

Legislative Assembly

Tuesday, 26 June 2001

THE SPEAKER (Mr Riebeling) took the Chair at 2.00 pm, and read prayers.

MACHINERY OF GOVERNMENT TASKFORCE, REPORT

Statement by Premier

DR GALLOP (Victoria Park - Premier) [2.01 pm]: There is widespread agreement that the machinery of the Western Australian public sector is long overdue for change and improvement. Previous Governments have conducted reviews and have received recommendations to change the system but baulked at the task. The Government has accepted all 55 recommendations made by the task force established just over three months ago to review the machinery of government. Acceptance of the recommendations is just the start of a major process of reform. This will be the most comprehensive and far-reaching reform of the public sector ever undertaken in this State.

Two main themes drive the reform: better services for the public; and a better public sector. There are too many entities in government: too many departments, too many statutory authorities and too many boards and committees. The operations of government are far too fragmented. There has been insufficient strategic coordination and direction. We will be addressing these problems.

The Government has agreed with the task force recommendation that the number of departments should be reduced from 46 to 23 by merging some and reclassifying others. There will be no so-called megadepartments as is the case in some other States. All statutory authorities will be reviewed with a view to incorporating their activities into departments where it is appropriate to do so. A new database will be established to keep track of all government entities to improve accountability. A strategic management council will be established comprising the directors general of the departments of state. I will chair the council and it will have an important role in improving the strategic management of the State.

The review of the public sector has been motivated by the desire to create a more effective and efficient Government. Reducing overlap and duplication will produce changes, and some employees will have new and different roles. However, there will be no involuntary redundancies.

As far as possible, new arrangements for departments of state will apply from 1 July. On that day, seven new departments will be established by way of amalgamation with other parts of government. In addition, a number of departments will have a new name from that date. The new departments expected to be in place on 1 July are: Department of Consumer and Employment Protection; Department of Local Government and Regional Development; Department for Planning and Infrastructure; Department of Housing and Works; Department of Industry and Technology; Department of Mineral and Petroleum Resources; and Department of Treasury and Finance.

A number of other departments will change name on that date. When name changes take place, departments are required to use existing stocks of stationery and to minimise the cost of the change. Amendments to legislation will be required to implement a number of the other structural changes. It is intended that all the task force recommendations will be implemented by December 2002. This is a major reform program from a reform government.

I thank the members of the task force, Mal Wauchope, Dr Ruth Shean, John Langoulant and the task force chairman Stuart Hicks for their work. I also thank all those who made submissions and my ministerial colleagues who have worked with the task force in developing the new departmental structures. Reforming the public sector is a significant task. Our Government welcomes the challenge and will work hard to ensure reform produces a better public sector, delivering better services to the public. I table the task force report.

[See paper No 344.]

MATRIX FINANCE GROUP, GOVERNMENT FLEET LEASING ARRANGEMENT

Statement by Treasurer

MR RIPPER (Belmont - Treasurer) [2.06 pm]: As members are aware, the former Government entered into the Matrix fleet leasing deal in June 1996. The impetus for the transaction was a recommendation of the McCarrey commission, which was established in 1993. This facility provides the funding for most of the state public sector's passenger and light commercial vehicle fleet. Under the arrangement, the State leases vehicles through a facility brokered by the Matrix Finance Group. Funding of the facility comes from BankWest and ABN AMRO through a combination of debt and equity funds. The facility totals around \$230 million, \$155 million of which is in debt funds. The transaction was entered into with the stated intention of achieving savings in the financing and overall management of the government vehicle fleet. However, changes in Australian taxation laws mean that, without taking action, the transaction will cost Western Australian taxpayers around \$2 million a month. Clearly, it is in the best interests of the State that the

Government takes appropriate steps to minimise the losses that are now arising from this transaction. The Government has taken action to repay the debt component of the car fleet transaction, in accordance with the terms of the contract, by 30 June 2001. The Government is keen to address the remainder of its financial obligations, including the equity component of the transaction, as soon as possible. This will be done in strict accordance with the terms of the contract.

Consistent with the contract, the Under Treasurer has written to Matrix seeking a formal determination on whether the State's economic benefit from the transaction has fallen by more than 60 per cent. If this threshold, which is set down in the contract, has been breached, the State is entitled to commence a period of formal negotiations with the two banks to address the treatment of equity funds through a possible restructuring of the transaction. This process can take up to 30 business days. A response from Matrix is expected by the end of this week.

In the meantime, the State has started financing directly the provision of new cars which are required to replace cars that finish their lease term. This involves the State acquiring motor vehicles at a cost of around \$10 million a month. This is a matter of considerable commercial and legal sensitivity, so I do not propose to make any further comment at this stage. A complete statement of payments will be provided when the process is complete.

NANNUP TIMBER PROCESSING PTY LTD, FINANCIAL ASSISTANCE PACKAGE

Statement by Minister for State Development

MR BROWN (Bassendean - Minister for State Development) [2.08 pm]: Today I advise Parliament of a financial assistance package offered to Nannup Timber Processing Pty Ltd, to assist that company to purchase the Nannup timber mill and establish an integrated timber production facility at the site.

Point of Order

Mr DAY: We are actually interested in what the minister is saying. It is very hard to understand what he is saying so I request that he speak louder so that we can all hear what he has to say.

The SPEAKER: It is not really a point of order but the background murmuring is making it hard to hear what the minister is saying.

Debate Resumed

Mr BROWN: The assistance will take the form of: an interest free loan up to a maximum of \$991 900 that may convert to a grant equivalent to 50 per cent of the total development costs of the integrated timber production facility; relocation assistance for machinery from Perth to Nannup to a maximum of \$36 000; and assistance with the costs of headworks for power, drainage and telecommunications at the site to 75 per cent of the approved costs of the headworks, currently estimated at \$135 000. This Government will also provide funding of \$250 000 to assist with employee skill development and training on certification by Nannup Timber Processing Pty Ltd of employee skill enhancement.

By taking over the Nannup timber mill, Nannup Timber Processing has safeguarded the jobs of the mill workers formerly employed by Sotico and made a significant contribution to the economic and social stability of the town. Nannup Timber Processing has recently announced an increase in staff levels at the mill, with the employment of two additional full-time and three casual staff. The integrated timber production facility will also achieve value-adding objectives established by the Government's policy for protecting the old-growth forests. The production facility will enable the mill to participate in sawmilling as well as the production of materials for the fine wood and furniture sectors of the native timber industry.

I table the details of the financial assistance to be provided by the Government to Nannup Timber Processing Pty Ltd.

[See paper No 345.]

TRADING RELATIONSHIPS WITH JAPAN AND KOREA

Statement by Minister for State Development

MR BROWN (Bassendean - Minister for State Development) [2.11 pm]: Today I advise Parliament of a recent visit to Japan and Korea. The purpose of the trip was to make contact with some of Western Australia's major customers for resource exports and to assure them of the continued support of the Gallop Labor Government for the resources industry in this State.

It was appropriate that on the first overseas trip I made as a minister I visited those countries and customers that for many years have provided a strong basis for the growth of the resources sector in this State. That was appreciated by the senior executives of the companies I visited. I also visited companies in Japan that are contemplating first-time investments in Western Australia in the area of downstream processing of our natural gas resources. Most importantly, I spent two days at the LNG 13 conference in Seoul, which is the triennial gathering of the most senior executives from both customer and producer nations of liquefied natural gas. I was encouraged to undertake this visit by all the companies involved in the marketing of Australian liquefied natural gas. Those companies had combined to exhibit jointly under the united banner of "LNG from Australia".

That unified approach to the market on the commercial side was reinforced by the presence of both myself and Senator Nick Minchin, who represented the Commonwealth Government. Senator Minchin and I co-hosted a lunch at LNG 13 for a Chinese delegation from the Guangdong Development Planning Commission, which is part of consortium group in China looking to establish that country's first LNG import terminal. The tender for the supply of LNG is expected to be released by the Chinese in the next few months, and a follow-up visit to Guangdong is planned by the Premier in July to show the Western Australian Government's continued strong support for the bid by our LNG producers.

The companies I visited included the most influential of this State's trading customers for resource exports in Japan and Korea. They included the world's two largest steel producers: Nippon Steel in Japan and POSCO in Korea; the most influential of the Japanese LNG buyers - Tokyo Electric and Tokyo Gas; the sole LNG importer into Korea: KOGAS; and major Japanese trading houses.

During these visits I emphasised three key messages: the importance that the State Government places on the strong and enduring relationship that has been established over the years, between not only the companies themselves but also the customers and the State of Western Australia; the desire of the Gallop Government to build further on that international relationship to our mutual benefit; and the bipartisan support that exists in the Western Australian political system for the resources sector and for the stability and reliability that that brings. That message was very well received and appreciated by all. I was pleased by the warmth of feeling towards Western Australia that was evident from our Japanese and Korean resource customers. The increasing political turmoil that can be observed in some other supplier nations means that stability and reliability are important factors to be taken into account in the selection of a supplier.

A trend that emerged in my discussions was the desire by customers such as POSCO to secure strategic alliances with suppliers and to seek equity participation. Steel producers in north Asia assured me that they will continue to be major customers for our exports. However, the downturn in the industry generally and the maturity of the industry, particularly in Japan, means that growth prospects there will be limited.

I table a report on my visit to Japan and Korea between 8 and 16 May 2001, which also sets out a schedule of the meetings held between 10 and 15 May.

[See paper No 346.]

IMPREST ACCOUNTS FOR MEMBERS OF PARLIAMENT

Statement by Premier

DR GALLOP (Victoria Park - Premier) [2.14 pm]: Since February 1980, an imprest system for members' travel has operated whereby a sum of money is made available to each member of Parliament for the purpose of undertaking travel associated with the member's legitimate parliamentary and electoral responsibilities. I support the imprest system as an important means of allowing members to acquire the knowledge and ideas that are essential for effective representation. The system has been subject to constant scrutiny over many years and has been found wanting only on a few occasions. However, it is my view that there are accountability gaps in the system that must be closed. The Government, in conjunction with the Salaries and Allowances Tribunal, is conducting a wide-ranging review of all travel entitlements available to members. The review has been established to remove anomalies in the imprest system, improve flexibility for members and to increase accountability, including enhanced reporting requirements, particularly for overseas travel. Notwithstanding that review, I propose to take immediate steps to improve the reporting and other accountability requirements for travel taken under the imprest system. Today I issued revised guidelines for the use of the imprest travel entitlement by members of Parliament. It is the first time that a significant revision has been undertaken since the guidelines were amended in 1989. Western Australians now demand a greater degree of openness and accountability from their elected representatives and this Government is determined to provide it.

The revised guidelines include a specific provision for the details of the nature and purpose of imprest-funded travel to be included in all applications, regardless of whether the travel involves domestic or overseas destinations. Previously, members were simply required to state that the travel was being taken in the course of their parliamentary and/or electorate duties. Members must also provide an itinerary of the trip, which lists meetings and briefings that have been organised and that reflect the stated purpose of the travel. Members must also provide me with a detailed report within two months of the completion of any interstate or overseas trip on the cost, purpose and benefits of that travel.

Interstate and overseas imprest travel will continue to be tabled in Parliament in conjunction with the quarterly government travel reports. I am confident that Western Australian taxpayers recognise that members of Parliament must travel for the purpose of adequately representing their constituents. However, members should not lose sight of the fact that taxpayers expect their money to be utilised effectively and transparently.

Several members interjected.

The SPEAKER: Order, members!

Dr GALLOP: It is the Government's strongly held view that there must be greater accountability in the use of public funds for imprest travel. The revised guidelines will assist in achieving accountability.

Government members: Hear, hear!

Dr Gallop: Hear, hear!

Mr Barnett interjected.

Dr Gallop: And you squealed with accountability!

Mr Barnett: Give it to Parliament!

The SPEAKER: Order, members!

QUESTIONS WITHOUT NOTICE

PUBLIC SECTOR, JOB LOSSES

144. Mr BARNETT to the Premier:

I refer to job losses occurring as a result of the Labor Government's restructure of the public sector and to Labor's pre-election promise that apart from 60 senior executive positions, no other public service job cuts would occur.

- (1) Given that it has now been confirmed that more than 420 public servants have been offered redundancies since the Premier took office, can he inform the House whether redundancies have or will be offered to fewer senior public servants between levels 1 and 8?
- (2) Can the Premier advise the total number of redundancies that will be offered this financial year and next financial year?
- (3) What will be the approximate cost to the taxpayer of the Government's public sector restructure, including the approximate budget for redundancy payouts?

Dr GALLOP replied:

I find it extraordinary that the Leader of the Opposition has raised this issue today. Four reports were presented to the previous Government on the necessity to reform this State's system of public administration. How would members define the system of public administration in Western Australia? There are too many departments, there were too many ministers, there is overlap and duplication; it must be changed. The Labor Party said before the election that it would change that system. We were up-front about it and we are now delivering on the promise to the people that we would change the system. I know exactly what I said before the election and it was that there would be no involuntary redundancies under this Government.

Mr Barnett: No, read your policy.

Dr GALLOP: I know exactly what was said because I was subject to a lot of questioning on this issue during the election campaign, as I should have been. There will be no involuntary redundancies. The Leader of the Opposition should know that the Public Sector Management Act 1994 makes voluntary redundancies in the public sector possible. That law was set up under the previous Government and it is a law under which we operate in Western Australia today.

Several members interjected.

The SPEAKER: Order! The member for Darling Range and the Leader of the Opposition will come to order.

Dr GALLOP: The Leader of the Opposition is big on talk and big on the need to reform Western Australia to bring it into the twenty-first century. All that was heard when the coalition was in government. It did nothing. What happened as a result? Western Australia has a system of public administration that cannot meet the needs of the public. We will bring about these changes. The Public Sector Management Act allows for voluntary redundancies. We have sped up the process that we promised in the election campaign by the offering of a special management-initiated redundancy package for senior executives. There are no broken promises; it is quite the opposite. Every year 10 000 people leave the Western Australian public sector as a result of the normal processes of government. We are a Government that cares for people. We believe that we have the ability, the skill and the will to bring about the necessary changes that are so important for the future of Western Australia and at the same time make sure that we look after the people who work in the public sector. It may mean a different job or a different role in the public sector, but Western Australia today has a genuine Government of reform to make sure that we can meet the challenges of the twenty-first century.

ALBANY SPINNING MILLS

145. Mr WATSON to the Minister for State Development:

What has the minister been advised about the difficulties being experienced at Albany Spinning Mills in Albany?

Mr BROWN replied:

I thank the member for Albany for the question and for his concern for the Albany Spinning Mills. Mr Speaker, as you know, Albany Spinning Mills has been in operation for many years. It needed assistance from the former Government, which provided an incentive support package to Nobel Investments Pty Ltd to purchase the mill in 1996. The package provided \$1.81 million in the form of a loan to Albany Spinning Mills convertible to a grant upon the company meeting specific milestones. In 1998 the previous Government made some changes to the conditions, and the loan to grant

conversion was agreed to be made over three equal instalments. The package also included reimbursement of payroll tax for five years and the provision of regional head-works funding to connect the factory to sewerage. The first and second loan grant conversions have been made, with the company satisfying the requirements under the agreement, which included such issues as staff numbers. The last loan to grant conversion of \$605 000 is due in August of this year.

It is with sadness that I inform the House that despite the best efforts - having met with the company representatives, I believe they have made significant efforts to keep the company going - Albany Spinning Mills is to close. On 25 May it was forced to reduce staff numbers, and on 15 June the company notified us that it had stood down its entire work force. From correspondence I have just received from the proprietors it now appears that the company will close. There is a range of reasons for the company's situation, which includes the Asian economic crisis, the increasing cost of transport, the goods and services tax, the slump in the housing market, the collapse of HIH Insurance Ltd, which has slowed the industry, the increase in the price of scoured wool, and strong competition from alternative floor coverings such as hardwood floors.

Mr House: Have they asked you for any help?

Mr BROWN: The company's representatives have asked for assistance with the final loan to grant conversion. That assistance is not to enable the company to keep going but rather to cater for the interests of existing employees. We received the request yesterday, and it is being considered with some urgency. I regret that this has come about. The Government would have liked to see Albany Spinning Mills continue with its operation, but unfortunately, because of matters beyond the control of the proprietors, it seems that it is not to be.

MENTAL HEALTH SERVICES, RESIGNATION OF SENIOR MANAGERS

146. Mr BOARD to the Minister for Health:

- (1) Is it the case that the heads of six mental health services at Bentley Hospital, Graylands Hospital, Fremantle Hospital and Sir Charles Gairdner Hospital, the Metropolitan Mental Health Service and the mental health division of the Health Department have recently resigned or are soon expected to resign?
- (2) Can the minister reassure the House that the systematic obliteration of senior management in mental health and the resultant brain drain will not adversely impact on the delivery of these essential services?
- (3) Can the minister advise whether any other heads of departments or the State's public hospitals will be leaving the public service?

Mr KUCERA replied:

I thank the member for some notice of this question.

- (1)-(3) I have no knowledge of any members of the mental health division submitting resignations, but I have no doubt that in an organisation of approximately 27 000 people, some do leave from time to time. As for the heads of other parts of the department, as the Premier has pointed out this afternoon, many people have indicated an interest in what are known as management-initiated redundancy schemes. Many people will no doubt continue to indicate their interest in these schemes and they will be treated in exactly the same way.

Mr Board: Is the minister saying that he has no knowledge of anyone leaving the mental health area?

Mr KUCERA: I have no specific knowledge. I have not been advised of anybody resigning. As I said, these redundancies are being offered right across the public service.

Mr Day: Including psychiatrists?

The SPEAKER: Order!

Mr KUCERA: As that information comes to hand, I will advise members accordingly.

WORKSAFE-THINKSAFE ADVERTISING CAMPAIGN

147. Mr LOGAN to the Leader of the House:

What is the objective of the WorkSafe-ThinkSafe 2001 television advertising campaign?

Mr KOBELKE replied:

I thank the member for some notice of this question. The member has a long history of expressing his interest in occupational health and safety matters. The ThinkSafe campaign was an initiative of the former Government and one of which it can be proud. The previous Government was a national leader in taking occupational health and safety out to the wider community; it created a major television campaign using Glen Jakovich to try to get that message across. I understand that campaign was successful in getting the wider community thinking about the issues of safety in the workplace, and for that the previous Government should be congratulated.

We must ensure that we take that message into specific workplaces, particularly small business. As members will be aware, small business comprises approximately 97 per cent of all business in this State, and approximately half of all employment is involved in small business. However, it is evident that the message has not got through. The National Occupational Health and Safety Commission has indicated through its research that more than half of micro and small businesses do not have any documentation system for the reduction of risk in the workplace. Therefore, the next step in this campaign is to try to get the message through to small business that it has much to gain. I ask all members of the House involved with the business community to help us raise that issue with all small business people. The Government has produced a good book that forms part of that campaign - and copies are available at the back of the Chamber - and we should spread the message that it is good business for small business to take seriously the need to improve occupational health and safety. This would build on the initiative that was started by the previous Government. It is most important that we get that message through to the workplace.

DENTAL SERVICES

148. Dr CONSTABLE to the Minister for Health:

My question relates to the Government's plans for dental services in Western Australia, and I ask -

- (1) Does the Government intend to close down the Perth Dental Hospital and sell the site in Goderich Street?
- (2) If yes, when will it be closed, and what facilities and services will be made available for the 16 000 people who attend the Perth Dental Hospital each year?
- (3) Where will the technical services currently located at the Perth Dental Hospital be located?
- (4) Will the proposed new dental clinics at Armadale, Morley, Coolbellup and Joondalup be completed on time by December 2001?
- (5) If not, why not?

Mr KUCERA replied:

- (1)-(2) Firstly, a new Oral Health Centre of Western Australia is being constructed on the University of Western Australia land next to Sir Charles Gairdner Hospital. I am advised that this centre is being jointly funded by the university and the Health Department of Western Australia. The total cost of the new facility, including land, is estimated to be \$38 million, which will be cost-shared between the university and the Health Department.

It will provide both general practice and dental specialty services to eligible patients. It is nice to know that the former minister was looking after his own profession! The proposed centre's program will incorporate the training of dentists, specialist training and dental auxiliaries. The new building will replace the old one, which is now decades old. It will be the most modern dental hospital in the country and it will provide teaching functions, specialist services and some of the general practice dental services provided by the Perth Dental Hospital.

Planning is being undertaken with the University of Western Australia, dental health services and the Health Department to ensure the levels of service provided in the community will not be reduced following the opening of the new hospital. Those services not provided by OHCWA will continue to be provided by dental health services.

No decision has yet been made about the Perth Dental Hospital. No doubt I will be able to advise when that decision is made.

- (3) As I have said, I am advised that the proposed Oral Health Centre will take on board most of those services. I cannot advise specifically what they will be until the new clinic has been opened.
- (4)-(5) I have no advice on whether the proposed dental clinics at Armadale, Morley, Coolbellup and Joondalup will be completed by December 2001. If the member for Churchlands requires that information, I will provide it in due course.

DEAF SOCIETY OF WA, RECURRENT FUNDING ASSISTANCE

149. Mr BARRON-SULLIVAN to the Minister for Health:

- (1) Will the minister confirm that he has had numerous approaches from the Deaf Society of W.A. requesting a personal meeting regarding the society's need for recurrent funding assistance?

Mr Kucera: I can't hear him; the member will have to speak up!

Mr BARRON-SULLIVAN: Sorry, the minister fell ripe for that one.

- (2) Is the minister aware that without financial support a range of services, including medical interpreting services for deaf people, will need to be cut, effective this Sunday, 1 July?

- (3) Given that the Deaf Society of W.A. first wrote to him about this on 1 March, why after almost four months has he not had the courtesy to reply to the Deaf Society let alone to personally meet its members or to help resolve its problem?
- (4) In view of his lack of action can he understand why the deaf community is represented in the public gallery here today to hear his response before deciding whether to organise a protest march on Parliament?

Mr KUCERA replied:

I thank the member for this question.

I understand that approaches have been made to my office. I have not met with the society because, as the Deputy Leader of the Opposition is well aware, as with other processes, a meeting with them is a matter of timing.

Several members interjected.

Mr KUCERA: In response to a remark by the Leader of the Opposition about our not being up by nine o'clock he obviously has not got out of bed yet.

- (1)-(2) The Deaf Society has made approaches to my office. However, as occurs with the many hundreds of organisations requiring funding, the budget process is proceeding. The Deaf Society will be advised of its funding as part of the usual budget convention when its funding has been decided. There are no problems with that.
- (3)-(4) A meeting with the society will be decided in due course, as occurs for all people who approach my office. The difference between this Government and the previous Government is that it is listening; it has been listening and it was listening last year when in opposition, which the coalition Government was not doing.

DEAF SOCIETY OF WA, RECURRENT FUNDING ASSISTANCE

150. Mr BARRON-SULLIVAN to the Minister for Health:

I have a supplementary question. Is the disproportionate amount of effort and expense he has personally allocated to the drug summit compared with his disregard -

Points of Order

Mr KOBELKE: Under standing orders, it is not appropriate in a supplementary question for the Deputy Leader of the Opposition to make assertions against a member on this side.

Mr DAY: We have not heard the full question from the Deputy Leader of the Opposition. Although we accept that he must reach the end of his question, he must be given an opportunity to ask the question.

The SPEAKER: The point of order relates to supplementary questions, the notion of which appears to be difficult for people to grasp. The entire supplementary question system is built around members asking a question relating to either the previous question or the answer, and members should not embellish that particular question. I call upon the Deputy Leader of the Opposition to be more distinct with his question.

Questions without Notice Resumed

Mr BARRON-SULLIVAN: Does the minister's disregard for the plight of Western Australia's deaf community, compared with the disproportionate amount of effort and expense he puts into other matters -

Point of Order

Mr KOBELKE: The Deputy Leader of the Opposition is trying to impress upon us what a slow learner he is. It is outside standing orders for a member to make an assertion by way of a supplementary question about the Minister for Health or anyone else. Through you, Mr Speaker, I say to the Deputy Leader of the Opposition that if he wishes to ask a supplementary question, it must be a question, not an assertion regarding the Minister for Health or anyone else.

The SPEAKER: What the Leader of the House has said is true. I urge the Deputy Leader of the Opposition to ask a specific question, not to comment on what he thinks might be the case in relation to the minister's attitude to anything. He should ask a specific question. If he does not ask a specific question, I will ask him to sit down.

Questions without Notice Resumed

Mr BARRON-SULLIVAN: Will the minister tell the deaf community, represented in the public gallery today, what he will do to help them before 30 June, rather than hide behind this drive?

Mr KUCERA replied:

The deaf community in this State, as with all other people who require medical services, will get the service that they justly deserve. They must be considered in the light of the conventional budget process like everybody else. I can do and say no more than that.

LAND SALES, KALGOORLIE-BOULDER

151. Mr BOWLER to the Minister for Planning and Infrastructure:

Recently the minister tabled the minutes of a LandCorp meeting held in November last year which showed the previous Government had been aware that it was highly unlikely that the value of land sales in Kalgoorlie-Boulder would cover the construction of a 36-hole grass golf course. Can the minister advise on what the previous Government had planned to spend the proceeds of those land sales?

Ms MacTIERNAN replied:

I thank the member for some notice of this question. This is a very interesting saga. It is called track the dollars to find out from where the money for this 36-hole course would come. As we discovered last week, LandCorp said that even when that land was sold and the money was added to the \$3 million in the consolidated fund, it would not have anywhere near the money required to build this golf course. Now an examination of the documents indicates that even the money the Department of Land Administration receives from the land sales will not go towards the golf course, making it an even more challenging proposition. The suggestion has been made that, somehow or other, these naughty bureaucrats have done something with the money.

An opposition member: Very naughty ministers.

Ms MacTIERNAN: I think the member is absolutely right; there were some very naughty ministers. I have a letter from the Minister for Lands - a very naughty minister - to the then Treasurer. I will quote one paragraph from the letter.

Mr Kobelke: Which Minister for Lands?

Ms MacTIERNAN: The former Minister for Lands. He says that the currently unfunded electronic land titles digital back capture project is on a critical path for delivery of DOLA's online strategy. The letter then says -

In recognition of this, I have personally developed this proposal in conjunction with the Chairman of LandCorp and the Chief Executive of DOLA in respect to DOLA's land holdings in Kalgoorlie. The State has met the requirements of the native Title . . .

The letter continues -

I have also had informal talks with the City of Kalgoorlie-Boulder's Mayor about their . . . involvement in the project. This would allow early access to funds . . . held by the City following the sale by Council of the former airport site.

In short, the proposal is that LandCorp, possibly in a joint venture with the City, would buy out DOLA's interest in agreed superlot parcels.

That money would go not into a golf course, but into the digital back capture program. That was endorsed by the Department of Land Administration, and subsequently approved and included in DOLA's 2000-01 and 2001-02 capital works budget. It was personally brokered by the former Minister for Lands.

I can guarantee the people of Kalgoorlie that under Labor the money from the land sales in Kalgoorlie will go back to the Kalgoorlie community.

ELECTRICITY, UNIFORM TARIFF TO REGIONAL AREAS

152. Mr TRENORDEN to Minister for Energy:

Given that the Labor Party's electricity reform policy before the election was to require Western Power to supply all regional customers at the relevant uniform tariff rate, does the Minister acknowledge that -

- (1) Many customers in the region pay a cost of supply tariff for electricity of 36.42c a unit, which is double the uniform tariff rate?
- (2) The most accountable and effective way to honour the Government's election commitment is to introduce a community service obligation for the supply of electricity to all customers in areas identified as non-profitable?

Mr RIPPER replied:

I thank the Leader of the National Party for some notice of this question.

- (1) The Government's policy commitment was to ensure regional customers pay the same relevant tariff as metropolitan customers. On 6 June the Premier announced that the uniform tariff on commercial tariffs would be restored for regional businesses. I am advised that Western Power has various arrangements with its regional customers that are designed to reflect the different circumstances of those customers. For some customers outside town systems, the high cost of supply may be recovered with charges greater than the uniform tariff. Typically, large customers have contract arrangements similar to large customers supplied from the south west and north west interconnected systems.

- (2) A community service obligation arrangement would be a more transparent and accountable way of providing for the financing of any subsidies that might be applicable in the system. However, we must recognise that if a community service obligation is funded from outside the electricity system, it would be funded from the other taxes that are applied to business, such as stamp duty, land taxes and so on. That is a particular problem. At the very least we should have a community service obligation mechanism that, while it is not funded from outside the electricity system, at least makes it clear to people where the payments are going and what are the cross subsidies. That is something I will ask the electricity reform task force to examine. I support the transparency and accountability that can be achieved from a community service obligation arrangement. The Leader of the Opposition talks about the cost, but the Leader of the National Party backs up my argument made. These things must be funded either from within the electricity system through cross subsidies or by other taxes on business.

DEPARTMENT OF ENVIRONMENTAL PROTECTION CHIEF EXECUTIVE OFFICER, REDUNDANCY

153. Mr MASTERS to Minister for the Environment and Heritage:

- (1) Can the minister please confirm that the chief executive officer of the Department of Environmental Protection has been offered redundancy and will be leaving his position?
- (2) Can the minister advise the House whether any other senior public servants in any of her portfolio areas have been or will be offered redundancy packages?

Dr EDWARDS replied:

I thank the member for this question.

- (1)-(2) I cannot comment on the redundancy packages offered to CEOs because under the Public Sector Management Act that is an issue between the CEO and the Premier. However, I can comment on the Machinery of Government Taskforce, which has delivered three outcomes in my area: the Environment Protection Authority has enhanced capacity and two divisions that are intimately linked with the EPA are now working directly with the EPA, so that we get a much better outcome than we had in the past. I believe the whole community will embrace that, which is a fine outcome of the process we have been through.

