School. It is completely exposed to the elements in both winter and summer. It is a dreadful situation, and the Ministry of Education should be ashamed.

Another area of Ministry of Education capital expenditure that needs to be addressed closely is the provision of grass ovals for schools wherever a water supply is available. I appreciate that some schools do not have a water supply and it is impractical to provide them with a grass oval. In other areas, specifically the Katanning Primary School, a water supply is available, as well as a substantial amount of money from the P & C Association to get the project up and running. The planning is all done but the project needs capital assistance from the Government. It is time the Government considered such projects where substantial assistance is offered by the school community. The Government should get in and assist the community to get that type of project off the ground. Every school in the metropolitan area has a grass oval established on soft and sandy ground. Whether in winter or summer, country school ovals are as hard as a brick. Those areas are dreadfully unsuitable for the sporting and recreational activities of young children. Something should be done about that situation. Some assistance should be given to provide better facilities where schools are willing and able to become involved, where they have shown they are willing to get in and help to a substantial degree.

I hope that some of the matters I have raised are taken on board by the Government, and that assistance will be provided for the various facilities in the towns I have mentioned during my contribution to the debate.

DR LAWRENCE (Glendalough – Treasurer) [10.20 pm]: I thank members for their contribution to the debate. I apologise for not having been here this afternoon, but, as members would appreciate, I had a couple of commitments to meet including one involving His Royal Highness, the Duke of Edinburgh. Members will meet him tomorrow as a group, but I was committed to an undertaking on behalf of the State at a number of functions, which, unfortunately, could not be rescheduled.

Mr MacKinnon: The debate could have been rescheduled.

Dr LAWRENCE: I agree with that. However, if we had agreed to do that, we would not

complete the business of the House. It is quite clear that in the General Loan and Capital Works Estimates debate a wide variety of matters are raised by members and it is not possible to conduct a summary of such a debate. I have heard discussions this afternoon, and on other occasions, of the general economy, local agricultural issues, schools, hospitals and other issues – that is quite proper. However, it is not necessary for me to be here for every moment of the debate. I have had people keeping an ear on the debate, and somebody has always attended to the Bill in the House in my absence.

The key matter is that we have presented a very responsible Capital Works Program at a time when we have suffered considerable loss of Federal Government funding; that is, a cut in real terms of 10.4 per cent. If the members examine the proposed expenditure for this year relating to our outgoings last year, a slight reduction in real terms has occurred. That is a most important achievement. In addition, much of the expenditure, and the loans in particular, are for infrastructure development. These apply to the Western Australian Water Authority and SECWA in particular, and also the Main Roads Department, and this will provide the necessary infrastructure for the State's development.

It is absolutely critical, as members opposite and some of the more intelligent commentators have said, that we all address our attention to the economic issues facing this State. It is important that the State contribute to that via its Capital Works Fund, but it will never be that this fund will be a sufficient single thrust to return the necessary activity to the State.

In discussions about the serious unemployment situation it was overlooked by members opposite that the underlying elements of the Western Australian economy are sound. As I mentioned by way of an interjection, the per capita investment in Western Australia remains very high in comparison with other States. In the last week projects worth approximately \$1.5 billion have been announced in this State; that is not the kind of thing people necessarily sit down and add up, but these are providing the basic investment which is essential to the State. In addition, although inflation is unacceptably high, it is coming down at a reasonable rate.

The remaining problems apply to the small business sector, particularly the retail sector, and the rural sector, with the downturn in commodity prices. The Government has spent a lot of effort in the last six months trying to ensure that the rural sector is supported, not just by the task force which Mr Bridge successfully chaired, or the initiatives arising out of that group, but also by substantial injections of funds into various agriculture protection measures. Almost \$3 million has been spent on locust plague control, and significant funds have been directed to other matters to ensure that the problems being faced are not compounded.

This General Loan and Capital Works Fund Estimates document is placed before the Parliament in the context of tight economic times, which are being faced by all other States. Our loan capacity is restricted and our funds from the Commonwealth and other source revenues are reduced. We have taken the prudent course of restricting our loans, where possible, to those areas of Government expenditure from which a return is likely. This applies to the State Energy Commission of Western Australia, the Water Authority and others. We will be able to recover from this year's Budget, without having committed all our funds to projects which will be in progress next year, and this has curtailed our capacity to introduce new works. This represents a proper balance between those two elements, and this is a feature of this Budget.

Members will always be able to find areas in which they believe funds should have been spent, and they will always find areas from which funds should have been directed; that is, from one not to their liking to one closer to their heart. Since I have been here, and it would seem since time immemorial from looking through *Hansard*, people have always been dissatisfied, particularly if members believe that their electorates have not been dealt with in a way that they believe is satisfactory. However, a fair spread of projects across the State have received allocations. These are in areas of population growth or where there is a need for refurbishment of existing facilities.

I noted with interest a suggestion made in an earlier debate that we could simply sell substandard housing to Homeswest tenants as a way of both raising new revenue to provide for new housing, and enabling people to purchase housing. Some of the housing that I have seen which falls into that category is, quite frankly, not the kind of housing one would suggest that tenants purchase. The redevelopment program, to take a specific example, is to

be commended. Perhaps philosophical questions come between the Government and Opposition on that question; however, we will continue to provide a high quality of housing for Homeswest tenants, whether that be by way of purchase or rental. If specific matters have been raised which require answers, those answers will be provided in the course of time.

Mr Strickland: Treasurer, I raised 20 or 30 questions during the second reading debate.

Dr LAWRENCE: That is the point I am making. Each person has raised such a disparate collection of issues that if I tried to go through the member's list of questions and observations, and those which the member for Cottesloe raised in his comments about secure facilities, or those of the member for Wagin on agriculture, it would not be possible in the 39 minutes available to me. I am more than happy to respond to the members' questions at a later stage.

Mr Strickland: My questions are very specifically related to the community services area.

Dr LAWRENCE: That is right. The answers will be given to those questions. It may not be by way of the nature of this debate because I could not go through all of those questions in the time available.

I commend the Bill to the House and I thank all members for their contribution.

Question put and passed.

Bill read a second time.

Committee

The Chairman of Committees (Dr Alexander) in the Chair; Dr Lawrence (Treasurer) in charge of the Bill.

The CHAIRMAN: Members should note that not all expenditure proposed in the General Loan and Capital Works Fund Estimates of Expenditure involve that fund. An example of an item listed which is not financed by that fund can be found under Certain Items. For example the State Energy Commission on page 29 and 30 is funded entirely from borrowings and internal funds. Therefore, that is not funded from the General Loan and Capital Works Fund, and is therefore not for debate.

Points of Order

Mr STRICKLAND: Mr Chairman, I have a copy of the questions which I intend asking the Minister. I am happy to pass that to the Minister, or should I ask them one by one?

The CHAIRMAN: I suggest that the member raise that when we get to the Community Services Division. I do not want to speak for the Minister, but I am sure he will not refuse to answer your questions. We will sort it out at that point; I do not think it will be necessary to read those questions again.

Mr CLARKO: It might not be within the Chairman's control, but I have been here 17 years and each year Ministers have been present to answer questions. I see that the Treasurer and a few other Ministers are present, and I wonder if some special arrangement has been made to move away from that practice?

The CHAIRMAN: The Government should answer that point as that is not under my control.

Mr WIESE: The Chairman referred to an item such as the State Energy Commission where funding comes from internal resources and not from the General Loan and Capital Works Fund, but I presume that where there is a mixture we will be able to debate the item because there is no way to differentiate.

The CHAIRMAN: That is correct.

Committee Resumed

Division: Agriculture, \$565 000 -

Mr WIESE: In view of the fact that the Minister is not present perhaps the Treasurer, being the boss of this show, could indicate to the Chamber why agriculture has such a minimal allocation of capital expenditure. Agriculture has an ongoing need for capital expenditure to

provide facilities for research to ensure that Western Australia is kept in the forefront of agriculture in Australia and the world. It disturbs me greatly that not one new project with capital expenditure for agriculture has been undertaken in this Budget, especially when one considers the importance of agriculture to this State.

Dr LAWRENCE: I agree that the allocation to agriculture in the 1990-91 Estimates is less than the actual expenditure last year.

The CHAIRMAN: Under the rules of general debate this would be a reply, so I will give other members a chance to contribute to the general debate.

Dr LAWRENCE: Because of the nature of capital expenditure – unless it is an area with ongoing demands such as housing, hospitals and schools – allocations in this area will be very lumpy. If the member looks at some other Divisions he will find some substantial variations from year to year. It is not simply each Division getting a specific allocation and adding a percentage for growth, because the demand for facilities will vary enormously. A judgment by the Government is made on the basis of the key areas at a particular time.

Mr Wiese: Is that an indication that agriculture has a low priority with the Government?

Dr LAWRENCE: It indicates that the needs of agriculture were judged to be sufficiently met by that amount of funding.

Mr Wiese: I am sure the people will be happy to hear that.

Dr LAWRENCE: It has been dealt with fairly; next year agriculture may have a very substantial increase. I have asked the Leader of the House about this procedure that the member for Marmion claims has always applied in the Committee stage of debate in this Bill. As a relatively new member of Parliament I do not recall having seen it happen. The Leader of the House has informed me it is not typical.

Mr Pearce: It is not the case; the Premier has always handled the Estimates stage of the Capital Works Program.

Mr Clarko: The Ministers have always been present with one or two exceptions perhaps for good reason.

Mr Pearce: That was the case with Premiers Burke and Dowding. Next year we will put it into the general Estimates.

Mr Clarko: This is not a suitable way of dealing with the matter.

Dr LAWRENCE: The Government agrees that it should be dealt with in the Estimates; to a degree it is an oversight that it is not. I did not know of any precedent that I was breaking, and certainly had we thought a little harder we would have put this in the Estimates. Next year when members are a little more polished with the procedure we can certainly do that. I resent the implication that I am breaching standards.

Mr Clarko: I have been in this place for 17 years and this is the poorest attendance of Ministers for this debate.

Division put and passed.

Division: Arts, \$928 000 – put and passed.

Division: Community Services, \$4 549 000 –

Mr STRICKLAND: I have provided the Treasurer and the Minister with a photocopy of my speech during the second reading debate which contains details of questions. I am interested in five projects which were listed as new works in the previous Budget. I have followed those through and noted small amounts of expenditure in the order of six per cent, which means that 94 per cent of the General Loan and Capital Works Fund was not spent in that area. I want to ascertain the source of the funds for each of those projects to identify whether the moneys were raised by loans or whether there were re-allocations. If moneys have been raised for works but the works did not go ahead, and the works are relisted for the next year with more money allocated to them, what happened to the money allocated in the first place? This Division involves a small percentage of the large General Loan and Capital Works Fund and I cannot identify where the money is to go. It would have been better to raise these matters in the Estimates Committees and given the chief executive officers an opportunity to answer them.

Mr D.L. SMITH: Part of the answer to the member's problems are solved at the bottom of page 9 of the Estimates for the General Loan and Capital Works Fund which identifies the source of the various funds which will be used for capital works. Some of these moneys come from Commonwealth grants to the children's services program, others come from the General Loan and Capital Works Fund and last year there were two contributions from the Health Department and from a local authority. The first column in the Estimates is the estimated cost of the total project. The next column is the total expenditure to 30 June 1990, some of which might have been in 1989-90 and some of which may have been in previous years. The next column is the actual expenditure in 1989-90. The proposed expenditure for the financial year 1990-91 appears in the last column. The member will note that, apart from the children's services program under Commonwealth grants, most of the allocated money came from the General Loan and Capital Works Fund. None of it comes from the Consolidated Revenue Fund. This money is provided for capital works from the Consolidated Revenue Fund and if it is not spent in the year in which it is allocated, it is a simple matter of rebidding in the following year to get it re-established in the Consolidated Revenue Fund.

Mr Strickland: It goes back?

Mr D.L. SMITH: Yes, and it must be bid for again.

Mr Strickland: Was there any CRF money in the Capital Works Fund?

Mr D.L. SMITH: No, not in 1989-90. The member can confirm that by looking at the figures for the same statements for the previous year.

The money in the General Loan and Capital Works Fund is raised by the central borrowing authority and held by Treasury in interest bearing accounts. It is drawn down by the department which has been approved for expenditure as that expenditure is incurred. By and large, capital works expenditure of that kind is carried forward from year to year and is not lost. The interest on the unearned money becomes interest on Government funds. It is not added to the amount allocated. It becomes revenue of the Government and part of it is used to offset the borrowings which are being paid in interest and as repayments elsewhere. The money is not lost to the department or the Government. It is sitting in the investment accounts and ultimately, if it is not spent quickly, it will come in as revenue.

Mr Strickland: The Government has raised the money twice, once in each year. Where has the money gone?

Mr D.L. SMITH: It is not raised twice. In terms of the total Capital Works Budget each year, it is, in effect, reallocated. The approval from the previous year is carried forward. The amount is not borrowed twice because the money is still there.

Mr Strickland: Where?

Mr D.L. SMITH: In Treasury investments.

Mr Strickland: I do not wish to be snowed. In one year the Government raises a lot of money by borrowing and it is allocated to projects.

Mr D.L. SMITH: Nominally.

Mr Strickland: If the project does not proceed and another amount is allocated in the next Budget, where did the money go that was sitting in the account?

Mr D.L. SMITH: Say we have \$100 million of carryover borrowings and the next year we want to spend \$1 billion. Instead of borrowing \$1 billion, we borrow \$900 million because we have \$100 million in hand.