After a deal of deliberation, the Government decided to make only one change to the Department of Conservation and Land Management; that is, to call it the Department of Conservation. The previous Government undertook a major change to CALM, which change needs time to settle down so that the work in the regions can continue and come to fruition. On 1 July, a new department will be formed from aspects of the Water and Rivers Commission and the Department of Environmental Protection. The new department of environment, water and catchment protection will provide better outcomes than we are getting currently and will better integrate decision making, particularly for some development approvals that will not be required to go through so many processes. I cannot comment on what individuals are up to; that is an issue for the Premier.

Mr Barnett: You are the minister. You must know whether Dr Bryan Jenkins is leaving the public service. It is your public responsibility to know and to answer that question in this Parliament. Is he going or not? Don't you know?

Dr EDWARDS: Mr Speaker, I believe the Leader of the Opposition is having a midlife crisis! Parked in the Opposition's parking bay in the car park is a fantastic red Italian motorcycle. I would love to know who on the opposition bench will own up to the Ducati with 41 000 kilometres on the clock.

Mr Barnett: Haven't you been told? You are dressed for it!

Dr EDWARDS: The Leader of the Opposition is definitely having a midlife crisis; he has just confirmed it. It is unfortunate that the Leader of the Opposition does not know about the terms of the Public Sector Management Act. Whatever chief executive officers do is between them and the Premier, who is the Minister for Public Sector Management.

Mr McGinty: On your bike!

Dr EDWARDS: On your bike!

DEPARTMENT OF ENVIRONMENTAL PROTECTION CHIEF EXECUTIVE OFFICER, REDUNDANCY

154. Mr MASTERS to the Minister for the Environment and Heritage:

I have a supplementary question. Is the minister aware that the chief executive officer of the Department of Environmental Protection has accepted a redundancy?

Dr EDWARDS replied:

To the best of my knowledge, as of half an hour ago he had not accepted a redundancy.

CLASS SIZES, UNFUNDED COMMITMENT

155. Mr DEAN to the Minister for Education:

- (1) Did the previous education minister make an unfunded commitment to reduce class sizes in years 1 to 3 from 28 to 24?
- (2) If yes to (1), what was the size of that commitment and is it another example of what has become commonly known as Barnett's budget black hole?

Mr Barnett: Tell us about your commitment in the election campaign!

Mr CARPENTER replied:

I thank the member for Bunbury for that question.

- (1)-(2) It is amazing how sensitive the little bloke is over there on the opposition bench. Any suggestion that he may have done something fractionally less than perfect sets him off into an absolute rage. Members may well remember the last day of the election campaign when the former Minister for Education and I were interviewed on ABC radio and, as the interview was filmed, appeared on ABC television. We got into an amazing situation. However, one question about which he was extremely upset related to the forward estimates of the Education Department. I pointed out that the education forward estimates showed a decline in spending in education for the next financial year. The former Minister for Education basically said that the forward estimates did not mean anything.

Mr Barnett: That is right.

Mr CARPENTER: He has just said it again: they do not mean anything! When members look at his performance as a minister, they will see why he holds that view. In a little while I shall outline the number of times and the magnitude of the supplementary funding for education that he sought on almost a yearly basis. He now has the audacity to talk to the media about the Labor Party being afraid to deal with money issues. When we inherited the legacy that he left behind, we had every right to be afraid because we will get burnt every time we touch it. What a hopeless manager he was.

The member for Bunbury raised an important issue in his question. The previous minister made a commitment that class sizes in years 1 to 3 would be reduced from 28 to 24. This Government - as it should have - committed to match that promise because, educationally, it is the right thing to do. Having heard the minister make every political mile out of that commitment, we did not anticipate in opposition that when we got into government we would discover that it was not funded. When I asked Treasury whether it had been funded, the response was that, despite repeated assurances from the former minister, it was an unfunded commitment. That is unfortunate and clearly demonstrates the former minister's poor management of his portfolio. He has left this Government to deal with several important funding issues. They will be addressed, but it is important for the people of Western Australia, particularly those with an interest in education - which the former minister did not have - to be aware of the legacy that he left. It is significant that he is now Leader of the Opposition and puts himself up as a potential Premier, when his financial management capacity is so lacking.

The former minister made an unfunded commitment to reduce class sizes from 28 to 24 students. Honouring that commitment will cost at least \$11 million over four years.

UNION MEMBERSHIP, HANSSSEN PTY LTD

156. Mrs EDWARDES to the Minister for Labour Relations:

Given that discrimination in the workplace against individuals on the basis of their membership or non-membership of a union is an offence under the Industrial Relations Act and that the Government has an obligation to investigate any complaints, I ask -

- (1) Has the minister taken action to investigate the allegations made in a letter to him dated 17 June from Perth construction company Hanssen Pty Ltd that two of its workers were banned from steel-fixing jobs at a building site because they were not members of the Construction, Forestry, Mining and Energy Union?
- (2) If not, why not?

Mr KOBELKE replied:

- (1)-(2) I have received several letters from Mr Hanssen, so I cannot say that I am addressing that specific letter. Accusations have been made by both sides of the argument: Mr Hanssen has said that people could not work because they were not unionists and unionists have said that they could not work because they were unionists. As is my practice, I have asked the Department of Productivity and Labour Relations to investigate these complaints. They will be pursued and, if possible, charges will be laid. However, we must be careful about allegations that have no substance. If allegations about contravention of the freedom of association provisions of the Industrial Relations Act can be substantiated, they will be dealt with appropriately and prosecutions will be pursued.

UNION MEMBERSHIP, HANSSSEN PTY LTD

157. Mrs EDWARDES to the Minister for Labour Relations:

Given that the minister is not sure whether those investigations relate to the letter to which I referred, will he confirm that the complaint in the letter of 17 June is being investigated or will be investigated?

Mr KOBELKE replied:

I am happy to give the member that undertaking.

MARGARET RIVER SENIOR HIGH SCHOOL, SCHOOL FARM*Petition*

MR OMODEI (Warren-Blackwood) [2.54 pm]: I present the following petition -

To the Honourable the Speaker and members of the Legislative Assembly in Parliament assembled.

We, the undersigned, say that the school farm at Margaret River Senior High School should be preserved and not used as a site for a centre of tertiary education as is being proposed by the Western Australian Department of Training.

Now we ask that the Legislative Assembly charge the Minister for Education to safeguard the school farmland for the learning purposes of students of Margaret River Senior High School.

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 1 642 signatures and I certify that it conforms to the standing orders of the Legislative Assembly. The people of Margaret River want a centre of excellence, but they do not want it on that site.

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

[See petition No 7.]

QUINNS ROCK BEACH, SAND RENOURISHMENT*Petition*

Ms Guise presented the following petition bearing the signatures of 199 persons -

To the Honourable the Speaker and members of the Legislative Assembly in Parliament assembled.

We, the undersigned, do respectfully request that the Parliament urge the Government to take immediate action to assist the City of Wanneroo with emergency funds for sand renourishment at Quinns Beach.

Further, that the Government, as a matter of priority, follow-up on a Department of Transport preliminary investigation into the feasibility of constructing a concealed seawall to protect Quinns Beach from the long-term effects of sand erosion.

In terms of providing a permanent solution to the significant problem of erosion at Quinns Beach, we request that funding be allocated for the preservation of Quinns Beach.

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

[See petition No 8.]

Ms Guise: The second petition -

The SPEAKER: If a member has two petitions and other members wish to table petitions, that member must table only one petition and then wait for the call.

VIOLENT AND SEXUAL ABUSE ADVERTISEMENTS, BAN*Petition*

Mrs Edwardes presented a petition bearing 5 326 signatures asking for a ban on advertisements promoting violent and abusive acts as sexually exciting, for a restriction on advertising promoting sexual services, and for the establishment of an independent statutory body to deal with complaints, making advertisers more accountable.

[See petition No 9.]

CRIME, YANCHEP-TWO ROCKS AREA*Petition*

Ms Guise presented the following petition bearing the signatures of 187 persons -

The Honourable the Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in the Parliament assembled.

We the undersigned, urge the Minister for Police to take urgent action to increase the Police presence in the Yanchep/Two Rocks area to combat the increase in crime.

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

[See petition No 10.]

DUNCRAIG HOUSE, SALE

Petition

Dr Woollard presented the following petition bearing the signatures of 31 persons -

To the Honourable the Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned say the Government should not sell Duncraig House. Duncraig House is an integral part of the Heathcote Heritage and Parkland Area. It is an important historical site with Point Heathcote being a landing for Captain Stirling in 1827. Duncraig House is a valuable community asset south of the river and should be kept for community use.

Now we ask the Legislative Assembly to note our view in order that the Government reject the sale of this valuable community asset.

[See petition No 11.]

FAST EDDYS CAFE, MILL POINT

Petition

Mr Pental presented the following petition bearing the signatures of 18 persons -

TO: The Honourable the Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned say that the State Government, through its planning, heritage and land agencies, must intervene to prevent the development of a Fast Eddys Café at Mill Point adjacent to the historic Old Mill and on land reserved for recreation.

Now we ask the Legislative Assembly to note our view and that the Ministers for Planning, Heritage and Lands take steps to prevent a development which would be totally out of character with this residential precinct.

[See petition No 12.]

ADDRESS-IN-REPLY

Presentation to Governor - Acknowledgment

THE SPEAKER (Mr Riebeling): I advise members that on Tuesday, 19 June 2001, accompanied by the members for Kimberley, Riverton, Alfred Cove, Girrawheen, Carine and Wagin, I attended upon His Excellency the Governor and presented the Address-in-Reply to His Excellency the Governor's Speech when opening Parliament, and that His Excellency the Governor was pleased to reply in the following terms -

Mr Speaker and Members of the Legislative Assembly: I thank you for your expression of loyalty to Her Most Gracious Majesty The Queen and for your Address-in-Reply to my Speech to Parliament on the occasion of the opening of the First Session of the Thirty-Sixth Parliament.

Lieutenant General John Murray Sanderson, AC

Governor.

BELLEVUE HAZARDOUS WASTE FACILITY FIRE

Statement by Speaker

THE SPEAKER (Mr Riebeling): I advise the House that I have received a letter dated 20 June 2001 from Mr McRae, MLA, Chairman of the Economics and Industry Standing Committee, advising me that, under Standing Order 287(4), the committee has determined for itself terms of reference in relation to the Bellevue hazardous waste facility fire. The letter reads as follows -

Dear Mr Speaker,

The Minister for the Environment and Heritage wrote to the Economics and Industry Standing Committee on 12 June 2001, requesting that the Committee give consideration to conducting an inquiry into the fire emergency of 15 February 2001 at the Bellevue hazardous waste facility on Irwin Street.

At a meeting on 13 June 2001 the Committee resolved to conduct the inquiry. On 20 June 2001 the Committee resolved to adopt the following inquiry Terms of Reference;

That the Committee examine, report and make recommendations on -

1. the role of relevant government agencies and relevant Ministers of the Crown in:
 - (a) approving the treatment and storage of waste at the site; and
 - (b) regulating waste treatment at the site, including monitoring and enforcement measures;
2. the nature and quantities of non-compliant material stored at the site;
3. the response of relevant government agencies to the incident on 15 February 2001 and the post-crisis management;
4. the regulation, storage and disposal of hazardous waste in Western Australia, the extent of past and current operations and alternatives available; and
5. any other matters deemed relevant by the Committee.

The Committee expects to report to the Legislative Assembly in November 2001.

In accordance with the same standing order, I have arranged for the committee's terms of reference to be placed on the notice boards of the Assembly.

FIRST HOME OWNER GRANT AMENDMENT BILL 2001

Appropriations

Message from the Governor received and read recommending appropriations for the purposes of the Bill.

BILLS

Returned

1. Revenue Laws Amendment (Assessment) Bill 2001.
2. Revenue Laws Amendment (Taxation) Bill 2001.

Bills returned from the Council without amendment.

3. Mutual Recognition (Western Australia) Bill 2001.

Bill returned from the Council with amendments.

CORPORATIONS (COMMONWEALTH POWERS) BILL 2001

Receipt and First Reading

Bill received from the Council; and, on motion by Mr McGinty (Attorney General), read a first time.

Second Reading

MR MCGINTY (Fremantle - Attorney General) [3.10 pm]: I move -

That the Bill be now read a second time.

This is one Bill in a historic package of legislation. Therefore, on behalf of the State Government, it gives me great pleasure to reaffirm Western Australia's commitment to ensuring that there exists in Australia a uniform national corporations law which is constitutionally secure and certain. That is the most appropriate way to promote business efficiency, regulate corporation activity and enforce corporations laws throughout Australia. It is for these reasons that the Western Australian Government has decided to refer to the Commonwealth Parliament powers over corporations. As has been clearly recognised by other Australian jurisdictions, this is a matter of national importance.

The Bills have passed through all stages of debate in the other Chamber. Importantly, that Chamber's Standing Committee on Legislation, in which all political parties in that place are represented, unanimously recommended that the four Bills be adopted. It is proposed that the new corporations legislation will commence operation on 1 July 2001. All other States and the Northern Territory have enacted or are enacting the relevant legislation. To ensure that Western Australia participates in this new corporations scheme, I foreshadow that the Government will seek to have these Bills pass through all stages as soon as possible.

The Western Australian Government is committed to ensuring that there exists in Australia a uniform national corporations law which is constitutionally secure and certain. That is the most appropriate way to promote business efficiency, as well as regulate corporate activity and enforce corporations laws throughout Australia.

The Corporations (Commonwealth Powers) Bill forms part of a package of corporations Bills which follows historic negotiations between the Commonwealth, the States and the Northern Territory to place the national scheme for corporate regulation on a secure constitutional foundation. To understand this Bill, and the package of corporations law Bills, it is necessary to consider the history of corporate regulation in Australia over the past 20 years. In Australia, the development of an effective system of corporate regulation has been complicated by our federal system of government. The States and Territories possess powers and the ability to make their own laws, and for many years different requirements relating to corporate regulation existed in each State and Territory. From July 1982 to December 1990 corporate regulation in Australia was based on a cooperative scheme between the States, the Northern Territory and the Commonwealth, in which substantially uniform legislation applied to all jurisdictions. However, towards the end of that decade, emerging problems, including the diversity of laws, in the operation of the cooperative scheme meant that the scheme was no longer an effective means of ensuring corporate regulation in a uniform and consistent manner suitable for a changing commercial environment throughout Australia. There were also concerns about the need for more effective national enforcement of the corporate regulatory regime.

This lack of legislative and administrative uniformity, combined with different regulators in the States and Territories, was hampering supervision of the share markets and, therefore, investor protection. To remedy these emerging problems, a new national scheme for the regulation of corporations, companies and securities was devised and it commenced operation on 1 January 1991. It is still operative and will remain so until the new scheme comes into operation. The current national scheme is based on the substantive commonwealth law that applies in the Australian Capital Territory, known as the Corporations Law. This is the law that is currently in force. This law is automatically applied in each State and the Northern Territory. The relevant Western Australian legislation applying that commonwealth law is the Corporations (Western Australia) Act 1990.

In order to create a national scheme, certain commonwealth features were added to the cooperative arrangements, such as the enforcement of Corporations Law offences by the Australian Securities and Investments Commission, the Australian Federal Police and the commonwealth Director of Public Prosecutions. The Federal Court of Australia was also given jurisdiction to hear and determine matters arising under the Corporations Law of each State by a cross-vesting scheme contained in the corporations Acts of the Commonwealth and the States.

The current scheme is underpinned by heads of agreement, which were agreed on 29 June 1990, and a formal corporations agreement executed in September 1997 by the Commonwealth, the States and the Northern Territory. The agreement establishes the Ministerial Council for Corporations. That council consists of the commonwealth, state and territory ministers responsible for the national scheme law. This is the primary forum in which all matters relating to corporations, securities and corporate governance are discussed and voted on. The corporations agreement also sets out the functions, objectives and voting arrangements relating to the administration of the Corporations Law by the ministerial council. From a practical and operational perspective, the current scheme operates as one national scheme. The Australian Securities and Investments Commission, which is a commonwealth statutory authority, administers and enforces the Corporations Law through regional offices in each State and Territory. Until recently the scheme has operated relatively well.

The parties to the corporations agreement have, in general, complied with its spirit and letter, and there has been little discord between the States and the Commonwealth about the operation of the Corporations Law in Australia. However, recent High Court of Australia decisions have cast doubt on the constitutional framework that supports the cooperative Corporations Law scheme. Those difficulties are most evident as a result of the *Wakim and Hughes* cases. In *Re Wakim: ex parte McNally*, the court in June 1999 held by a six to one majority that chapter III of the Commonwealth Constitution does not permit state jurisdiction to be conferred on federal courts. This decision invalidated the jurisdiction of the Federal Court to hear and determine matters arising under state laws. Therefore, the Federal Court is now unable, because Corporations Laws are state laws, to determine Corporations Law cases. The only exception is when these cases come within a much narrower aspect of the Federal Court's jurisdiction, which is known as accrued jurisdiction. As the Federal Court cannot now hear Corporations Law cases, litigants must have their cases determined in state courts. Previously, under cross-vesting arrangements, both state and federal courts could resolve these disputes.

The second High Court case involved was *The Queen v Hughes*, decided in May 2000. *Hughes* held that the conferral of a power coupled with a duty on a commonwealth officer or authority by a state law must be supportable by a commonwealth legislative power in the Commonwealth Constitution. In this context, the result is that if a commonwealth authority, such as the Director of Public Prosecutions or the Australian Securities and Investments Commission, has a duty under the state Corporations Law, that duty must be supportable by a commonwealth legislative power. Therefore, the *Hughes* case casts doubt on the ability of commonwealth agencies and officers, such as the Australian Securities and Investments Commission, to exercise some functions under the state Corporations Law. Accordingly, the Standing Committee of Attorneys General and the Ministerial Council for Corporations agreed to resolve the problems confronting the current national Corporations Law scheme.

On 25 August 2000, commonwealth, state and territory ministers reached a historic in-principle agreement. States agreed to refer powers over corporations to the Commonwealth Parliament, so that the Commonwealth Parliament had the power to enact the Corporations Law as a commonwealth law. It was also agreed to refer power to enable the Commonwealth Parliament to make amendments to that law. However, the latter power is subject to the terms of the state referral legislation and the corporations agreement. On 28 November 2000, a joint meeting was held of the Ministerial Council for Corporations and the Standing Committee of Attorneys General. At that meeting the state ministers agreed unanimously on the terms of a referral Bill, and supported its introduction into the New South Wales Parliament. On 30 November 2000 the Attorney General for New South Wales introduced the Corporations (Commonwealth Powers) Bill 2000 into the New South Wales Parliament.

Following the introduction of the Bill in New South Wales, further negotiations took place, and on 21 December 2000 representatives of the Victorian, New South Wales and Commonwealth Governments met to resolve outstanding issues. Their discussions turned on the inclusion of specific provisions in the state referral Bills to prevent the use by the Commonwealth of the power referred for industrial relations purposes. It was agreed at that 21 December 2000 meeting that two amendments would be made. First, that clauses 5 and 6 of the New South Wales Corporations (Commonwealth Powers) Bill 2000 would be removed from the Bill. Secondly, that in place of clauses 5 and 6 a new objects clause would be included. This new clause was to provide that the proposed referral Act was not intended to enable the making of a commonwealth law pursuant to the amendment reference with the sole, or a main, underlying purpose or object of regulating industrial relations. As a result of the agreement, the referral Bill introduced in New South Wales on 30 November 2000 was withdrawn. In March 2001, the New South Wales Parliament passed a revised Bill referring power to the Commonwealth Parliament to pass Bills in the form of the text tabled in the New South Wales Parliament. I have tabled in this House certified copies of those tabled texts and copies are available in the Parliamentary Library.

The Corporations (Commonwealth Powers) Bill 2001 now before the House is in the same form as the New South Wales Bill. The Bill will give effect to the commitment of the Western Australian Government to ensure that the present uncertainty now prevailing in the business community over the future of corporate regulation in Australia is removed. The Corporations (Commonwealth Powers) Bill has two principal functions. First, the Bill will enable the Commonwealth Parliament to enact the proposed Corporations Bill 2001 and the Australian Securities and Investments Commission Bill 2001. These Bills have now passed all stages in the Commonwealth Parliament. The form and text of those Bills are exactly the same as the texts that I have tabled, and copies are available for use by members. Secondly, the Corporations (Commonwealth Powers) Bill will enable the Commonwealth Parliament to amend those commonwealth laws and regulations made under them. However, those amendments must be confined to the matters of corporate regulation, the formation of corporations and the regulation of financial products and services, and must be express amendments to the Bills referred to the Commonwealth Parliament. This is called the "amendment reference".

The Corporations (Commonwealth Powers) Bill 2001 provides in the objects clause 1(3) that this Bill is not intended to allow for laws to be made pursuant to the amendment reference with the sole, or main underlying purpose or object of regulating industrial relations matters. This exclusion is to ensure that the Commonwealth Parliament cannot use the referred powers to legislate in the area of industrial relations or to override state laws dealing with industrial relations.

The Bill provides that the reference of power is to terminate five years after the commonwealth corporations legislation commences or at an earlier time by a Western Australian proclamation. The period of the referral can also be extended beyond five years by a similar proclamation.

The States have agreed to give the referral for only five years because the referral of power by the States to the Commonwealth is not a permanent solution to the problems of the current Corporations Law scheme. Indeed, not only can a reference be terminated by proclamation but also a State Parliament could repeal its referral legislation. A more permanent solution would be an amendment to the Commonwealth Constitution.

Therefore, at the request of ministers, the Commonwealth has given a firm undertaking to examine long-term solutions to address the problems arising from the Wakim and Hughes cases. Obviously one long-term solution is a constitutional amendment. These options will be explored under the auspices of the Standing Committee of Attorneys General.

It is also important to note that the Bill provides for the termination of the power of the Commonwealth to amend the referred laws; that can be done by a Western Australian proclamation. However, if only the amendment reference is terminated, the effect of the commonwealth Corporations Bill 2001 is that the State would cease to be part of the new scheme. If all States revoked the reference, having given six months' notice of their intention to do so, the scheme would remain. However, amendments to the commonwealth laws would not be possible unless they were amendments made within the Commonwealth Parliament's constitutional power. That reinforces the importance of the corporations agreement, which contains important matters relating to the referral of powers and the enactment of commonwealth amendments.

The corporations agreement is an intergovernmental agreement and, in formal terms, is not legally binding or judiciable. The agreement is important, and the States have agreed to refer powers on the clear understanding that all parties,

including the Commonwealth, will act in conformity with the spirit and the letter of the agreement. The agreement contains specific provisions to prevent the use of the referred powers for the purpose of regulating industrial relations, the environment or any other subject unanimously determined by the referring States.

The agreement will also ensure that the States are consulted about any amendments to be made to the commonwealth Corporations Act. In addition, in cases in which the Commonwealth does not have an existing constitutional power but must rely on the referred power to support an amendment, the States will vote on whether to approve or oppose the amendments. The agreement also preserves the rights of the States to make laws that modify the operation of the Corporations Act that relate to their own activities; for example, the regulation of state bodies corporate.

Once the Australian States have enacted their referral legislation, the Commonwealth Parliament will enact the commonwealth Corporations Bill 2001 and the Australian Securities and Investments Commission Bill 2001. It will do so using the power referred to it by this Bill and referral legislation enacted by the other States. That will ensure that the new corporations law scheme will commence as soon as possible on the agreed date of 1 July 2001.

Members will appreciate that a number of consequential and transitional amendments to Western Australian legislation will need to be made before the new scheme commences. These amendments are included in the Corporations (Ancillary Provisions) Bill 2001 together with the Corporations (Consequential Amendments) Bill 2001, that I will refer to shortly. These Bills will commence before the commencement of the new scheme. The enactment of all the commonwealth and state legislation will ensure that Australia's national system of corporate regulation is placed on a sound constitutional foundation, and this will reinforce Australia's reputation as a leading commercial centre in the Asia Pacific region. I commend the Bill to the House.

Mr McGINTY: I indicated in that speech that I would table the commonwealth Corporations Bill 2001 and the commonwealth Australian Securities and Investments Commission Bill 2001. I table those documents.

[See papers Nos 347 - 349.]

Debate adjourned, on motion by Mr Bradshaw.

CORPORATIONS (ANCILLARY PROVISIONS) BILL 2001

Receipt and First Reading

Bill received from the Council; and, on motion by Mr McGinty (Attorney General), read a first time.

Second Reading

MR McGINTY (Fremantle - Attorney General) [3.30 pm]: I move -

That the Bill be now read a second time.

This Bill contains transitional provisions relating to state law being superseded by a commonwealth law. In addition, this Bill has three other major effects. Firstly, if an existing Western Australian Act expressly has an exclusionary effect by virtue of which the current state Corporations Law does not apply to it in particular circumstances, the proposed commonwealth Corporations Act 2001 will preserve that position. The Bill will ensure that any current Western Australian laws that, without an express provision, have this exclusionary effect will be deemed to expressly say that they have that effect. Therefore, these existing state laws will not be rendered invalid by the proposed commonwealth Corporations Act 2001. This is a general savings provision. However, there is an additional protection. Where specific Western Australian Acts are identified by relevant state agencies as falling within this category, they will be expressly amended by the Corporations (Consequential Amendments) Bill 2001. This will protect them from invalidity.

Secondly, the Bill translates references in Western Australian legislation to the old state Corporations Law regime that are now to be read as references to the new proposed commonwealth corporations legislation. Again, these are largely general transitional provisions, as the Corporations (Consequential Amendments) Bill 2001 will make specific references to update all existing references in Acts.

The third effect of the Bill is that where a Western Australian law currently applies provisions of the state Corporations Law, those provisions will continue to apply as state laws. To enable the proposed commonwealth Corporations Act 2001 provisions to operate as state law, the Corporations (Ancillary Provisions) Bill 2001 will allow any necessary modifications to be made to those provisions. I commend the Bill to the House.

Debate adjourned, on motion by Mr Bradshaw.

CORPORATIONS (ADMINISTRATIVE ACTIONS) BILL 2001

Receipt and First Reading

Bill received from the Council; and, on motion by Mr McGinty (Attorney General), read a first time.

Second Reading

MR MCGINTY (Fremantle - Attorney General) [3.34 pm]: I move -

That the Bill be now read a second time.

This Bill is part of the package of important reforms to Corporations Law in Australia. As indicated, the Hughes case cast doubt on the exercise of certain state powers by the Australian Securities and Investments Commission, the commonwealth Director of Public Prosecutions and other commonwealth agencies. This doubt arose because the High Court determined there was a need for a nexus between the state powers exercised by commonwealth authorities and officers and legislative powers of the Commonwealth under the Constitution.

Doubts about the powers of commonwealth authorities and officers will not arise when the corporations legislation becomes a commonwealth enactment because those authorities and officers will exercise commonwealth powers. The purpose of the Corporations (Administrative Actions) Bill 2001 is to validate past actions of commonwealth authorities and officers to the extent necessary to give their actions the same effect as they would have had if they had been taken by duly authorised state officers. The Bill will ensure that the rights of all persons are the same as they would have been if the administrative actions taken by the commonwealth officers had been validly exercised by state officers. The validation effected by this Bill is essential to ensure that the activities of the Australian Securities and Investments Commission, ranging from the incorporation of companies to the making of decisions to prosecute offenders, are not vulnerable to constitutional challenge.

The Bill also includes actions by other commonwealth authorities such as the commonwealth Director of Public Prosecutions and the Australian Federal Police under the cooperative scheme legislation that preceded the current Corporations Law. Therefore, the Corporations (Administrative Actions) Bill 2001 applies to any administrative action of an officer of the Commonwealth or a commonwealth authority taken under state corporations legislation that might, because of Hughes, be invalid. The Bill provides that those actions are taken to have the same force and effect as if they had been taken by a state authority or an officer of the State. I commend the Bill to the House.

Debate adjourned, on motion by Mr Bradshaw.

CORPORATIONS (CONSEQUENTIAL AMENDMENTS) BILL 2001

Receipt and First Reading

Bill received from the Council; and, on motion by Mr McGinty (Attorney General), read a first time.

Second Reading

MR MCGINTY (Fremantle - Attorney General) [3.36 pm]: I move -

That the Bill be now read a second time.

This Bill forms part of the package of corporations Bills that are necessary to support the new arrangements for a national Corporations Law. The new arrangements rely, firstly, on the reference of corporations matters to the Commonwealth Parliament by the Parliaments of the States. Western Australia is to make its reference under the enacted Corporations (Commonwealth Powers) Bill 2001, which has just been read a second time. Secondly, they rely on the enactment by the Commonwealth Parliament of the proposed new Corporations Act 2001 and the Australian Securities and Investments Commission Act 2001. Thirdly, they rely on the enactment by all the States of supporting legislation to make provision for consequential amendments - the subject of this Bill; transitional arrangements - contained in the Corporations (Ancillary Provisions) Bill 2001; and the validation, following the doubts raised in the Hughes case, of certain actions taken by the Australian Securities and Investments Commission and its officers, or by other commonwealth authorities or officers, under the Corporations Law dealt with by the Corporations (Administrative Actions) Bill 2001.

The Bill amends more than 100 Acts that contain references to the Corporations Law, or to a previous Corporations Law scheme, or that otherwise need amendment because of the change from a state-based to a commonwealth-based system of Corporations Law. This wide-ranging amendment of the statute book is being made so that the new arrangements for a national Corporations Law are more readily understood as they apply to the text of state Acts. The alternative, and less satisfactory, approach would have been to rely on interpretation provisions of a general nature without direct amendment of individual Acts.

The schedule makes amendments that fall into distinct categories -

- (a) amendment of provisions referring to the Corporations Law, or any part of it, so that they refer in future to the proposed Corporations Act 2001 of the Commonwealth, or the relevant part of it;
- (b) correction of references to particular provisions of the Corporations Law so that they are read in future as references to the correct provisions of the proposed Corporations Act 2001, which includes amendments consequential to the commonwealth Corporate Law Economic Reform Program Act 1999 - CLERP;

- (c) similar amendment and correction in relation to existing references to the Companies (Western Australia) Code and other code Acts;
- (d) in accordance with part 1.1A of the proposed Corporations Act 2001 of the Commonwealth, provisions - dealing with the interaction between commonwealth legislation and state provisions - to continue certain existing exemptions, exceptions and exclusions from the operation of the Corporations Law that apply under state law;
- (e) the re-enactment of provisions in Acts that apply particular provisions of the Corporations Law as though they were part of those Acts so that the provisions continue to apply as state law; and
- (f) other miscellaneous adjustments necessary for the new corporations scheme.

The schedule does not amend every reference in the statute book to the Corporations Law or its predecessors. The Corporations (Ancillary Provisions) Bill 2001 contains a safety net translation for references that are not directly amended. This means that unamended references to the Corporations Law will be read as including a reference to the proposed new Corporations Act 2001, unless the context otherwise requires. However, some references to the Corporations Law have been identified as continuing to be correct as they currently read, whether because they are historically correct or for any other reason, and these will be preserved by regulations made under the Corporations (Ancillary Provisions) Bill 2001. I commend the Bill to the House.

I trust that members will now appreciate the importance of this package of four Bills. By enacting this legislation, Western Australia's commitment to ensuring that Australia has a uniform national corporations law that is constitutionally secure and certain, will be fully implemented. This promotes business efficiency, and consumer and investor confidence. It will also properly secure the regulation of corporate activity and enforcement of corporations laws throughout Australia. This will benefit all Western Australians. As I have already indicated to members, it is intended that the new commonwealth legislative scheme made possible by this referral of power commence on 1 July 2001. I commend all the Bills to the House.

Debate adjourned, on motion by Mr Bradshaw.

FIRST HOME OWNER GRANT AMENDMENT BILL 2001

Declaration as Urgent

MR KOBELKE (Nollamara - Leader of the House) [3.42 pm]: In accordance with Standing Order No 1682, I move -
That this Bill be considered an urgent Bill.

The Bill was last dealt with when second read on 13 June - some 13 days ago. The period falls just short of the required time. There is some urgency because the grant available under the commonwealth scheme is already in operation. Therefore, we should pass the legislation through the Parliament as soon as possible. Notice was given to the Opposition just over a week ago that the Government wished to deal with the Bill this week. We understand the Opposition is happy to cooperate, and the Government wishes to deal with the Bill now.

MR BARNETT (Cottesloe - Leader of the Opposition) [3.43 pm]: The Opposition agrees to the motion. The Bill is the result of inspired policy by the Liberal Prime Minister, so we are happy to support the package.

Question put and passed.

Second Reading

Resumed from 13 June.

MR BARNETT (Cottesloe - Leader of the Opposition) [3.44 pm]: As most members will be aware, the First Home Owner Grant Amendment Bill, as its name suggests, relates to the decision by the federal Government and the Prime Minister's announcement that the first home owner grant will be increased from \$7 000 to \$14 000 for an interim period. The first home owner scheme in its current form was introduced as part of a tax reform package and was designed to compensate first home owners for the increase in material and labour costs associated with the introduction of the goods and services tax. The \$7 000 compensation was generally seen to be quite reasonable, although there was some discussion that \$7 000 as a flat amount is relatively more attractive for lower priced homes in, say, Perth as opposed to Sydney. Some disquiet was expressed that the relative benefits were greater in some of the lower-cost building States, of which Western Australia is one. Nevertheless, the scheme was put in place and has been generally well received by first home purchasers and the building industry.

We are fortunate in this State in that we have a home-building industry which is heavily based upon contractors and subcontractors and which is generally regarded as the most efficient home-building industry in Australia. That is important, not for some philosophical reason but because home buyers in Western Australia in particular get a very high-value house for the amount of money spent, because of the cost of construction materials, the construction quality, design quality and residence size. A case could be well made that the quality and value for money of houses in Western Australia is probably not surpassed anywhere.

This State has a relatively young and growing population. Obviously the initial \$7 000 was fair compensation for GST cost increases. The decision of the Prime Minister to increase it to \$14 000 from the date of the announcement in March to the end of this calendar year has been well received. It will certainly provide a boost to the home-building industry, which has been going through something of a post-GST slump. That is because there was a lot of activity in the home-building industry prior to the introduction of the GST when people sought to beat the price rises on materials. That tended to bring forward a lot of construction activity, and it left the industry with a fairly lean period post-GST. In that sense the scheme is important.

The criteria for this scheme are the same as those for the current first home owner scheme for the \$7 000 grant. As the minister outlined in his speech, there are essentially five criteria: the applicant must be a natural person; the applicant must be an Australian citizen; the applicant must not have previously received a grant; the application must relate to residential property; and the property itself must be occupied by the person receiving the grant. Those are all fairly sensible criteria. Additional criteria relate to the extra \$7 000 component. They essentially relate to the fact that it will apply to either entering into a contract or commencing the construction of a home between 9 March and 31 December 2001.

Although the scheme is federally funded, it will be administered by the State Revenue Department. This legislation essentially enables the State Revenue Department to administer the extra \$7 000, on top of the current first home owner scheme grant of \$7 000.

Although the Opposition supports the scheme, I did have some concern on the basis of changes that occur from time to time in the mix of taxes and subsidies, whether in the form of first home owner grants or such things as investment or depreciation allowances. The summation of Australia's economic history over the past 30 years when such schemes have been changed is that at the end of the day they tend to have more of an effect on the timing of investment or consumption decisions rather than on the total amount spent. There will be some boost overall to the amount of housing construction. People who are perhaps pondering about purchasing a house will be encouraged to make the decision, and certainly they will be encouraged to do so in this financial year.

It is always a concern when schemes such as this end. In this case, what will happen when the \$14 000 grant drops back to \$7 000, and there may be another lean period for the industry? The industry is generally very buoyant. Its success depends on maintaining a relatively high and, if possible, stable level of residential construction. The industry is a very large employer in this State. In that sense, it is important. It provides a very high quality and relatively low-priced product to home owners.

It is particularly important for Western Australia to have a high rate of home ownership. From memory, there is probably 70 to 80 per cent home ownership in this State. That is a source of stability within communities, a source of pride in people's own residential property and a source of pride in neighbourhoods, in street verges and the like. The previous Government had a strong policy of encouraging home ownership. I imagine the current Government has a similar policy. For example, the previous Government introduced the right-to-buy scheme for Homeswest rental accommodation. At the end of the day, that was probably the largest of any of the privatisation schemes introduced by the previous Government. It was based on the United Kingdom's right-to-buy scheme, whereby a lot of council flats, particularly in the London area, were taken from council ownership into private ownership. The transformation of many inner-city boroughs of London was quite dramatic as people, having gained home ownership on attractive low-cost, low-interest terms, set about restoring, refurbishing and better maintaining those properties. It also relieved much of the burden on public housing authorities, in the sense that on older properties they could recover funds, which could then be used to extend the amount of rental accommodation available.

I am a great proponent of the right-to-buy scheme. It is a good way to provide people on low incomes with the opportunity to join most Australians in home ownership. It is a very plausible scheme. I know that some members on the other side of this House have had a philosophical objection to that from time to time. I hope that we do not see the emergence of that in this Government. All people in the community should be given every opportunity and every encouragement to own their own home. The right-to-buy scheme for Homeswest rental accommodation has been successful. From memory, about 4 000 or 5 000 houses have gone into private ownership in that way. This scheme will do much the same.

One issue of concern is that although this scheme is designed to stimulate the home-building industry, it comes at a particularly difficult time with the collapse of HIH Insurance. Indeed, the Government's response has been to increase a tax levy on workers compensation to try to cover that cost. As members are aware, when a person wants to build a house in Western Australia, housing indemnity insurance must be held to obtain local government building approval. HIH was a significant supplier of housing indemnity insurance to the building industry. With the collapse of HIH, local government finds itself in the position of not being able to grant building approvals. The consequence of that is a backlog of some 19 000 applications for housing indemnity insurance in Western Australia. Therefore, there is a backlog of some 19 000 building applications in this State. That represents something like \$100 million worth of housing construction activity.

The Government must address this issue. I do not pretend it is easy. However, this growing backlog of building approvals must be addressed. That could be tackled in a variety of ways. I hope that the minister is addressing the issue, because 19 000 is a large number of building applications, and \$100 million worth of housing construction work is a large amount. What is already happening is that not only residential but also commercial building projects are simply stalling. There will be a sharp decline in building activity in this State, even with the increase in the first home owner grant. It will count for little if people cannot get their building projects approved because they do not have indemnity insurance. Applications will not be processed, and the backlog will continue to rise.

This benefit provided by the federal Government is generous and well appreciated. However, it may not have the effect it should have if something is not done quickly to address the backlog in building applications as a result of the inability of builders to obtain indemnity insurance. The backlog is growing, not decreasing. The rate of approval and processing of applications is too slow. I will be interested if the minister is able to comment on how that will be addressed. However, this Bill has the support of the Opposition. The Opposition has confidence in the State Revenue Department to administer the scheme according to the criteria in a fair and impartial way. Therefore, the Opposition supports the legislation.

MS GUISE (Wanneroo) [3.54 pm]: I represent an area of huge growth, and I acknowledge the importance of the building industry within the electorate of Wanneroo; therefore, I desire to speak in support of this amendment Bill. It is clear that the goods and services tax had an impact on both the constituents and the builders within my electorate. It was a welcome initiative when the \$7 000 grant for new home owners was made available - it is very valuable support. However, the impact of the GST was underestimated. It had the potential to bring the building industry to its knees. It is as a result of pressure by the lobbyists concerned that the federal Government recognised the need to bring in the additional \$7 000 grant. In March, the federal Government announced that the extra allowance would be made available. The additional criteria to access this money were not clearly specified at that time. It is a credit to this State that it moved so quickly to ensure that the confusion that existed in the community was allayed and that there were not any undue delays in processing those applications.

I understand that the scheme is only a temporary one. It will operate from 9 March to 31 December 2001. On 1 January 2002 it reverts to the original grant of \$7 000. However, despite that, legislation is required to ensure that applicants' objection rights and prosecution action are legitimised, and to ensure compliance. It is important that this legislation be supported. From a local perspective, I cannot stress enough how important it is. If any members have been to Wanneroo lately, and to anywhere north of Burns Beach Road, they are probably as shocked as I am at the rate of new housing construction. The speed with which the signs went up advertising the \$14 000 for new home owners was astonishing. There is a sea of these signs as one travels along Marmion Avenue, and in other places. The scheme is important for not only those young families who want to establish a home but also the people who work in our local community. It is therefore important that the building industry be supported in this way. The industry struggled after the GST was introduced, and a slump ensued. Without some action, the industry would have been in serious trouble.

The amount of growth in the Wanneroo electorate is astonishing. The young people in our State and those who want to establish themselves deserve this assistance. I am told that the local government authority of Wanneroo still retains the title of the fastest growing local government authority in Australia. If the figures can be believed, within the next 20 years the population is expected to be something like 300 000 people, which is only slightly less than the whole of Tasmania. That gives an indication of how many people are moving into the area and how important the grant is for builders, contractors and the industry that goes along with them in the electorate of Wanneroo. On that basis, I urge all members to support the amendment Bill.

MR BRADSHAW (Murray-Wellington) [3.59 pm]: I support this Bill. The first home owners' grant is fantastic, because it encourages people to get into their own homes. Most people wish to own their own homes, and if they get the start that enables them to put down a deposit, it gives them extra encouragement. While idea of boosting the grant to \$14 000 is a good one, in the days before the introduction of the goods and services tax, there was a rush to get many houses built. I am concerned that the limited time frame of the present measure will cause similar panic building. I would rather the amount of the grant were left at \$14 000 permanently, avoiding the surge of building activity, which tends to push up the price of building as a result of the shortage of tradespeople. The peaks and troughs are not good for the building trade, and lead to uncertainty and lack of continuity. This in turn will affect the provision of apprenticeships and the general employment situation. Builders also will be put under pressure to meet deadlines, and will then find themselves in trouble. Court actions have already been launched by people who tried to have their houses built before the goods and services tax came into force, but found the builder was unable to fulfil those obligations. Many first home owners, will gain benefit from the increased grant.

The other problem is that some people might miss out on the higher grant by a few days, or will start to have their houses built, but be unable to complete them in time. It is unfair that people who decide to take up the first home owners grant may miss out by a few weeks; it would leave a sour taste in their mouths, to think that by applying a week or two earlier they may have received \$14 000, instead of \$7 000. As much as I support the legislation and the thrust of the increase in the grant, it is wrong that it is to be done for a limited time, thus creating peaks and troughs. Grants

should always be the same amount, which is fairer to everyone. The downside to this legislation should be looked at harder by the federal Government.

MR KOBELKE (Nollamara - Leader of the House) [4.03 pm]: I am not the minister handling this legislation - that is the Treasurer's task - but some of the questions raised by the Leader of the Opposition related to indemnity insurance and HIH Insurance, which affect my portfolio area, and it is appropriate that I respond. I am trying to help pick up the pieces after the HIH collapse. I will make some general comments about the member for Murray-Wellington's concerns about the technical details a short-term measure such as this can create. I do not take issue with the federal Government over that, but the introduction of the goods and services tax has caused major problems for the building industry, in terms of cash flow and compliance as well as in creating a huge amount of building activity by people attempting to complete homes before 1 July 2000. In the period following that date, the amount of building activity fell away dramatically, causing more problems for the industry. That "fits and starts" approach is a major problem for the residential construction industry, and it is clear that the goods and services tax has had a major impact. When things are very slow, the provision of an extra \$7 000 targeted at people building new homes is a way of trying to get the industry going again. I fully support that, but does this measure simply bring work forward, leading to a bigger flat spot when the measure is discontinued? The residential construction industry really is in dire straits, so this one-off package is necessary. In the 1980s, with the election of state and federal Labor Governments, the first home owners scheme brought in at that time ran for some years, and was most effective in getting the building industry going; it was also a fillip to the whole economy, particularly in Western Australia. There came a point at which that measure was phased out but, over the period it was in force, it was very beneficial in getting people into their homes as well as assisting the residential construction industry.

On top of that is the problem of the collapse of HIH Insurance on 15 March this year. At that stage, only two insurance companies offered housing indemnity insurance, one of which was HIH. That meant that suddenly there was only one insurer, creating a monopoly in the market. HIH was getting a very large share of the housing indemnity insurance business, and was the cheaper insurer. It has been put to me that HIH was not charging premiums commensurate with its costs; effectively it was out there simply buying business by offering insurance at an unsustainable premium. I suspect that is true. People who now see the premiums going up - and there are many reasons that prices are increasing - are not conscious of the fact that the housing indemnity insurance being offered by HIH was below a sustainable premium rate. Premiums had to move up at least by an amount sufficient to cover that shortfall. The Government encouraged more players to come into the field and, as a result, two new insurers have entered the market, making a total of three in the market. A third company has also made approaches. The Government will encourage that company to offer housing indemnity insurance and will expedite the approval process to help that to happen. A whole range of problems has flowed from the collapse of HIH. People whose building was already under construction and who now find themselves with an unfinished building as a result of the death or the bankruptcy of the builder, are in very difficult circumstances. People whose buildings have been completed face potential liabilities over the next few years if anything goes wrong and repair work is required. These and other problems resulting from the HIH collapse do not relate to this Bill, so I will not touch on them further, except to say that the Government is working strenuously to develop a rescue package in the near future that will cover those issues.

The issue that relates directly to this Bill is that of the builders now seeking licences to start new buildings, driven in part by the extra \$7 000 contained in the Bill now before the House, who are having difficulty obtaining housing indemnity insurance. That problem can hold up a large number of construction projects. The Master Builders Association and the Housing Industry Association - the two major building organisations in this State - have different views about how this problem should be handled. I have set up a forum with those organisations, the Ministry of Fair Trading, consumer groups and insurers to exchange views on these matters on a weekly basis, to keep the Government informed, and to help it design its response. It is not easy, not only because the industry groups have conflicting views, but also because of the huge impact of the disappearance of HIH and the necessity of attracting new companies into this field. All this will take time. Previously, builders could gain housing indemnity insurance on the basis of simply getting a ticket written out, and then submitting the value of their work at the end of the year. HIH made no detailed assessment of the substance of the builders, and in one or two extreme cases policies were written for people who were not even registered builders. There was no solid basis for the issuing of housing indemnity insurance policies by HIH. Insurers now must operate on a totally different basis, and the financial substance of the building company is checked out before the indemnity insurance is offered. That is right and proper, but builders are complaining, with some justification, that the level of assurance they have to give is just too great.

We have to find a middle point so that the insurance is properly validated in respect of the risks being taken. The insurers are not putting builders out of business by setting rules that are too strict on their financial viability. The situation is compounded by the goods and services tax. Many builders are being pushed to the wall by problems created by the GST. The ups and downs in the market have caught out some builders. The continuing need to pay GST has created cashflow problems for builders. There is a lot of anecdotal evidence - though not much survey work has been done - provided by accountants who tell me that many builders are doing it tough and sailing very close to the wind financially. In that environment, insurers are even more cautious. If insurers write policies for millions of dollars for builders who could go under due to the pressures of the market and the problems created by the GST, they will cop the

liability, and insurance companies will put themselves at risk. Many builders say that the insurers are being overly conservative in issuing premiums for housing indemnity insurance. That is holding up work in the building industry.

The Master Builders Association of WA issued a statement more than a month ago that more than \$500 million worth of work is being held up in Western Australia because of the inability of builders to get proper housing indemnity insurance. Without the insurance, builders cannot get a building licence. The more recent figure used by the MBA was \$150 million. I take that to mean that the backlog is being cleared. That is not to underestimate the very real problem for a substantial number of builders - reputable builders - who are being pushed to the edge. Generally, insurers state that they will insure only on the basis of 20 per cent of capital. A building company that has, for example, \$100 000 in capital assets will receive only \$500 000 worth of building work insurance. Many builders work on a high turnover and do not have a large capital base. Those builders will not be able to get insurance for anywhere near the amount of work they would have done last year and expected to do this year. It is putting them in a difficult situation. I am conscious of and concerned about that.

If the Government declares a moratorium and lets builders insure afterwards, it may only move the problem forward. If a building is already constructed and the builder then goes to an insurance company for housing indemnity insurance, he may find himself over a barrel and the premium rates could drive him to the wall. The problem may be deferred and not fixed. The Government cannot countenance a situation in which the need for housing indemnity insurance is withdrawn, because it would leave consumers unprotected and it would mean that we were returning to the bad old days when there was no assurance that builders would complete their work.

I remind the House that the major building groups - the Master Builders Association and the Housing Industry Association - were key leaders in asking Governments to put in place the requirements for housing indemnity insurance. Prior to the collapse of HIH Insurance, I had reports that the housing indemnity insurance arrangements had served the industry very well and had removed some of the cowboys from the industry - the ones that could not get insurance. The industry associations are adamant about the importance of housing indemnity insurance. With the huge difficulties created by the collapse of HIH Insurance, the industry associations are rethinking their position. A short-term, quick-fix solution will not solve the problem; it will only defer it. The Government is monitoring the situation on a weekly basis. It will take whatever action is appropriate to assist companies caught in this difficult situation. It is setting up direct accounting assistance for some builders. The state of the books of some small builders is such that insurers will not give them indemnity insurance. The insurers do not determine the level of assurance that is required from the state of the builders' books. The Government will give assistance so that builders can present their books in a way that is satisfactory to insurers and, hopefully, the builders will get their indemnity insurance. That is one program that the Government is putting in place to help builders caught in this situation.

As new insurers get a better feel for the market and as companies are able to present their accounts in a better way, more builders will get indemnity insurance. It may not help all good builders who are caught in this difficult situation. I do not believe the Government is being political: many builders sheet the blame home to the introduction of the GST. The GST has created havoc in the residential building industry. A lot of builders are still trying to cope with balancing their cashflows in order to meet the requirements of the tax. We are all aware that there are many good builders in this State. However, many of them worked on the basis during tight times that they had to take on a new job in order to get the cashflow to finish off the old job. A builder in that situation will find it very hard to get backing from an insurer. Insurance companies tell me that they are writing housing indemnity insurance policies, but the amounts are small and it is restricting the ability of some builders to trade. Builders may be used to doing \$5 million worth of work a year, but they are now getting insurance for only \$1 million or \$2 million. Builders have overheads, which are factored into their budgets, and they are put in a very difficult situation. The Government is encouraging insurers to review applications and process them as quickly as possible. The Government offers the opportunity to builders to present their books such that they show the available assets and the substance of the company and, therefore, the builders get their indemnity insurance much more quickly.

The Government is wrestling with this huge problem and it does not want builders to go under because of the lack of housing indemnity insurance. It knows that some builders are very close to the edge and is aware of the importance of insurers checking the level of risk. From time to time, people play games. One building company that collapsed in the past few weeks blamed housing indemnity insurance for its collapse. The Government was told that the builder was insured by a different company - it had nothing to do with HIH Insurance. The builder went under because of a range of financial matters of which I know nothing.

The Government is cautious about being caught in the situation in which the removal of insurance will leave consumers unprotected. On the other hand, it is keen to ensure that the system is improved through the addition of new insurers and by speeding up the process. That will enable the many good builders still caught by the collapse of HIH Insurance to get the housing indemnity insurance they require and to continue trading and provide the very high level of building service which the Leader of the Opposition has commented on and for which Western Australia is well-known.

MR RIPPER (Belmont - Treasurer) [4.17 pm]: I thank members for their comments on the legislation. I regret that I was not in the House for most of the Leader of the Opposition's speech. I will respond to a number of his comments. I will be available during the consideration in detail stage if required.

The Leader of the Opposition commented that the \$7 000 grant was fair compensation for the impact of the GST on new houses. The State Government does not agree with that assertion. The \$7 000 grant is not fair compensation. That was the position argued by the Government when in opposition.

Mr Barnett: How do you reach that conclusion?

Mr RIPPER: In opposition I argued on the basis of assessments made by BIS Shrapnel.

Mr Barnett interjected.

Mr RIPPER: BIS Shrapnel did not agree with the assessment. I remember that its estimate of the impact of the GST was about \$9 200. The issue is academic. Although the scheme is implemented by state legislation, in essence it is a nationwide scheme promoted and designed by the federal Government and is financed through the intergovernmental agreement on the GST. In other words, the financial arrangements are based on a grant of \$7 000, and because of the nature of the scheme and the lack of financial capacity at the state level, even if the State Government were to believe that amount was inadequate, that is what the amount must be.

Mr Barnett: Did your calculations allow for a reduction in company tax?

Mr RIPPER: I did not make the calculations; they were made by BIS Shrapnel. I think that is a reasonably credible firm in this area.

Mr Barnett: You raised the issue!

Mr RIPPER: No; the Leader of the Opposition raised the issue. If he wants to argue the issue with BIS Shrapnel, he can.

Mr Barnett: You raised the issue, so let us talk about the issue. Did you compare the average prices of houses in Sydney and Perth?

The ACTING SPEAKER (Mr Dean): Leader of the Opposition, we are not taking interjections at this stage.

Mr Barnett: I am sorry, Mr Acting Speaker; he raised the issue, and I am entitled to ask a question. This is just a non-Parliament at the moment.

Mr RIPPER: The Leader of the Opposition has made an assertion. His view is that a \$7 000 grant is okay. The view that this Government expressed when in opposition is that \$7 000 is not enough. The basis for our assertion was the material prepared by BIS Shrapnel. In any case, no matter what our views, the point is academic: it is a federal scheme; the financing arrangement is nationwide; and the financial situation that this Government has inherited means that even if we did believe that the 7 000 grant should be increased, we would not have the capacity to increase it.

I am advised also that the Leader of the Opposition said that 19 000 approvals were outstanding at local government level because builders did not have housing indemnity insurance. I am not in a position to comment on whether 19 000 applications for building licences are outstanding, but it would be surprising if that figure bore any relationship to the number of approvals that are outstanding for first home owner construction. The figures for the first home owner grant scheme produced by the State Revenue Department reveal that since July last year, 1 611 grants have been paid for first home owner construction. It would be surprising if that 19 000 figure was either correct or relevant to the position of first home owners, given that in 12 months, applications have been made for about 1 600 new homes for first home owners. The figures are interesting. They show that 17 118 applications for the \$7 000 grant were received between July last year and the end of May this year. The figures for applications are 12 636 for established homes, 154 for new homes, 1 611 for the construction of new homes, and 27 for owner builders. Therefore, 17 118 applications have been received, and 14 428 applications have been paid. The total paid is \$101.867 million. It seems that the budgeting for this scheme is reasonably accurate. In May, \$13.6 million was expended; if a similar amount were expended this month, the scheme would be up to \$114 million or \$115 million, which is comparable with its budget allocation of around \$120 million.

The member for Murray-Wellington commented that the volatility of building activity is a problem. I share his concern. After the introduction of the GST, housing demand increased, and this was followed by a collapse in housing demand. This was particularly apparent in Western Australia, and it contributed to state final demand falling for each of the last two quarters of the previous calendar year. Members of the former coalition Government might have cause to reflect on this point: during those two quarters, state domestic economic activity contracted, which might have contributed to the former Government's lack of standing with the electorate in February. The Opposition might have reason to think about whether the GST did it any favours in an electoral sense.

Mr Johnson: They must have known you were coming!

Mr RIPPER: A similar problem is looming with the \$14 000 grant that is dealt with in this legislation. The decline in housing demand has resulted in the Commonwealth's doubling the grant for homes constructed between the date of the announcement and the end of this year. However, what will happen after the end of this year? Will we experience a similar circumstance in which demand will be sucked forward, followed by another decline in housing investment and pressure for further assistance? That is a concern for this and every State Government, because when the \$14 000 grant

cuts out, State Governments will again be asked to provide additional assistance for the housing industry. The capacity to provide that kind of financial assistance does not exist at the state level. The Commonwealth Government did not consult or negotiate with the States about this scheme. It was announced in a media statement, and the details came later. The Commonwealth said that it wanted to introduce the \$14 000 grant on a temporary basis, and it virtually dared the State Governments not to cooperate with it. Of course, this Government wants to assist the housing industry, and it is cooperating with the \$14 000 grant arrangements. However, it is a commonwealth scheme, and it has a risk. The risk is that rather than its temporarily stimulating the housing industry and being followed by normal housing activity, next year's demand may be sucked forward to this year, and next year a further problem will arise that will need to be dealt with.

Mr Johnson: What will you do in those circumstances?

Mr RIPPER: That is the problem, because people will then ask the Government what it will do. This State Government, along with every other State Government, does not have the capacity to continue to fund the \$14 000 grant. This is a commonwealth-funded initiative, and it will expire at the end of this year. I hope that the risk does not come to pass. However, the possibility exists that the housing industry will be in trouble again at the beginning of the next calendar year.

Mr Johnson: Are you saying that you know there will be a boom in the housing industry up until December? The Commonwealth Government will receive a lot of income from the GST that will come back to the State next year, and surely the State Government will then be in a better financial position to help the housing industry if it needs help.

Mr RIPPER: If only it were true that there were a goods and services tax bonanza for the States. The difficulty for the States is that the GST arrangements have put the State Governments behind the financial impact of the previous arrangements until a crossover point is reached by 2004-05. Between now and 2004-05, we require budget balancing assistance from the Commonwealth to restore us to the position that we would have occupied had the GST not been introduced.

If there were an increase in the GST revenue, the Commonwealth would benefit because it would have a reduced need to pay the States budget balancing assistance. John Brumby, the Victorian Treasurer, indicated that the first \$2.5 billion improvement in GST receipts will go straight to the Commonwealth because it is offset against the Commonwealth Government's requirement to pay budget balancing assistance. There is no GST bonanza for the States and, given the financial legacy we have inherited, there is no capacity for the State Government to continue the \$14 000 grant beyond the end of December when it expires. The \$7 000 grant is safe because it is part of the intergovernmental agreement, and it will continue.

It is a concern that we are witnessing a repeat of what happened with the introduction of the GST. At that stage, housing demand was pulled forward, followed by a decline in housing investment. We may well face that circumstance again. Sooner or later, we must get the situation back onto an even keel and stop pulling forward housing demand; we must have a stable set of arrangements. Despite those differences of opinion with the Opposition on certain issues, we are in agreement that this legislation should proceed. I thank the Opposition for its comments in support of the legislation and for its willingness to debate the legislation short of the normal three-week calendar period for consideration of the Bill.

Question put and passed.

Bill read a second time.

Consideration in Detail

Clauses 1 to 4 put and passed.

Clause 5: Part 2 Division 3 Subdivision 2 inserted -

Mr BARNETT: Clause 5 contains most of the content of the Bill and refers to eligible transactions. When this scheme was announced, it referred to qualifications and the \$14 000 grant payable at the time of the first progress payment to the builder - it all becomes true. What would happen if a builder went broke and construction could not be completed following that time? For example, if the grant had been approved, the first progress payment stage had been reached and the builder, for whatever reason, could not complete that project, in what position does that leave the first home owner?

Mr RIPPER: I am advised that the eligibility condition is a requirement that the new home owner take up residence within 12 months of the commencement of the contract. If, through no fault of the first home owner, the home owner cannot take up residence in that time, the legislation provides for the Commissioner of State Revenue to exercise discretion to extend the period. In circumstances in which a building company collapsed and that was the reason the first home owner could not take up residence within the 12 month eligibility period, I would expect the commissioner to exercise discretion in favour of the first home owner.