Dr Lawrence: The second reading of the Loan Bill states –

The level of borrowing authorisation required is determined after taking into account the unexpired balance of previous authorisations as at 30 June 1990.

Mr Strickland: It is still a mystery. It is difficult because the Government does not have a specific loan for a specific project and it is not easy to follow. If we were dealing with Commonwealth grants, I guess some sort of check comes into the system. If the allocation is not spent, where does that go when in the next year the Government receives a similar allocation from the Commonwealth and the project is relisted? I can understand your not drawing it, but it must be sitting in the pool.

Mr D.L. SMITH: It is sitting in the pool, but the interest that is being earned on it is going to the Consolidated Revenue Fund and the interest that must be paid on it is not debited to the department's accounts for that year.

Mr Fred Tubby: Is it allocated to other areas; for example, education?

The CHAIRMAN: Order! This is getting a little out of control. We are getting into a question and answer situation.

Mr Clarko: It is probably a better way of doing it.

The CHAIRMAN: That may be the case, but it is not the way it is done under the Standing Orders. I have been tolerant. However, I am not prepared to let this turn into a question and answer session. We will proceed as I have outlined. I will allow a little latitude, but not that much.

Mr D.L. SMITH: If for some reason a project cannot proceed because of a delay in the necessary approvals, or for some other reason, a Minister can present a case to Cabinet to have the money allocated to that project reallocated to a more urgent project.

Mr Strickland: The money has not been used.

The CHAIRMAN: Order! I appreciate that the Minister is trying to clarify the question; however, we are turning this into a general debate about how the budgetary process works. It is interesting, but it is not relevant to this debate.

Mr D.L. SMITH: I will give the Committee an example: An amount of \$600 000 was allocated last financial year towards a new remand centre which was to be built at Forrestfield. We attempted to initiate that project, but as a result of substantial local opposition we decided not to proceed with the Forrestfield site. We had to search for another site which we have now located in South Lakes. For that reason the \$600 000 was not spent last financial year, but that money was not lost and the remand centre is still a priority project. That money has been reserved for the project and in this year's Estimates \$1 million has been allocated for that project – \$600 000 is carried over from last year and \$400 000 is new money.

Mr Strickland: The figure in the Estimates is \$1 million. Presumably, loan money is going into this project. You are now telling me that \$600 000 is from the previous year's allocation and \$400 000 is new money.

Dr Lawrence: The Loan Bill provides the new money.

Mr Strickland: It is double accounting. You are raising two sets –

The CHAIRMAN: Order! Members are transgressing what I just said. I do not seek to limit debate, but we are turning this debate into what the Leader of the House said it should have been. I am not going to allow that. It is not a debate like the Estimates Committee. This debate must comply with the Standing Orders and they do not allow a question and answer session. Obviously they allow some questions and answers, but they do not allow a general debate on how the budgetary process works.

Mr D.L. SMITH: Another item which was underspent last year was child care facilities. A child care centre was to be provided at Princess Margaret Hospital but a delay was caused because the hospital had trouble deciding where the centre would be located. It was finally resolved to locate it in conjunction with other buildings and it took some time to obtain the necessary approvals to commence that work. That is the sort of problem one runs into with a capital works allocation. If all the building and planning approvals and the funds which are required by various agencies to support a project are not available we are confronted with what appears to be under-expenditure, but it does not mean that the project has been abandoned. In some cases it is. In this year's Estimates members can see which projects will be proceeded with and how much money has been allocated to them.

In relation to the other matters raised by the member for Scarborough in the second reading debate, I advise him that I will not delay the Chamber unnecessarily and I undertake to provide him with the answers in writing.

Item: Remand and Training Centres –

Mr STRICKLAND: I refer members to the workshops–ablutions–conversions item under

the Longmore Remand Centre. This project was allocated \$200 000 in last year's Budget. The cost of that project has now increased to \$301 000. What is the reason for the 50 per cent cost increase? The actual expenditure last financial year was \$3 220 and the proposed expenditure this financial year is \$298 000. Was last year's allocation carried forward and, if it was, does it mean that the estimated figure of \$298 000 expenditure this year is made up of the \$200 000 allocated last year plus an additional \$98 000 this year? If the answer is yes, where will the \$200 000 that will be raised in total borrowings go?

Mr D.L. SMITH: An amount of \$200 000 was allocated to this item last year. Of that amount only \$3 220 was actually spent. New estimates were prepared because the total works required redesigning and the workshops had to meet the requirements of the Department of Occupational Health, Safety and Welfare. The total cost of the old work plus the additional work has risen from \$200 000 to \$301 000. Of the \$301 000 an amount of \$197 000 had already been allocated from last year. This year an amount of \$131 000 is to be raised to bring the total to \$301 000.

Mr Strickland: The proposed expenditure for Community Services this financial year is \$4 549 000 and an amount of \$298 000 has been allocated to the workshops-ablutions-conversions at Longmore. We have now been told that only \$131 000 has to be raised this financial year for that item. Where will the other money go, because it has been raised?

Mr D.L. SMITH: It is sitting in the loan account waiting to be drawn by the department.

Mr Strickland: I understand that the \$1.56 million which was underspent last year is carried forward into this year's Budget so that \$1.56 million separate from the money borrowed this year will sit in limbo, waiting for projects to be allocated.

Mr D.L. SMITH: The total amount of loan funds allocated to the Community Services Capital Works Program in 1989-90 was \$6.466 million. Of that, \$4.274 million has been spent. Therefore, approximately \$2.2 million was carried forward. The proposed expenditure for this year is \$4.549 million, and of that only \$2.3 million is new money. The major items on which money was not spent last year are \$200 000 for the workshops, \$600 000 for the remand centre, and \$300 000 for the Princess Margaret child care centre. The remainder was for a range of child care projects and minor works projects which did not proceed for one reason or another.

Mr Strickland: We have now identified that for each year we can talk in terms of old money carried forward and new money. The only unanswered question I have is: How much does the new money add to that amount? Is it included in the total borrowings or is money sitting around which could be allocated to somewhere else?

Mr D.L. SMITH: We shall confuse the matter if we talk about new money and old money. Some time spent with Treasury or the Auditor General would be of benefit to the member.

Item: Riverbank Workshops -

Mr STRICKLAND: My comments relate to the Riverbank Workshops which were listed for new works last year. The estimated cost last year was \$200 000 and that amount was allocated. I note that the estimated cost of the project is now \$180 000, a reduction of \$20 000. Will the Minister explain why the estimated cost has changed. Assuming that the difference between the estimated cost last year and the actual expenditure to date of \$22 240 would be carried forward - an amount of \$177 760 - why has only \$158 000 been allocated for this project, presumably from "old money"?

Mr D.L. SMITH: The amount allocated and the estimated total cost last year were both \$200 000, but the actual estimated cost currently is \$180 000. Of that, \$22 240 has been spent and \$158 000 is in the course of being spent. The reason for the reduction in the estimated cost is that part of the work became urgent and it was carried out using maintenance money under the Consolidated Revenue Fund and not from the General Loan Fund. It can be seen that that situation arises with other items in the Budget where money was spent last year which had not actually been allocated, such as the \$20 000, and it has simply been reallocated this year to works not budgeted for last year. That is one option that was used in this case. The other option is to leave the money as unspent and then redirect it to other areas. The \$200 000 project will now cost only \$180 000 and the extra \$20 000 can be reallocated, possibly on projects for DCS if I choose to bid for them.

Item: Secure Detention Remand Facility –

Mr STRICKLAND: Last year the estimated cost of this project was \$4.5 million and the proposed expenditure in that year was \$600 000. Will the Minister explain why the estimated total cost of the project is now \$8.5 million, \$74 352 has been expended to date and proposed expenditure in 1991 is \$1 million? Does that mean the allocation has been increased from \$600 000 to \$1 million? This relates also to my point about old money carried forward and new money.

Mr D.L. SMITH: Building capital works projects is similar to building one's home. At various stages in the planning and design phases one guestimates what the cost will be, then makes firm estimates, and then the construction goes out to tender. However, one can be surprised by how much costs have escalated in that period. That escalation also occurs in the course of planning projects especially those that are delayed or when additions are made to them. This project was delayed as a result of problems experienced with the site at Forrestfield. When the estimate was made last year the nature of the secure perimeter fence to be installed had not been decided upon, and it has now been decided to opt for a very sophisticated form of surveillance system for that secure fence and a much improved workshop and education area within the facility. That has resulted in the cost escalation, and in my view also there was a degree of under estimation in the original estimates. It has been necessary to seek not just the \$4.5 million sought last year, but the current estimated cost of the project of \$8.5 million. I emphasise that it is the current estimated cost based on the Forrestfield site, and we must reconsider the cost of the total project in terms of the new site and that figure may be different altogether. Last year \$600 000 was allocated, and that was carried forward. This year \$1 million is allocated so \$400 000 has been added to last year's allocation.

Item: Long Day Care Facilities –

Mr STRICKLAND: The estimated total cost of this project is \$3.3 million. An amount of \$560 000 was proposed to be spent on this facility last year and when we track the project through this year we see that the cost is still the same, so it would appear that no-one has indexed that to the consumer price index movement or to whatever have been the movements in the building industry. Nothing was spent, and presumably the money was carried forward.

I am starting to get to grips with what is happening, and it concerns me that if we carry forward all the money that we have borrowed, yet relist it in the following year, a big puddle of money will be laying around somewhere in the accounts which will be available for who knows what purpose. I do not have the capacity tonight to add it all up but I ask the Treasurer whether she would be prepared to provide an estimate of the items in this year's Capital Works Program which will be funded from moneys carried forward from last year's Capital Works Program, and compare that with the moneys which will be borrowed.

Mr D.L. SMITH: The amount of \$3.3 million shown as the total cost is the capital cost of making our contribution to various child care facilities. The actual recurrent cost of operating those facilities in terms of subsidy is provided by the Commonwealth, and we have to fit our capital works expenditure into its allocations for recurrent expenditure. That \$3.3 million is an estimate of total capital cost over the life of the current Commonwealth/State program for child care. Last year's estimate was \$560 000. I think from memory the Princess Margaret centre was to be built under that allocation, and the balance was unallocated. The unallocated money has now been allocated to rebuilding the Esperance centre. So none of the \$560 000 was spent last year; it has all been carried forward.

In addition, three new centres will be constructed in the central business district of Perth to cater for working mothers and, hopefully, fathers who need child care facilities in the inner city. The new money will be allocated to those centres. The Princess Margaret centre is now well under way and I believe the Esperance centre is also under way. The sites for the three inner city centres still have to be obtained and we are working towards obtaining those sites.

Item: Family Centres –

Mr FRED TUBBY: An amount of \$3.68 million has been allocated for family centres, and the actual expenditure last year was \$3.3 million. My understanding was that family centres would be funded from the Western Australian Family Foundation, which was established a

couple of years ago by a grant from the State Government Insurance Commission. There is no allocation from the Family Foundation for the funding of family centres. The only funding source is the General Loan and Capital Works Fund or Commonwealth grants or other GLF and CRF funds. There are a couple of contributions from the Health Department and local government but none from the Family Foundation. Why have family centres not been funded from the Family Foundation, and what has happened to the Family Foundation?

Mr D.L. SMITH: The family centres program is funded from the Family Foundation and from loan funds allocated to the Office of the Family. The remainder is funded from the Department for Community Services' budget. Because of the nature of family centres, it is possible to allocate funding between the various sources. The only centres we are building under this item are the ones we have nominated. The remainder of the program will be built from the funds allocated under the Family Foundation and from some money allocated to the Office of the Family. It is a rather complicated system.

Mr Fred Tubby: It sounds a bit messy to me.

Mr D.L. SMITH: It is not. It is just a marrying of capital funds in order to meet the total program.

Division put and passed.

Division: Corrective Services, \$32 737 000 –

Mr FRED TUBBY: The Government has promised to build another prison. Where will the next prison be built? I hope it will not be in the southern corridor; we have everything else down there.

Dr LAWRENCE: An investigation is being conducted at the moment to find an appropriate site.

Division put and passed.

Division: Crown Law, \$5 742 000 – put and passed.

Division: Education, \$55 040 000 –

Mr FRED TUBBY: Last year in the General Loan and Capital Works Fund the expenditure was \$70.7 million. This year, \$55.04 million has been allocated. In both this year's estimate and in last year's expenditure by far and away the vast majority of the funds is and was for additions and new works to schools. An insignificant amount was allocated for refurbishment. I have raised this matter time and time again. We have between \$3 billion and \$4 billion of building assets in our primary and secondary schools in this State. If we were to allocate only one per cent – which is the approximate amount that local government allocates towards maintaining and refurbishing its capital works building assets – we should be looking at between \$30 million and \$40 million each year for refurbishment alone. Out of a total budget of \$55 million this year, how much will be spent on refurbishment alone? That does not include additions.

The items on pages 12 to 14 are mixed up. They refer to additions and improvements to primary and high schools. We cannot pick out how much money will be spent on refurbishing our schools. I would say it is an insignificant amount. When will the Government start to allocate sufficient funds? We are building up a huge backlog, which must be addressed at some stage. We have 760-odd primary, secondary and education support units, and we should refurbish about 76 a year to refurbish each school once every 10 years. It is completely irresponsible to go over that 10 year limit. Some of our schools are starting to look like schools in third world countries. That applies not only to school buildings but also to all the other capital buildings owned by the State. It is a disgrace. Sooner or later we will have to allocate at least one per cent of our capital assets to refurbishments. I would like to see in future Budgets a delineation between additions and improvements or refurbishments to schools so that we will know exactly how much we are spending on maintaining our building stocks.

Mr STRICKLAND: I support my colleague, the member for Roleystone. It is important, in the context of any area of the Capital Works Budget, to examine the lifetime of a commodity we are dealing with. In this case it is buildings. If buildings have a lifetime approaching 100 years, it is not unreasonable to set aside one per cent per annum. That sum should not be

set aside as money sitting in the bank, but as a general pool of funding to allow for maintenance in the form of upgrading every 25, 30 or 40 years. All these things have cycles. What the member for Roleystone is saying is that if a building is to last 100 years, when the 100 years is up it will need to be replaced. The way to replace it is to maintain it and to keep it up to scratch. If we spend less than that amount, the assets will depreciate and we will reach the situation where we simply will not have enough money in any one year to keep the system going. The same thing occurs in many other areas of the Budget. Other things have different lifetimes. Sewerage pipes have a lifetime of about 50 years. If we do not spend two per cent per annum on our asset we will fall behind. I mention sewerage because sewerage is dealt with in this Budget. It depends on the commodity we are dealing with. Library books have a lifetime of about seven years, so we need about 13 per cent per annum to replace and maintain them. At the end of seven years we would still have a set of library books.

Mr COURT: I am concerned about the Rosalie Primary School which has been trying to get approval for some works which are needed in that school. The Treasurer, when she was Minister for Education, visited the school, and the school seemed reasonably confident that approval would be given for the work to go ahead. However, it has not been included in this year's Budget. I want to know whether there is any chance of its being included in the following year.

Dr LAWRENCE: Perhaps I can deal with the more specific question first. My son went to Rosalie Primary School, and my nephew went there.

The CHAIRMAN: It is an excellent school; my stepdaughter went there.

Dr LAWRENCE: I know it well; I am well aware of the facilities.

Mr Court: With all this we should get the work carried out.

Dr LAWRENCE: That is precisely why it has not happened. It might look like nepotism. The school community very admirably put forward a proposal for extensions to the school, and it deserves encouragement for that. The Ministry of Education has a list of priorities for refurbishment and so on, and the school is on that list; there is no doubt about that. I cannot give a firm commitment, nor did I at the time. I said it was on the list, and the work did need to be done, and given the population of the school it should happen. It will in the fullness of time. I am sorry that it is not possible in the current climate to provide for it. The work proposed is excellent; it is not too expensive in comparison with some others. I think it is about \$1 million, and it would be superb from the point of view of the heritage value of the school. There is an extra burden of responsibility, but the work needs to be done.

Mr Court: I did not become involved because I thought you as the then Minister for Education could get it done if anyone could get it done.

Dr LAWRENCE: One cannot push it up ahead of other schools which need it more. Rosalie School is in good nick; it is well maintained. It has had a recent R & R. Its basic problem is appropriate space, as it is with many schools of that generation. We must provide new types of facilities. They do not have art classrooms, music rooms and all the gee whizz things which new schools have, and they expect improvement.

If the member can tell me how to separate additions from improvements I would be obliged. Take a high school like Morawa, where we have some additions in the sense that entirely new spaces occupy old areas. I have not seen the most recent plans, but there are some additions and some improvements. It is very difficult to decide which is which. It is the same with the Hamilton Hill Senior High School. It was on the list as having a major refurbishment. They had to knock down walls, add bits here and take bits off somewhere else. It is simply impossible to make that distinction. The reason additional stages of high schools and new schools are separated is because it is possible to say that that is basically new work. It is impossible to say what is actually a genuine refurbishment and what is, in effect, an addition of new space. In all those cases it is quite clear that the majority of the work is done in order to upgrade a school from substandard to 1990 standard. I would regard that as spending money on the asset to keep it up to scratch and ensure that it is suitable for the standards we now expect of schools.

Mr Fred Tubby: An addition would be somewhere where you have a new floor, and anything on the old floor, or which has a roof over it –

Dr LAWRENCE: They do not make that distinction. The distinction is a new school, or an additional stage of a new school. No-one is sitting down and saying, "That is an addition and that is an improvement." When Morawa District High School is fixed up, some of it is new space, some of it is fiddling with the old space; a paint job, free landscaping, additions and improvements.

Mr Fred Tubby: Some of it needs to be given to the convent.

Dr LAWRENCE: That is for the Catholic Education Commission.

Item: Covered Assembly Areas -

Mr FRED TUBBY: On page 14, last year the estimated total cost was \$1.5 million to 30 June. The actual expenditure was only \$477 000. The proposed expenditure for this year is nothing. I now refer to the same item at the bottom of page 15.

The CHAIRMAN: We may be able to help here. The Deputy Clerk is pointing out to me that that first item comes under "Works in Progress and Completed Works" and the second under "New Works".

Mr FRED TUBBY: The allocation this year is \$500 000.

The CHAIRMAN: There is no work in progress but there are new works.

Dr Lawrence: The actual expenditure in 1989-90 was \$477 878. The proposed expenditure is \$500 000.

Mr FRED TUBBY: So does the estimated total cost of \$700 000 include all the covered assembly areas left to be done?

Dr Lawrence: No, I would not think so. We do a few each year.

Mr FRED TUBBY: One of the most frequent complaints I receive is from schools which are screaming out for covered assembly areas. I find it a little difficult to follow the General Loan and Capital Works Fund Estimates of Expenditure figures. It looks as though we will spend only \$500 000. Does the Treasurer think that is sufficient, given that many schools are still without covered assembly areas, some in places where it is either very hot or very wet and windy?

Dr LAWRENCE: This is an area where there is never enough money. It is also an area where school communities often make a contribution, so the \$500 000 in the Estimates will not be the total amount spent on that. As the member would know, parents and citizens' associations often put in funds for that purpose. The Building Management Authority builds the covered areas like bomb shelters. They are overspecified, in my view, and we could probably build more of them if the authority scaled down the level of specification. The shelters can withstand cyclones and we do not see very many of those in the metropolitan area. The criteria for building them are the size of the school, the weather conditions and the availability of other cover. I do not have figures that I can pin down, but this Government has adopted a systematic approach to providing these covered assembly areas, which did not happen under the Liberal Government.

Mr Fred Tubby: We will have to do the same thing with maintenance when we get into Government.

Dr LAWRENCE: Maintenance is still going on. Schools are having major upgrades, and that is maintenance if ever I have seen it.

Mr Fred Tubby: Only about 20 schools are listed, and you would have to do 76 to do 10 per cent per year.

Item: Air Cooling of Temporary Rooms -

Mr FRED TUBBY: A promise was made that all temporary classrooms would be air-conditioned.

Dr Lawrence: Not all of them; we will gradually move to that.

Mr FRED TUBBY: The sum of \$300 000 has been allocated this financial year, and the total estimated cost of this item is given as \$700 000. Is that the cost of air-conditioning all of the transportables?

Dr Lawrence: I recall the figure was of that order but I would need to check that to see whether it is the estimated total cost for the lifetime of this specific project or whether it is the total amount. I think the figure is less than it should be, actually.

Mr FRED TUBBY: It will take an awfully long time to do if the Government allocates only \$300 000 this year, because many transportables are in use at the moment.

Dr Lawrence: We did not say we would air-condition all of them, everywhere. Clearly there are places where air-conditioning is not required.

Mr FRED TUBBY: They do not need it in Albany.

Dr Lawrence: They might say they do, but that would not be a high priority.

Item: Asbestos Treatment –

Mr WIESE: I have two questions. Firstly, \$1.4 million has been allocated to this item. What exactly are we doing to cope with this problem and what criteria are we using to decide whether the treatment is needed? Secondly, the estimated total cost of this work is \$1.7 million, so the Government obviously believes that it can cope with virtually the whole of the asbestos problem with the expenditure of another \$300 000 at some time in the future. What is the asbestos treatment, and is that really the sum total of the expenditure that will be required?

Dr LAWRENCE: The sum of \$1.7 million is not necessarily the total cost of treating every school in the State with any asbestos in it. Obviously other funds apart from those being appropriated here will be applied, or that is the way I read it, but I will check. The \$1.4 million is a very good start to what is a serious problem. The Minister for Education will announce tomorrow those schools that will be treated.

I understand the basic procedure is to place what is effectively another form of insulation on the asbestos, which binds it on the roof, and to paint over the top of it. The procedure has the approval of key bodies such as the Chemistry Centre (WA), the Department of Occupational Health, Safety and Welfare, and so on.

Mr Wiese: So it is a treatment rather than a replacement.

Dr LAWRENCE: Yes, the process referred to is the treatment of roofs, and it is basically to bind the asbestos so there can be no doubt at all, despite the fact that all of the evidence we have shows there should be no doubt at all. It will enable those parents and teachers who get very anxious to be persuaded that the rooms are safe, and it will avoid the possibility that the current scientific evidence is not 100 per cent correct, as we have been caught out like that before. That is what the allocation is for.

Item: Early Starts – New Schools –

Mr FRED TUBBY: A sum of \$18 million has been proposed as the total estimated cost of this work, and \$1.5 million is proposed to be expended this financial year. What does that \$18 million mean? Surely if money is being allocated to early starts for new schools there should be \$1.5 million on either side. How far ahead does that \$18 million go, and what does it mean? It seems to be meaningless.

Dr LAWRENCE: That is the total cost of the schools, for which \$1.5 million is allocated to enable them to get off to a start before the end of the next financial year. So if there are five schools at slightly more than \$3 million apiece, which is roughly the cost of a primary school, the total cost of those five schools is \$18 million, and \$1.5 million is allocated so they can start in April rather than waiting for the next Budget. That is the way it works. That column is the estimated total cost of the project.

Mr Fred Tubby: Have those figures been added up twice?

Dr LAWRENCE: No.

Item: Transportables –

Dr TURNBULL: How many transportables can be constructed for \$300 000?

Dr LAWRENCE: The last time I checked, the cost of a transportable was anything between \$30 000 and \$45 000 depending on the location and the type of transportable. A preprimary transportable would be at the top of the range, and if it were to be transported to Karratha it

would probably cost more than that figure. For a local school it would cost \$20 000 to \$30 000, depending on the contract.

Dr Turnbull: Is that amount a sufficient allocation for transportables?

Dr LAWRENCE: Transportables are a key element of the education program. There are always sufficient to cater for the need. If not, they will be found elsewhere in the Budget.

Mr Fred Tubby: What about the \$18 million? There are no subtotals.

Dr LAWRENCE: Of the new primary schools listed this year, some of them have already started through a similar allocation last year called Early Starts. The estimated total costs column is separate from the proposed expenditure.

Mr FRED TUBBY: The estimated total cost adds up to \$230 million. The \$18 million is part of that column together with all the estimated total costs for all new primary schools at pages 13 to 15. There are no subtotals.

Dr LAWRENCE: One refers to buildings in the coming year; the Early Starts will not be completed. We will start them; and an allocation of up to \$80 million will be made in the next financial year.

Mr Troy: Of those schools which are started, it amounts to \$18 million to finish.

Division put and passed.

Division: Health, \$42 786 000 -

Item: Broome - Redevelopment Stage 3 -

Dr TURNBULL: I refer to the decompression chamber located at Broome. Will private contributions be made to that operation? Under Program Statements the allocation appeared excessive for a chamber which most likely will not be used very often.

Dr LAWRENCE: I cannot suggest precisely what this is, except the item refers to "planning fees".

Item: Catering Services Development - Various -

Mr WIESE: Can the Treasurer explain the developments in this area? Catering services have caused a great deal of alarm, especially at the Narrogin Regional Hospital. I am sure this item causes problems in other areas as well. I understand the proposal is that instead of meals being prepared in the kitchens at hospitals and delivered fresh to the patients, those catering areas will be closed. I understand similar proposals are being promoted for other areas.

Mr Fred Tubby: It has already happened in the Armadale-Kelmscott area.

Mr WIESE: Most hospitals in the metropolitan area are supplied from a centralised catering unit. Will the allocation expand hospital catering services in city areas and frozen meals supplied to country hospitals? Will this expansion represent a diminution of the services available at country hospitals?

Dr LAWRENCE: The allocation this year to Catering Services Development is a small one compared with allocations in the past. The member may recall an investigation into hospital catering services at metropolitan hospitals occurred in 1987. The Minister for Health approved a proposal to expand the cook/freeze facilities at Sir Charles Gairdner Hospital. Basically, these works have been about supplying food to metropolitan non-teaching hospitals. In separate initiatives, both Royal Perth Hospital and Princess Margaret Hospital for Children embarked on a conversion to cook/chill food services, while King Edward Hospital moved to extend its existing cook/chill services. I understand that Sir Charles Gairdner Hospital uses a cook/freeze system, but other hospitals do not go that far. At present, Sir Charles Gairdner Hospital supplies itself, Fremantle, Wanneroo, Mandurah, Osborne Park, Swan District, Mt Henry, Graylands and Wickham hospitals. It is possible it might seek to expand into country areas. Again I would need to check a schedule and a program with the Minister for Health. I am not saying it will. Obviously that possibility would not be precluded given the list of hospitals I have described. The point of the process is that it saves \$5 million a year for staff. Therefore, in an investment of \$6 million, in the case of Sir Charles Gairdner Hospital, staff costs of \$5 million will be saved. I understand that this will impact on country hospitals. However, it is hard to argue against this service on

the basis of poor quality food, because if members have eaten the food they would know that it is not inferior.

Mr Fred Tubby: When the elderly people receive meals on wheels, the cook/chill meals are sometimes placed in the fridge. Some of these people have three or four meals in their fridge which they reheat. Do you not believe that this could create a problem with salmonella?