Mr BARNETT: A related circumstance might be the HIH Insurance situation. In that case, through no fault of the home purchaser or perhaps not even the builder, delays may occur following the collapse. Delays may also occur in

obtaining indemnity insurance and, therefore, building approvals. That would mean that, in good faith, the home owner sought the application of the grant but the builder could not get indemnity insurance or approval; therefore, the time limits would be exceeded. Where does that leave the home owner?

Mr RIPPER: Proposed new section 14B(1)(b) of the legislation reads -

a comprehensive home building contract for a new home if -

- (i) the building work begins within 16 weeks after the commencement date, or any longer period that the Commissioner allows for delay caused by circumstances beyond the control of the parties;

The wording of the proposed section deals with the point that the Leader of the Opposition raised, which is a valid concern. I expect the commissioner would allow for a delay caused by a builder who was unable to obtain housing indemnity insurance because of the collapse of HIH Insurance.

Mr BARNETT: Given that the full scale of the collapse of HIH Insurance has become known subsequent to the announcement of this scheme, has the Commonwealth Government provided any further guidelines, not so much for eligibility, but for interpretation by the State Revenue Department? If not, has the Treasurer or State Revenue sought guidance from the Commonwealth on the policies to be followed with delays for housing indemnity and HIH Insurance?

Mr RIPPER: The Commonwealth Government has informed the State Revenue Department in writing that, provided the delay is not the fault of the builder or the first home owner, it should accept the exercise of the commissioner's discretion to approve a delay.

Mr BARNETT: The legislation stipulates a closing date - a final date of 2003 - which sounds a long way away given that most homes would be built in approximately a six to nine month period. However, given the backlog before local government of 19 000 building applications, it is a realistic proposition that the 2003 deadline will be exceeded.

Mr RIPPER: While I am not required to respond to every question of the Leader of the Opposition, that is what I will do.

Mr Barnett: What do you think you are here for if it is not to deal with Bills?

Mr RIPPER: I too sat on the opposition benches, and I watched the former member for Riverton handle legislation. He did not always feel it necessary to respond to questions. I am quite happy to respond to questions; I simply made the observation that it is not like question time.

Mr Barnett: Is it then smoko time? It's a quarter to five, and the Government is about to knock off - hang up its coat, clean up its desk and pack up its jacket.

The ACTING SPEAKER (Mr Dean): Will the Leader of the Opposition please let the Treasurer continue.

Mr Barnett: Perhaps we should adjourn at five o'clock.

Mr RIPPER: If the Leader of the Opposition has recovered from his fit, I will answer his question. The answer is found in proposed new section 14B(3). The principal effect of the 1 May 2003 deadline is targeted at off-the-plan or owner-builder purchases.

Mr BARNETT: Given that this clause relates to eligibility and, therefore, ineligibility, what is the penalty for someone who fraudulently accesses the grant? Have there been any such occurrences in Western Australia thus far and, if so, have prosecutions been initiated and penalties imposed?

Mr RIPPER: The Leader of the Opposition asks an interesting question. In at least one other State - I think Victoria - the scheme is implemented on an administrative basis; that is, without legislation. For the reason suggested by the Leader of the Opposition, it was thought advisable that Western Australia proceed with legislation so that the existing penalty and offence provisions in the First Home Owner Grant Act could be brought into play. It is important to have some deterrents so that the grant is not abused. Another reason for proceeding with legislation is that it will also bring into play the appeal and other rights of applicants provided by the First Home Owner Grant Act. For those two reasons, Western Australia decided to proceed with legislation.

In answer to the Leader of the Opposition's questions, I am advised that, to date, 11 prosecutions have been finalised. Ten persons have pleaded guilty, and fines ranging from \$400 to \$1 500, as well as costs in the vicinity of \$500, have been imposed. The offences included substitution of a contract and prior ownership of a home. One person's hearing has been adjourned to 18 July 2001. One person was acquitted. Four prosecutions are listed for trial and prosecution action is being considered or prepared in a further 61 cases.

Mr BARNETT: For obvious reasons, one of the criteria for accessing the grant is that people must reside in the house. How can the State Revenue Department effectively monitor that?

Mr RIPPER: The State Revenue Department has the capacity to crossmatch data and employs compliance officers. Crossmatching of data will provide an indication that a person may not be living in a house, as required by the legislation. That will then be investigated by the compliance officers.

Clause put and passed.

Clause 6: Section 19 amended -

Mr BARNETT: This clause will increase the amount of the grant. The Treasurer may have mentioned this before; however, could he please indicate how many of the extended grants he expects to be approved in this State? That is, how many grants have been issued so far, and how many does the Treasurer anticipate being issued?

Mr RIPPER: I stated during the second reading speech that -

It is estimated that an additional \$7.3 million for 2000-01 and \$12.4 million for 2001-02 will be payable to approximately 2 800 purchasers of new homes under these arrangements.

I am advised that about 200 applications for the special grant have been paid.

Clause put and passed.

Clause 7 put and passed.

Title put and passed.

Third Reading

MR RIPPER (Belmont - Treasurer) [4.48 pm]: I move -

That the Bill be now read a third time.

I thank the Opposition for its cooperation and support in the passage of this legislation.

Mr Barnett: You should not have gotten so miserable; we asked only four questions.

Question put and passed.

Bill read a third time and transmitted to the Council.

MUTUAL RECOGNITION (WESTERN AUSTRALIA) BILL 2001

Returned

Bill returned from the Council with amendments.

Council's Amendments - Consideration in Detail

The amendments made by the Council were as follows -

No 1.

Clause 3, page 3, lines 14 and 15 - To delete the lines and insert -

“termination day” means -

(a) 28 February 2011; or

(b) if an earlier date is fixed under subsection (2) that earlier day.

No 2.

Clause 3, page 3, line 16 - To insert after “day” -

that is earlier than 28 February 2011

Dr GALLOP: I move -

That the amendments made by the Council be agreed to.

These amendments mean that the adoption of the Commonwealth Act by the Western Australian mutual recognition legislation will cease to have effect on 28 February 2011 or on an earlier date fixed by the Governor by proclamation, rather than allowing the legislation to continue indefinitely until such time as the Governor fixes a termination date. In effect, this means that in 10 years, the Parliament will need to consider whether the legislation should be extended further. The Government's view is that it is not necessary to specify a termination day in the legislation to ensure the validity of the Bill. Referrals under section 51(xxxvii) of the Australian Constitution can be for a finite period or for a period that is determinable on the happening of a particular event. Therefore, the power conferred upon the Governor in the Bill to proclaim a day on which the mutual recognition legislation ceases to have effect would be sufficient. The Government has advice to support its view. The Government is aware that many people in the community eagerly

await the commencement of this legislation. Therefore, for the sake of getting this legislation passed, the Government will agree to the amendments made by the Legislative Council.

Mrs EDWARDES: The Liberal Party supports the amendments made by the Legislative Council. Those amendments retain the sovereignty of this Parliament to determine whether it wishes to continue to participate in the national recognition scheme. They also allow the Parliament to carry out a review before the expiration of the 10-year term, as it did prior to this Bill. That review was extensively taken into account during the national review. This Parliament played an important part in the national recognition scheme and will continue to do so by allowing it to make the decision about whether, in 10 years, Western Australia still wishes to participate in that scheme.

Question put and passed; the Council's amendments agreed to.

Council acquainted accordingly.

TAMALA PARK LAND TRANSFER BILL 2001

Second Reading

Resumed from 13 June.

MR EDWARDS (Greenough) [4.54 pm]: I will go back in history a little to the second reading speech of the City of Perth Restructuring Bill 1993, during which Hon George Cash said -

On Monday, 18 October 1993 the Premier announced the coalition Government's proposal to reform the Perth City Council to create a true capital city council and three new councils.

That restructuring involved the towns of Cambridge, Vincent and Victoria Park. Section 14 of the City of Perth Restructuring Act 1993 states -

In addition to its functions under this Act, the commission, acting as the council of the City of Perth, is to establish the infrastructure of the new towns so that on and after election day each new town can perform the functions imposed upon a municipality by law.

The provisions of the legislation further required that in establishing the infrastructure of the new towns, reference was to include -

- (a) acquiring land and buildings for the offices and other facilities of the new towns;
- (b) providing equipment, facilities, machinery and plant for the new towns;
- (c) appointing people to be officers of the towns; and
- (d) doing anything necessary or convenient to be done for giving effect to the purpose in subsection (1).

Following legal advice, the commission established that any assets of the city that were external to the original municipal district of the City of Perth could not be apportioned between the four new local authorities due to a lack of primary power in the legislation. Following further legal advice, the commission took the view that the new towns would be provided with new plant and equipment and, wherever possible, new facilities to ensure that the towns could provide services and could comply with section 14(1) of the City of Perth Restructuring Act. Legal advice also indicated that the commission could transfer assets, including existing plant and equipment, held in the name of the City of Perth without some form of recompense from the new towns.

In the case of the land at Mindarie-Tamala Park, the commission secured legal advice that the individual towns had no right or claim to the land held in the name of the City of Perth and which was external to town districts. As will become apparent later in my comments, from July 1994, the combined funds of the endowment lands fund and the City of Perth parking reserve fund meant that some \$41 million was available to fund the infrastructure of those towns. Tamala Park was retained by the City of Perth in the restructure of the city, which became effective from 1 July 1994. It should be noted that Tamala Park was one of three parcels of land, external to the city's boundaries, which were held by the City of Perth at that time. The other parcels were sullage land in Gosnells and a block in Osborne Park. I believe one was subsequently sold. The Carr-Fardon report commissioned at that time recommended that -

The investment in Lot 17 Mindarie to remain with the City of Perth.

The other joint owners of this land are the Cities of Joondalup, Stirling and Wanneroo. The land covers some 432 hectares and the site is known as lot 17 Mindarie. The land was bought as, among other things, a future landfill site, with the potential to develop the balance of the surrounding land for residential purposes. I understand Bushcare has also taken an interest in the land. The City of Perth bought the land in January 1981 at a cost of \$4.93 million. Under the restructuring process of the City of Perth, the three Towns of Cambridge, Victoria Park and Vincent were provided with substantial infrastructure worth in excess of \$56 million. These funds were provided by the City of Perth. Previously I mentioned the \$41 million, which was part of that funding, as were some infrastructure endowment land funds, to which I will refer later.

When the decisions on the costs were made, the commissioners who were at that time acting as the council for each of those local authorities of Cambridge, Victoria Park and Vincent, decided that the investment properties held outside the City of Perth boundaries should be retained by the city. Those properties included Tamala Park. Their reasoning was based on the extensive expenditure by the City of Perth on the restructuring process of the three towns. The Town of Cambridge received \$19 047 437.27; the Town of Victoria Park received \$13 283 728.80; and the Town of Vincent received \$18 267 345.54. I believe that the argument put forward by the commissioners was agreed to at that time by my colleague, the member for Warren-Blackwood, who was the then Minister for Local Government. I am also aware that various approaches to the former Government by the Towns of Cambridge, Victoria Park and Vincent to overturn that decision, were not supported. However, as part of the Labor Party platform during the 2001 state election, the decision was made that special legislation would be introduced into Parliament to grant the three towns their wish. That has occurred and the matter is now before us.

I understand that the City of Perth was not aware that this was taking place. It wrote that it had not been consulted about the legislation, nor asked to make any comment on the circumstances regarding the distribution of assets following the restructuring of the city.

Mr Barnett: Will the Government confirm that it has not consulted the City of Perth?

Mr EDWARDS: I thank the Leader of the Opposition.

Mr Hyde: It has been aware of it for six months.

Mr Barnett: Is anyone handling this Bill.

Mr EDWARDS: Who is handling this Bill? That is a very pertinent question.

Point of Order

Mr BARNETT: Is anyone handling this Bill on behalf of the Government? Some pertinent issues have been raised by the member for Greenough.

Mr Hyde: What sort of point of order is that?

Mr BARNETT: It is incumbent on the Government, not us, to handle this legislation.

The ACTING SPEAKER (Mrs Hodson-Thomas): Order! I understand that the Leader of the House is handling the Bill on behalf of the Minister for Local Government.

Debate Resumed

Mr EDWARDS: In the letter I have in front of me the City of Perth says categorically that it has not been consulted about this legislation, nor asked to comment on its circumstances. Maybe the answer is there.

Mr Kobelke: I cannot answer specifically, but I am sure that the minister, who will conclude the second reading debate, will answer the question.

Mr Barnett: Why don't you have another week off? Why don't you get your act together?

Mr Kobelke: Put the dummy back in the mouth.

The ACTING SPEAKER: Order! The member for Greenough has the floor.

Mr EDWARDS: The action taken by the State Government is notable in that from 7 May 2001, it prevents the City of Perth from acting in any way with regard to the land and particularly it precludes any legal action being taken to protect the city's interest in the land. The question needs to be asked.

The argument that the Government is putting forward does not take into consideration the amount of money that the City of Perth has expended on various projects on the site at Tamala Park. It spent a considerable amount on site planning, regional roads contributions and consultancies for the long-term development of a portion of that site. To have now the additional burden of the potential loss of a major asset of the city is inequitable at best. The three towns' claim, which is supported by the Government, that their ratepayers originally contributed to the purchase of Tamala Park through the payment of rates, may be correct. I would not argue with that. However, to say that they have been disadvantaged is a travesty of the truth; it is not the case at all. The amount of money that the City of Perth contributed to the restructuring of the Towns of Cambridge, Victoria Park and Vincent more than compensated them for the so-called disadvantage of not being given a share of the ownership of Tamala Park.

I suggest that the three local authorities were treated more than generously with funding and being provided with diverse items. For example, all the towns were provided with administrative premises. In the case of the Towns of Cambridge and Vincent, brand new facilities were constructed. For the Town of Victoria Park an existing office structure was acquired and totally refurbished. Each town was given a cash reserve fund of \$1 million. Each town was given membership to the Mindarie Regional Council at a cost of \$175 330 each. Loan repayments on behalf of the towns totalled \$3.84 million. The Town of Vincent was assisted with \$1.296 million to fund structural works at the Macedonian Hall.

Mr D'Orazio: Jeremy, where did you get that from?

The ACTING SPEAKER: Order! I remind members that we refer to members in this place by their electorates.

Mr D'Orazio: I apologise, Madam Acting Speaker.

Mr EDWARDS: The information has been provided to me. The Town of Vincent was provided with \$1 million for the upgrade of Leederville Oval. Service agreements for services provided to the towns for the financial year 1994-95 totalled \$2.69 million. In addition to new office facilities, each town was provided with a new depot, new plant, machinery, motor vehicles and equipment, a complete information technology system, equity in Local Government House, equity in the Lieutenant Colonel Christian Garden Fund of \$13 105 and a mayoral chain. I am not disputing any of that information but merely reiterating it as fact.

Mr D'Orazio: Where did that money come from?

Mr EDWARDS: It came out of the \$56 million that the City of Perth provided, \$41 million of which came from the parking fund and the balance from the endowment lands fund.

I will move on to the establishment of the new towns and the endowment lands fund. In the City of Perth Restructuring Act 1993, under the heading "Commission to establish infrastructure", section 14(3) and (4) reads -

- (3) The costs incurred before election day of establishing the infrastructure of the new towns are to be paid, in such proportions as the commission thinks fit . . .
 - (b) on and after division day, out of -
 - (i) the Endowment Lands Fund; and
 - (ii) the Parking Fund maintained under the City of Perth Parking Facilities Act 1956 (including any reserve fund of moneys in that Fund).
- (4) In this section a reference to "establishing the infrastructure of the new towns" includes a reference to -
 - (a) acquiring land and buildings for the offices and other facilities of the new towns;
 - (b) providing equipment, facilities, machinery and plant for the new towns;
 - (c) appointing people to be officers of the towns; and
 - (d) doing anything necessary or convenient to be done for giving effect to the purpose in subsection (1).

The Act continues -

Endowment Lands Fund established

15. (1) On division day the City of Perth is to establish and maintain an account called the "Endowment Lands Fund".
- (2) Any funds which immediately before division day are held or invested under section 39(2) of the City of Perth Endowment Lands Act 1920 are on division day to be transferred to the Endowment Lands Fund.
- (3) Any moneys to which section 39(2) of the City of Perth Endowment Lands Act 1920 applies and which immediately before division day are payable to the City of Perth, are to be paid into the Endowment Lands Fund.
- (4) Any proceeds arising from a sale of the said lands (as defined in the City of Perth Endowment Lands Act 1920) under a contract entered into before division day are to be paid into the Endowment Lands Fund.
- (5) The City of Perth may transfer such of the funds in the Endowment Lands Fund as it thinks fit into a reserve fund.
- (6) The City of Perth may invest such of the funds in the Endowment Lands Fund as it thinks fit in any manner that a trustee may lawfully invest trust funds.

Expenditure from Endowment Lands Fund

16. (1) In this section "relevant period" means the period beginning on election day and ending on 30 April 1999.
- (2) Funds in the Endowment Lands Fund may be expended by the City of Perth -
 - (a) subject to this section for the same purposes and in the same manner as the municipal fund of the City may be expended under the principal Act;

(b) under section 14(3)(b).

(3) In the relevant period the City of Perth shall not expend funds in the Endowment Lands Fund without the prior written approval of the Minister.

(4) In the relevant period the Minister may in writing direct the City of Perth to make such payments to the local government of a new town from the Endowment Lands Fund as the Minister thinks fit and the City of Perth is to comply immediately with such a direction. . . .

Endowment Lands Fund to be transferred to City of Perth

17. (1) On 1 May 1999 the Endowment Lands Fund is to be closed.

(2) On 1 May 1999 any funds which immediately before then are standing to the credit of the Endowment Lands Fund are to be transferred to the municipal fund of the City of Perth.

(3) Any moneys payable to the Endowment Lands Fund on or after 1 May 1999 are to be paid to the municipal fund of the City of Perth.

(4) The municipal fund of the City of Perth is charged with any liabilities of the Endowment Lands Fund which arise before 1 May 1999.

To show that I adopt a balanced view in this argument and of the issues I raise, I refer to a petition that was tabled in the Legislative Council and to the "Report of the Standing Committee on Constitutional Affairs in relation to a Petition Requesting the Legislative Council to Enquire into the City of Perth's Ownership of Lot 17 Mindarie/Tamala Park". I will quote from a couple of items in that report -

1.1.1 On 17 December 1998, Hon Ken Travers MLC tabled a petition . . . requesting the Legislative Council to enquire into the City of Perth's ownership of Lot 17 Mindarie/Tamala Park ("Lot 17").

1.1.2 The petition was signed by residents of the Towns of Cambridge, Victoria Park and Vincent which comprised parts of the former City of Perth prior to its restructure. The petitioners stated their belief that each of these new Towns should have received a quarter share of the City of Perth's ownership of Lot 17.

1.1.3 The petitioners stated that following the restructure of the former City of Perth, the City retained full ownership of the asset without an equitable share being returned to the three new Towns and their ratepayers and residents. The petition called upon the Legislative Council to enquire into why this decision was made and how the situation could be rectified to return to the three new Towns a quarter share each of the City of Perth's ownership of Lot 17.

2. THE PETITIONERS' SUBMISSIONS

2.1 In response to its request for information, the Committee received a letter from the Chief Executive Officer of the Town of Cambridge, Mr Graham Partridge, dated 8 April 1998 in support of the matters raised in the petition.

2.2 In his letter Mr Partridge stated that, inter alia:

"the City of Perth Restructuring Act 1993 ("the Restructuring Act") determined the process for dividing the former City of Perth into four municipalities including the three new Towns of Cambridge, Victoria Park and Vincent;

the Restructuring Act did not provide the manner in which assets outside the former City of Perth boundaries should be distributed. The division of all other assets was catered for;

assets owned by the former City of Perth outside its boundaries include a one-third share in Lot 17 and Roberts Street Depot;

the land at Lot 17 could be in the vicinity of \$200 million depending on the final use determined for the land.

That was that day's value -

The City of Perth's equity in the land could therefore be approximately \$67 million; and

as a result of the restructuring of the former City of Perth, the ratepayers of the three new Towns did not receive a share of the City of Perth's ownership of Lot 17, with 100% equity remaining with the City of Perth."

2.3 Mr Partridge claimed that at the time the former City of Perth purchased the one-third share in Lot 17, it did so for the benefit of all ratepayers in its district and all ratepayers contributed to the acquisition. Mr Partridge also claimed that it was never intended that the benefits would only be available to the ratepayers within the City of Perth following its restructuring. Mr Partridge submitted that as a

consequence, a majority of the ratepayers of the former City of Perth had been disenfranchised from an equitable share of the value of the asset at Lot 17. This was estimated to be approximately \$16.5 million for each of the four Councils.

I draw members' attention to the fact that a move has now been made by, I think, the Urban Bushland Council WA, or some similar organisation, on that land, so I suggest that some of those figures would now be questionable. The report continues -

- 2.4 The Committee was advised by Mr Partridge that the Mindarie Regional Council, of which the three new Towns have been admitted as members, lease part of Lot 17 for a refuse site from the owners, being the Cities of Joondalup, Stirling, Perth and Wanneroo. The lease expires in October 2011.

I believe I am right in saying that that was a 21-year lease - I think it was from 1990 - and there is an option to lease again for a further 21 years. The report continues -

Mr Partridge expressed concern that after the lease expires, the owners may enter into a new lease excluding the Towns of Cambridge, Victoria Park and Vincent. Mr Partridge submitted that this would leave these Councils with no guarantee of a continuing refuse disposal site at the same concessional rates enjoyed by the owners of Lot 17.

I could probably pick out other issues relating to the petition. However, the point has been made. I will again refer to the Carr-Fardon report, which was also raised in the report of the Standing Committee on Constitutional Affairs and which states -

- 3.1 The Carr-Fardon Report was prepared by David Carr, former Town Planning Commissioner for Western Australia and Mr Ralph Fardon, former City Manager/Town Clerk of the City of Stirling. Dr Carr and Mr Fardon were engaged as consultants to complete the proposal for the restructuring of the City of Perth. The report, dated 31 August 1993, is entitled "A Capital City for Western Australia" and was tabled in the Legislative Council . . . on 2 November 1993.

- 3.2 The Carr-Fardon Report stated that:

"The City of Perth has been well managed financially. Currently, the Perth City Council has fixed assets of approximately \$150 million, reserve funds of approximately \$50 million including Parking (\$20 million), Endowment Lands (\$15 million) and General Purposes (\$5 million), an annual income of approximately \$70 million and total debts of less than \$25 million."

Of course, that was the situation with the City of Perth at that time -

- 3.3 The Carr-Fardon report also stated that:

"It is possible to create three new Towns by May 1995 which would be community oriented and financially independent".

- 3.4 As part of the financing for the restructuring of the City of Perth, the Carr-Fardon report proposed that:

the newly created City of Perth "accept all loan indebtedness, and any facilities made over to the three Towns to be loan free";

access be provided to the Reserve Funds which had been created on both the City of Perth Parking Facilities Act 1956 ("the Parking Facilities Act") and the City of Perth Endowment Lands Act 1920 ("the Endowment Lands Act");

following the creation of the three new Towns and the transfer of assets, any remainder of the Parking Facilities and Endowment Land funds remain with the City of Perth; and

the investment in Lot 17 Mindarie remain with the City of Perth.

- 3.5 It was noted in the Carr-Fardon Report that amendments to the Endowment Lands Act and the Parking Facilities Act would be required to permit a distribution from the reserve funds to the newly created Towns with the balances to remain at the discretion of the City of Perth (as re-constituted).

- 3.6 The Carr-Fardon Report proposed that all existing legal obligations, responsibilities, vestings and contractual liabilities as apply to any transferred property of the current City of Perth be carried through to newly created Towns. The report proposed that an exception to this assignment be made for the Endowment Lands and any works in progress (such as the Beatty Park Pool Redevelopment) which would remain in the confines of the City of Perth. Following assignment of these elements and any distribution of assets and liabilities as scheduled by the Governor, the report proposed that the balance of assets and property would remain in the ownership and the care and control of the City of Perth (as re-constituted).

A parliamentary question was included in the report, and I think it would be appropriate to read it -

- 4.1 A question concerning the Mindarie Land Split was put to Hon Paul Omodei MLA, Minister for Local Government, by Dr Constable MLA in the Legislative Assembly on Thursday, 12 March 1998. In his response, the minister referred to the Carr-Fardon Report and stated that:

“The commissioners set up the cities with staff, new plant and equipment, new office accommodation and \$1 million in reserves. The towns' annual financial reports show that they have progressed well financially with considerable reserves held on account. The commissioners made the decisions at the time in relation to the split and they were agreed to by the Government.”

- 4.2 The Minister also stated that:

“The one-third of the Mindarie land that belonged to the old City of Perth will not be split because a decision has been made already about how the assets are to be allocated. A number of assets were addressed, including the endowment land fund held by the City of Perth and the parking fund of which the Minister for Local Government has control until May 1999. It is important that those funds are distributed equitably. The funds held by the City of Perth were distributed to set up the three new towns, which are now running very well and efficiently.”

The report concludes -

- 5.1 The Committee has considered the petition and the submission from the Town of Cambridge. The Committee has not been presented with evidence to suggest that the correct procedures for the division of the assets of the former City of Perth have not been followed. The Committee notes that the Restructuring Act incorporated the recommendations made in the Carr-Fardon Report.
- 5.2 As the issues raised in the petition involve a property dispute between local government authorities, the Committee believes that the best procedure for pursuing the claim would be for the petitioners to approach the Minister for Local Government. If the Minister is convinced of the merits of the claim, it would be necessary for Parliament to amend the Restructuring Act.

The recommendation from this report states -

That should the petitioners wish to take this matter further, the best course of action would be for them to approach the Minister for Local Government to negotiate amendments to the Restructuring Act.

I bring a balance into the argument. I could go through all these papers I have before me, which cover the allocations for infrastructure costs for the Towns of Cambridge, Victoria Park and Vincent. Those costs range from trucks to parks to pencils, pens, ink and rubbers. Other items are included, such as microwave ovens, gloves, trousers and singlets.

Mr Omodei: How thick is that document - 30 or 40 pages?

Mr EDWARDS: Easily. I could spend the rest of the night reading out the costs. There was certainly some comment on artwork, but I believe that was not agreed to. Items include jerry cans, hammers and engravers. Twenty pages of this document cover the Town of Cambridge, and, as the member for Warren-Blackwood rightly says, there is plenty more. I think the document is about 60 pages. I will not bore the House with the costs. I could continue speaking about Tamala Park as a landfill site involving all those councils, but I do not think that is necessary. Other speakers wish to address this issue. I am aware that Tamala Park is used as a landfill site. It is run by a regional council, with which I have had some experience in a previous occupation. The Towns of Cambridge, Victoria Park and Vincent, and the Cities of Perth, Stirling and Joondalup make up that body, which operates a very successful and active landfill site. Landfill is a question that all of us must address as time moves on, and other areas will be needed for landfill, as well as other ways of disposing of rubbish.

The Opposition's intention is to seek consideration of some compensation for the City of Perth. There must be a balance in what the three towns received from the City of Perth at the time, and if equity is the issue, the Opposition will be seeking to move an amendment for compensation for the land and improvements. Some equity to the City of Perth should be considered, as I suggest that the city sees itself as being out of pocket. I will not be moving such an amendment at this time, but I foreshadow it.

DR CONSTABLE (Churchlands) [5.28 pm]: I congratulate the minister on bringing this Bill before the Parliament so quickly since coming into government. Good things come in small parcels. This Bill consists of nine short clauses, is very much to the point and rights a wrong of some seven and a half years. It has been that long since the debate on the restructuring of the City of Perth took place in this Parliament, and in that time a number of people in this place have had an opportunity to follow very closely the progress of the three Towns of Vincent, Cambridge and Victoria Park. Those three towns have been waiting a long time to get justice in this matter and to receive their rightful share of the Mindarie land. It was a serious omission in the original legislation. This Bill corrects the serious omission that meant the three towns did not receive their share of the asset. For many years the ratepayers of those three towns paid rates that contributed to the original purchase of the Tamala Park land.

A bit of history is very important here. In 1984 the City of Perth, the City of Stirling and the Shire of Wanneroo purchased 430 hectares of land on the border of Mindarie and Tamala Park as tenants in common. Each had equal shares in the lot. The lot known as No 17 Mindarie includes 43 hectares that is used by the Mindarie regional council as a waste disposal site. It is interesting to note that the three Towns of Cambridge, Vincent and Victoria Park lease part of the lot as a refuse dump. I wonder what will happen when the councils become owners of part of the land. It is something on which I want more information from the minister.

In 1993, the Carr-Fardon report was released. Dr David Carr was the former town planning commissioner for Western Australia. Ralph Fardon was the former city manager and town clerk of the City of Stirling. They were engaged as consultants by the Court Government to complete a proposal for the restructuring of the City of Perth. The report entitled "A Capital City For Western Australia" was presented to the Court Government in August 1993. The report formed the basis of the legislative action taken by the Court Government to restructure the City of Perth. At the time, and for some time before, residents of the western suburbs, including the Wembley Ward Ratepayers' Association and the Coast Ward Ratepayers' Association, supported the concept of having their own municipality, separate from the City of Perth. Those ratepayers, who fell within my electorate of Floreat at the time, supported the proposal. As the debate on the restructuring Bill unfolded, it became clear that many aspects of the Bill were not to the ratepayers' liking. One aspect that emerged, then and since, is that they would lose this asset, which was owned by the old City of Perth. They rightfully felt that they owned part of it.