Dr LAWRENCE: I understand that some single people do not open their fridge as often as they should – speaking from past experience! The point is that there is no doubt about the quality of this food; it would not be served in a hospital if it was inferior.

The CHAIRMAN: I do not believe that the matter of whether cook/chill hospital meals are inferior is a matter for debate in this situation.

Dr TURNBULL: Mr Chairman, we need a little more clarification.

The CHAIRMAN: To which item is the member speaking?

Dr TURNBULL: I refer to Catering Services. The cook/chill meals are nitrogen frozen and come from a central catering depot which all Western Australian hospitals use. We are heading towards the situation –

The CHAIRMAN: Before the member proceeds any further, I indicated to the member for Roleystone that his question was outside the item under consideration. If that ruling was not applied members would be able to speak about meals on wheels and numerous other subjects. If the member has a question, she should not worry the Chair; she should put her question to the relevant Minister. I will not sit and have an argument with her about its relevancy; I am the one who will judge its relevancy.

Mr Wiese: You will find that hard to argue with.

The CHAIRMAN: The Standing Orders are hard to argue with.

Dr TURNBULL: Is the Premier aware that in the cost cutting measure being implemented by the Government, in relation to the Health Services item, all people in Western Australian hospitals are eating these nitrogen frozen meals – all tasting like cardboard – from a central depot, and is she aware that the way in which many of these people improve their health is through the food they eat?

Dr Lawrence: I do not intend to breach the Chairman's ruling by answering that question.

Item: Laundry and Linen Services –

Mr COURT: With nearly \$4 million being spent on the Hospital Laundry and Linen Service, I would appreciate it if the Premier could give an explanation as to what the redevelopment proposals are. Has the Government considered selling this service to the private sector?

Dr LAWRENCE: We are upgrading the service so that in 20 years' time, when members opposite get into Government, the machinery will be in such efficient order that they will be able to sell it off, as they have always wanted to do. We do not propose to sell the service, but the project provides for the replacement of washing equipment and processing systems which have been in place since 1974 and need replacing. It is equipment which will automatically feed and wash garments, and provide an efficient and reliable service.

Mr STRICKLAND: The Laundry and Linen Service received an allocation of \$4 million last year. The total cost of the project was estimated at \$9.6 million. This year we have an expenditure of \$1.66 million, which indicates that \$2.33 million was not spent last year. The estimated cost has not changed – which is good to see – but can the Premier explain the reasons for the \$2.33 million shortfall? Has that money been carried forward, and what impact does that have on this year's proposed expenditure of \$3.95 million?

Dr LAWRENCE: Unfortunately, I do not have the estimated expenditure for last year with me – I have the actual expenditure. The estimated cost is \$9.6 million and the expenditure to 30 June last year was \$5.6 million. The allocation for this year is \$3.9 million, so the total cost will be as originally proposed.

Mr Court: You must get a lot of washing machines for \$9 million.

Dr LAWRENCE: It also involves the infrastructure which goes with the machines. It is a very sophisticated system. The balance of the allocation is provided in this year's Budget.

Mr STRICKLAND: I do not believe the Treasurer quite understood the question. Last year

\$4.069 million was allocated to this service, but the actual expenditure was \$1.655 million. That is a shortfall of \$2.335 million. What occasioned this under-expenditure, and where has that money been allocated? In other words, if this has been transferred forward, what impact does this have on the \$3.95 million set aside for this year?

Dr LAWRENCE: I tried to point out that the total project cost is made up of expenditure to date and the allocation for this year. I cannot tell the member the reason for the under-expenditure last year.

Mr Strickland: You can't answer the question.

Dr LAWRENCE: The Minister for Health probably could not do so either as his notes are the same as mine. If members go through each item and ask questions about the reasons for under-expenditure, it is not possible to provide all answers. It may have been that the work was not completed on time, that the contractor did not turn up or any number of other reasons.

Mr Strickland: Where has the \$2.33 million gone?

Dr LAWRENCE: It has not gone anywhere. The member does not understand the Budget papers; he made that clear during discussions with the Minister for Community Services. I do not propose to go over the same ground again. When the Loan Bill comes into the Chamber, it will, I hope, become clear to the member that the Government raises loans, with the approval of Parliament, for a given portion of the year. As I indicated, some loan funds are not expended in the previous year, and the amount raised in the next year is only the amount needed to deal with the total Capital Works Program for that year. When it is under-expended it is not taking the money away and throwing it somewhere else. This involves a small pool of money because the State is authorised to raise certain borrowing and it only does so when it needs to. There is not some big pool of money hanging around. If the member watches Treasury activities he will see that it is raising loans all the time; they do not do it in one hit.

Item: Integrated Waste Disposal Unit –

Mr COURT: Would the Treasurer please explain what this unit is, when it will be completed, who will be using it, and whether it covers the disposal of radioactive waste material from hospitals.

Dr LAWRENCE: At this stage the member will have heard the Minister say that this allocation of \$4 million will develop a facility to provide a storage area for the holding of solid waste, including thorium which is a radioactive substance left over from rare earth processing, chemicals collected under the pesticide buy-back scheme, and polychlorinated biphenyls; that was the theory. It also includes construction of a new road to service the site. There is a question mark in my mind over the whole project given the proposals on the eastern seaboard to build high temperature incinerators. However, the allocation is there if it proceeds.

Mr Court: Do you think it will proceed?

Dr LAWRENCE: Yes, unless there is some fundamental rethink, but we will have to look at that new facility – which has only just been announced – to see whether it provides any capacity for the State. I doubt it, given the transport problems.

Mr STRICKLAND: Last year it was proposed to expend \$4.5 million, yet the actual expenditure was \$115 000. Could the Treasurer explain the delay?

Dr Lawrence: I think the member knows.

Mr STRICKLAND: Last year \$4.5 million was allocated and this year it is \$4 million. I am gathering a message from the Treasurer that when the Government borrows money it does so in stages and it raises X number of loans as they are needed. If the Government gets the authority to raise a certain amount of money in the global sense, but less is raised because of under expenditure –

Dr LAWRENCE: No; the authority to borrow is what is needed in addition to the amount that may be unexpended from the previous year's authorisation. Money is raised within the authorisation depending on interest rates, how much we need at the time, and how fast the Capital Works Program is going.

Mr Strickland: I am aware of the Loan Council constraints on the amounts the State can borrow, however I am trying to track down what happens when the State gets its authorisation but it does not need as much money; is it a fact that the State never borrows it and that capacity to borrow falls away?

Dr LAWRENCE: Under the Commonwealth global limits a State can do either. Some States have global allocations that are several years out of date and they have not gone up to that level, but they are still entitled to. Western Australia has borrowed up to its allocations, although last year there was a slight under-borrowing – I would need to check the figures for the member – so it does vary from year to year.

Mr Strickland: That is the puzzle.

Dr LAWRENCE: I said there was an under-borrowing because, as the member can see, some projects were not completed and we underspent on the General Loan and Capital Works Fund. It does not equate to that figure, but I can find out for the member. The reason it was not spent was because of the huge difficulty in finding an acceptable site – the member may remember the public debate.

Mr Strickland: But you raised the money.

Dr LAWRENCE: I am not saying it was raised; there was a projected expenditure. That money probably was not raised as it became clear the project would not get off the ground that financial year.

Item: Minor Works –

Dr TURNBULL: What categories come under this item? The estimated total cost of the projects has varied over the last three years; it was \$252 000 in 1989–90 and \$100 000 in 1991, yet it says that actual expenditure to 30 June 1990 was \$4 000 and in 1989–90 it was nothing.

Dr LAWRENCE: I do not have any information on that; it is a curious item for the whole health system. I undertake to find that out.

Division put and passed.

Division: Land Administration, \$12 310 000 – put and passed.

Division: Marine and Harbours, \$6 995 000 –

Item: Geraldton Marina –

Mr COURT: When will the project be completed and will the Government be selling land as a part of that marina project to recoup some of the funds involved; if yes, when will it start to sell the land?

Dr LAWRENCE: It is a 250 berth marina near Westrail and includes foreshore development and rehabilitation and it will include the sale of some land to provide additional funds to complete the project. Part of the reason to keep the project going was so that land could be sold for principally commercial purposes.

Item: Lancelin – Jetty and Associated Works –

Mr McNEE: Could the Treasurer advise what the estimated expenditure of \$753 000 is for?

Dr LAWRENCE: I do not have a separate description here and the member would probably know better than I what the Lancelin jetty needs to have done with it, and I presume that that is what is being done. I do not have the information, but, again, I can find out.

Item: Dawesville – Channel Investigations and Preliminaries –

Mr COURT: The concept of the Dawesville Cut has been under discussion for some time. What amount will be expended this year out of that allocation? What sort of work will be done on the Dawesville Cut.

Dr LAWRENCE: The work will include not only continued funding for the completion of the bridge design, which is a complex part of the work, but also evaluation of the sand bypassing option and some of the early work on that. Some has been done already. It includes basic design work, but some excavation work is being done. Some of that will begin.

Mr Court: It is going to start?

Dr LAWRENCE: Yes.

Division put and passed.

Division: Mines, \$352 000 – put and passed.

Division: Office of Government Accommodation, \$6 576 000 –

Mr COURT: Does the Premier intend doing anything about this place?

There are two major problems. The older part of Parliament House needs to be properly renovated to restore it to its former beauty, and office accommodation is not up to scratch. I know Parliament House is always the last item on the list for works, but the Premier should agree that we all work in pretty grotty conditions. Many offices have three members in them and Ministers work in corridors. It is not a place around which we show visitors with pride. Finally, the person I share a room with has been waiting for a few months and still does not have his name on the door.

Dr LAWRENCE: I think the member should take up the last matter with the Joint House Committee.

Mr Court: He has.

Dr LAWRENCE: I share the member's observations and recognise the importance of additions to Parliament House. Politicians are always reluctant to appear to be spending money on themselves and their facilities. However, I think it is more important that we think about the staff, who work in pretty difficult circumstances, as do members.

Mr Court: Yes, I should not have excluded the staff.

Dr LAWRENCE: A while ago the Speaker brought to Cabinet, from the Joint House Committee, a concept plan of a building over the freeway with the capacity to be built by the private sector on a lease-back, buy-back arrangement. Offices would be supplied within sprinting distance.

Mr Court: We heard it was that or the brewery and you went for the brewery.

Dr LAWRENCE: The cost of the brewery would not come close to providing the money for the program that I think is necessary in the short term. That proposal has a lot of merit. If the private sector could be convinced that it is a viable proposition, we should go for it. The alternative is to build a fairly unattractive addition of offices nearby to provide a short term solution. I will certainly be looking at this matter in the next Capital Works Budget because I think it has reached crisis point.

Mr C.J. BARNETT: A lot of money has been spent over the last couple of years on Dumas House. What is the Government's long term intention for that property?

Dr LAWRENCE: Does the member think we are going to sell it?

Mr C.J. Barnett: Mention has been made of pulling it down. What are the economics of the building? We are putting another \$1.3 million into it this year.

Dr LAWRENCE: This allocation is the end of the asbestos removal program. Whoever owned that building would have had to undertake that work. There is no plan to dispose of the building. I suspect the Government would have a hard task in getting anything like what it is worth after the funds that have been spent on the major renovations. I think the interior is satisfactory for the people who work there.

Division put and passed.

Division: Police, \$13 630 000, put and passed.

Division: Resources Development, \$10 329 000 –

Mr COURT: In relation to the Kemerton infrastructure, on which a considerable sum of money has been spent, could the Premier give me an indication of what the balance of \$228 000 is for?

Dr LAWRENCE: Funds allocated this year will provide final sealing of the access road, fencing and purchase of a property to form part of the buffer zone.

Mr COURT: Could I have a breakdown of what that \$5 million, under the Jervoise Bay infrastructure, is being spent on?

Dr LAWRENCE: There has been a commitment to the development of a range of facilities to enable the construction of the Goodwyn A modules on that site. I am sorry that they are not enunciated here. The site facilities will remain the property of the State. I do not have the details with me, but I can get a breakdown of the components for the member.

Division put and passed.

Division: Sport and Recreation, \$4 513 000 -

Mr WIESE: I refer the Treasurer to the remarks I made during the second reading debate about sport and recreation facilities in country areas. The Treasurer would be well aware of the method of funding whereby the Government, the local authorities and the sporting group each contributed one-third of the cost of project. Between those three groups many good facilities were provided in country areas. Prior to the last election the funding for this program was doubled, but since then there has been virtually no allocation of funds to it. The facilities in country areas should be comparable with the facilities in the city and financial assistance is required to achieve that aim. The lack of Government funding for sport and recreation facilities is having a disastrous effect on the projects which are getting off the ground. I ask the Treasurer to indicate whether she will examine this source of funding with a view to providing assistance for basic sporting facilities in country areas.

Dr LAWRENCE: I was amazed when I visited Sydney recently, to take part in what proved to be a fruitless bid for the Commonwealth Games, when I looked at Western Australia's figure for expenditure on sport and recreation facilities, and found it was double the national average. If the member is telling me that the allocation of funds between country and city is not what it should be I will examine that. We propose to look at the re-establishment of the one-third arrangement. Originally the fund operated on the basis of the State Government, the community and the local authority each contributing one-third of the cost. It then became a one-third State Government contribution and a one-third Ministry of Education contribution, and the other third was made up between the shire and the local community. That may be the way we want to proceed, but it did get out of balance and the State Government was contributing two-thirds of the cost. It needed to be reassessed. We now have the Health Foundation as a result of the tobacco levy and together with the sports instant lottery fund additional funds will be provided to sport and the arts this year compared with previous years. I urge the member to encourage local sporting organisations to ascertain whether they will qualify for funding from those two generous foundations which represents something like a 20 per cent increase in funding to sports and arts.

Item: Graylands Sports Complex -

Mr C.J. BARNETT: The total value of the investment for the additional swimming facilities at the Graylands Sports Complex has been estimated at approximately \$9 million. The Commonwealth Government will contribute \$3 million. I am curious to know whether it is expected that the World Swimming Championships will generate sufficient funds to offset the \$6 million contribution by the State. I am not being critical of the event and I appreciate that the facility will be there for the future.

Mr COURT: The swimming championships will cost the taxpayers of this State a lot of money. I am told that in addition to spending funds on the facilities, a large sum of money has been spent on offering enticements to people and I will be asking questions about this at a later stage. I cannot understand why it has been necessary to locate so many pools in the one area. It would have been preferable to locate one of the pools at, for example, John XXIII College which is close to the championship venue. The pool would become the property of the college and the Government would not have to maintain it after the championships. Another pool could have been located at the nearby university. The reason I raise this matter is that at the Los Angeles Olympic Games the organisers sought sponsorship for many of the facilities. I understand that McDonald's Family Restaurants sponsored the swimming facilities and the pool was built at a university and temporary seating provided. At the completion of the games the seating was removed and the university accepted responsibility for the pool. At the completion of these championships we will have three Olympic sized swimming pools at the one venue, and they will all have to be maintained at

the taxpayers' expense. I do not know who was responsible for the planning for the swimming championships, but it seems to be extremely extravagant to have three pools for the one championship. The Government could have made a lot of people happy by locating those pools at different venues.

Dr LAWRENCE: I honestly cannot speak for the original planning of the pools. It is fair to say that Los Angeles and Perth cannot be compared; it would be unlikely that Western Australia could induce a benefactor such as McDonald's to pay for a swimming pool. Private sponsorship for the championships has been sought in various forms.

Mr Court: I did not mean from a sponsorship point of view.

Dr LAWRENCE: I do not think there are many benefactors in Perth who would be prepared to do that.

Mr Court: The benefactor has been the taxpayer.

Dr LAWRENCE: The member cited Los Angeles as an example. This event is different from the Olympic Games and the economy of Perth is different from the economy of Los Angeles. I suggest to the member that parliamentary questions would be the best way to elicit an explanation of the thinking that went into this event. The spin-off from that event in terms of the economic benefit to the State will be substantial. The facilities will be there in perpetuity. It is proposed that one of the pools will be emptied at the conclusion of the event, but it will mean that this State will have the capacity to attract future events.

When I attended the Premiers' Conference, Nick Greiner was green with envy about this and thought it was absolutely wonderful. He said he might even attend the championships. People will come from around the world to attend these championships and Perth will be on the map when people consider future events. The Hopman Cup which it started as an experiment will become a repeat event. I am not saying that the World Swimming Championships will be held in this State every year but we shall have the facilities to attract Australian competitions, Asian Games and all sorts of events. I do not think we should consider this as a one-off investment, bearing in mind the growing population in this State. I take the member's point that perhaps it would have been better to locate the facilities on a school or campus site. I do not know why that was not done but this will be a major event of proportions this State has not seen for a long time. It will have huge economic spin-offs for the State.

The member asked about the extent to which revenue generated will be used to offset the capital funds. The State has underwritten this event to some degree but, obviously, if sufficient funds are generated to the task, they will go towards meeting some of the capital and recurrent costs for the pools and for running the championships. The specific allocation for this year is for the completion of the pool, site, external works, poolside amenities, and upgrading the Bicton pool facility for the women's water polo events. That is one local community that will get a bonus from that expenditure. Also, the Commonwealth has contributed \$3 million.

Division put and passed.

Division: State Services, \$228 000 –

Item: Joondalup-BureauWest –

Mr C.J. BARNETT: I ask the Minister to provide a brief explanation of this item.

Dr LAWRENCE: It was proposed to establish a composite computing facility on that site which would be replaced eventually to the State Services' two existing computer bureaus housed at Royal Street in the Ministry of Education and at Mount Street, and which would provide additional computing support for other major Government agencies. Land has been purchased and design work has been completed but, given other Government priorities and given the changes made to DOCIT, it has been put on hold.

Division put and passed.

Divisions: Technical and Further Education, \$18 854 000; Hedland College, \$233 000; State Housing Commission, \$650 000 – put and passed.

Division: Metropolitan (Perth) Passenger Transport Trust, \$4 200 000 –

Item: Compressed Natural Gas Trial –

Mr COURT: We have been told that the Government intends to use more gas powered buses, particularly in view of the Middle East oil crisis. In reality only a small number of gas operated buses are being used. How many more will be put into service, and have those in service been economically successful so far?

Dr LAWRENCE: My notes indicate that the conversion of 30 diesel engine buses to compressed natural gas fuel and installation of a compressor system at Malaga to test the feasibility is still taking place. The member for Nedlands will know that Transperth tested liquefied petroleum gas in buses for some time and, although the results indicated reliability similar to that of diesel buses, apparently it was found that the fuel caused a lot more engine stress. Consequently, Transperth is using CNG, which causes less engine stress, and it is considering the feasibility of using that fuel as opposed to LPG. Presumably that is the reason for the funding.

Item: Ticketing Machines Replacement –

Mr COURT: I note that almost \$3 million has been allocated to this item. Is this purely replacement or is the Government introducing a new type of ticketing machine for buses? If so, are the contracts for these machines being let to a Western Australian company?

Dr LAWRENCE: I am advised that a new ticketing system is being purchased. It is an operator's electronic ticket issuing machine for single journey tickets and passenger activated ticket validation for the Multirider tickets. It will replace the mechanical system currently in use. The new ticketing system will provide for faster issuing of statistics and also simple statistical and revenue data. However, I do not know which company will supply the machines and I will obtain that information for the member.

Mr COURT: I asked the question because I hope that the contract will be awarded to a Western Australian company which has been working on these machines and has been exporting a large number of them.

Mr Pearce: That relates to the Smart Card system which has already been trialled. The Smart Card system is an electronic credit card system in which people fill up their cards with a certain amount of credit and each time they use the card it automatically deducts the amount of credit required for the fare. That system is being trialled at one of the depots. The machines referred to in this item do not relate to the Smart Card system.

Mr COURT: I ask the Treasurer to let me know where the machines referred to are being purchased.

Division put and passed.

Divisions: Western Australian Government Railways Commission, \$20 000 000; Authority for Intellectually Handicapped Persons, \$93 000; Building Management Authority, \$755 000 – put and passed.

Division: Country High School Hostels Authority, \$218 000 –

Mr WIESE: There is a great deal of disquiet and uncertainty at present about the future of country high school hostels. The individual management committees associated with those hostels do not know what will happen. What will be the future planning for those hostels? My electorate has what are probably the two largest hostels, but they have reached the stage where they are well and truly fully booked, yet other hostels still have some vacancies.

The CHAIRMAN: Order! Remarks made under the general debate are required to relate to capital works.

Mr WIESE: I intend to do that.

The CHAIRMAN: I have not heard that so far, and unless I do I will rule you out of order.

Mr WIESE: What will be the future planning for country high school hostels, and will there be any future capital development to cope with what I believe will be a massive increase in demand for the services provided by those hostels? Is it intended that the hostels system will continue in the future?

Mr FRED TUBBY: Two years ago I was in Morawa and I heard the Treasurer, when she was Minister for Education, promise that the Morawa Country High School Hostel would be rebuilt. I cannot find any indication that it will be rebuilt this year.

Dr LAWRENCE: Obviously as the demand for hostels emerges, so it will be catered for. The problem with Morawa is partly a change of Minister, who had a hard look at the projected enrolment figures, and given that the total project cost was some \$3.8 million, had another hard look, and despite a lot of enthusiasm in the local community and a bit of a catch-22 situation, which I appreciate – facilities are poor so people do not go there – after surveying the surrounding schools, and after doing another survey after the local people were critical of it, Morawa has not been able to generate the numbers that would justify that level of expansion of the facility.

The provision of a better facility is certainly required, but the original proposal was for a 48-bed hostel, and the numbers did not come close. That is the problem. So the original plan did not apply. I understand that the facility will be provided.

Mr Fred Tubby: It will, but it may not be by your Government.

Dr LAWRENCE: There needs to be a clear assessment of the numbers. The difficulty is that when the numbers change, we need to prudently have another look. We have honoured the commitment to the extent that the Morawa High School is being upgraded, and I think that will be an attraction to some of the students. That will be a superb facility when it is completed.

Division put and passed.

Divisions: LandCorp, \$3 704 000; Rural Adjustment and Finance Corporation, \$181 000; Waterways Commission, \$685 000; Western Australian Museum, \$1 641 000; Western Australian Sports Centre Trust, \$60 000; Advances to Sundry Bodies, \$1 697 000 – put and passed.

Division: Loans to Non Government Schools, \$35 115 000 –

Mr FRED TUBBY: The expenditure to 30 June 1990 was \$40 000. The proposed expenditure this year is \$35 million; last year it was \$23 million. Does that \$35 million take in all the applications that are received or is \$35 million allocated and the applications are prioritised and that is it; is it cut off?

Dr LAWRENCE: The latter. An estimate is made of a reasonable provision, and the member can see that there has been a considerable and very generous increase. Sometimes the estimate is fully expended by the demand; in other years not all the demand is met. It is a notional figure.

Mr Clarko: There is a significant difference between the amount allocated last year and the estimate for this year. Do you have records with you to indicate why that change occurred? Perhaps you could provide that information at some other time.

Dr LAWRENCE: There are some existing loan commitments also. Some of those carry over.

Mr Fred Tubby: If they were all met last year, and you spent only \$23 million –

Dr LAWRENCE: To give an example, an estimated \$30.2 million will be required for new loans anticipated in 1990–91, of which \$14 million is estimated to be drawn in 1990–91 and \$16.2 million will be carried over into 1991–92. In addition, outstanding loan commitments of \$21.1 million from the 1989–90 loan approvals will be drawn down, giving a total outlay of \$35 million. So it is made up of past, current and future, depending on the rate at which the schools require the funds.

Mr Clarko: That is not my question.

Dr LAWRENCE: That is the explanation, and I will put the answer in writing.

Division put and passed.

Schedules 1 and 2 put and passed.

Clauses 1 to 4 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Dr Lawrence (Treasurer), and transmitted to the Council.

LOAN BILL*Second Reading*

Debate resumed from 18 October.

MR MacKINNON (Jandakot – Leader of the Opposition) [12.52 am]: I want to use the time available to me to reinforce and expand what I have been talking about for much of today, and that is the way in which this Government treats this Parliament with absolute and utter contempt. It has done that continually throughout its time in office. Brian Burke began the process, Peter Dowding continued it and this Premier has probably perfected it as an art form. She has shown the complete and absolute dominance of the Executive arm of Government over the Parliament.

As I said earlier today – yesterday; sorry – the relevance of the backbench in this Parliament, particularly the Government backbench, has become a thing of the past. When I first came into this Parliament the debate we have just had was a very extensive one. As a backbench member of the Government I used that debate quite extensively to question the Government and put on the record circumstances which were of interest to me and to people in my electorate. How many members of the Government backbench have we seen using the Parliamentary process to support and assist their work in this State?

Mr Wiese: How many did you actually see?

Several members interjected.

Mr MacKINNON: We did not see any of them because of the way in which the Government treats this Parliament – with absolute contempt. It does not care.

I asked one of the newer members about his thoughts on this Parliament and he said to me, "The thing which surprises me most is the futility of a lot of the speech making. It doesn't get you anywhere, does it?" He is probably right these days because of the way in which the Government treats the Parliament. It treats it as though it were its own plaything.

Mr Pearce: May I summarise what you are saying?

Mr MacKINNON: I shall come back to the Leader of the House in a minute. As the member for Marmion pointed out, in the almost 14 years I have been here – the same length of time as the Leader of the House – I have not seen such disgraceful treatment of the Budget as this year, particularly the Capital Works Budget. Hardly a Minister has been here at any time, and hardly any backbench members from the Government side.

I can give you an indication, Mr Speaker, of the absurd lengths to which we have now gone. I usually go back to the speech given last year in each of these debates. The speech given by Mr Parker last year on the Loan Bill is word for word the same damned speech we had this year. The Leader of the House says to me, "We have serious consideration for the Parliament of Western Australia." What a lot of baloney!

Mr Pearce: It shows great consistency.

Mr MacKINNON: The only things which have changed are the name of the person reading it and the figures. Listen to this paragraph –

The task of framing our works program for 1990–91 was difficult due to the substantial funding commitments needed for our major works in progress and a 10.3 per cent decline in real terms to our global borrowing allocation.

That is this year. This is the one from last year –

The task of framing our works program for 1989–90 was difficult due to the substantial funding commitments needed for major works-in-progress and an effective \$75.2 million reduction in our global borrowing allocation. . .

And again from this year –

Nevertheless, the Government believes the program framed is a responsible one and accommodates our high priority and urgent works.

Last year –

Nevertheless, the Government believes the program framed is a responsible one which largely accommodates most of our high priority and urgent works.

Several members interjected.

Mr MacKINNON: Spot the difference! The next extract from this year –

In particular the planned increase in expenditure on infrastructure services by the Energy Commission and the works program of the Water Authority provides an essential base for the State's continued economic growth.

Last year –

In particular the planned increase in expenditure on infrastructure services by the Energy Commission and the Water Authority will provide an essential base for the State's continued economic growth.