The restructuring legislation had some positive aspects for the residents of those two wards. It was designed to put "local" back into local government, and to give people much closer association with their local government and a much bigger say in local issues. I believe that has been translated into the way the new Town of Cambridge operates. I am sure that applies to the other two towns as well. Ratepayers feel they have more direct influence on local issues and that their elected representatives represent them on local issues. It has led to more responsive and responsible local government for those ratepayers. It is the old story of not what was done, but how it was done. On the surface it was a good concept, but, in my opinion, the restructuring was very biased against the three new towns and biased toward the new City of Perth. The bias can be seen clearly in the debates recorded in *Hansard*. In the haste to create a new capital city for Western Australia, the commissioners of the City of Perth and the three towns were not fair-minded in their approach to the three towns. The three towns quickly became the poor cousins of the new City of Perth.

The Carr-Fardon report recommended that Tamala Park land stay with the City of Perth. That was quite clear. The ratepayers of the old City of Perth had contributed to the purchase of the Tamala Park land. It did not seem to matter that the three Towns of Vincent, Cambridge and Victoria Park were to be cut out of any future ownership of that large asset.

On 10 November 1993, at the committee stage of the Bill, the then Minister for Local Government made the following statement -

I mention also the Mindarie arrangement. I understand that there is tripartite ownership of the Mindarie lands by the City of Wanneroo, the City of Stirling and the Perth City Council. I expect the commissioners will divide the one-third ownership of the Perth City Council equitably amongst the towns and the city council.

The minister said that there would be a fair split of the asset, yet it did not happen. In the intervening years, other members and I have asked a number of questions about righting that wrong. Only today are we seeing it happen. At worst, it could be seen that the establishment of the four municipalities was an asset-stripping exercise that left the three new towns with less than the bare minimum. It certainly removed from them a number of assets, especially this one, of which they should have had some ownership.

It was originally intended to leave undeveloped endowment lands in City Beach and Mt Claremont within the jurisdiction of the City of Perth. Therefore, the argument that the local authorities should not own assets outside their own boundaries is silly, bearing in mind that original intention. During the debate the Government was persuaded to change the situation, and the asset was shared between the Town of Cambridge and the City of Perth when the blocks in the endowment lands were sold.

Members may ask how this Bill affects the electorate of Churchlands. At least half the electorate of Churchlands falls within the Town of Cambridge. This is an important piece of legislation to many of my constituents. These constituents feel ownership of the asset. Some have commented that they are delighted the Government has brought this Bill on as quickly as it has. One interesting aspect is that the three towns lease part of the land at Tamala Park and use it as a rubbish dump. I wonder whether the money paid towards the lease will be reimbursed. This Bill will right a wrong that was set in place seven and a half years ago. The three towns have paid for the right to dump their rubbish on land that will be theirs. That situation needs to be sorted out, and I hope the minister will look into it. I look forward to hearing the minister's comments.

It is interesting that when the Shire of Wanneroo was split into the City of Wanneroo and the new City of Joondalup, the original share of the Shire of Wanneroo was split between the two new municipalities. The commissioners of the Shire of Wanneroo assessed the situation differently from the commissioners of the City of Perth and the three towns in

1993-94 when they considered this asset. It was a fair split for the Shire of Wanneroo, but not at all fair to the three towns referred to.

There is a mystery on which I want the minister to enlighten me if she is able to. I refer to a related matter that arose during the course of my inquiries into the Tamala Park issue in the past week or two. I was leafing through *Hansard* and the questions that I had asked and I discovered a question on notice that I will look at carefully and refer to so that the minister can answer my questions. That question referred to the purchase of seats on the Mindarie Regional Council for representatives from the Towns of Cambridge, Victoria Park and Vincent. My question on notice to the then minister was, given that the commissioners had purchased those seats on the Mindarie Regional Council, from whom were they purchased; how much was paid for each of those seats; and from which accounts were the funds taken to purchase them? The answer I received from the minister was that the commission had arranged, for the Towns of Cambridge, Vincent and Victoria Park, secure membership of the Mindarie Regional Council. This was proposed to be executed by rearranging the membership of the regional council so that each town would have one vote; the City of Perth, one vote; and the councils of Stirling and Wanneroo, four votes. It was all right for those representatives to be on the Mindarie Regional Council and to purchase positions, but it was not all right for them to have any ownership of land. The second part of the answer states that the commission's legal advice recommended that the membership of the City of Perth be diminished to allow the entry of the towns. Each membership was acquired at a cost of \$175 330, which was paid for from infrastructure funding sources.

I now have some more questions: was the City of Perth compensated by the new towns for giving up three of its four votes on the regional council; who received three times the amount of \$175 000; was it a way of shifting more funds and assets into the new City of Perth; and, if that money was paid to the City of Perth, should it be paid back to the three towns now that they are getting their share of the land? The three towns should have seats on the Mindarie Regional Council anyway, without any consideration, now that the wrong is being put right. It is an issue that I would like the minister to look into.

As I said at the beginning, the Bill is brief and concise; it is very elegant in its briefness and it gets to the point very quickly. It is clear in its intent, and I am delighted to support legislation that gives the Towns of Cambridge, Victoria Park and Vincent their rightful share of this asset at Mindarie.

MR HYDE (Perth) [5.43 pm]: I strongly support this Bill and thank the member for Churchlands for her support and her long campaigns with us on this issue, and also the member for Greenough for his comments.

The key issue in this whole matter is: what is the City of Perth? When we talk of the City of Perth, we must remember there are two different cities. There is the one that existed before 1995 that included the residents of the towns of Vincent, Victoria Park and Cambridge, and there is the small mickey mouse town-borough that is left today and bears the moniker, City of Perth. When we compare the City of Perth today with that which existed prior to 1995, it is a very different beast. Back in 1981, \$5 million was paid for the land at Tamala Park and Mindarie. That land was bought using my rates and the rates of people living in the seat of Churchlands and the Towns of Victoria Park and Cambridge - people who are not in today's very small city of Perth. Our rates and parking fees were used to make up that \$5 million. That asset has grown and is now worth between \$80 million and \$100 million. The decision of the previous Government indicated, "Thank you very much for your seeding funds and for buying this asset all of you 80 000 people, but we will now take that asset and give it to 5 000 people." It was a reverse Robin Hood principle in which it was taking from the poor and impoverished people of the town of Jack Marks's "St Vincent de Poor", and giving it to the rich people who were left in the city of Perth.

The restructuring was not paid for solely by today's City of Perth; it also was paid for by the residents in the towns of Vincent, Cambridge and Victoria Park. It is not a question of the civic centres in Victoria Park, Vincent and Cambridge being paid for by the poor 5 000 people left in today's City of Perth; it was paid for by all those people, so it is a redistribution. There was a lot of argument over \$15 million being wasted on building three new civic centres and establishing councils to replace the previous "one". However, that is a separate issue; we have had that debate and the Government of the day won.

There is a different Government today, one that went into an election with a very clear policy. I have seen the letter from the chief executive officer, not an elected member but the CEO of the City of Perth, saying that it was not consulted. That is not correct. On 7 May the Government sent a letter to the City of Perth and usually, when the Government writes to a local government concerning something within its bailiwick, it is very quick to respond. I do not believe that the City of Perth has responded to the Government's letter of 7 May. More importantly, the members of the City of Perth - the residents, the councillors and the staff - are well aware that the Labor Party's policy was to redistribute the ownership of Tamala Park back to the original owners. Every council in this State, or all of the 144 that were any good, were lobbying not only the Government and the then Minister for Local Government - and a fine minister he was - but also the Labor Party about its policies, so the City of Perth was very aware of what was going on. Having been a member of the Mindarie Regional Council in my former life as Mayor of Vincent, I know that we discussed the Labor Party's policy with the other members of the City of Perth, and we also discussed the likelihood that it would occur. More importantly, the City of Perth was also aware that three towns had spent funds lobbying the Government, the Opposition and the Independents regarding the redistribution of Tamala Park and the Mindarie land to

its rightful owners. Clearly, there was full accountable consultation and the letter sent on 7 May was the icing on the cake.

The member for Greenough said that the three towns were given membership of the Mindarie Regional Council. As the member for Churchlands has rightly pointed out, the interpretation of the word "given" is in dispute. I ask the minister to elaborate on the question that the member for Churchlands asked of the then minister to find out the true answer. Where is the \$175 000 that each of the three towns paid? If that money went to the City of Perth, I suggest to the member for Greenough and the Opposition that their amendment should not be about compensation for the City of Perth because it is double dipping; it should be about compensation for the three towns because they have been slugged twice! It will be interesting to find out, through this paper chase, where that \$175 000 has gone and whether it was a case of double dipping. May I suggest to the Opposition that rather than moving an amendment about compensation, it should move an amendment calling on the City of Perth to offer an apology to the three towns and the residents for the penury that has occurred. We are giving the former Minister for Local Government the benefit of the doubt that perhaps he did not double dip on that \$175 000; we will wait until we can check the files on that.

This new arrangement is also needed because, as members of the Mindarie Regional Council, we are dumping our rubbish there and creating wealth and income for the landowners of Tamala Park. At the moment, all the profit from our dumping in Vincent, Victoria Park and Cambridge goes back to the small City of Perth. It is only proper that the benefits of our waste should be shared by the creators of that waste. That is one of the important issues that will occur once this wrong has been righted.

The member for Warren-Blackwood said by interjection that the Perth City Council parking funds paid for the restructure and that, therefore, all Western Australians paid for the restructure. Perhaps he is foreshadowing a further amendment that the current Government should nationalise the City of Perth and redistribute the funds to every council including his own former council. I remember that when I lobbied the member for Warren-Blackwood in my other role - I declare an interest as president of the Local Government Association, along with the member for Greenough, who was the president of the Western Australian Municipal Association - that option was never brought up. It is a very good option, but it was never considered. We examined the split of the Shire of Wanneroo into the Cities of Wanneroo and Joondalup. As a result, an equal share of Tamala Park and an equal share of the Mindarie land-holding were apportioned.

Mr Omodei: That was a totally different scenario, and the member knows that.

Mr HYDE: It was totally different, but the precedent was set then. We considered the other options, and the member for Greenough rattled off a number of things that happened. What did not happen, of course, was the Roberts Road depot - we did not get that.

Dobells and Nolans from the art collection were not given to the Towns of Vincent, Cambridge, or Victoria Park; they are probably hanging on the back doors of toilets of people in this borough. Ratepayers asked of members of the City of Perth and the then Minister for Local Government, "Where is the art? Where are the assets that were supposed to be shared?" The ratepayers' money had bought the art. Over 80 years, their money had created the assets. Not only could the assets not be found, but also the ratepayers could not get a look at them; a proper asset registry could not be kept. We were told that the split was fair and that the towns were treated fairly, yet the assets could not be accounted for at the time of the split.

We got Colonel Light's endowment of \$13 000 for a garden competition. That has been offered as one of the great benefits of the restructuring of the gigantic City of Perth. The City of Perth had been gaining interest on that money because it had never run a garden competition. The new town said, "Whacko, this is a great idea; \$13 000 will not go far, but we will sponsor our own garden competitions. We will use that asset properly within our towns to ensure that gardens and the greening of our municipalities is carried out." Perhaps it was further justification for the excellent decision the former minister made to split the towns.

This was, in effect, a divorce that got messy. The only problem with this divorce was that the groom - the City of Perth - was in bed with the Government. The three brides from Utah, or wherever we were from - pretty little Cambridge, stoic Vincent, gutsy Victoria Park - were left at the altar while the groom was cheating on them with the Government. That messy divorce should be righted; this new legislation will right that situation.

We will consider the other important issues that the member for Churchlands raised that will be addressed by the minister. I emphasise that the Government had a clear election policy. All of the City of Perth is in my electorate. I have consulted with chief executive officers from the Cities of Stirling and Bayswater and other councils in my area who have come to brief the local member. Stirling has about 15 members of Parliament. What is left of the City of Perth has only one member to deal with, and that is me. I go to the Perth City Council all the time. The councillors could have officially tried to lobby me on the Tamala Park issue. They knew it was an election policy, and the opportunity was there.

Unfortunately, only one or two councillors in the City of Perth live in the electorate. They would have got the newsletter from me that lists the promises kept by the new Government. One of them was the Premier's promise that

Cabinet and Parliament would have the opportunity to consider the Tamala Park Land Transfer Bill 2001; we are delivering on that. This is an open and accountable Government.

I have declared my interest in having been the Mayor of the Town of Vincent and also the president of the Local Government Association. In the meetings I had with the three towns I gave commitments. The three towns agree that, since their creation in 1995, the former minister got 99 per cent of the restructuring right. Some people have alleged that the reason for the split of the town - I am not old enough to know - was to stop Jack Marks from becoming the Lord Mayor of the City of Perth and that the conservative forces wanted to -

Dr Constable interjected.

Mr HYDE: Probably in my briefing notes.

The conservative forces wanted to set up a you-beaut little centre of conservatism in the centre. They thought that the poor socialists would be sent out to Vincent, go bankrupt and become corrupt and nothing would happen there. However, Vincent and the other two towns have proved models of financial management; they are debt free. I thank the minister for setting them up that way. As I said, 99 per cent of what was done in that restructuring was wonderful. The one per cent that was missing in 1981, when the land was bought for \$5 million, was Tamala Park. It is a good and brave Government that says that the State of Western Australia has made a mistake and that it will right that wrong. Clearly, the Gallop Labor Government will right that wrong. As the member for Churchlands mentioned, her constituents and also my constituents have welcomed this acknowledgment.

I also note that in the area of the city of Perth, which is within the electorate of Perth, people voted for Labor at higher levels than they had ever voted for Labor in their lives. They were well aware that the original owners of the City of Perth property - that is, Vincent, Cambridge and Victoria Park - would get a share of the parking funds or whatever, but they still voted for the Labor Party. This Bill has been endorsed.

The member for Greenough raised the issue of Leederville Oval. We thank the former minister for sending \$1.1 million, on the death knock, as recognition that some of the infrastructure had been missed under the Carr-Fardon or other reports that had been done; at the very last moment, another \$1.1 million was found. That money can be used only with the approval of the Minister for Sport and Recreation and the town. It is not correct to say that the money has been given to the Town of Vincent. It recognises that Leederville Oval and so much else within the three towns and the tiny city are regional centres. They have regional football grounds, facilities and parks; therefore, it is proper that state money go into them.

The other important point in this Bill, which is perhaps what prompted the letter to a number of councillors in the City of Perth today, is that this elegant Bill, as it has been so rightly described -

Mr Omodei: It is the excellent draftsman.

Mr HYDE: Is it the excellent draftsman? I always gave the member for Warren-Blackwood credit for his Bills. This elegant Bill prevents the City of Perth from wasting ratepayers' money - the coins that the residents of Manjimup feed into parking meters - on legal challenges to this Bill. It is an important part of this Bill that the City of Perth be precluded from keeping its eye on the main game and going down the silly path of trying to legally challenge this important piece of legislation. I urge all members to support this Bill and not give consideration to amending it. It is a fine Bill. It is overdue, and its time has come.

Sitting suspended from 6.00 to 7.00 pm

Mr HYDE: In conclusion, I commend the Tamala Park Land Transfer Bill to the House. It is part of the great plethora of legislation that this Government is implementing in its early months. It is important that we act early and that we pass this legislation for the benefit of all the residents of the Towns of Cambridge, Victoria Park and Vincent.

MR D'ORAZIO (Ballajura) [7.01 pm]: As one of those local government leaders with long - but not fond - memories of the break-up of the City of Perth, it gives me great pleasure to support this legislation, which will put to bed a chapter in the history of local government that we would all like to forget. I remind the House what happened with the break-up of the City of Perth: we in local government were told that an Act of Parliament would be introduced to break up the council, and that it would happen arbitrarily and without consultation. I was one of the senior members of the Local Government Association and attended numerous meetings at which not only local governments but also residents protested against the split. Of course, it was all to no avail. Some of the decisions surrounding the split were arbitrary and, to us in local government, seemed to be plucked out of the air. The split seemed to occur for no reason other than the whim of the Government of the day. At best, it can be described as senseless, although others might attribute a different description to the 1993 legislation. Some of the comments of the member for Perth on the reasons behind the split may have some truth.

As one of the active participants in the process, I attended numerous public meetings at which issues such as the ownership of assets were raised. Assurances were given that the distribution of assets would be fair and equitable. That promise could not have been further from the truth. The Tamala Park legislation is one of the final nails in the coffin of this saga. The councils have fought this issue for a number of years, and it is time that this injustice is rectified. The

decision to not give part ownership of Tamala Park to the Towns of Vincent, Cambridge and Victoria Park was nothing short of disgraceful.

The asset was purchased in 1981 by the councils of the Cities of Perth and Stirling and the Shire of Wanneroo for the strict purpose of providing a rubbish disposal site. At the time, Tamala Park was viewed as "the sticks". The comments of the day were that there would never be a problem with this site because it was so far out in the sticks that no-one would ever worry about it. I was a member of the State Planning Commission, and the various proposals for the area around Tamala Park were always designed with the specific intention of protecting it as a landfill site. The commission knew that landfill sites were precious commodities and should be protected. The lot was originally purchased to protect the councils' long-term ability to dispose of the rubbish of their communities. That was taken from the new towns. People might argue that those towns are now members of the Mindarie regional council; however, that is different from having ownership of the site. Tamala Park was acquired as a landfill site and it has had an impact on the surrounding community. However, the councils of the Cities of Perth, Stirling and Wanneroo insisted that it was the only viable site. Some of the councils are now reconsidering their positions. Although that is fine in view of the land planning issues, it is unfortunate and of concern that the councils that own the site are different from those on the Mindarie regional council. Some of the councils which are part of the regional council but which do not own the site have expressed to me that the owners of the land are discussing options for its management and development without the input or knowledge of the regional council members. That is a travesty of justice.

We have heard that the City of Perth contributed \$54 million to the break-up of the three towns. However, that money was contributed by the City of Perth before its restructure; therefore, the ratepayers of the Towns of Vincent, Victoria Park and Cambridge contributed that \$54 million - I think \$38 million came from the land endowment fund and rest from the parking fund, or vice versa. The bottom line is that it did not come from the new City of Perth, but rather from moneys that were already in the coffers of the old City of Perth. Why should the residents of those three towns not have the ability to tap into that facility? If that money had not been made available, the Government which made the decision to split the City of Perth would have had to put its hand in its own pocket to fund the split. I received a letter today from the City of Perth, in which it states that the council was so generous during the restructure that it donated mayoral chains to the three newly created towns. To put such a thing in writing is an insult to not only this Parliament but also the members of those councils. The bottom line is that the money that was allocated for the break-up of the old City of Perth and the creation of the four new councils was money that had to be spent. Once it was decided that these councils would be created, money to fund the split had to be found. The Government of the day chose to make the accumulated funds of the old City of Perth available to the new councils. No-one has a problem with that. However, it is a travesty of justice that the new councils were not able to have ownership of the Tamala Park property, especially when it is at arm's length from the councils - the facility is miles away from any of the councils - and was initially purchased to protect the ability of those councils to dispose of their rubbish. When one considers that the ratepayers of the new council contributed to the funding of the purchase of the property, which in 1981 cost only \$5 million, and that some reports now value the site at anywhere up to \$250 million, one can understand the anger of the communities that have been precluded from having a share of the ownership. This legislation will fix that problem. The \$250 million estimate is on the high side of expectations; I have seen some valuations as low as \$80 million. However, if the property is worth, for example, \$240 million, the amount owed to the individual councils would be greater than the total amount the old City of Perth spent on the infrastructure for the restructure. It defies all logic why anyone would defend that position.

In November 1999, the minister said that he expected the three commissioners to make the third share of the City of Perth available to the other councils. That has not occurred. It is extremely unfortunate that those councils have been affected in that way. Members must stop and think about the consequences of not allowing those three towns access to, or ownership of, that site. Those towns are morally entitled to it; the ratepayers of Cambridge, Vincent and Victoria Park are morally entitled to a share in the ownership of that property. They paid for the property when they were a part of the previous City of Perth. The benefit of buying this site was to protect their interest in the disposal of rubbish. That was not exclusively provided for the big end of town, but included the four councils. They have a moral right to it.

The original purchase of this land was to protect its use as a landfill site. Various development options have been explored by the current owners. This was never envisaged when the land was purchased. At that time, it was said that this would be a landfill site and the opportunity for further development would be minimal because a fairly major buffer area was required for a landfill site. The fact that this is a 430-hectare site meant that the buffer zone was provided within the site. If the landfill site closes, it allows some extremely valuable land to be used for residential, industrial, commercial or other purposes. Whatever the option chosen, it will be of significant value. The area that is currently used as a landfill site could be developed as a golf course. There are significant windfall opportunities for the owners of the site. It is totally unacceptable that the windfall profits, which could be in the vicinity of \$200 million, should be precluded from the councils of the Towns of Cambridge, Vincent and Victoria Park. These are small councils relative to the average scale of local government and an injection of capital funds to the tune of anywhere between \$10 million and \$20 million would have a significant effect on the ability of those councils to provide facilities. The ability of the City of Perth to generate revenue and its opportunities to carry out capital works are far greater than that of the smaller

councils. The equity issue comes into play here. The ability of the new councils to generate revenue must be considered in terms of their viability. The windfall profits will make life much easier for those smaller councils.

The closure of Tamala Park would have implications for those councils that use it as a landfill site. If the landfill operations at that site are closed, a new facility will be needed. That may be a landfill site further from the metropolitan area. Major costs would be required to develop that site. The owners of the site will have the ability to generate funds to develop that site, whereas the councils, which are only leaseholders, will not have that same opportunity; yet they still must try to get rid of household rubbish from their communities. It is important that members think about not only the financial consequences of the closure of Tamala Park as a landfill site, but also the real problem of finding a new site and the money needed for that.

Mr Masters: Hopefully there will be more projects like Global Olivine Western Australia. There will be no need for more landfill sites for consumable waste.

Mr D'ORAZIO: The member for Vasse may have noticed that I said a landfill site or other process. Even if another process were used, a substantial capital injection would be required. Enterprises might provide that facility, but I suggest to the member for Vasse that the track record of the past is that local government will have to find ways to dispose of its rubbish. Not only that, the regional council is generating funds of its own. It is important that those councils be supported in their legitimate right to have access to that site. It is absolutely important that this legislation is passed, not only to right the wrongs of the past, or give credence to what the minister said in this House about what he expected would happen, but also to provide equity. If it is good enough for the residents of the City of Wanneroo to receive benefits from their share of the ownership of that site, it should also be the right of the ratepayers and residents of the towns of Vincent, Cambridge and Victoria Park to have their share of this valuable asset.

Mr Trenorden: Why not the Shire of Toodyay as well?

Mr D'ORAZIO: Because the Shire of Toodyay did not have original ownership of the land. If the Shire of Toodyay owned the land, I would support its position as well. The reality is that the residents of the towns of Cambridge, Vincent and Victoria Park had ownership of the land when they were a conglomerate part of the old City of Perth. That was taken away from them by the coalition Government - by the stroke of a pen, an Act of Parliament, then a decision by the minister - with no recourse. Any fair-minded person would agree that the land should have remained as part of the assets of those councils and been shared equally. I was one of those people in local government who fought strongly against the split of the City of Perth. It was expected that the right thing would be done for those smaller councils. Comments were made in the City of Perth's submission claiming that it was responsible for the land and had paid numerous costs associated with the split of the old City of Perth. I put it to members that they were not costs paid by the new City of Perth, but costs paid by the old City of Perth. In the fairness equation for all residents in this debacle, as I call the split of the old City of Perth, the moral right of the residents of the Towns of Vincent, Cambridge and Victoria Park to a fair share of this asset, which no-one could have envisaged would have a possible windfall of some \$200 million, should be honoured. It is unfair that those residents be asked to forgo that. I strongly support this legislation.

I do not think the member for Greenough's heart was in the argument that he presented. All the practitioners of local government that I spoke to during the election process supported the position of the Labor Party to sort out the inequity that was foisted on those people through the split of the City of Perth, and to knock the transference of the asset of Tamala Park. This cleans up the final mess created by the previous Government during the split of the City of Perth. I hope that as long as I am in this House, no local government will have to put up with a situation similar to the split of the City of Perth and the processes that were adopted. It was undemocratic, arbitrary and for no good reason other than the whim of certain people on the other side of the House. In the end, the processes have been shown to be unfair and inequitable. This legislation will go a little way to sorting out that problem. I hope that no Government will ever again try to do what was done to local government through the creation of that Act of Parliament to split the City of Perth.

MR TRENORDEN (Avon - Leader of the National Party) [7.20 pm]: I do not really know why I am speaking on this Bill, because it seems to be about a dispute between the Liberal Party and the Labor Party that goes back for some time.

Mr Day: It is not; it is between the City of Perth and three local government authorities.

Mr TRENORDEN: Having listened to the member who has just taken his seat, it seems to me that the argument is Labor versus Liberal.

Mr Day: It is their attitude.

Mr TRENORDEN: I am not picking on the member for Darling Range.

Mr D'Orazio: You have implied that it is undemocratic.

Mr TRENORDEN: The point is that, as a National Party member in this House when the original split occurred, I followed the fight with some interest, including the argument about the casino and Victoria Park.

As a country member, I find this debate almost obscene. In my electorate we do not argue about \$200 million. The Town of Northam has no development land, nor does the Shire of Toodyay. It is the same throughout my electorate.

Mr Day: It is the same in most other metropolitan areas as well.

Mr TRENORDEN: That is the point I make. We are talking about the prospects of a land grant. It is similar to the position during the American Civil War when Abraham Lincoln granted land rights throughout the States for the sites of universities.

Mr D'Orazio: This was land bought freehold.

Mr TRENORDEN: It does not really matter. The land is being granted through a Bill. At least when Lincoln granted land it was for a good purpose. In this case the City of Perth was split up and a dispute arose as to the equity of the split. This Bill contains nothing for every member of Parliament but it must be debated. During my 15 years in Parliament, I have not seen a Notice Paper as dull and boring as this week's. If we all left this place this week and did not vote on these issues, nothing would happen.

Mr Barnett: Just like last week.

Mr TRENORDEN: Yes, the Notice Paper this week is absolutely amazing.

Mr Bowler interjected.

Mr TRENORDEN: I will be doing it later this year.

Mr Bowler: Why don't you put up a Bill?

Mr TRENORDEN: The member happens to be part of the Government. Why does he not put up a Bill? During the history of this place no Government has done so little as this one. It has its foot flat to the floor on the accelerator and the gearstick stuck firmly in neutral. It is roaring away going absolutely nowhere. When going around my electorate I can get a fair bit of humour out of this situation. It is not usually much fun being in the Opposition, but it is a lot of fun hearing my constituents talk about the current Government. The Government is an absolute laughing stock.

Obviously, over time the land that is the subject of this Bill has increased in value. The land that was purchased for \$5 million has now a potential value of \$200 million, according to earlier debate. I can understand why there is a brawl.

Mr O'Gorman: It belongs to all the people who formed the City of Perth.

Mr TRENORDEN: Okay. The Labor Party is the Government of the day. It obviously made an election commitment about this particular Bill and it is making much fanfare about it. I believe that it has more to do with vindictiveness towards the previous Government.

Mr D'Orazio: That is a disgrace.

Mr TRENORDEN: It is not. The member may consider it to be the case but from where I am sitting, the Government's attitude seems to be a lot of fanfare about very little.

Mr D'Orazio: If \$200 million were taken out of the Town of Northam, what would you do?

Mr TRENORDEN: There is not \$20 million to be taken out of the Town of Northam. I have just made that point. There is not \$20 million to be taken out of the Shire of Toodyay. I hope that when the Grants Commission considers these places, it will compensate for the wealth of those three towns in comparison with other towns in the State that do not have the prospect of developing golf courses or residential or light industrial land. I suspect that in your electorate, Mr Acting Speaker (Mr McRae), those prospects do not exist. Some of the more eastern metropolitan suburbs do not have those prospects either.

All that aside, there is no reason for the National Party to oppose the Bill.

MR KOBELKE (Nollamara - Leader of the House) [7.25 pm]: I intend to make a few brief remarks of an administrative nature because the Minister for Local Government, who will respond, is at a police ministers conference. The previous Minister for Local Government, the member for Warren-Blackwood, also has engagements, and he wishes to speak. Our intention is to bring on the debate on Thursday, so that the member for Warren-Blackwood can speak and the minister can respond and answer the questions raised. Therefore, without further ado, I seek to continue my remarks on another day's sitting.

[Leave granted for speech to be continued at a later stage.]

Declaration as Urgent

MR KOBELKE (Nollamara - Leader of the House) [7.26 pm]: I wish to retrospectively correct a problem. The Bill we have just been dealing with should have been declared urgent. That was clearly signalled when we sat in the previous sitting week. Therefore, in accordance with Standing Order No 168(2), I move -

That the Bill be considered an urgent Bill.

MR BARNETT (Cottesloe - Leader of the Opposition) [7.27 pm]: I would like a ruling on that. I do not wish to frustrate the Government, but can we retrospectively declare a Bill urgent when we have just debated it?

Ruling by Acting Speaker

The ACTING SPEAKER (Mr McRae): I have looked into this matter, as I had some notice of this problem occurring. We have already been conducting a debate outside the terms set down by the standing orders. As soon as the House becomes aware of that, it is appropriate that we seek to regularise the debate going on, so I intend to allow the motion to be put. I remind members that the Leader of the House has moved the motion under Standing Order No 168(2). We are now able to proceed to debate that motion for up to 20 minutes. Members have the opportunity to argue the case about whether it is an appropriate procedural step to take.

Debate Resumed

Mr BARNETT: We will not frustrate the Government and we will agree to the Bill being declared urgent, but it is not good enough. This House did not sit last week. The Leader of the National Party is right: we are dealing with dead-boring information. This is a non-event. A whole lot of ministers this morning gave notice of a range of Bills to try to create the impression that this Government knows what it is doing. The Leader of the House on the bench opposite is giggling.

Mr Kobelke: At your performance, which is absolutely pathetic.

Mr BARNETT: He had a very simple thing to do as Leader of the House, which was to declare this Bill urgent. He failed to do so. We have cooperated over the First Home Owner Grant Amendment Bill and with the Election of Senators Amendment Bill.

Mr Kobelke: Not yet.

Mr BARNETT: We will. This is an absolute disgrace. Tamala Park is quite a contentious issue that has a lot of history. What has happened? The minister responsible has not been in the Chamber at any time during the debate. The member for Greenough led the issue for the Opposition. When he raised questions, no minister was paying any attention whatsoever to this legislation. It is an absolute disgrace. The Labor Party is treating this Parliament with absolute contempt. During question time today questions were not answered. Clearly ministers have no idea what is happening within their portfolios. They do not know about senior executives leaving. They have absolutely no idea. They were asked questions, but gave no answers.

The Premier walked in today and made a unilateral, dictatorial statement that he will determine entitlements on travel. I have no problem at all in accounting to this Parliament for my parliamentary travel. I have rarely used the imprest account. I suppose that is because I have been a minister for eight years. However, I have not used it. I am not sensitive about the issue in any sense. I would be quite happy, and I think most members would be, to lodge itineraries with the presiding officer of this Parliament. If anyone thinks that I, as Leader of the Opposition, will go to Geoff Gallop, Leader of the Labor Party, and give an itinerary of exactly who I am meeting, what I am doing and what I am saying, that is an absolute affront to this Parliament.

This Parliament is not a creature of the Executive. The way in which the Labor Party, in a disdainful way, treats this Parliament is a disgrace. This is yet another example. Last week we did not sit because there was no legislation to deal with. Okay, we can accept that - we were all laid off for a week. What do we find this week? The Opposition agrees to deal with legislation on an urgent basis, and the Government does not even have the basic courtesy to have the responsible ministers here. It is appalling! If that is the attitude the Labor Party has to the legislative process, it is upon its head. When the Liberal Party was on the other side of the House, how many times did we listen to the then Leader of the Opposition talk about parliamentary process, due process, accountability and the role of the Westminster system? What a lot of claptrap that was! There has been absolutely no conviction.

Leader of the House, the Opposition will agree to this Bill being declared urgent. What a bizarre parliamentary principle we seem to be establishing. We are going to retrospectively endorse a debate we have just had. What a sham - an absolute sham! Mr Acting Speaker (Mr McRae), you are sitting there saying that this is fair enough and that we can retrospectively say this is all valid; it is now an urgent Bill. It is an absolute joke! It is about time the Leader of the House started to treat this House with a bit of seriousness, politeness and courtesy. This is not the province of the Labor Party; this is the province of the Parliament. All 57 members here represent a constituency. They have a constitutional right and responsibility to debate legislation, to argue their point, and to represent their constituents, their values and their principles. It is not up to the Labor Party to be so disrespectful and so disdainful of this Parliament.

The ACTING SPEAKER: I take it that the Leader of the Opposition was seeking clarification of the point of order decision I made. Is that correct?

Mr BARNETT: I thought we were debating the motion to declare this an urgent Bill.

MR TRENORDEN (Avon - Leader of the National Party) [7.31 pm]: I point out to the Leader of the House that the last time we sat we debated a number of urgent Bills. The Leader of the House must agree that the time spent by the National Party debating those Bills was minor. The National Party made its contribution, and no more. Because the National Party was not opposing those Bills, its members did not debate the Bills for a lengthy period; they made their points and sat down.

I have no conception of why the Government wants to declare this an urgent Bill. I spoke on the Bill for probably two minutes - five minutes with interjections. The National Party does not intend to delay this Bill in this House, whether or not it is declared urgent. I wonder about the process as well. I know that the Leader of the House has an interest in the proceedings in this place, but I wonder why we are going through this process. I also ask the Leader of the House what we will be doing on Thursday. I suggest at this stage that we will adjourn early on Thursday. Therefore, why are we going through this process? I ask that straight from the shoulder.

Mr Kobelke: The fact is that I indicated two weeks ago that we would deal with the Bill this week, and that because of our standing orders it would have to be declared an urgent Bill. It was simply to meet the requirements of the standing orders. The member for Greenough jumped up before me - I should have been quicker - and I gave him the right to speak on the Bill. I simply overlooked a procedural matter. Members were well aware that this was a procedure that had to be followed. I am now correcting it after the event. I apologise that I did not do it at the time. There was no deceit in it. Members had been informed that we had to do this.

Mr Barnett: Where is the minister? She has not been here all day.

Mr Kobelke: She is at the police conference.

Mr Barnett: She was not there when I spoke.

Mr Kobelke: Contrary to what the Leader of the Opposition said, I have taken notes on the questions. We have an officer who will brief her so that she can answer the questions on Thursday, when the Opposition's spokesperson will also speak.

Mr Barnett: I am sorry, she is perfectly entitled to, and should, attend the police conference. However, she does not need to attend it all day. Her responsibility is to this Parliament and to her legislation.

Mr TRENORDEN: I concede that the Leader of the House is new to his position; I concede that I am new to my position; and I concede that we all make occasional blunders as we go through the process. I concede that the Leader of the House has not done this on purpose. However, he must admit that if he were sitting where I am sitting and I was sitting in his place, he would be having a go at me. That is a fact. The Leader of the House deserves the barrelling he is getting now. The National Party will not oppose this motion. It has expressed its view on this Bill. If the Government wants it to be declared an urgent Bill, the National Party will not oppose that. However, it has been a rather strange process.

Question put and passed.

ZOOLOGICAL PARKS AUTHORITY BILL 2001

Second Reading

Resumed from 30 May.

MR MASTERS (Vasse) [7.35 pm]: I remember back to some 40-odd years ago when, as a boy of only 10 or 11 years of age -

Mr Trenorden: Be a bit more accurate than that.

Mr MASTERS: I am striving very hard to be accurate.

Mr Pandal: You have to tell the truth here, you know.

Mr MASTERS: I remember that at that time I took my first photograph using my mother's Kodak box camera. It was in the gardens of the South Perth Zoo. I remember that it was a photograph of the gardens and of the palms for which the zoological gardens were, and still are, very much admired. For a 10 or 11-year-old, it was not a bad photograph, considering it was black and white and my first photograph. The point is that the South Perth Zoo is a very photogenic place. As it did then, it now provides many different experiences and opportunities for all sorts of people, including 10 or 11-year-old boys.

The place of a zoo in our modern society is multifunctional, and not just for the purposes and functions stated in the Bill before us tonight; that is, for conservation, research, scientific, educational, cultural and recreational purposes. A zoo is not just for the sorts of functions that were popular 100 or more years ago, when it was a place primarily for entertainment. Today a zoo is much more than that, and it includes the study and application of veterinary science, the refinement of nutritional studies and also ethology, which is the science of animal behaviour. Those three new areas are considered to be very important parts of the functions of a zoo in the modern world.

Once upon a time zoos were considered to be primarily for passive, distant education and related activities. Today, those same activities are active and close up, and they include education, recreation and cultural improvement. People today want to be immersed in the experience when they visit a zoo. They do not wish to just walk past a series of bars and look into a cage where an animal or bird is walking or flying up and down in some form of psychiatric state in which it is obviously missing the conditions under which it would have normally lived in the wild. Today, a zoo must be a little like a modern-day computer. Computers once had games whereby one simply typed in a few words, pressed

a button, something happened on the screen, one typed a few more words, and so on. It was pretty boring. Today, those same computer games are interactive to the point at which a person believes he or she is inside the computer terminal taking part in whatever the game may be. Another example is how, in just a few short years, e-mails have changed from being simple messages that one typed and then sent to anywhere in the world. Today they can include photographs and all sorts of attachments. Many computers now have live camera and live sound via the Internet. I suggest that in the same way that computer games and the Internet have changed over time, zoos will also change profoundly to complement the enormous changes that have occurred over recent years.

The journal *Science* recently published an article discussing a book called *A Different Nature: The Paradoxical World of Zoos and Their Uncertain Future*. The article reports the conclusion drawn by the author of this book; that is, in the areas of recreation, entertainment, education and research, all but the very best zoos fail. It is important to emphasise this author's conclusion. I was reading through some of the second reading debate from last year, when this Bill was presented by the then Government to both Houses. A number of members in this place said they had visited zoos elsewhere in the world, and the South Perth Zoo was superior to any of those. It is therefore with some confidence that I state my hope that the South Perth Zoo will be one of the very best zoos, and will not fail to meet the challenges of modern society.

The article from *Science* also criticises zoos for concentrating on the larger vertebrate animals. It is a regrettable fact of life that people like to see giraffes and hippopotamuses. I wonder sometimes whether people from this establishment might go there and display themselves! People like to see the large, the ferocious, the outrageous and the really interesting animals. One of the changes facing modern zoos will require that the microscopic world, as opposed to the macroscopic world, be put on display. The microscopic world is just as appealing as vertebrate animals, birds and other species currently seen on display in zoos. It does not take much imagination for anyone in this place to think about some of the wonderful displays of colour and form put on by butterflies, but I also suggest that beetles and many other insects have wonderful colours, shapes and forms that need to be put on display, together with information for visitors. I also believe that snakes and other reptiles, frogs and some of the smaller vertebrate animals are just as exciting and appealing as giraffes, hippopotamuses and kangaroos. The challenge is to find an interactive and interesting way to make this wonderful world of small creatures more accessible and understandable. I do not propose to enter tonight into the question of how this might be done, because very competent people at the South Perth Zoo are better qualified than I am to do that. Another role for zoos should be environmental education, not just about foreign places and ecosystems, but concerning primarily those of Australia and, in particular, Western Australia.

This may not be considered an ideal time to refer to the old-growth forest debate we have been going through for the past two years, but Mike Bamford, who regularly writes for one of Monday's inserts in *The West Australian*, wrote an article during the height of the old-growth forest and Regional Forest Agreement debate, stating that not many scientists were involved in the debate at that time, and asking why this was so. He suggested that the debate at that time, and arguably during the election, was more emotional than scientific. The Zoo, along with other government instrumentalities and agencies, could have helped in the public education process by providing a lot more of the science in that debate. For example, an occasional display or exhibit on forest-related issues could have been held. Valid concerns have been expressed, for example, about the impact of forestry operations on nesting hollows in trees. Very little science was brought out during the debate over the past two years, yet this is a very scientific issue. How old are the trees that have been cut down by foresters? How many of the trees have hollows in them that can be used by birds and animals? How long does it take for a regenerated forest to produce trees of a size sufficient for hollows to develop that are large enough for birds and animals to occupy? That is just one suggested example, and there may have been many more. The Zoo could have entered into that debate in a completely non-emotional and very scientific way to provide greater assistance to the people of Western Australia in understanding a very complex debate. I suggest that, over the next few years, the people involved in running the day-to-day activities of the Zoo should think about becoming more involved in the science of nature conservation, rare animal breeding and so on.

Immediately, three issues come to mind. Most people would agree that salinity is a major threat to the ecosystems of the south west corner of Western Australia, from Geraldton to Esperance. Many pastoral areas of the State also have salinity problems. Many of the people of Perth rarely go into the areas in which salinity is having a devastating impact on agriculture, rural towns and the remaining natural ecosystems. It may be an opportune and desirable time for the Zoo to provide some sort of interactive display to help city people understand what causes salinity, and what sort of solutions can be applied. The second issue is that of fire, and its use as a management tool in our conservation estate areas. Fire has been with us for at least 50 000 years since Aboriginal people moved into Australia, and fire resulting from lightning strikes may have been occurring for hundreds of thousands or millions of years. The management debate revolves around the future role of fire in natural areas. Maybe the South Perth Zoo could start giving that topic some consideration, and perhaps establish several plots of native vegetation, each of only a few square metres, to test different burning regimes. People could then see exactly what fire does to different ecosystems and how different frequencies of fire cause changes over time in the populations of animals, birds and insects. A third possible suggestion is that the South Perth Zoo could run a public education program on the various species of the dieback fungus, *Phytophthora*, that cause root rot in jarrah and other plants. Because plants are dying from a fungus over which there is no known control or eradication mechanism, people do not think it is particularly interesting, and it does not have the

emotional appeal of old-growth forest logging. However, it is at least as great a threat to the ecosystem of the south west of Western Australia as any other impacting activity. Maybe the South Perth Zoo should be involved in that.

The greatest challenge facing the South Perth Zoo is to combat what the authors of the book I referred to earlier call anthropomorphism - the member for Ningaloo should like that word. Anthropomorphism is a word that I have trouble getting my tongue around. It is the concept of attributing human values to animals. Animals are animals; they are not human beings. For the most part, animals have very few human attributes. When people say that an animal looks sad, they are applying a human emotional term to an animal that has no idea of the concept of sadness, happiness or anything else.

Mr Barnett: The member should meet my labrador.

Mr MASTERS: Even members of my own side are guilty of anthropomorphism.

Human naivety exists concerning what happens in the real world of nature - the blood and guts, the fang and the claw; the real world of animal against animal and plant against plant. Genuine and real conflicts exist in nature that require a lot of understanding by human beings. We must know what is important to conserve by way of management actions and the best ways of funding those actions to ensure that we protect areas of nature in perpetuity.

One partial justification of this Bill is to allow the South Perth Zoo to obtain sponsorship from business. It is important that the board of the Zoological Parks Authority develop a set of guidelines to establish what sort of sponsorship it will seek and how money raised can be used, through advertising by the sponsor, to show off sponsors in a good light. I would be concerned if the board were to seek funding from Pangea Resources for a major educational program. The company would be seen by many, if not most, Western Australians as being inappropriate to be a sponsor of any activity at the Zoo. WD and HO Wills (Aust) Ltd is one of Australia's largest cigarette producers and it would be inappropriate to accept money from it, no matter what good uses the money would be put to. I do not propose to make further suggestions about guidelines.

Mr Trenorden: Would not banks come under the list of unconscionable companies?

Mr MASTERS: That is going off at a tangent. I will leave that comment alone. It is an issue that the board of the Zoological Parks Authority will have to tackle early in its existence.

Many different birds and animals have been introduced to the South Perth Zoo and I am concerned that some have escaped and become wild. I have read the second reading debates from last year. The former member for Perth said that the Zoo had changed over the hundred years or so of its existence. She reminded members that in 1972, the then Labor Government introduced the current Act. That Act got rid of acclimatisation committees. During the late 1800s and early 1900s, many acclimatisation societies operated throughout Australia. Their purpose was to introduce birds, animals, flora and fauna from overseas that could be acclimatised to Australia to make Australia more like Mother England. In the eastern States there are - unfortunately - starlings and sparrows. They are not in Western Australia but I understand they were introduced to the eastern States by acclimatisation committees over 100 years ago. Many varieties of deer and hares exist.

Mr McGowan: There are deer in the eastern States?

Mr MASTERS: Yes - wild deer. They were introduced into Western Australia and released about 50 or 60 years ago with the hope that they would acclimatise to the south west forests.

Mr McGowan: The forests have been cut down.

Mr MASTERS: It was before the cutting occurred. There was insufficient food for the deer to survive and they died out. The previous member for Perth quite rightly pointed out that acclimatisation societies no longer exist. I once spoke to a relative of the person who opened the door on the cage that housed the first nine kookaburras introduced to Western Australia from the eastern States. They were released from the South Perth Zoo shortly after the Zoo started operating in 1896. Kookaburras are now found throughout the south west of the State. Members who attend the Leeuwin Estate concert and enjoy hearing the kookaburras laugh at everything as the sun goes down and the musicians are playing, should remember that, in spite of that wonderful experience, kookaburras do a lot of environmental damage in Western Australia. That is primarily because the birds are not native to Western Australia. The birds and animals that would normally control kookaburra numbers and are present in the eastern States are not found in Western Australia. The kookaburra is alien to this part of the world and has bred to densities that are causing environmental harm.

Mr Hyde: Do you want a cull?

Mr MASTERS: It is beyond that.

Mr Hyde: What about rainbow lorikeets?

Mr MASTERS: I will mention them a bit later. The grey squirrel is a species that was once held at the South Perth Zoo. It is now an escapee from the Zoo. It is found in an area of 30 square kilometres in the Perth metropolitan area, centred on the South Perth Zoo. Last year one of the squirrels was found at Lake Forrestdale, some 20 kilometres from

the South Perth Zoo. I have no idea of the environmental impact of this species of squirrel. I do not know whether the squirrels will live outside their urban environment and take up permanent residence in the natural environment. I assure members that if the species moves into bush areas it will do so at the expense of native species. That would be a great shame, as it would change the environment in an undesirable way - which at the moment is controllable and preventable. I hope that the Zoo and other government authorities look at the problem of grey squirrels.

Rainbow lorikeets did not escape from the South Perth Zoo. They escaped from privately owned aviaries in the 1960s. The Department of Conservation and Land Management has estimated that there are between 5 000 and 10 000 rainbow lorikeets in the Perth metropolitan area. They are spreading rapidly. Reports were received last year by Agriculture Western Australia of rainbow lorikeets causing significant damage to stone fruit crops in the horticultural areas of the Perth hills.

In my view, the rainbow lorikeet will be an environmental disaster for the south west of Western Australia. It will almost certainly move throughout the south west of the State, and it will probably force the western rosella into extinction. The western rosella is native to Western Australia. It is almost as pretty as the rainbow lorikeet, but it is a very timid bird that requires good food and breeding resources to survive. I believe that the rainbow lorikeet will push the western rosella out of its natural habitat and it will have nowhere else to go, and over time it will be replaced by the rainbow lorikeet.

The potential for feral birds and animals to escape from the Zoo should be examined. The white ibis is breeding in some of the fig trees close to the Zoo, and that is causing a problem for many local people. I remember reading stories in *The West Australian* and in community newspapers about the ibis doing its business on the cars that were parked underneath those fig trees and about the significant financial damage caused by the acidic and corrosive nature of those small messages.

I have mentioned - I hope politely - some of the concerns about what is happening at the Zoo. I also wish to mention some of the good things that are happening at the Zoo. The most overwhelming and important of these is the breeding program for rare and endangered Australian and international birds and animals. Some time ago, I had the privilege of taking 20 members of the Busselton Naturalists Club to the Zoo to look at its breeding program. It is wonderful that dibblers, numbats, short-necked tortoises and other very rare and endangered species are being bred in quite large numbers and then released back into the wild. That is an excellent program. Many overseas animals, such as gibbons, are also successfully bred at the Zoo, and their progeny is sent to zoos around the world, which in turn send breeding specimens back to the Perth Zoo to increase the genetic diversity of those species. That is an excellent program, and for no other reason than that I hope this Bill will achieve its goals.

I thank the docents - the volunteer staff at the Perth Zoo. I also thank the paid staff at the Zoo, not just for the excellent research work that they carry out but also for all their work in the care and management of the various animals that are either on display or bred for research purposes. I noted in last year's debate in this House that the then shadow spokesperson for the environment, the member for Maylands, raised a concern that if this Bill was passed, the Zoo would be in competition for limited sponsorship and funding dollars. I do not know whether the member for Maylands, in her now elevated role as Minister for the Environment and Heritage, would like to comment on that in her response, but I would be grateful if she would elaborate on any concerns that might eventuate if the Zoo were as successful as we hope it will be.

In the past, a small number of people have been critical of the Zoo's decision to breed endangered species that are not native to Australia and have wanted to know why it does not concentrate solely on Australian animals and birds. I disagree with those people, for a number of reasons. Western Australia has an opportunity to protect and enhance the conservation status of rare and endangered native species. Therefore, it is up to us to do a lot of work with native birds and animals. However, for a number of reasons, we should not work solely with Australian species, because the Perth Zoo has international responsibilities. The first reason is that many developing countries that have significant conservation problems do not have the financial or technical resources to run the costly captive-breeding programs that we run so successfully in Western Australia. The second reason is that, whether we like it or not, some of the international birds and animals that are bred in Australia are regarded by the countries in which they originate as resources that can be exploited. These birds and animals may be used for food or exotic eastern medicine, or as decorations; for example, bird feather decorations. There is a genuine risk that if those birds and animals were successfully bred in captive-breeding programs in their home countries, the species in the wild would be exploited to a greater degree.

The third reason it is important to have a breeding program in Australia is that Australia is free of many of the diseases that are present in the home countries of many of these species, and by breeding international species in a disease-free environment, we can achieve a lot more than would be the case in developing countries. However, the breeding of international species in Australia poses some problems. A few years ago, a young man jumped over the fence of the Zoo and stole a pair of radiated tortoises that I believe originated in Madagascar. Interestingly, I had visited Madagascar only a year or two previously. In the south west of Madagascar, we saw many tortoises that are internationally recognised as rare and endangered, and on a number of occasions we had to brake our vehicle hard so that we would not drive over the tortoises and kill them. When I returned to Australia, I was extremely interested to

discover that they were rare and endangered and were worth stealing because they had an inherent value of approximately \$10 000 a pair. It is also interesting that these same tortoises were a prized food resource for the people of Madagascar. The danger of breeding rare and endangered species in both Western Australia and Australia is the financial value of some of these rare and endangered species.

I issue another challenge to the board of the Perth Zoo. This challenge is sparked by one of last year's second reading speeches, in which a member stated that many people from areas far away from Perth come to the Zoo to receive a great educational and cultural experience. I suggest to the minister that one of the Zoo's other priorities should be to take to rural Western Australia, in an appropriate way, some of the experiences that can be gained from the Zoo. It is a great thrill for country people to travel to Perth to see rare and endangered animals and enjoy all of the things the Zoo has to offer.

I am sure also that many people in rural Western Australia rarely, if ever, come to Perth. That might seem strange to people like us who were on the news tonight because of the restrictions on our overseas travel. I assure members that many people in rural and regional Australia have never been on a plane or have gone overseas. Two days ago, I talked to one of those people at a tree planting exercise in Busselton. When I asked him whether he had ever been overseas, he said that he had been to Rottneest - like the old joke. However, the reality is that many people, including many Aboriginal people, have never been to Perth and, therefore, have never had the opportunity to enjoy the many attributes of the Zoo. I hope that the Zoo, in the appropriate way and by using the right species, will take the Zoo to the people. This would be done not by a permanent tour, but rather by an occasional tour to rural Western Australia. I hope that the new minister and the board of the new Zoological Parks Authority will take on board that idea.

I have not yet been informed about whether the Bill is exactly the same as the Bill that almost went through both Houses of Parliament last year. I have been told by way of anecdote that no changes have been made. However, I am curious to find out whether any small or large changes have been made. It is important that we understand that the Bill will replace the 1972 Act, which is getting close to being 30 years old. The existing Act has serious deficiencies. It does not define the functions and powers of a modern zoo. It also does not legally allow the Zoo to directly access federal government grants. I understand that it is able to access those grants indirectly by going through the Department of Conservation and Land Management or other government instrumentalities or agencies. It makes sense to give the Zoo a direct ability to seek funding from the Federal Government for endangered species breeding programs and so on.

I register my thanks to Brian Easton and Susan Hunt, who gave me a detailed briefing on the Bill last week. I thank the minister for providing me with the opportunity of that briefing. The Opposition will support the Bill, not only because we introduced it last year and it would look strange for us to oppose it, but also because the Bill we introduced got to the start of the second reading stage in the other House but was not passed because the election intervened. The Bill deserves bipartisan support because it is a good Bill. It addresses the modern needs of the South Perth Zoo and it creates many opportunities. We must recognise that and support the Bill on that basis.

However, having offered the Opposition's support for the Bill, I will raise some concerns about which I have spoken with the previous Minister for the Environment. It is appropriate that I now raise those issues so that the minister can, in general terms at least, understand some of those concerns. The first concern - "concern" is probably the wrong word; it is more a series of concerns, questions or explanations - that I have is to decide whether an amendment would be appropriate. Part 1 of the Bill, which includes the interpretation section, states -

"park management officer" means -

- (a) a person designated as such under section 27; or
- (b) a police officer;

I would like to know from the minister whether valid reasons exist for the suggestion that the definition of a park management officer should also include officers from CALM and the State Emergency Service, rangers from the City of South Perth, and other people who are experienced and trained in people control or enforcement. It is clear from part 6 of the Bill that the major role of park management officers is people control. If someone committed an offence or caused a problem, a park manager would be able to take certain action, including moving those people out of the park.

Let us imagine that 10 000 or 15 000 people were at a function at the Zoo - it is not beyond the realms of possibility. The Zoo has held some wonderful functions over the past few years, including evening functions. If something went wrong - for instance, a fire or a hoax bomb threat - I imagine that the half dozen or dozen park management officers who were present at the time would be overwhelmed by the demands made on them to get people out of the park safely. It would make sense to use people in authority, including wildlife officers, national parks rangers from CALM, rangers from the City of South Perth, and SES people; all of whom wear uniforms that can be clearly recognised by the public. By virtue of the authority vested in them, by the uniform more than anything else, and also because they are trained and experienced in people management, those people may be an additional useful tool for the park.

The second issue relates to the interpretation or definition of the term "zoological specimens". The Bill has four definitions of a zoological specimen. Every term mentions animal or any recognised zoological taxon. As members are all aware, nothing in life remains static. One hundred years ago, the role of animals was considered to be animal

orientated and the role of plants was considered to be minor, separate or different. The reality is that today we appreciate that there is an interdependency, and often an interaction, between plants and animals.

I will put a scenario to the Minister for the Environment and Heritage. Let us say a rare and endangered animal is the subject of a breeding program that requires the propagation at the Zoo of a rare and endangered or other species of plant. I am concerned that unless a clear statement is made in the interpretation section of the Bill that zoological specimen also includes any plant or plant-related species upon which that animal is dependent, we may open an administrative or even a legal can of worms - if members will excuse the pun.

I will give members an example. There is a rare and endangered orchid in the south west called *Drakea elastica* - I am sorry that I cannot remember its common name. It is one of a number of orchids that is pollinated through the actions of male wasps, which mistake the orchids for female wasps. I will not go into the gory detail of what happens next, suffice to say that cross-pollination occurs from one orchid plant to another. If there was a breeding program for these wasps, the South Perth Zoo would also have to breed rare and endangered orchids.

I am concerned that the definition of zoological specimen and other clauses of this Act may pose some difficulties for the day-to-day operations of the Zoo if no recognition is given to the importance of plants in some of the interaction and management issues of animals. Section 9 of part 3 of the Bill states that the functions of the Zoological Parks Authority include -

to establish, care for, control and manage zoological parks in which zoological specimens are kept and displayed, and plants cultivated -

However, that is not the emphasis I am trying to place. It continues -

for conservation, research, scientific, educational, cultural or recreational purposes.

My concern is that, in this modern world, more and more of the day-to-day activities of bodies such as the Zoo involve commercial activities, and the word "commercial" is not included in the clause detailing the functions of the authority. As I said, a modern-day captive-breeding program involves the movement of species of rare and endangered animals and birds from one part of the world to another. If the South Perth Zoo were successful in breeding a rare and endangered giraffe or hippopotamus, or even an Australian native animal such as a dibbler or a numbat, and there were no other zoo with which it could exchange animal specimens, what would it do with its excess numbers of these animals? The logical action would be to look for an appropriate commercial way of putting those animals into a good home, either through a Warramong-style sanctuary in South Australia or another zoo that is prepared to pay cash or some other financial consideration for the specimens. I am concerned that the absence of the word "commercial" in the definition of the functions might impose restrictions on the authority. At the consideration in detail stage, I will suggest an amendment to clause 9(1) to make paragraph (g) clearer. Similarly, I will suggest a small technical change to clause 10(2)(a), which is the powers clause. As I am running out of time, I will not go into the details.

Clause 10(2)(m)(iii) reads -

for the commercial exploitation of the knowledge expertise and resources of the Authority and the rights referred to in paragraph (i);

Would such commercial exploitation of the knowledge, expertise and resources - I emphasise resources - in theory allow the Zoo to sell some of its rare and endangered animals or some of its surplus animals to the public as pets, to private collectors, or to places such as Dr John Wamsley's Warramong sanctuary and Martin Copley's private sanctuaries in Western Australia? I understand that under the Convention on International Trade in Endangered Species of Wild Flora and Fauna, commercial exploitation of rare and endangered animals is not possible. Nonetheless, commercial exploitation might be an issue with which the new board must come to grips. I sent the chief executive officer of the South Perth Zoo board an article written by a well-known and well-respected scientist in the eastern States - it may have been Tim Flannery; I am not sure - who in his younger days kept a chuditch as a domestic pet. He raised it from a baby, making sure the animal did not die after its parents had been killed.

Mr Pandal: What year was this?

Mr MASTERS: It was between 15 and 20 years ago. The animal was a chuditch, which is often wrongly called a native cat. This person said that it made the most wonderful pet because it had the best attributes of dogs and cats. It was easily toilet-trained and a great animal to play with.

Dr Edwards: What did it eat?

Mr MASTERS: It was a carnivore, so it required certain specialised food.

Dr Edwards: That is what I thought.

Mr MASTERS: I guess that not too many people would have access to that food, although there could be a boom in white mice breeding activities.

Mr Logan: It would be great for teaching.

Mr MASTERS: It would be great for kids, and would teach them about the reality of the modern world - dog eat dog!

Ms MacTiernan: You lost the election; it is different now.

Mr MASTERS: The commercial issue needs to be discussed.