Well I never!

Mr Clarko: The names have been changed to protect the innocent.

Mr MacKINNON: It is absolutely astounding! This is the man last year who had to resign in disgrace.

Mr Clarko: Where does he live?

Mr MacKINNON: He was here today checking up on the terms of reference of the proposed Royal Commission. The Premier of Western Australia, the person so committed to accountability, openness, honesty and integrity in Government, did not even take the time, when she introduced the Loan Bill this year, to read last year's speech. If she did, it goes to show what I mean. Irrespective of which way it went, she treats back benchers just as her predecessors did.

Dr Lawrence: I wish the Parliament had an opportunity to see you now. It is absolutely wonderful!

Mr MacKINNON: That just illustrates the absolute contempt with which the Treasurer treats this House. She can laugh, and so can everybody else, but that is stark, positive proof of the point I have been making all day. It is nonsense and poppycock for the Treasurer to say, "I had to go and fulfil my responsibilities to His Royal Highness the Duke of Edinburgh." The business of this Parliament is in her hands. The Notice Paper contains 43 items of business, yet the Treasurer is saying she could not reschedule two of those 43 items. We had to ram through the General Loan and Capital Works Fund Bill because the Treasurer had some other important business to attend to. The responsibility of the Government and the Treasurer is to this place. We could have had this debate on Tuesday. It would have made no difference, and the Treasurer and her Ministers could have been here to treat the process properly.

As I said at the commencement of my remarks on the General Loan and Capital Works Fund Bill yesterday, this Government treats the Government with absolute contempt – as you, Mr Acting Speaker (Mr Ripper), as a member of the Government backbench, know only too well. The proof positive is this debate, where only the figures have been changed to protect the innocent.

Mr Clarko: Or the guilty!

The ACTING SPEAKER (Mr Ripper): Order! I have been reflecting on the Leader of the Opposition's recent comment and I do not think it is in order for him to put words into my mouth as the Acting Speaker.

Mr MacKINNON: I apologise, Mr Acting Speaker.

I rest my case. It is a very serious issue when the Government treats a major Bill like this with such disdain, even to the extent of using the same excuses as it used last year for bringing down the legislation. As this is a Budget Bill the Opposition will not oppose the legislation, but once again I voice my disdain for a Treasurer who treats this Parliament with absolute and utter contempt.

DR LAWRENCE (Glendalough – Treasurer) [1.03 am]: I think we have all been entertained by the Leader of the Opposition at the end of a long day. What the Leader of the

Opposition has decided to overlook is that the Budget speech is the vehicle through which the Government outlines in detail the programs and processes. As the Leader of the Opposition knows, the Loan Bill is very much a vehicle to give effect to this Government's loan program, and it is basically a standard format.

Mr MacKinnon: What you are saying is that this Government is no different from the last.

Dr LAWRENCE: The Budget speech reflects the particular demands of the year. However, if the Leader of the Opposition wants to talk about people treating this Parliament with contempt, I ask that tomorrow, when he is feeling a little differently, he reflect on his performance tonight.

Question put and passed.

Bill read a second time.

Third Reading

Leave granted to proceed forthwith to the third reading.

Bill read a third time, on motion by Dr Lawrence (Treasurer), and transmitted to the Council.

CRIMES (CONFISCATION OF PROFITS) BILL

Assent

Message from the Governor received and read notifying assent to the Bill.

BILLS (3) - RETURNED

1. Industrial Lands Development Authority Amendment Bill
Bill returned from the Council without amendment.
2. South West Development Authority Amendment Bill
3. Government Railways Amendment Bill
Bills returned from the Council with amendments.

House adjourned at 1.07 am (Friday)

APPENDIX A

CASURINA PRISON

	1986/7 \$M	1987/8 \$M	1988/9 \$M	1989/90 \$M	1990/91 \$M
EST TOTAL COST					
DESIGN FEES	5.15	5.15	6.15	6.79	8.16
CONSTRUCTION	53.29	60.53	64.66	78.53	93.89
PROPOSED EXP					
DESIGN FEES	2.48	2.14	1.21	0.78	0.86
CONSTRUCTION	0.65	18.01	33.59	26.83	26.00
ACTUAL EXP					
DESIGN FEES	1.86	2.50	0.90	1.32	N/A
CONSTRUCTION	1.07	7.15	19.81	27.59	N/A
EXP TO DATE					
DESIGN FEES	1.91	4.41	5.31	6.63	N/A
CONSTRUCTION	1.07	8.22	28.03	55.62	N/A

PERTH CITY BUS JUNCTION

	1986/87 \$M	1987/88 \$M	1988/89 \$M	1989/90 \$M	1990/91 \$M
EST TOTAL COST	N/A	29.03	31.40	31.40	34.35
PROPOSED EXP	N/A	7.55	17.81	17.73	7.94
ACTUAL EXP	0.06	0.79	11.17	7.69	N/A
EXP TO DATE	0.06	0.85	12.02	19.71	N/A

DATES OF TABLINGS OF TREASURER'S ANNUAL STATEMENTS

1986/87 - 28/10/87

1987/88 - 8/11/88

1988/89 - 8/5/90

QUESTIONS ON NOTICE

STATE GOVERNMENT INSURANCE OFFICE – MOTOR VEHICLE INSURANCE TRUST

Corporate Strategy Management Plan – Connell, L.R. and Partners

1340. Mr COURT to the Deputy Premier:

- (1) Is it correct, as reported in the *Sunday Times* last week, that the Government through a Cabinet Minister wrote to the Motor Vehicle Insurance Trust and the State Government Insurance Office on 27 February 1984 asking for their recommendation as to who should carry out a corporate strategy development plan for the State Government Insurance Office with formal presentations having been received from Price Waterhouse, PA Australia, L.R. Connell and Partners, and W.D. Scott?
- (2) If yes, is it correct that the MVIT trust members placed L.R. Connell and Partners at the bottom of their list with no board members supporting their proposal?
- (3) Is it correct that the SGIO did not recommend LR Connell and Partners?
- (4) If yes, why did the Government choose LR Connell and Partners against the wishes of both these bodies?
- (5) Was it former Premier Burke who insisted LR Connell and Partners be selected to assist with that work?

Mr TAYLOR replied:

- (1)–(3) Yes.
- (4) The Government taking account of the views of the SGIO and MVIT chose Price Waterhouse and Rothwells to jointly carry out the review as it was believed that the necessary expertise was available in these organisations.
- (5) Not to my knowledge.

BELL GROUP SHARES – NATIONAL COMPANIES AND SECURITIES COMMISSION INQUIRY

Bond Corporation – Fine Waiver

1440. Mr COURT to the Deputy Premier:

- (1) Will the Government table the letter sent by the Government to the National Companies and Securities Commission on or about 3 June 1988 which waived the fine that had been recommended by the NCSC against Bond Corporation as a result of the transactions surrounding the purchase of Bell Group Shares by both the SGIC and the Bond Corporation?
- (2) Who authorised that letter to be sent?
- (3) When was it given to the NCSC and was the letter demanded by the NCSC to back up the verbal require by the Government's lawyers that that fine be waived when the commercial settlement was being finalised at the NCSC's offices on 3 June?

Mr TAYLOR replied:

- (1) The letter is hereby tabled. It has previously been tabled in the Legislative Council and was also provided to the Legislative Council Select Committee on State Investments on 6 April 1990.
[See paper No 756.]
- (2) Refer to tabled paper.
- (3) I am advised that the letter was provided at the request of the NCSC on 3 June 1988.

**FINANCIAL INSTITUTIONS DUTY – FINANCIAL ASSETS DUTY
REPLACEMENT**

1860. Mr MacKINNON to the Minister for Finance and Economic Development:

- (1) Is the Government considering replacing the Financial Institutions Duty with a financial assets duty?
- (2) If so, how is this matter being determined?
- (3) When will the Government make a decision with respect to this matter?

Mr TAYLOR replied:

(1)–(3)

New South Wales has developed and circulated for comment a proposal for the financial institutions duty to be replaced by a financial assets duty. The Treasury and State Taxation Departments have reviewed the proposal and provided comments to New South Wales. Together with comments from other Governments and private organisations, a number of problems have been identified with the proposal. Until these are appropriately addressed the matter will not be considered further by Government. No timetable for this process has been set.

PREMIERS' CONFERENCE – WORKING PARTIES

1863. Mr MacKINNON to the Premier:

- (1) What working parties were set up as a consequence of the recent Premiers' Conference held in Brisbane?
- (2) On which working parties is the State of Western Australia represented?
- (3) Who will represent the State on those working parties?
- (4) What is the purpose of each working party?
- (5) When is the working party expected to complete its work and report?

Dr LAWRENCE replied:

- (1) Working parties or working groups are currently being set up in accordance with the communique issued by the heads of Government from the Special Premiers' Conference. As outlined in the communique, these include working groups in the following areas –

- Commonwealth–State financial arrangements
- Tax powers
- Tied grants
- Government trading enterprise reform
- Regulatory reform
- Transport (road and rail)
- Interstate electricity grid
- Non–bank financial institutions
- Urban settlement
- Environment

- (2) The Commonwealth and all States, including Western Australia, are to be represented on all working groups.
- (3) Officers from central and line agencies, as appropriate.
- (4) To prepare reform proposals for consideration by the further Special Premiers' Conferences scheduled for May in Sydney or Canberra and for November in Perth. The detailed objectives of each working group are outlined in the communique.
- (5) The precise timing for the reports of the working groups varies, as outlined in the communique. In general, however, it can be expected that the reports will be completed by the beginning of March 1990 if their recommendations are to

be considered by the May conference, and by the beginning of September if they are to be considered by the November conference.

GOVERNMENT EMPLOYEES SUPERANNUATION BOARD – ANNETT & DARLING WOOLSCOUR PLANT PURCHASE

1872. Mr McNEE to the Minister for Finance and Economic Development:

- (1) Did the Government Employees Superannuation Board purchase a new Annett & Darling Woolscour Plant in 1987?
- (2) If so, what was the purchase price?
- (3) For what reason was it purchased?
- (4) Has it ever been used; if not, why not?
- (5) Were tenders called recently for its disposal?
- (6) Who was the successful tenderer and what was the tender price?

Mr TAYLOR replied:

- (1) Yes.
- (2) \$2 474 890.31.
- (3) The plant was purchased as part of an agreement to acquire Land Holdings Pty Ltd's land within the Anchorage site and relocate its woolscouring operation.
- (4) No, because the agreement lapsed.
- (5) Yes.
- (6) By agreement with the successful tenderer, this information is confidential.

MINISTER FOR THE ENVIRONMENT – MINING INDUSTRY MATTERS
Cabinet Instructions Request

1880. Mr COURT to the Premier:

- (1) Has the Premier received a request that the Minister for the Environment be instructed by Cabinet to follow the due process where mining industry matters are subject to the Minister's very considerable powers?
- (2) What action has the Premier taken with regard to this request?
- (3) If no action has been taken yet, does the Premier intend to take any action with regard to this request in the future?

Dr LAWRENCE replied:

- (1) Cabinet and ministerial discussions are confidential.
- (2)–(3) Not applicable.

ANCHORAGE PROJECT – WESTERN AUSTRALIAN DEVELOPMENT CORPORATION

Waterfront Land Package – Fee Payment

1884. Mr COURT to the Minister for Finance and Economic Development:

- (1) Further to question 1244 of 1990, was the Western Australian Development Corporation paid a fee by other Government departments to ensure that the waterfront land package was put in place as part of the Anchorage project in North Fremantle?
- (2) Did the developers of the Anchorage project pay fees to any Government department to assist in putting this land package together?
- (3) If yes, to whom were the fees paid and when?

Mr TAYLOR replied:

- (1) Not to my knowledge.

(2)-(3)

I am advised that the only fees paid by the developer – GESB – to another Government organisation, other than in respect of normal service charges, stamp duty, etc, were in March 1987, to the Centre for Marine Science and Technology at Curtin University, for studies into water circulation and quality.

**PROGRAM STATEMENTS – TRANSPORT DEPARTMENT, POLICY AND
PLANNING PROGRAM
*Port Operations Task Force***

1916. Mr McNEE to the Minister for Transport:

With respect to the Port Operations task force –

- (a) how much has it cost since it was established;
- (b) what are its terms of reference;
- (c) who are its members;
- (d) what are their respective duties;
- (e) what are their salaries?

Mrs BEGGS replied:

(a) The task force was established in August 1987. In the period since then, approximately \$260 000 has been outlaid in running the task force.

(b) The terms of reference are –

- (1) To identify operational impediments to the efficient passage of goods and vessels through Western Australian ports.
- (2) To determine practical measures to overcome the identified impediments.
- (3) To offer appropriate advice to the Government of Western Australia through the Minister for Transport.
- (4) To provide a forum for a two-way exchange of views between the industry and the Government of Western Australia on operational matters affecting the efficient passage of goods and vessels through Western Australian ports.
- (5) To represent, as appropriate, the view of the Western Australian industry in national decision making forums.
- (6) To investigate and report on specific issues in respect of port operations as raised by the Western Australian Minister for Transport.