My next concern is that in three separate places, the Bill refers to the minister giving direction or ordering changes in different documents to be prepared by the Zoological Parks Authority Board. When Parliament is not in session, a transcript of the copy of the direction, plan or whatever else referred to must be lodged with the Clerk of either one or both Houses of Parliament. My concern is that this will mean that the public will not learn about that ministerial direction. We are talking about accountability, and I believe it is very important that if the minister directs the board to do certain things when Parliament is not in session, there is a very public way by which that direction can be promulgated to the broader community. I will move that in three places in this Bill wording be added to require that any ministerial direction made when the Parliament is not in session be published in the *Government Gazette*.

Mr Johnson: That will keep them accountable.

Mr MASTERS: I hope so. I am sure this minister will be totally accountable, so I have no qualms about that.

Ms MacTiernan: I would never say anything nasty about your motorbike.

Mr MASTERS: My motorbike? The minister has the wrong person.

Clause 15(1)(b) states that the minister is entitled to have, make and obtain copies of information in a document. I am concerned that if the minister wished to be antagonistic, he or she could legally obtain the original copies of information from the zoo records and hang on to them for as long as required for what might be political purposes. I have never heard of it happening, and I would not accuse the current Government of doing something like that; nonetheless, that potential exists, and I will suggest a minor change to the wording of that clause.

Clause 17(1)(c) will give the minister the ability to request the board to set operational targets. I am concerned that operational targets can be subjective and not have a great deal of objective meaning for the success of the activities of the board. For example, the Zoo might set a target to encourage 800 000 people through its gates in a year. That would be highly commendable, but a more important operational target would be to determine how much those 800 000 people had learnt as a result of their visit to the Zoo and how many had gone away with some useful educational information. Similarly, clause 21 refers to business and service performance targets. I ask the minister whether she is happy for those targets and other measures to be subjective, or whether they should be objective and state real goals to be achieved.

Part 5 of the Bill relates to staff. Clause 25(3) and (4) refers to remuneration and other terms and conditions of employment. I understand that most staff are employed on enterprise bargaining agreements and only a small number are employed on workplace agreements. For some years, the Zoo's policy has been to encourage people into enterprise bargaining agreements. That is commendable, but I ask the minister whether the Government's proposed abolition of workplace agreements and encouragement of awards and enterprise bargaining agreements will have implications for the Bill.

Clause 29, titled "Enforcement powers of park management officers", is the first reference that I came across to the regulations that will be drawn up once this Bill has been passed by both Houses of Parliament. I am not aware of the minister giving any time limits for the production of those regulations. When will members be given those regulations? Does the minister envisage that they will differ significantly from the regulations that apply under the Act? Any illuminating comment by the minister on that issue would be desirable.

Clause 30, titled "Requirement to leave zoological park", is important because it allows a park management officer to order a person out of the park. Subclause (1)(a) applies if the park management officer finds a person committing an offence. That is in the present tense. My concern is that if a park management officer finds a person who has just committed an offence or is about to commit an offence, the officer would be on shaky legal grounds if he ordered that person out of the park. The officer would have to sit and wait for an offence to be committed before he could order the person out of the park. That provision must be amended and I will move an amendment along those lines. Clause 41 relates to confidentiality. It provides that -

A person who is or has been a member of the board or of a committee or a member of staff must not, . . . disclose . . . any information obtained in the course of duty . . .

I have a question about this because two issues arise. First, the Labor Party went to the people of Western Australia during the election campaign with a promise to introduce whistleblower legislation. I am concerned that clause 41 of the Bill might, at least in the short term, prevent a whistleblower from going public because he would be breaking the law under this clause, for which the penalty is a \$10 000 fine and 12-months imprisonment. This legislation has whistleblower implications. Another issue relates to expert knowledge. For example, if a researcher went to the South Perth Zoo to work on the captive-breeding program or with the animals and picked up knowledge on how to breed or manage animals, what would happen if he then left and joined a private conservation instrumentality or organisation? In theory, from the way I read this clause, he would be breaking the law, because he would be making use of

information obtained in the course of his duties, although he would be using that information while no longer employed by the Zoo.

Schedule 1 relates to the three areas of land that fall under the control of the Zoological Parks Authority. The first two areas are class A reserves that cannot be changed except by an Act of Parliament. The third is described as Perth Suburban Lot 427 and measures 1 012 square metres. I am concerned that because the land is privately owned - presumably it is held in the name of the board - it could be sold without the knowledge of the minister or the Parliament. I ask that the Government give a commitment to turn that area of land into a reserve, so that it will require either parliamentary or ministerial approval before something happens.

Clause 2 of schedule 2 refers to resignation, removal, etc from the board. It indicates that the office of a member will become vacant if he or she becomes bankrupt. I am curious whether a person who has been bankrupt in the past five years could be appointed to the board. What are the controls? I would be concerned if a person who has been, or still is, a declared bankrupt were made a member of the board.

I propose to move 11 or 12 amendments to the Bill. I am not sure whether they have been circulated to the minister. Although I have made some critical comments, the Liberal Party in opposition overwhelmingly supports this Bill and wants to work with the Government to ensure it has a swift passage through this House.

MR PENDAL (South Perth) [8.35 pm]: I support the Bill. I congratulate the Government for bringing it forward early in the new session. In supporting the Bill I make a plea to the Government that in the end, the success and continued status of Perth Zoo ultimately depends not on the legislation that is passed, as important as that is, but on the level of funding that the Government is prepared to commit to what is one of the great cultural and scientific organisations of Western Australia. I will make further comments about that a bit later. In particular, I will make a case for an end to what might be called the economic rationalist approach to the funding of cultural and scientific organisations, of which the Zoo is but one. The Kings Park Board and the astrological services that the State conducts at the Perth Observatory in Bickley are included in this important category. They have international, national and local implications. They give this State an unprecedented opportunity to showcase to the world some of the achievements and intellectual property that has developed out of those organisations.

The Zoo is important to my electorate. Since 1898 it has literally been the heart of the South Perth municipality, in whatever form that has taken. It is currently the heart of the electorate of South Perth and the City of South Perth. There was suspicion in 1982 or 1983 that the South Perth Zoo - it is actually the Perth Zoo but I was pleased to hear the opposition spokesman refer to it as the South Perth Zoo - would be relocated. A South East Asian property group saw the chance to persuade the Western Australian Government to part with the campus at South Perth in return for relocating the Zoo. Part of the bargain was that the important land occupied by the Zoo would be turned over to the private sector for a housing development. I am pleased to say that the Government of the day opposed that. I, as a new member, certainly opposed it. Even then such was the status of the Zoo that the publicity went right throughout South East Asia, probably because of its property value and the implications for redevelopment, rather than its merits as a cultural, scientific and educational organisation. Nonetheless, that is how important it was then, and nothing has changed 18 or so years later. I am pleased about that.

The minister referred to the Zoo's role in the breeding of critically endangered species. The Zoo mentions this program in probably every one of its annual reports, as does the annual state budget. I am pleased that the minister made that reference. The Perth Zoo has established a worldwide reputation. I recall going on an official visit to the San Diego Zoo a few years ago. The understanding and level of awareness in San Diego about the role of the Perth Zoo was very high.

It is difficult to overstate the value of the Zoo as seen internationally.

The Bill is a good one. I do not want to spend a lot of time on its provisions. At one stage I was concerned about clause 6, which sets up the authority. The board of that authority will have eight members. If I have read it correctly, at one level the provision is strong, because it does not seek to apportion who should be represented on the new authority. Some would say that is a strength and others would say it is a weakness. Eight or nine years ago, as opposition spokesman and as the local member, I was concerned that there was always a level of friction between South Perth City Council and the Zoo. A commitment was made in 1992 that a new Government would ensure that at least one place on the board would be set aside for a representative of the South Perth City Council. Subsequently, when the Government changed, we were able to negotiate a position whereby a member of the South Perth City Council was indeed represented on the Zoological Gardens Board in an informal way. Although I was tempted to move an amendment to entrench that position, I have not gone down that path because I can see that the clear intention of clause 6 is not to start apportioning representation, because once that begins we will end up in a less advantageous position than at present. Suffice to say, I hope that the Government will continue, and to the best of my ability I will see that it continues, with the situation where the position of the South Perth City Council is, as it were, protected by way of convention rather than by amendment to clause 6.

I mentioned earlier that funding is the critical issue surrounding everything that the South Perth Zoo carries out. I would be interested to know the answer to this question from the minister. I was not able to examine the figures myself.

In 1993-94 the Zoo provided 37 per cent of its own income, largely as a result of gate takings. In those days I do not think there was as much by way of corporate sponsorship. The 37 per cent that the Zoo made was a substantial amount. It was then topped up out of consolidated revenue to the tune of 63 per cent. I would be interested to know the figures for the year 2001. I think I know the answer, but I am stating my concerns about that for reasons that I hope will become apparent.

Part of my reasons for taking part in this debate is to express to the Government and minister my concerns about where funding is going for the South Perth Zoo. It is one of those important cultural, social and educational institutions, which has a local, national and international reputation. I commented earlier about the future and the role of the economic rationalist approach. I believe that Western Australia has reached the point where we should be saying as a State, and the Government should be saying as a Government, that entities like the Zoo, the Kings Park Board and the Perth Observatory at Bickley should not be reliant on corporate sponsorship and donations. Those things should be the cream on the cake. The State has a responsibility to ensure that there is an adequate cake in the first place.

I want quickly to demonstrate that the essence of that cake in fact has reduced in recent years. For example, in the current budget year the estimated government contribution to the running of the Zoo is something like \$5.3 million. That is exceptional, because in 1999-2000 the figure was something like \$3.7 million; in 1998-99 it was \$3.9 million; in 1997-98 it was \$3.38 million; and in 1996-97 it was roughly \$3.9 million. In the past six to seven years the operation has been "steady as you go" with the Government's contribution from consolidated revenue. The contribution of \$5.3 million in the current financial year represents a massive increase of something like 30 per cent and upsets the "steady as you go" practice of the past six or seven years. I am not entirely sure why it is the case, because it is true to say, if we look at the budget documents, that almost all of the difference of roughly \$1.4 million was made up of what I think is described in the budget documents as an adjustment for cash balances.

In the past couple of years the finances of the Zoo were precariously - I think dangerously - beginning to rely overly on the corporate dollar. I do not know what happened in the year to which I have just referred. I would certainly be interested to hear from the minister why it was exceptional. However, I would be more happy to hear the assurance that the level of consolidated revenue funding that was apparently put in place to overcome those peculiar difficulties will remain in place. It is somewhere upwards of \$5.3 million in current-day terms. If I have read those figures correctly, it would mean that we have seen a quantum leap, albeit only in this financial year of 2000-01.

If members look in the budget documents to do with the Zoological Gardens Board, they will see that the Zoo's real work - I am sure everyone would agree - is conserving biodiversity. The money allocated to that has not risen appreciatively. It was \$3 million in 1998-99, \$3.6 million in 1999-2000 and \$3.5 million in the current financial year. Therefore, it is not as though this 30 per cent increase has occurred because of our increased commitment to conservation and biodiversity. In other words, it seems that that extra \$1.4 million has come in to balance the books. If I am wrong about that, I am happy to be corrected. If I am right about it, as I suspect I am, it proves to me that the Zoo has been undernourished with funding in the past and that we have learnt quite erroneously to rely too heavily on the corporate dollar.

I will quickly mention from where the corporate dollars have come, as well as the dollars from donations, grants and fundraising - this is other than what the Zoo receives at the gate by way of admissions. I think I am right in saying that in 1996-97, something like 17.2 per cent of the Zoo's revenue came from corporate donations, fundraising and grants. It would be interesting to know whether any other government agency, authority or department relies so heavily on donations to keep it going. The figure was 17.2 per cent in 1996-97. In the following year, 1997-98, the figure increased to 18.3 per cent. That was in the period when I was particularly concerned that the Zoo in South Perth was being privatised to an alarming extent, and there was a reliance on the corporate dollar to a point beyond which we should never have agreed. That lessened somewhat in 1998-99. By my calculations, it decreased to 15.9 per cent. In 1999-2000, a little disturbingly, that reliance on the corporate dollar increased to 17 per cent. Again, I ask the rhetorical question: how many other government departments, agencies or authorities can members name which are providing a core government service - which this is - but which rely on corporate donations, almost to the point of one in five of their dollars?

Mr Masters: The Western Shield program is a multimillion-dollar sponsored program for native animal protection.

Mr PENDAL: I acknowledge that, but I do not think it alters my essential concern that if we have one zoo, one program to conserve biodiversity and one organisation that is devoted to cooperating internationally on endangered species, it indicates that we do not value those things when we say that it is good enough to rely to a larger extent than ever before on corporate fundraising, donations and grants. It should be seen primarily as a government commitment that we are leaders in the world, that we are proud to be leaders in the world scene, and that by our budget consolidated fund contribution we intend to remain leaders in the world scene. By all means, we should encourage those contributions from the corporate world, from bequests, from fundraising and from other sources. However, they should be the icing on the cake, rather than the growing sense of reliance on them.

The Zoo's best result out of the Government in the past few years has been in the current budget - the one handed down just on a year ago - when it received an allocation of \$5.3 million. For whatever reason that was a significant increase

on the year before, my point is that it was modest, in essence, when one considers what Governments are prepared to do, for example, to attract a convention centre to this State. When we need to find \$100 million, which is not an insubstantial amount in our state budget, for a state convention centre or an exhibition centre, it seems that our values are out of balance. I am not saying that that convention centre is not worthwhile. However, I have queried it in this House for some years, particularly when the proposal came from a Government that was privatising other things and yet was in effect helping to nationalise by way of a major contribution to a convention centre. Without arguing the merits or demerits of that \$100 million contribution, I simply make the observation that it is inconsistent in a day and age of economic rationalism in which government spending is restricted and the marketplace should prevail. We did not let the marketplace prevail when it came to the convention centre. When we needed to find the \$100 million, it was simple. When we need to find \$3 million, \$4 million or \$5 million for the Zoo, it becomes a great difficulty. I simply ask that the Government take that on board. It is now in the process of making a commitment to a convention centre. In one gulp, we will be looking at a one-off government contribution that effectively equals 20 years' allocations to something like the South Perth Zoo. The Government of the day will have to come to grips with this. I make a plea that the new minister take into account the fact that we have but one zoo and that it is something of which we should be eminently proud. By the same token, we must put our money where our mouth is, and so far that has not occurred.

In most respects I endorse the remarks of the lead speaker for the Opposition, who has given a thorough exposition of the value and the place of the South Perth Zoo. The Zoo is the heart of South Perth, the area I represent. It is only a couple of hundred metres from my home. It is an important institution to not only the State but also the people locally. If I have one complaint - I have taken it up with the Zoo authorities - it is the inconsistency of having a magnificent facility such as the Zoo and yet exposing those poor animals in it to some of the noise of the twilight concerts that are held on the Zoo grounds in the summer months.

Mr Board interjected.

Mr PENDAL: It sounds like the member for Murdoch went to some of them. Most of those concerts have been superb. However, I will never know how the animals put up with the noise of the heavy metal stuff, because the local residents found it difficult. I am not complaining on behalf of the residents; I say that on behalf of the animals, because I am yet to be convinced that it is good for their mental health, if they have such a thing, or for their emotional health.

Mr Masters interjected.

Mr PENDAL: I am not sure whether I should plead guilty or innocent to that charge of being what the member for Vasse said I was being. However, I do not want to make the point flippantly. In an organisation of that status in, and value to, the Western Australian community, it seems to me to be somewhat inconsistent that the animals should be exposed to some of those sounds and noises. However, I am prepared to accept that people with better qualifications than I have do not seem to worry about it too much. I guess it is also indicative of how my community views the Zoo when that is the only concern I can raise about the way in which the animals and the birds are cared for in what is a very important cultural and scientific organisation for Western Australia. I ask that the minister take seriously the remarks I have made about the funding situation. We must end this nonsense that says that any amount of money can be found for convention centres, but it is a ceaseless struggle to find a few measly million dollars to keep going an organisation that is such an international showcase for Western Australia. On that basis, I support the Bill.

MS RADISICH (Swan Hills) [9.00 pm]: The current legislation pertaining to the South Perth Zoo is 29 years old, which is older than I am. I understand that the new legislation has been on the drawing board for a number of years, and it is important that we take this opportunity to update the legislation, in particular to include some of the recent accountability provisions, such as those under the Financial Administration and Audit Act 1985, the Freedom of Information Act 1992 and the Public Sector Management Act 1994. All of this recent legislation is not workable under the legislation presently covering the Zoo. The Bill before the House has been completely rewritten, and does not simply amend the current legislation. This has been a big task, which has been completed with the requisite skill and diligence. This modernisation process which the legislation has undergone provides a range of practical solutions in terms of the working of the Zoo. One aspect is funding. In the past, when the Zoo has needed a commonwealth grant, it has had to make application through the Department of Conservation and Land Management, which seems quite ridiculous. It is important that this legislation is taken seriously, and it is good to see that it has support from both sides of this House, because it covers all the aspects of the management and control of the zoological park. The legislation also gives the appropriate authority to the staff and the administration of the Zoo to make sure they do their jobs properly, leading to the best outcomes for the animals housed at the Zoo, and to all the visitors.

The Zoo is special in Western Australia. It is the only department or statutory authority whose chief executive officer lives on site. The Zoo that we know today is different from the Zoo that I knew as a child. The four main aspects of the Zoo - its educational component, research initiatives, commercial functions and conservation activities - make it somewhat different from the Zoo of the past. The public is satisfied with the operation and the presentation of the South Perth Zoo, and with everything it has to offer. Between 550 000 and 600 000 people visit each year, and this figure has been steady for the past four or five years. A significant proportion of those people are repeat visitors, which indicates that the Zoo is dynamic, and is always providing something different, and people want to come back for more. About 85 per cent of the visitors are Western Australian residents, which is a little different from the situation in other

zoos around the country. At the Taronga and Melbourne zoos, for example, the proportion of international and interstate visitors is significantly higher. This fact makes the gate revenue of those zoos more vulnerable to tourism cycles. At least the income that is generated at the gates at the Perth Zoo is more stable. About 10 per cent of all the visitors attend on school excursions, which is something many of us here enjoyed when we were younger. The Zoo has teachers who can assist school groups and guide them through educational and fun activities, and a range of information sheets is also provided, on conservation, energy and endangered species. It is a great educational experience for young people.

It is also important to note the tax deductible status of the Zoo. Many people contribute to the finances of the Zoo regularly, and rewarding, or at least recognising, them through the taxation system is a positive aspect. Many people, through membership contributions and donations, are able to take advantage of this tax deductibility, which also benefits the Zoo. A range of events is also undertaken by the Zoo, as the member for South Perth just noted. The Saturday twilight concerts are great fun and regularly fill the Zoo to its capacity of 5 000 people. Carols by Candlelight is also very well attended. One event that is worth noting is Happy Zoo Year, a great event full of family fun. It is good for the kids, because they can come along and enjoy New Year just as the adult population would, but it happens at 9.00 pm, so they can go to bed, and the adults can go out and celebrate New Year at midnight. That is a great initiative by the Zoo, to allow children to experience New Year, and families to celebrate it together without imposing on sleep times. The jazz on Sunday afternoons in April is always well attended and enjoyed by all, as is the night zoo, which occurs in January. At that time, the Zoo is open for 31 days from 9.00 am until 9.00 pm, which is a huge commitment from all of the Zoo staff and administrators, and from the animals as well. It may put the animals under a little stress, but knowing those animals, I suggest they quite like the attention.

On my recent visit to the Zoo I was fortunate enough to meet the baby white-cheeked gibbon, Meili, who was rejected by her mother, not an uncommon phenomenon in the animal world. Meili is being looked after by Rosemary, who is treating the gibbon like a baby - she is wearing a nappy in the enclosure, and misbehaving like any human child, being fed on infant formula. Hopefully, Meili will be reintegrated with the rest of the gibbon family in due course, and so will make the acquaintance of her parents on a friendship basis, rather than as a parent and child.

Mr Pental: I understand she rejected the new minister when she went out there recently, and now both have been sent for counselling.

Ms RADISICH: I heard that rumour. I was too scared to pat her in case I got scratched or something, but I am just a wimp. The mothering that Meili has been given is a little bit different from the mothering that one of the Cambodian sun bears at the Zoo had when it was rejected by its mother in Cambodia. A somewhat less orthodox method of mothering was undertaken at that time. As a means of saving the bear from being captured, shot, having its paws cut off, or having its bile sold as an aphrodisiac - which are some of the things that happen to Cambodian sun bears - a villager breastfed the baby bear, and now that bear is in the Zoo. That is something that perhaps many people have not heard about, and I thought it worth mentioning, in relation to the kinds of animals the Zoo takes on board. The member for South Perth can correct me if I am wrong, but I believe one of his constituents, Mary Hutton, is an advocate for the Cambodian sun bears. I believe she does an excellent job in trying to save them.

Further to my recent visit to the Zoo, I was reacquainted with an old friend, Trisha the elephant. My first visit to the Zoo was 20 years ago and I remember Trisha being housed in a terrible concrete compound with her leg chained to a pole. It was a disappointing and sad sight for a young person. The important thing is that it is no longer the case. Young people who visit the Zoo and see Trisha see her in a very different environment. The elephants have been placed in a much more friendly area and they have equipment on which to play. The environment is much more akin to their natural one. The elephants have their own bathing pool in which they have a lot of fun. Trisha has a few companions; one male and two females. The male is currently going through puberty and is proving to be somewhat difficult and has to be segregated - he is a bit like my brother in that respect.

Every morning, before visitors arrive at the Zoo, Trisha is walked around so she can get familiar with the different areas of the Zoo. It is part of the Zoo's long-term strategy to allow the elephants to walk freely around the Zoo. When it happens on a permanent basis it will be a great achievement for the elephant trainers and the Zoo. It will provide a great attraction for repeat visitors and the guests of the Zoo who come from around the world.

The Zoo engages in conservation and rehabilitation. It has an extinct species program. The initiatives taken with respect to the western swamp tortoise are of particular interest to me. The native home of the western swamp tortoise is in my electorate of Swan Hills. It is important to me that the Zoo is providing an important biological rehabilitation process for the tortoises. It was thought for many years that the tortoises were extinct. In 1953, a young boy crossed a road in Upper Swan and found a tortoise. He took it to a WA Naturalists Club wildlife show in Midland. The tortoise was discovered to be a rare reptile that everyone thought was extinct. The Zoo has since engaged in a very successful breeding program. Western swamp tortoises are now released back into the Ellen Brook. It is a monitored process but faces problems caused by foxes and cats, which prey on the tortoises. Many of the tortoises are surviving and they are back in their proper place, which is the Ellen Brook. The tortoises can be played with on the banks by children at Upper Swan and Bullsbrook. It is good to see that what was once considered to be an extinct reptile has found its way back into the State's water system. It is a fantastic effort by the Zoo over a number of years. It is still a successful program.

The member for Vasse referred to the Docent Association. I will expand on his comments. This year is the International Year of the Volunteer and I must mention the important work done by volunteers at the Perth Zoo. The Docent Association has about 350 volunteers. They provide many hours of their time and staff the information centre seven days a week. They conduct golf cart tours and walking tours of the Zoo. They are an ever present and extremely vital part of the Zoo's operation. They supplement and complement the Zoo's paid staff. Many members of the association are retired but there are a number of volunteers who are engaged in full-time employment, and who nonetheless donate their time to the Zoo on weekends. It is extremely commendable given all the pressures on people who work full-time. The association is not one to which people simply pay a membership fee and then start participating. Volunteers need to be dedicated and committed and they have to complete a 10-week training program - they must attend 10 Saturdays in a row. They must also pass a selection panel. The association requires people who are committed to the Zoo's animals and to providing educational and recreational services. I thank the Docent Association for its efforts in promoting the Zoo.

During my recent visit to the Zoo, I was reminded of another Australian phenomenon of captivity: the television program *Big Brother*. The similarities between the residents of the Zoo and the young people who have chosen to be captive as seen on our television screens is quite uncanny. Members would be aware that mandrills are monkeys that have red bums. They wave them in the faces of onlookers. The movement struck me as being somewhat similar to Sara-Marie's bum dance, seen frequently on *Big Brother*.

The Zoo runs regular campaigns to save endangered species, such as the recent orang-outang campaign. It is important to support such campaigns. It is also important to support another famous national creature native to Western Australia, the endangered Sara-Marie. I digress.

I am sure that in due course the minister will mention that the Zoo is a recipient of a number of awards, particularly since 1998. It is an extensive list. This year the Zoo will host the world zoo conference. It is another feather in the cap of the Perth Zoo. It is an invitation-only international event. About 300 chief executive officers from zoos around the world will attend, particularly from America, Europe and South Africa. I am sure they will admire the quality of the exhibits and appreciate the professionalism of the Perth Zoo. It is a great achievement as this is the first time that the world zoo conference has been held in Australasia.

It is important that all members of the House support the Bill. The Zoo has ever-increasing running costs and the new legislation will ensure that a modern approach is taken that will keep up-to-date with the Zoo's needs and allow the Zoo to evolve. I commend the Bill to the House.

MR HYDE (Perth) [9.17 pm]: I also commend the Bill to the House. It is to the credit of the minister that she has the Bill before the House. The Zoological Gardens Act was introduced in 1972 and a change has been long overdue.

It is important that we deal with the Zoo in a way that is suitable for the twenty-first century. We are dealing with the Zoo in a modern way. I commend the minister and the previous Government. I will not push for any amendments and I hope the minister will keep them to a minimum. The Bill is titled the Zoological Parks Authority Bill 2001. The word "park" is in the plural. This provides the hope that a Government - either the current one or a future one - will take up the suggestion of the member for Avon and establish part of the Zoo in Northam. It could be a safari park. There is a possibility that parts of the Zoo could be spread throughout Western Australia - the largest State in the world in geographical area.

It is a credit to the Zoo that in its 102 years of operation there has not been one day, not even Good Friday or Christmas Day, on which the gates have been closed. There is a great community need for the Zoo. We all talk about animals and the importance of conservation but we can also look at the civilising affect that a zoo has on humans and of its being a place that families - and I use that word in the broadest context - and individuals can socialise and interact with each other, and perhaps show their softer side. About 550 000 people go through the gates per annum, which I understand is the highest per capita attendance of any mainland zoo. More importantly, the people visiting our Zoo are from a wide range of socioeconomic groups.

We have talked about the noise or the music in the Zoo. I am a great supporter of value adding to its attraction by having activities at the Zoo. It is very important in this Bill that we look to the future and consider various ways of improving not only the way the Zoo operates but also its bottom line. I remember very vividly, when I lived in the United States and visited places such as Houston, that the zoo there was free. One just walked into the zoo and did not pay a brass razoo because private benefactors and the business community took on its responsibilities in a modern capitalist society. Unfortunately, that part of economic rationalism did not come across the Pacific or the Atlantic. We got all of the nasties without some of the benevolent goodies that capitalism is supposed to bestow.

Mr Masters: I think you're being a bit mean; there is a fair bit of corporate sponsorship.

Mr HYDE: There is - it is 17 per cent - but it is nowhere near the level provided in American cities. They are so inundated with money and donations that they do not charge entrance fees. They are also doing research and other activities at a great level. That lack of sponsorship is a problem with the arts and everything else in Australian society.

Mr Masters: We need to start somewhere.

Mr HYDE: Yes, we do.

In referring to that I would like to hark back to 1934 when the Grenadier Guards band, which was renowned throughout the world, came to Western Australia. They performed a double act with various royals on tours to the Antipodes and to other parts on the atlas that were marked in red. Invariably, when the Grenadier Guards band was playing, the Duke of Gloucester or somebody else would be upstaged. I am thankful to Ivan King, who is the historian and archivist at His Majesty's museum - downstairs at His Maj where Ivan does his great work - and who has provided me with excerpts from the memoirs of Claude Kingston entitled, *It Don't Seem A Day Too Much*. In his memoirs he talks about bringing the Grenadier Guards to Western Australia in 1934. He did give our State some credit because in no WA or New Zealand city could any counter-attraction compete with the band - not even the royal personage of the Duke of Gloucester. The Duke became quite peeved when he was giving a speech at the Town Hall and the band was doing a warm up down in the Supreme Court Gardens. The Premier and others who were supposed to be at the speech had suddenly apologised and were down watching the band. Suddenly, Mr Kingston had the great idea of value adding, so he had a meeting with the then WA Chief Secretary, L.E. Shapcott, and asked him how many people were at the Zoo the previous Sunday. The reply was that there had been about 400. Mr Kingston asked, "What would you think if I told you I could draw thousands into the Zoo next Sunday?" "I'd think it would be a miracle" replied L.E. Shapcott who was then asked, "Would you be satisfied with, say, 2,000 or 3,000 sixpences?" Mr Shapcott, a direct and practical man said, "Try me!" He then agreed to let the band play at the Perth Zoo the next Sunday afternoon. They charged two shillings admission, of which the Government received sixpence and "The Firm" one shilling and sixpence. I note from the brochure printed at the time that they were especially low prices and no tax was charged. Unfortunately today, under the current federal Government, the goods and services tax is added to zoo admissions. It would probably be a big feather in the cap of our Minister for the Environment and Heritage if somehow she were able to use her influence and GST was removed from the price of admission to the Zoo. Perhaps that is a pipedream: it would be a brilliant minister who could achieve that.

The Zoo, which is separated from the main city by the Swan River, needed ferries and other encumbrances to get people across to it. The memoirs state -

we had ferryboats running from eight o'clock on the Sunday morning. It was a mellow Spring day and people came from everywhere. The ferries chugged back and forth without stopping until three in the afternoon when the concert began, and by that time the crowd numbered 20,000. Both scene and music were magnificent.

Anybody who is in the entertainment industry will realise that when 9 o'clock came, everybody wanted to go home at the same time and there were some very disappointed people. The ferries carried their passengers back across the river after midnight on that night.

My thanks to Ivan King for that information, which is part of our heritage. As other speakers have said, for 102 years the Zoo has been a very important part of our heritage.

I was talking earlier this evening to Peter Yu about when I was at Broome and how we had the McAlpine dream and the wonderful zoo that was established at Cable Beach. At that time I tried to get a performance in one of the bird aviaries at the zoo; however, unfortunately the idea was knocked on the head.

Mr Board: What were you going to do?

Mr HYDE: We were going to do *Travelling North*, which is set in northern Australia.

Mr Board: And a peacock rendition?

Mr HYDE: Yes, that too.

That sort of activity and the concept of a private zoo, as we all know, well and truly went bust and today it has been turned into housing. We can see what could have happened to the South Perth Zoo if the economic rationalists had been able to get rid of the Zoo or relocate it.

At this point I thank Brian Easton, Susan Hunt, Peter Mountford and the minister for providing me with a briefing to enable me to bone up on some of the background of the Zoo and importantly, what is in this Bill. It is a very modern Bill and that is important. I support the member for South Perth regarding apportioning representation on the board because the former Mayor of South Perth was put on the board, and then her council was abolished. Therefore, if board representation is established in an apportionate way, a major problem could arise. It is much better that we rely on convention to fill those positions and, hopefully, the right people in South Perth will eventually return to the board.

The member for Vasse also mentioned the definitions in the legislation, and referred to the inclusion of plants under the term "fungi". Last weekend I attended a major fungi conference at Denmark. It is incredible that people talk about how it is the end of the world if we no longer chop down forests, yet the Denmark economy boomed for nine days with this incredible fungi conference. People from all over the world came to Denmark and spent their dollars, went to hotels, ate, partied, and bought souvenirs because they were there to discuss fungi.

Ms MacTiernan: Were there fungi omelettes? No wonder they had lots of people there!

Mr HYDE: Well, I have the Department of Conservation and Land Management's book here that refers to native bread, which is one of our own fungi. It appears - probably in the member for Armadale's electorate - one hour after a bush fire. CALM of course warns that as they are protected flora, one cannot take them, eat them, smoke or imbibe them.

To return to the fungi conference in Denmark and how it added to the community: an idea was advanced that while the Zoo could remain in the capital city, it could establish outposts in places like Denmark, Broome, and elsewhere throughout regional WA, that could become specialists in certain areas. The mushrooms down in Denmark are amazing. On Sunday morning, we went for a walk 100 metres from a place in Denmark and within 20 metres we had seen 25 different species of fungi. We are used to looking up at the birds and the trees in forests; however, it is amazing what can be found by looking down at the floor.

I am not keen to see the definition of the Zoo's core aim being widened to include plants. Although I am appreciative of the piggyback relationship between some plants and animals, I do not believe that this Bill is the proper place to widen that definition. The site of the Perth Zoo comprises some 17 hectares, and we must acknowledge that it is an artificial environment. Migratory species have been placed in an artificial environment. We do not impinge on the psychological, emotional or spiritual development of the animals by playing music, holding concerts or value adding events that improve the business acumen and development of the Zoo.

The member for Swan Hills also alluded to the humans domiciled at the Zoo, including the chief executive officer. I am told that four houses are located on the property of the Zoo - there could be some value adding opportunities there. However, that is not to be the main purpose of those houses. Obviously, they are used to house people who come from interstate and overseas for research purposes. We make light of the important research that is conducted there; however, the focus groups and qualitative research that is undertaken by the Zoo in Western Australia is important.

A major benefit reported by people who go to the Zoo is that they have an increased awareness of conservation values. The Zoo achieves a cross-cultural, cross-community benefit to the community. All members are pro zoo. It is our job to make sure that the Treasurer also is pro zoo. I applaud the minister for including a number of clauses in this Bill that can be brought to fruition only with the approval of the Treasurer. By getting the Treasurer to sign on the bottom line we might get him to take a big interest in the Zoo and perhaps open the purse strings a little bit.

Some of the mechanical changes in the Bill have been well thought out. Those of us who are new members realise that this Bill went through several stages last year and several speakers debated it. It is important that the Bill receive bipartisan support. I do not wish to take up too much more time, particularly now that the member for Avon is back because I know he wants to say some things; I have spoken kindly and strongly about his conservation values. I urge all members of the House to support this Bill.

MR BOARD (Murdoch) [9.33 pm]: This debate gives us an opportunity to put a number of issues on the record. It is important that we recognise that the Bill tidies up some of the practices in which the Zoo has been involved over a number of years. The Bill also paves the way for the future continued development of the Zoo.

Over 102 years, the Zoo has not missed a day of operation; that is an outstanding achievement. Few organisations in the world could make that claim. During two world wars and the Great Depression, through all the challenges that faced its continued operations, the Zoo has been open to the community. That says something about the Zoo's management and its place in our society and the history of our State.

We must pay tribute to those who have managed the Zoo over a long period - in particular, to Brian Easton, who is in the House tonight. He and his staff have made an outstanding contribution to the community. I also thank Ricky Burgess, whom I know personally through other organisations. The commitment, dedication, vision and lateral thinking that has resulted from their management has made the Zoo one of the leading icons in Western Australia and, indeed, Australia.

Some 550 000 people visit the Zoo each year; that is just under half the population of Perth in real terms. Its recurrent expenditure is \$10 million; that is an extraordinary outcome for any organisation. I say to the Minister for the Environment and Heritage tonight that the Zoo cannot be surpassed for providing education, research and tourism - and value for money. It lifts our reputation with international visitors, and it undertakes exchange and research programs that assist other zoos not only in this country but also around the world.

It is important that we maintain the Zoo. The Zoo has become lateral in its fund raising through its appeals to the community, the concerts it holds with the Western Australian Symphony Orchestra and other pop groups, and the way in which it has sold everything from zoo poo to anything else it can get its hands on. In recognising that, it is important that we do not underestimate the Government's contribution and the need to maintain increased public sector funding. The lateral work and the energy of the staff at the Zoo, including the volunteers, to get the support of the private sector and the community generally to raise money for capital works and recurrent expenditure, should not replace the fundamental responsibility of government. It is important that the work of those people add to the value of the Zoo but not replace what should be an increased government commitment to the Zoo.

I would hate to think that all of those people's work and energy is only a substitute for what should be an increased recurrent expenditure to improve our Zoo. I say that to the minister, not with any detriment. However, it is a challenge

for Governments when things operate well to leave them alone. We should reward those organisations that achieve great returns and encourage them to continue their great expertise and professionalism.

The Zoo plays a number of roles, and I will not repeat all of the things members have said tonight because I would only reiterate the obvious. In metropolitan Perth and around the bulk of Western Australia, not too many of our young people have missed the opportunity at some stage during their schooling to visit the Perth Zoo. Unlike the member for South Perth - or Dr Doolittle - who wanted to speak on behalf of the animals this evening, I will not do that. Too many young people have not experienced and, therefore, valued a visit to the Zoo as part of their overall intrinsic education. It is something that is important for their social interaction. I am sure most families feel that a visit to the Zoo is a valued family-bonding experience. The Zoo has a value far beyond research and tourism; it is intrinsic to the bonding of our community. We must value it extremely highly and protect it at all costs. I take my hat off to those people who have protected the Zoo against great challenges. Some people have proposed that the Zoo be moved to outer regions where there would be more open space, but that would be detrimental to visitor numbers. The way in which a zoo with such a high profile has been managed in its tight location has been visionary in the development of our city, as have the decisions made regarding Kings Park.

The Opposition will move some amendments, but they will strengthen what the Government wants to do and will improve the outcomes of the Bill. We value and support the Zoo. We take our hats off to those who contribute: those of a professional nature, those who give time and energy in a voluntary capacity, those in the private sector who make contributions, families that support animals, young people who make collections and support the activities of the Zoo in so many ways, and our community generally, which treats the Zoo as an icon. I take the opportunity to thank all those involved, particularly Brian Easton, who is here tonight. I wish the Zoo more strength to its arm.

MR TRENORDEN (Avon - Leader of the National Party) [9.41 pm]: The Zoo is one of my favourite places. As a reasonably new grandfather, I took my grand-daughter to the Zoo. I have an infrequent association with the Zoo; however, for a number of years not a year has gone by in which I have not visited the Zoo. I go for not only the animals, but also the gardens. I like the way the gardens have been set up and, in many ways, I appreciate them more than I do the animals.

It has impressed me over the past five or six years that the Zoo has moved away from the tight hands of government towards management by a few people with open minds. The Zoo has improved out of sight in that time. Therefore, the National Party does not have any queries about the administration of the Zoo. The legislation requires a few mechanical changes, which the National Party will support.

DR EDWARDS (Maylands - Minister for the Environment and Heritage) [9.43 pm]: I thank all the people who have participated tonight, particularly the member for Vasse, who obviously did a lot of homework and attended many briefings. He made many constructive comments, and the Government will accept a number of his amendments.

I briefly walk through what people have said, starting with the member for Murdoch. It is fair to say that of all the entities in government, the Zoo enjoys a remarkable amount of support from members of Parliament and that has been exemplified tonight. Picking up on the comments of the member for Avon, people can have confidence in the way in which the Zoo is administered because the board comprises good people delivering a very good outcome for the State. That came through in members' comments. Like other people, I thank both the staff and the volunteers who make everyone's experience at the Zoo so meaningful.

The member for South Perth asked about the level of funding, which is an issue I am getting to know intimately. It is something about which I am arguing long and hard. The Zoo must be funded appropriately. He also commented on the representation of the City of South Perth in the Zoological Parks Authority. I am sympathetic to his call that the convention continue. I believe, as he said, that there should be apportionment of people from different areas, and I am happy to continue that convention. As soon as councillors are elected to the City of South Perth, I will reinstate that now-vacant position.

The member for Swan Hills is the only member who can say she is younger than the Zoological Gardens Act, and I envy that. It is interesting that in her lifetime, she has noticed significant changes to the Zoo. That is a compliment to the board and the ways in which it has managed the Zoo. I was not sure about her references to *Big Brother*; I have not watched that television program, nor do I have any desire to watch it, so I will leave those.

Mr Board: It is a zoo.

Dr EDWARDS: Yes; I got that impression.

The member for Perth mentioned that the Zoo is 102 years old, but has been open every day since then, and that a wide range of socioeconomic groups access it. I will not take up his suggestion that entry be free, but he can be reassured that we are working to see what we can do about the imposition of the goods and services tax on entry fees.

I move to some of the member for Vasse's comments and answer some of his questions. I recently took my husband to the Zoo, and he did not notice the animals, but kept staring at the palms -

Mr Trenorden: Did you take him home again?

Dr EDWARDS: I will tell him that. I did a swap!

My husband looked only at the palms. He obviously shares the same passion as the member for Vasse. The Government will consider the member's amendment regarding vegetation. He made some good comments about environmental education. I am not sure whether he has seen the energy-efficient house in the grounds of the Zoo.

Mr Masters: No.

Dr EDWARDS: It is a very good example. The house is built to proper energy-efficiency standards and is incredibly interactive. People can press various buttons and computer screens. It is a combination of energy-efficiency technology and education through interaction.

I was fascinated to learn about anthropomorphic behaviour, and I took note that the member for South Perth then proceeded to demonstrate it. However, I must say that my dog looks sad at times, so I think the member might be wrong.

Mr Masters: You think he looks sad at times.

Dr EDWARDS: The Zoo will follow the State's supply sponsorship guidelines, including the purchasing provisions contained within those. The board is mindful of the member's comments, and we will have further discussions about that issue.

This Bill is virtually unchanged from the previous Bill, except that the drafting people have made a number of small amendments because other Acts have changed since the other Bill was introduced.

With respect to park management officers, clause 27 will enable the Zoo to call on other people, if needed, in the categories suggested by the member. We had some discussions at the back, and the board at this stage does not see the need to go any further than that. I accept the member's point about the interdependency of plants and animals and I will accept his amendment to that provision.

The Bill generally reflects the standard practice for operational targets. The targets are essentially performance indicators, and many of those are measured in visitor surveys. Visitors are asked how they feel about going to the Zoo, and that is an incredibly powerful feedback mechanism.

We will work on the regulations once the legislation is proclaimed. That is expected to take about three months. The regulations will not differ much in spirit from the current regulations, but they need some modernising. With respect to the member's comments on schedule 1 and the Perth suburban lot, the Zoo staff informed me that the Zoo has no power over this land but they will get their officers to investigate the situation to see whether it is possible to make it a reserve. I will provide the member with more information.

The member also commented on bankrupt people on the board. That is a bit of a chicken-and-egg situation. Essentially, the provisions are common to all legislation. Obviously, it is not desirable to have people like that on the board, and if they get into that situation, we will move them on.

I thank all the members who participated in the debate and commend the Bill to the House.

Question put and passed.

Bill read a second time.

House adjourned at 9.51 pm

QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

PARLIAMENTARY SECRETARIES, RESOURCES

12. Hon C L Edwardes to the Premier

What resources (physical and human) have been allocated to each of the Parliamentary Secretaries appointed?

Dr GALLOP replied:

Mark McGowan MLA, Member for Rockingham, Parliamentary Secretary to the Premier; Minister for Public Sector Management; Federal Affairs; Science; Citizenship and Multicultural Interests

Equipped office space and use of staff and facilities in the Premier's Office

Vehicle

Mobile Phone

Parking

Business Cards

Fax machine

Credit Card

Francis Logan MLA, Member for Cockburn, Parliamentary Secretary to the Minister for Agriculture; Forestry and Fisheries; the Midwest; Wheatbelt and Great Southern and Minister for the Environment and Heritage; Water Resources

Use of staff and facilities in the Ministers' Offices

Vehicle – shared costs

Recoup of mobile phone calls – shared costs

Business cards – shared costs

Credit Card (Minister for Agriculture)

Norm Marlborough MLA, Member for Peel, Parliamentary Secretary to the Minister for Labour Relations; Consumer Affairs; Employment and Training

Use of staff and facilities in the Minister's Office

Vehicle

Recoup of mobile phone calls

Business cards

Fax machine

Parking

Hon Ken Travers MLC, Member for North Metropolitan Region, Parliamentary Secretary to the Minister for State Development; Tourism; Small Business; Goldfields-Esperance

Use of staff and facilities in the Minister's Office

Vehicle

Recoup of mobile phone calls

Business cards

Parking

Hon Graham Giffard MLC, Member for South Metropolitan Region,

Parliamentary Secretary to the Minister for Planning and Infrastructure and Minister for Education; Sport and Recreation; Indigenous Affairs

Use of staff and facilities in the Ministers' Offices

Vehicle – shared costs

Recoup of mobile phone calls – shared costs

Business cards – shared costs

Parking – shared costs

Hon Ljiljanna Ravlich MLC, Member for East Metropolitan Region, Parliamentary Secretary to the Minister for Community Development; Women's Interests; Seniors and Youth; Disability Services; Culture and the Arts and Minister for Health

Use of staff and facilities in the Ministers' Offices

Vehicle – shared costs

Recoup of mobile phone calls – shared costs

Parking – shared costs

Fax machine (Minister for Health)

TAX REFORM, BANKING TAXES

117. Hon P G Pandal to the Premier

- (1) Is it correct that when the Federal Government announced its tax reform package it was promised that with the implementation of the Goods and Services Tax, and the resultant income to the States, that banking taxes, the Financial Institutions Duty (FID) and the Bank Account Debits (BAD), would be abolished?
- (2) If yes, did the Western Australian Government ever give its agreement to such abolition?
- (3) If so, why are these banking taxes still operating?
- (4) Will the Premier give assurance that under his Government, these taxes will be withdrawn?
- (5) If not, why not?

Dr GALLOP replied:

- (1)-(3) Under the Commonwealth Government's original tax reform proposals, Financial Institutions Duty (FID) and Debits Tax were to be abolished from 1 January 2001. However, following the Commonwealth's subsequent agreement with the Australian Democrats to exclude most food from the GST base, it was agreed to delay abolition of FID until 1 July 2001, and to abolish Debits Tax by 1 July 2005 (subject to review by the Ministerial Council of Commonwealth, State and Territory Treasurers).

The previous State Government was a signatory to the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations, which provides for the abolition of FID from 1 July 2001 and the abolition of Debits Tax by 1 July 2005.

- (4)-(5) This Government will proceed with abolishing FID from 1 July 2001 (legislation giving effect to this has already been passed). We also plan to abolish Debits Tax by the agreed date of 1 July 2005, subject to the GST raising sufficient revenue for the States.

POWER STATIONS, STATISTICS

137. Mr Masters to the Minister for Energy

For each electricity generating station which supplies electricity to any of Western Power's grids or other distribution systems, will the Minister list -

- (a) the average cost per unit of electricity produced by each power station;
- (b) the fuel type or mixture used by each station;
- (c) the amount of greenhouse emissions produced by each station; and
- (d) the name and location of each station?

Mr RIPPER replied:

- (a) In a competitive environment, the requested information on the average cost of electricity produced by each power station is commercially sensitive and regrettably, cannot be disclosed.
- (b)-(d) Tabled paper No 342 provides the generating station names, locations, fuel types and estimates of the kilotonnes of carbon dioxide emitted in association with Western Power operations in the financial year July 1999 to June 2000.

Note: Due to "ring-fencing" arrangements, Generation does not have access to data from non-Western Power generating plant even if it is connected to the network. The relevant companies will have to be approached for that information.

OFFICE OF ABORIGINAL HEALTH, GENERAL MANAGER

155. Hon C L Edwardes to the Minister for Public Sector Management

I refer the Minister to the case of Mr Shane Houston former General Manager of the Office of Aboriginal Health, in the context of Section 80 of the Public Sector Management Act 1994 and ask -

- (a) have procedures against Mr Houston for a serious breach of discipline pursuant to the discipline provisions of the Public Sector Management Act 1994 commenced;
- (b) if not, why not;
- (c) if so when did the proceedings commence;
- (d) who was appointed by the employing authority to investigate the breach of discipline;
- (e) has a report by the investigator been prepared;
- (f) if so, will the Minister table the report;

- (g) if not, why not;
- (h) what are the findings of the investigator; and
- (i) what action is the employing authority preparing to take against Mr Houston for this serious breach of discipline?

Dr GALLOP replied:

- (a) Yes
- (b) Not applicable.
- (c)-(i) I have been advised by the Commissioner of Health that a Departmental inquiry into the conduct of staff of the Office of Aboriginal Health in relation to a contract with the Fremantle Football Club has commenced. To assure objectivity, the inquiry is utilising the services of an independent investigator. This inquiry shall be used to determine whether or not disciplinary proceedings pursuant to Section 81 of the Public Sector Management Act 1994 (the Act) are to be commenced.

No finding has been reached. Similarly, no penalty can be contemplated until a finding has been reached and the relevant staff provided with an appropriate opportunity to respond to that finding, consistent with the requirements of the Act.

Consistent with the principles of natural justice, and the sustainability of the process, no further comment can be made until the process has been concluded.

SCHOOLS, ADVERTISING OF GARDENER AND HANDYMAN POSITIONS

156. Mr Bradshaw to the Minister for Education

Why are gardening/handyman jobs in schools not advertised in local newspapers as well as the Education Department in-house newspaper 'School Matters'?

Mr CARPENTER replied:

Under the Public Sector Guidelines for Recruitment and Selection, positions must be advertised as widely as is appropriate to ensure a reasonable field of suitably qualified applicants is obtained. Principals have the discretion to determine this in the context of their work location. They often use a variety of mediums, including School Matters and local newspapers, to advertise these positions. Job vacancies published in School Matters may be viewed by members of the public on the Education Department's website.

KENDENUP PRIMARY SCHOOL, CLASSROOM SPACE

159. Hon M G House to the Minister for Education

- (1) Is the Minister aware of the acute shortage of classroom space at the Kendenup Primary School?
- (2) Will the Minister provide funding to enable the old staff room to be extended to provide an adequate teaching area?
- (3) If not, how does the Minister propose to address this issue?

Mr CARPENTER replied:

- (1) Yes.
- (2)-(3) Extension of the old staffroom would not be a solution to the accommodation shortage. It is proposed that a transportable classroom will be provided to the school for this purpose. The Education Department has indicated that a transportable classroom will be available in August. The school may extend the old staffroom for use as a supplementary teaching space using its minor works funding, which is provided as part of the school grant.

SOUTH STIRLING PRIMARY SCHOOL, UNDERCOVER AREA

160. Hon M G House to the Minister for Education

- (1) Has the Minister received correspondence from the South Stirling Primary School Parents and Citizens outlining the school's urgent need for an undercover area?
- (2) Will the Minister provide funding so that an undercover area can be installed at the school?

Mr CARPENTER replied:

- 1) Yes
- 2) South Stirling Primary School will receive due consideration when the capital works budget is finalised later in the year.

PUBLIC SERVICE, SEVERANCE PAYMENTS AND RETIREMENT PACKAGES

294. Hon. C L Edwardes to the Minister for Public Sector Management

I refer the Minister to the Public Sector Management (Redeployment and Redundancy) Regulations 1994 and ask -

- (a) since 12 February 2001 how many persons received a severance payment/management initiated redundancy; and
- (b) of those who have received a severance payment/management initiated redundancy, how many have received an exemption from the Minister for subsequent employment in the Public Sector?

Dr GALLOP replied:

- (a) As at the close of business 29 May 2001, 23 severance payments and 8 management initiated retirement packages.
- (b) Nil.

EDUCATION DEPARTMENT, FUNCTION FOR RETIRING PRINCIPALS

296. Mr Bradshaw to the Minister for Education

- (1) What was the total cost of the function and silver medallions for the 47-retiring principals which was held at the Matilda Bay Restaurant?
- (2) Have any joint functions been held for other retiring teachers with 25 years or more service?
- (3) If not, are they not worthy of recognition?

Mr CARPENTER replied:

1. \$6,244.30
2. The Education Department acknowledges all retiring employees with more than 20 years' service by the presentation of silver medallions and a certificate for their long service. Presentations are generally conducted at the employees' work site. An annual corporate presentation function is held for senior officers and principals. The 2001 function involved only principals.
3. Not applicable.

COMO PRIMARY SCHOOL, MAINTENANCE AND UPGRADING OF FACILITIES

312. Hon P G Pandal to the Minister for Education

- (1) Is the Minister aware of the concerns of parents at Como Primary School over the lack of maintenance and upgrading of facilities at the school?
- (2) Will the Minister outline what funds have been expended by the Government for maintenance items in each of the past 10 years?
- (3) Does the Education department acknowledge the need for maintenance and upgrading work at the school and if so, what items are seen as in need of attention?
- (4) Will the Minister indicate the expected cost of all those items?
- (5) Will the Minister give an indication of when funds will be allocated?

Mr CARPENTER replied:

- 1) No.
- 2) Records for planned maintenance and breakdown maintenance are only available from 1993/94 through to 2000/2001.

1993/94	\$15 479
1994/95	\$30 093
1995/96	\$25 152
1996/97	\$53 660
1997/98	\$33 796
1998/99	\$56 773
1999/00	\$99 345
2000/01	\$24 907

Total cost for maintenance undertaken at the school in the past 8 years is \$339 205.

- 3) Schools are subject to an annual maintenance review and a Building Condition Assessment (BCA) Report is prepared for each school. The BCA Report identifies the need to resurface the school quadrangle which is

estimated to cost \$52,550. Other maintenance items identified are internal and external painting and repairs in different areas of the school. These proposed works are ranked in consultation with the school principals and also across the district. Priority maintenance items for all schools are currently being considered by districts.

Como Primary School has recently requested a toilet upgrade. This submission is currently being assessed for possible inclusion in future capital works programs.

- 4) While no feasibility assessment has yet been made, the expected cost of a toilet upgrade could be in the order of \$300,000. Details of the maintenance to be undertaken at the school in 2001/2002 are not yet available.
- 5) The allocation of all Education Department funds for maintenance and capital works programs will be progressively announced following the State budget process.

DENMARK HOSPITAL, UPGRADING

313. Hon M G House to the Minister for Health

- (1) Will the Government honour the previous Government's commitment to providing a new hospital for Denmark?
- (2) Given the Premier's commitment during the recent state election campaign to improving facilities in regional Western Australia, will the Minister confirm if an upgrade is planned for the Denmark Hospital?
- (3) If not, why not?
- (4) If so, is the upgrade to be included in the 2001/2 budget period?
- (5) Does the upgrade include aged care facilities?
- (6) If not, why not?

Mr KUCERA replied:

- (1) The previous Government did not allocate funding for Denmark District Hospital in the Health Department of Western Australia's forward estimates for Capital Works.
- (2)-(4) Government is currently reviewing the Health Department of Western Australia's Capital Works Program for 2001/02 which will be announced in the budget. In reviewing the program, priority will be given to election commitments, followed by other areas of need, having regard to the population to be serviced, the services to be provided and the condition of existing assets. Funding for additional and/or replacement facilities at Denmark District Hospital will be considered as part of this review.
- (5)-(6) Government is aware of community concerns about the shortage of high care and low care residential aged care facilities in the Denmark region. Residential aged care is a Commonwealth responsibility. The Denmark District Health Service is a Multi Purpose Site, an innovation where State and Commonwealth resources are pooled to enable flexible provision of a broad range of services that will best serve overall community needs. Priorities have been determined through the local management committee, which has five community members. This committee meets monthly and regularly consults the wider community. It has identified a preference for a mix of high care places, low care places, community care, palliative care, obstetrics, emergency and acute care.

SCHOOLS, ADVERTISING OF GARDENER AND HANDYMAN POSITIONS

333. Mr Bradshaw to the Minister for Education

- (1) Are vacancies for gardening/handyman jobs in schools advertised in local newspapers as well as the Education Department's in-house newspaper "School Matters"?
- (2) If not, why not?

Mr CARPENTER replied:

Line Managers, including Principals, have the discretion to advertise positions as widely as they consider appropriate to ensure a reasonable field of suitably qualified applicants is obtained.

Principals use a variety of mediums, including local newspapers, and School Matters, to advertise vacancies for Gardening/handyman jobs.

It should also be noted that all job vacancies published in School Matters may be viewed by members of the public on the Education Department's web site.

ELECTORATE OFFICES, COSTS OF LEASES

334. Hon M G House to the Premier

Will the Premier provide the annual cost of the Electorate Office leases for the following Member's of State Parliament -

- (a) Member for Nedlands;
- (b) Member for Cottesloe;
- (c) Member for Victoria Park;
- (d) Member for Bunbury;
- (e) Member for Albany;
- (f) Member for South Perth; and
- (g) Member for Greenough?

Dr GALLOP replied:

- (a) \$36,976.44 per annum (110m²)
- (b) \$37,671.36 per annum (116m²)
- (c) \$26,302.32 per annum (136m²)
- (d) \$41,294.40 per annum (169m²)
- (e) \$20,794.68 per annum (110m²)
- (f) \$25,808.52 per annum (149m²)
- (g) \$13,872.00 per annum (79m²)

EDUCATION DEPARTMENT, CONTRAVENTION OF SECTION 8(1)(C)

337. Dr Woollard to the Minister for Education

- (1) I refer to the report tabled on 7 September 1999 from the Commissioner for Public Sector Standards concerning the education Department (Paper No. 109) and ask will the Minister table the report from the Independent reviewer who conducted the Inquiry in respect to the Commissioner's first Recommendation that the Minister for education enquire into whether or not any staff member of the Education Department contravened Section 8 (1)(c) of the Act?
- (2) If not, why not?

Mr CARPENTER replied:

- 1. No
- 2. The Education Department advises me that the independent reviewer's report contains information provided on a confidential basis during the course of the inquiry and that release of the report would breach the confidence of these third parties. However, I am advised that the independent reviewer found that no Education Department staff member contravened section 8(1)(c) of the Public Sector Management Act.

REGIONAL INVESTMENT FUND, ESTABLISHMENT

352. Mr Graham to the Minister for State Development

- (1) Has the Government established a Regional Investment Fund?
- (2) If not -
 - (a) why not; and
 - (b) when will such a fund be established?
- (3) If the answer to (1) is yes -
 - (a) what are the guidelines for the fund;
 - (b) how is the fund to be accessed;
 - (c) who is eligible to apply for funds under the scheme; and
 - (d) how will the Government ensure that normal costs associated with the operations of Government in the regional areas are not shifted onto the fund?

Mr BROWN replied:

- (1) No.
- (2) It was always intended that the fund be established for four financial years commencing from the 2001/2002 financial year through the budget process. New legislation is also required to operate the fund. The guidelines for the fund will be prepared by the newly formed Department of Regional Development and Local Government. The framework for the fund has been approved by State Cabinet and is detailed in the Premier's media release. [See tabled paper No 343.]
- (3) Not applicable.

PUBLIC SERVICE, REDUNDANCIES

373. Hon C L Edwardes to the Premier

I refer the Premier to an article in *The West Australian* of 1 June 2001, entitled "60 seek PS redundancy", and ask -

- (a) of these sixty who have applied for redundancy, what classification levels are each of them;
- (b) what salary levels are attached to each of the classifications;
- (c) how many years of public service has each applicant got;
- (d) what are the ages of each of the applicants;
- (e) which agencies are these applicants from;
- (f) what is the total cost of the redundancy package for the sixty applicants; and
- (g) how is this redundancy package to be funded?

Dr GALLOP replied:

- (a)-(f) Management initiated retirement packages for those senior executives who expressed an interest are currently being finalised.
 - (g) The cost of management initiated retirement packages is to be met by individual agencies. Where an agency is unable to meet the cost of an employee's exit, central funding may be considered.
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