(c) The membership is –

Hon Des Dans, Chairman
Colin Stewart, Manager, Esperance Port Authority (representing regional ports)
Orn Richardson, State Manager, Association of Employers of Waterside Labour
John Kelderman, Western Australian Shippers' Council
Trevor Poustie, General Manager, Fremantle Port Authority
Terry Rawlings, State Secretary, Seamen's Union of Australia
Vic Slater, Secretary, Fremantle Branch, Waterside Workers Federation
John Jenkin, Executive Director, Department of Marine and Harbours
John Watson, Commissioner, Fremantle Port Authority
Tony Holland, Director WA & NT, Conaust Limited
Tony Carter, Vice Chairman, Australian Chamber of Shipping (WA Branch)

- (d) The members each bring to the task force a particular expertise relevant to their own sector of the industry.
- (e) The chairman of the task force receives a salary of \$36 000 per annum. In addition the task force employs Mr John Bawden as a port user liaison officer. No other member of the task force receives any remuneration.

RURAL & INDUSTRIES BANK OF WESTERN AUSTRALIA – PRIVATISATION
New Legislation

1919. Mr MENSAROS to the Minister for Finance and Economic Development:

When is the Government introducing the Bill giving corporate status to the Rural and Industries Bank of Western Australia?

Mr TAYLOR replied:

The Bill was introduced to this House on 20 November 1990.

PUBLIC SERVICES – REGIONALISATION STUDIES

1931. Mr MacKINNON to the Premier:

- (1) Has the Government done any studies on the question of regionalisation of Government services?
- (2) If so, when were those studies completed?
- (3) Have those studies been made public?
- (4) If not why not?

Dr LAWRENCE replied:

(1)–(2)

Yes. A review of Government policies for regionalisation of the public services was commenced in 1989 by the Public Service Commission. It involved consultation with Government agencies and other interests. The report of this review was finalised in early 1990 and is now under consideration by the Regional Development Council.

(3)–(4)

It is anticipated that a final report will be made public at the completion of this process.

SCHOOLS – DENMARK AGRICULTURAL DISTRICT HIGH SCHOOL
Toilet Facilities

1952. Mr HOUSE to the Minister for Education:

- (1) Is there a serious need for adequate ablution facilities at the Denmark Agricultural District High School?
- (2) If yes, has the Minister taken action to correct this problem?
- (3) If not, why not?

Dr GALLOP replied:

- (1) No. The existing toilet facilities for students are in accord with the public building regulations.

(2)–(3)

Not applicable.

SCHOOLS – DENMARK AGRICULTURAL DISTRICT HIGH SCHOOL
Extension Consideration

1953. Mr HOUSE to the Minister for Education:

- (1) In the light of the increasing population in Denmark, is the Minister giving consideration to extending the Denmark Agricultural District High School?
- (2) If yes, when will the building program commence?
- (3) Have the planning requirements for this building program been started?

(4) If no, why not?

Dr GALLOP replied:

- (1) Yes. The trend of increasing student enrolment is being monitored and the school will be considered for inclusion in the 1991-92 capital works program, subject to the availability of funds. In the meantime, an additional temporary classroom will be placed at the school for 1991.
- (2) Until such time as a budget allocation is made for the project, it is not possible to indicate when the work will actually commence.
- (3)-(4) The details of the proposed work will be determined in conjunction with the school when a budget allocation has been made.

ASSET MANAGEMENT TASKFORCE – HOSPITAL RESERVE, ROBINSON STREET, NORTHAM
Status

1961. Mr TRENORDEN to the Minister for Finance and Economic Development:

- (1) Will the Minister advise the status of the land currently under review by the Asset Management Taskforce, namely the Hospital Reserve, Robinson Street, Northam?
- (2) Has the Health Department expressed an interest in this land?
- (3) Are private developers unlikely to be interested?
- (4) Is the task force considering allowing the Department of Land Administration to develop this land?
- (5) Is the task force aware the recent Government Employees Housing Authority allocations in Northam were not met due to a lack of suitable land?

Mr TAYLOR replied:

- (1)-(4) The best future use of reserve 25130 in Robinson Street, Northam is still under review by the Asset Management Taskforce. All options, including residential development by the Department of Land Administration or by private developers, or use for other State Government purposes are being examined.
- (5) The AMT is well aware of GEHA's requirements in Northam.

DIRECTORATE OF EQUAL OPPORTUNITY IN PUBLIC EMPLOYMENT – GOAL

1974. Mr TRENORDEN to the Minister for Public Sector Management:

- (1) Is it the goal of the Directorate of Equal Opportunity in Public Employment to reduce employment and career barriers in the public sector to such an extent that the directorate will no longer be necessary?
- (2) If yes, when is it planned to achieve that goal?

Dr LAWRENCE replied:

- (1)-(2) Under section 141 of the Equal Opportunity Act 1984, the reduction of employment and career barriers in the public sector is the responsibility of chief executive officers. Many agencies have made good progress since the establishment of the Directorate of Equal Opportunity in Public Employment, having found the directorate's advice and assistance of great value in working to meet the objectives of the Act, which are –

to eliminate and ensure the absence of discrimination in employment on the ground of sex, marital status, pregnancy, race, religious or political conviction, or impairment, and

to promote equal employment opportunity for all purposes.

Until these objectives are fully achieved, however, it will be necessary to continue the provision of expert advice and assistance through the director of equal opportunity in public employment.

FOREIGN OWNERSHIP REGISTER – ESTABLISHMENT PROGRESS

1994. Mr COWAN to the Minister representing the Minister for Lands:

- (1) What progress is being made with the establishment of the register of foreign ownership?
- (2) Will it require any legislative changes?
- (3) When will it be established?

Mrs BEGGS replied:

- (1)-(2) Draft legislative proposals for a foreign ownership of land register Bill are currently being finalised.
- (3) It is anticipated that subject to approval by Parliament the register will be established on 1 July 1991.

MINISTERS OF THE CROWN – AUSTRALIAN LABOR PARTY *Liberal Party or National Party Member Information*

2000. Mr COWAN to the Premier:

- (1) Has any current Minister provided to any official of the Australian Labor Party any information about any individual who is a member of or who is identified with the Liberal Party of Australia or National Party of Australia that is not available to the general public?
- (2) If yes, which Minister and when?

Dr LAWRENCE replied:

- (1) Not to my knowledge, but if the member has a specific allegation and refers it to me, I will ensure it is investigated. It is assumed the member is referring to information available to a Minister by nature of his or her office, rather than as an individual. If not, his question is clearly a nonsense.
- (2) Not applicable.

CABINET – CONFIDENTIAL INFORMATION ACCESS GUIDELINES *Political Party Organisations*

2004. Mr COWAN to the Premier:

- (1) Are there guidelines for ensuring that no political party organisation has access to confidential Cabinet information?
- (2) If yes, how will those guidelines be effective in preventing the access to confidential Cabinet information by the new State President of the Australian Labor Party, who is also a member of Cabinet?

Dr LAWRENCE replied:

- (1) I am not aware of a political party organisation, other than those to which Opposition members belong, ever seeking confidential Cabinet information from this Government. If such a request is made, it will be treated in the same way as a request from any other individual or organisation.
- (2) Not applicable. The Australian Labor Party has not yet elected a new State president. If that person is a member of Cabinet, he or she would be expected to maintain Cabinet confidentiality in relation to Cabinet information.

RESERVE 36727 – STATUS

2005. Mr MacKINNON to the Minister representing the Minister for Lands:
What is the current status of Reserve 36727?

Mrs BEGGS replied:

Reserve 36727 comprises Cockburn Sound location 2746, set aside for "Hospital, Community Health Centre, Allied Health Services and Health Facility Support Services".

QUESTIONS WITHOUT NOTICE

ROYAL COMMISSION – WA INC *Budget Funds*

520. Mr LEWIS to the Minister for Finance and Economic Development:

- (1) What funds will be provided from this year's Budget for the WA Inc Royal Commission?
- (2) From what program will appropriation be made?
- (3) Which agency of Government will be overseeing the expenditure?

Mr TAYLOR replied:

(1)–(3)

Obviously the Government will have to make funds available for the Royal Commission and find those funds. We cannot be sure at this stage of the actual nature and the size of it. We must bear in mind the Tricontinental Royal Commission in Victoria, where something like 50 people have been employed. I understand the Fitzgerald inquiry in Queensland employed something like 200 people. I might be wrong, but that was the figure I was given some time ago. In fact something like five storeys of a building were taken up by that inquiry.

As the Premier mentioned, this inquiry will be an expensive one. I would expect, although I cannot be certain, it will probably be done by Crown Law, but we will have to wait to see whether that is an appropriate decision. I am not sure if it should lie in the Crown Law area or directly as part of the budget of the Ministry of Premier and Cabinet. Those are decisions which will have to be made once we are in a position to announce the terms of reference of the Royal Commission and the person who will head it.

It will be a question not only of the amount involved, but also of the whole responsibility of it, and where it will be situated. We will need to find some location which will allow people to work on behalf of the Royal Commission, and which will allow people in the community access to the Royal Commission. That will not be easy, because my understanding is that no courts are available, so I have no doubt we will have to set up a special facility for these operations.

WASTE DISPOSAL – RECYCLING AND EFFECTIVE WASTE MANAGEMENT *Government Encouragement*

521. Mrs WATKINS to the Minister for Finance and Economic Development:

What is being done by the Western Australian Government to encourage recycling and effective waste management in this State?

Mr TAYLOR replied:

I am very pleased that the member has asked me this question because I know of her direct interest in the issue of the proposed Mindarie tip and how from the point of view of that tip we might better look into and treat the issue of waste disposal in Western Australia, particularly in the metropolitan area and the major regional centres in the State.

A number of actions are being taken by Government departments and agencies to encourage recycling industries and waste management practices. Our strategy has been to promote the social and economic benefits of recycling and effective waste management to the community, commerce and industry in this State.

Mr Clarko: Yet you withdrew the \$200 000 allocation to the Keep Australia Beautiful Council, which played a part in that.

Mr TAYLOR: The member will be interested to hear what we have to say about issues related to that in the next week or so.

An industry recycling unit was established in the Ministry of Economic Development to assist the development of recycling industries. Already the results of the activities of that unit include the establishment of a high grade waste paper recycling plant, operated by AusTissue Pty Ltd, which produces about 5 000 tonnes per year of tissue paper. That company has a two year contract for the supply of all high grade waste paper from Government agencies and departments. Secondly, there has been an agreement between the Western Australian Egg Marketing Board and Paper Products Pty Ltd to establish a suction moulded fibre carton industry to process 1 000 tonnes annually of newsprint and mixed papers into egg cartons. Just as a matter of interest, that will replace about 15.5 million egg cartons currently imported into this State on an annual basis. As well as that, the industry recycling unit has provided assistance towards the establishment of a de-inking plant which will consume about 40 000 tonnes of mixed newsprint annually. The Government has sought a contribution of funding towards this project from a special fund established by a national publishers' group to assist newsprint recycling initiatives. We have also made a contribution towards a study by Murdoch University into the prevention of heavy metals in compost leaching into the environment.

The unit's activities have had several other important results, but I will not take up the time of the House by speaking of them now; I will provide a copy of that information to the member for Wanneroo. Those results will give the people of Western Australia, and particularly those of us in the metropolitan area, an opportunity to deal very directly and strongly with the issue of waste disposal. The time has come for us to get to grips with waste disposal in the metropolitan area. Waste disposal by way of land fill, particularly in the sensitive areas around Perth, really must be coming to an end and there must be a better answer.

Dr Turnbull: Did you say the AusTissue plant was using paper from Government departments?

Mr TAYLOR: Yes.

KEEP AUSTRALIA BEAUTIFUL COUNCIL – VOLUNTARY LEVY FUNDING *Government Regulations*

522. Mr TRENORDEN to the Minister for Local Government:

Due to a recent announcement by the Minister stating that all future funding for the Keep Australia Beautiful Council will come from voluntary levies, when will the Minister free the Keep Australia Beautiful Council from all State Government regulation provisions which control the composition of its board and reporting measures?

Mr GORDON HILL replied:

It is not true to say that I have said that the future funding will come entirely from voluntary levies. I did indicate that funding currently comes from voluntary levies plus other sources. The question of voluntary levies is under further review. As to the State Government's responsibilities in regard to statutory obligations, I intend to hold further discussions with the Keep Australia Beautiful Council on that issue.

ASIAN PRODUCTIVITY ORGANIZATION SYMPOSIUM – MINISTERIAL REPORT

523. Mr CATANIA to the Minister for Productivity and Labour Relations:

Can the Minister report on the Asian Productivity Organization symposium held recently in Perth?

Mr TROY replied:

Yes, I am pleased to report that the recent Asian Productivity Organization symposium held between 5 and 9 November on "Tripartism: A Co-operative Approach to Productivity Improvement" was an outstanding success. Seventeen delegates drawn from 12 of the 16 member countries, one observer country and the APO secretariat, which is normally based in Tokyo, participated in the symposium. This was the first ever APO function held on Australian soil and Western Australia can be very proud to have made a significant contribution and to have attracted that group to its shores.

The APO was represented by the Secretary General, Mr Nagao Yoshida, who is a former Japanese diplomat and a former Consul General in Australia. He is very widely respected in diplomatic circles even to this day and remains influential with Japanese Government and business figures throughout South East Asia and Asia in general.

The range of quality speakers presenting papers included Professor Norris of Murdoch University; Mr George Campbell, the national secretary of the Amalgamated Metal Workers Union and ACTU Executive member; Mr Gavin McDonald of BHP-Utah, together with delegates who are heads of national productivity organisations or representatives of the countries involved.

The symposium has clearly cemented Western Australia's relationship with the APO and constitutes a further step in developing and maintaining our strong links with Asia in areas of trade, investment, agriculture and international relations as well as the productive labour relations scene.

Mr Kierath interjected.

Mr TROY: We have received a very positive feedback – which may disappoint the member for Riverton. We have received letters from those who attended the conference and the APO secretariat expressing their strengthened understanding and positive attitude towards Western Australia and Australia.

Several Opposition members interjected.

Mr TROY: It is interesting to hear the laughter from the other side of the Chamber when the Government is positively going about cultivating that sort of relationship. The Opposition's attitude is very interesting.

I have a brief report on the symposium. It is available to members of the Opposition if they would care to take the time to educate themselves about this scene. With your approval, Mr Speaker, I will table the report.

[See paper No 755.]

GAS TANK – MASTERS DAIRY, THOMAS STREET, BOYANUP
Butane Gas Tank Installation

524. Mr BRADSHAW to the Minister representing the Minister for Emergency Services:

- (1) Is he aware that a 30 metre butane gas tank has been installed at Masters Dairy, Thomas Street, Boyanup, next to the Boyanup Primary School?
- (2) Is the Minister aware that the Boyanup Fire Brigade Captain, David Collins, believes the tank is dangerous and should be removed?
- (3) Would it be possible to contain a fire if one should occur?
- (4) Would the mains pressure at Boyanup give the necessary back-up should a fire occur?
- (5) Is there a contingency plan in case of an emergency?

The SPEAKER: We do not have a Minister for Emergency Services in this Chamber. We have a Minister representing, and it is proper that a question without notice of this nature should be directed with some notice.

Mr TAYLOR replied:

Mr Speaker, I am aware that gas tanks go in all around the metropolitan area and elsewhere.

On behalf of the Minister for Emergency Services –

- (1) The Minister was not aware of the gas tank installation. This is properly the province of the Minister for Mines. However, recent media statements have come to the Minister's attention.
- (2) Yes. The Press statement attributed to the Bush Fire Brigade Captain, David Collins, has been noted by the Minister and inquiries have revealed the following –

The tank has been approved and registered by DOHSA as a pressure vessel and licensed for the purpose.

Plans have been submitted to the Explosives and Dangerous Goods Branch, Department of Mines and the installation meets all the requirements of Australian Standard 1596. It has therefore been approved.

(3)–(5)

Yes.

I should also mention that the nature of the community in which we live these days causes the problems referred to by the captain. Those problems occur whether they relate to this type of installation or a petrol station, and they exist throughout all communities of Western Australia.

I have seen the video to which the captain referred in the Press statement. That video showed the dramatic effects should one of these installations catch fire and explode. They become almost an atomic bomb. For that reason, the standards and approvals required are very strict. Were we to take a negligent attitude regarding these issues, or decide that such installations are not made, the situation would become difficult for the industry. However, the Government must ensure that where such installations are carried out they are necessary, appropriate and of a proper standard. Indeed, we should ensure that available firefighting services are able to cope in case of emergencies. From the advice I have received, we should be able to ensure that each of those requirements is met.

Mr Kierath: Is it appropriate that it is next to a primary school?

Mr TAYLOR: It may be appropriate to have them in the main street in a major metropolitan town. In my community of Kalgoorlie, one of these tanks is on a major thoroughfare of the town – this is one of the large tanks – and the tankers rumble down the street regularly to fill the tanks. Therefore, these problems exist. It is an emotive issue in deciding whether the tanks should be beside a primary school, and it is also a matter of what route the tankers take.

Mr Bradshaw: They were using mains gas up until recently.

Mr TAYLOR: I understand that the pipeline was installed to use the mains gas for reasons known to those involved; perhaps the reasons were economic. They have now decided to change from this form of gas. Of course, SECWA would have preferred that they had continued to use the mains gas.

KWINANA INDUSTRIAL EXPO – GOVERNMENT SUPPORT

525. Mr MARLBOROUGH to the Minister for Finance and Economic Development:

In 1990 Kwinana held its first successful industrial expo. Is the Government prepared to provide any support for the second Kwinana Industrial Expo which is to be held in March 1991?

Mr TAYLOR replied:

I thank the member for his question and his interest in the issue. I have agreed to the Ministry of Economic Development and Trade's providing \$10 000 in sponsorship for the expo, which has the aim of attracting more industrial development to Western Australia. That agreed sponsorship followed an approach from the Kwinana Chamber of Commerce and Industry. I am pleased that the expo and conference to be held in March 1991 has the support of the Confederation of Western Australian Industry and the Chamber of Mines.

This initiative will extend beyond the State level and will involve interstate and overseas companies. As you, Mr Speaker, would be aware, this will provide a valuable forum to put our case to attract industry to that locality and to Western Australia generally. This will provide a better understanding of the issues close to your heart, Mr Speaker, involving business and industry and the environmental, economic and social impacts of industrial development in Kwinana, as opposed to non-development of the area. The State needs the benefits which accrue from industrial development, and a marriage must be formed between the benefits and the impacts of this development — industry can be environmentally responsible. I certainly encourage this expo — hence the \$10 000 sponsorship — in an area like Kwinana. I appreciate the support the local members have given to the Kwinana Chamber of Commerce and Industry, and the initiatives taken in explaining the operations of industry to those who live in the area.

HAY — EXPORT HAY INDUSTRY CRISIS

526. Mr MINSON to the Minister for Finance and Economic Development:

In the absence of the Premier, and as I know the Minister has been informed of the problem, will he inform the House of what actions, if any, will be taken to resolve the crisis precipitated in the export hay industry by the apparent shortage of container space between Western Australia and Japan?

Mr TAYLOR replied:

This issue has already been raised by the member for Avon, who took the opportunity on Tuesday night to place before me a letter from a person involved in that export industry. The Deputy Leader of the Opposition did exactly the same thing. I cannot recall the name of the person involved, but he has obviously decided to send a copy of this letter to the Liberal and National Parties. I have not seen a copy of the letter addressed to me, although it is probably in one of my files.

I understand that this issue is not just one of container space as it is an issue of the associated costs of exporting that cargo. The firm involved in this trade is in strong competition with other countries with similar exports to Japan. When looking at the costs associated with export from Australia compared to those from the United States, the difference is dramatic; for example, the cost of fumigating the cargo is something like \$400 a tonne here and \$3 a tonne in the United States. I will be discussing the matter with the Minister for Mid-West who I understand has an interest in the area.

Mr Carr: Both Stateships and the Geraldton Mid-West Authority are trying to locate a ship which can be chartered to take the product. It is difficult to find a ship suitable for the purpose.

Mr Minson: If the conference cannot provide the ships can we step in with another ship?

Mrs Beggs: Stateships has approached the conference for approval and we are now awaiting its decision. If the answer is yes, we can help them; if it is no, only the conference can help them.

UNITED CO-OPERATIVES LTD – WESTERN AUSTRALIA VISIT

527. Dr EDWARDS to the Minister for Trade:

Can the Minister comment on the recent visit to Western Australia by one of the United Kingdom's largest supermarket chains, United Co-operatives Ltd? Have any trade opportunities arisen for Western Australian companies?

Mr TAYLOR replied:

The Ministry of Economic Development and Trade is providing marketing assistance to United Co-operatives Ltd in its endeavour to source food and beverage products from Western Australia. Assistance was channelled through the Ministry of Economic Development and Trade's buyer visit scheme which provides for the attraction of major overseas buyers to Western Australia in selective industries. As a result of this initiative orders have been secured and serious negotiation is proceeding in the areas of meat, seafood, wine, beer, flowers and fruit and vegetables.

UNIVERSITY OF NOTRE DAME – CROWN LAND GRANT

528. Mr COWAN to the Minister for Education:

In respect of proposals to offer endowment lands to the University of Notre Dame –

- (1) Was any commitment given by a Minister or previous Ministers to provide Government assistance to the university?
- (2) Is it likely that further Government assistance will be offered to this private university?
- (3) Will similar financial assistance be offered to Curtin University, Murdoch University and the proposed Edith Cowan University?
- (4) When does the Minister anticipate the necessary amendments to the relevant legislation will be introduced into Parliament?

Dr GALLOP replied:

- (1) I am not in position to answer that question, having not been a Minister of the Crown at that time.
- (2) It has been made clear by the Deputy Premier that this situation is a one-off commitment to the new university.
- (3)–(4)

The Government has a report, which was completed last year, on higher education in this State. That indicates the extensive amount of support already provided by the State Government to the university sector. Given the fact that the new unified national system of education may have an impact on our State, the Government is continually looking at ways to assist the local universities.

UNIVERSITY OF NOTRE DAME – CROWN LAND GRANT

Threat Report

529. Mr READ to the Deputy Premier:

Can the Minister comment on the article in today's *The West Australian* which suggested that the Government was actually forced to make a grant of land available to the University of Notre Dame?

Mr TAYLOR replied:

I thank the member for the question. I am more than happy to comment on that because I have received a copy of a letter that was sent from the Vice Chancellor of the University of Notre Dame Australia, Professor David Link – who is currently based in the United States of America and who will be coming to Australia next year – to the editor of *The West Australian* on this issue. The letter stated –

Let me sent the record straight. At no time did I or to my knowledge anyone connected with the University of Notre Dame Australia make or imply a threat to anyone concerning a land grant. Anyone who knows me, will verify that it is not my style to threaten. As an experienced negotiator in law practice, I noted that those who use threat techniques were not very successful.

The Opposition could learn from that. Professor Link also stated in the letter –

It is usually counter productive. More importantly, as an ethics teacher, I regard the use of threats as an immoral technique. Similarly, if anyone connected with me wanted to use this technique I would insist that it was inappropriate and counter productive.

Professor Link went on to state –

At no time has it been implied that the University would not proceed if a land grant was not forthcoming. First of all, I did not say anything of the sort to the Cabinet ministers when I had the privilege of addressing them on 15 October. In fact, as I told Mr. Reid, the subject of the land grant was not discussed at that briefing session. At that briefing session I took the opportunity to explain my vision of a private university and offered my opinion about why such an institution would be beneficial to WA. There were some questions about the University, but the subject of the land grant was not raised by anyone.

The letter does not state much more than that. However, I want to make another point in relation to what Professor Boyce and the Vice Chancellor of Curtin University of Technology have said about the supposed influence of the Roman Catholic Church in this matter. Since I have been dealing with this matter – and that is while I have been Deputy Premier – on not one occasion have I had a meeting or discussion on this issue with people involved in the Roman Catholic Church at the level that people have proposed.

Mr Cowan: Whose idea was it? If everyone is denying it, whose idea was it?

Mr TAYLOR: I am happy to claim the credit for the idea of the endowment of land to the University. However, I am not prepared to accept the suggestion that a decision was made because of the influence of the Catholic Church. Under no circumstances was that the reason for the decision. I am convinced it is the right decision for the future of Western Australia and I am more than happy to take credit for it.

EQUAL OPPORTUNITY ACT – REGULATION 34

Western Australian Municipal Association – Disallowance Request

530. Mr CLARKO to the Minister for Local Government:

- (1) Is he aware that the Western Australian Municipal Association has vigorously called for the disallowance of regulation 34 of the Equal Opportunity Act which is currently before the House and which states –

For the purpose of section 146 of the Act each authority shall report to the Director in the form approved by the Director for the Authority.

- (2) Does he support the regulation? If so why?
- (3) Will he take steps to have this regulation withdrawn?

Mr GORDON HILL replied:

- (1) Yes.
- (2) Yes. I support the regulation because it is a matter of Government and public policy and is an issue by which the Government stands.
- (3) I will not be taking action to withdraw the regulation. Even if I wanted to, it is not within my portfolio to do so and it is not within my capacity as Minister to do so.

STATE ENERGY COMMISSION – FOREIGN EXCHANGE TRANSACTIONS INVOLVEMENT

531. Mr COURT to the Minister for Fuel and Energy:

- (1) Has the State Energy Commission of Western Australia had any involvement in foreign exchange transactions in the past three years?
- (2) Has SECWA suffered any losses from such transactions? If yes, what is the extent of those losses?

Mr CARR replied:

(1)–(2)

I am flattered that the member thinks that I would have the details of all the State Energy Commission of Western Australia's exchange transactions on top of my head.

Mr Fred Tubby: There is nothing else on the top of your head!

Mr CARR: No, there is not much else on the top of my head. However, SECWA does have a large debt structure that requires interest payments. A significant amount of that debt structure is in foreign currencies. In that context, SECWA needs to be engaged in exchange matters relating to those debts. They are, of course, done in conjunction and cooperation with WA Treasury Corporation. Certainly, SECWA has engaged in foreign exchange matters. I do not have material available which would indicate the extent of those engagements or whether it has made a profit or loss.

Mr Court: I will put it on the Notice Paper.

Mr CARR: I would be pleased if the member did.

INDUSTRIAL DISPUTES – AUSTRALIAN BUREAU OF STATISTICS

532. Dr WATSON to the Minister for Productivity and Labour Relations:

Is the Minister able to comment on industrial dispute figures released today by the Australian Bureau of Statistics?

Mr TROY replied:

Yes I am. The figures are very interesting. They show a 60 per cent reduction in days lost due to industrial disputes in WA for the 12 months to August compared with the previous year. A total of 63 000 days were lost over that 12 month period compared with 153 000 in the previous year. One hundred and fifteen days lost per thousand workers in WA compares with 137 nationally and 286 in WA the previous year. That figure is the lowest figure recorded in WA since 1968.

The sort of improvement we are now seeing is even more stark when one looks back eight to 10 years when around 200 000 days were lost with a smaller work force and over 400 000 were lost in the 12 months to August 1979. We are seeing a very positive trend which ensures improved levels of productivity with consequent benefits for the whole economy. It illustrates the need for cool heads and a considered approach to industrial issues rather than the reactionary approach espoused by members opposite. It is further evidence of the success of this Government's policies in this area.