



# **Parliamentary Debates**

**(HANSARD)**

THIRTY-NINTH PARLIAMENT  
FIRST SESSION  
2016

LEGISLATIVE ASSEMBLY

Wednesday, 6 April 2016

# Legislative Assembly

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**THE SPEAKER (Mr M.W. Sutherland)** took the chair at 12 noon, and read prayers.

## PAPER TABLED

A paper was tabled and ordered to lie upon the table of the house.

### BELL GROUP COMPANIES (FINALISATION OF MATTERS AND DISTRIBUTION OF PROCEEDS) AMENDMENT BILL 2016

*Assent*

Message from the Governor received and read notifying assent to the bill.

### BIGGER PICTURE FUNDING — ANTI-METHAMPHETAMINE ADVERTISING CAMPAIGN

*Removal of Notice — Statement by Speaker*

**THE SPEAKER (Mr M.W. Sutherland):** I advise members that private members' business notice of motion 1, "Anti-Methamphetamine Advertising", notice of which was given on 22 April 2015 and renewed for a further 30 sitting days on 23 September 2015, will be removed from the notice paper.

### AGRICULTURE — BRAVO APPLE VARIETY

*Statement by Minister for Agriculture and Food*

**MR D.C. NALDER (Alfred Cove — Minister for Agriculture and Food)** [12.02 pm]: I am pleased to advise the house that the trademark name of a new apple bred by the Department of Agriculture and Food is Bravo. Western Australian consumers will be the first to sink their teeth into the new local apple; however, the apple is likely to have significant overseas market potential, particularly in Asia. The Bravo apple was developed in Manjimup by DAFWA as part of the national apple breeding program with support from the Western Australian government and Horticulture Innovation Australia Ltd.

Although I am no Rob Broadfield, I can advise the house that the Bravo is an exciting and unique fruit that has a distinct sweetness and high crisp and crunch. The apple has a striking burgundy colour—I have a Bravo apple in the chamber today.

**Mr M. McGowan:** All I can see is a bad apple!

**Mr D.C. NALDER:** All the Leader of the Opposition can see is what? Would he like to repeat it?

Several members interjected.

**The SPEAKER:** Thank you, members!

**Mr D.C. NALDER:** We will deal with their inappropriate behaviour in a minute, Mr Speaker. I am dealing with something that I think is very important for the agriculture sector in Western Australia.

DAFWA selected the name in close consultation with Fruit West Co-operative Ltd and Apple and Pear Australia Ltd. The cross to create the new rich burgundy apple variety was made in 1992 between Cripps Red, marketed as Sundowner in most places, and Royal Gala. This promising new apple variety will deliver benefits to consumers, through a new eating experience, and producers by providing them with an apple that is very different from currently grown varieties and, therefore, unique in the marketplace.

In 2013–14, the Australian apple industry had a gross value of \$433 million with almost 10 per cent attributable to Western Australia. The apple will be in stores in coming weeks. I commend everyone involved in the development of the Bravo apple on this exciting development and I commend all members to try the Bravo, because an apple a day keeps the doctor away.

**Ms M.M. Quirk** interjected.

**The SPEAKER:** Member for Girrawheen, I call you to order for the first time. I have been pretty lenient thus far.

**Mr D.C. NALDER:** We have made an apple available for every member of Parliament so they can try this new variety. It is a superb apple—great flavour, great crisp—and I can assure members that they will all enjoy it.

### LITHIUM MINING

*Statement by Minister for Mines and Petroleum*

**MR S.K. L'ESTRANGE (Churchlands — Minister for Mines and Petroleum)** [12.05 pm]: I rise today to inform the house about mining development in Western Australia that is helping to drive environmental change.

As the world moves from gasoline-driven cars to rechargeable electric and hybrid vehicles, there is a need for lithium to construct the batteries that power them. Western Australia is one of the largest producers of lithium. Currently, WA's sole lithium producer is Talison Lithium Pty Ltd. The company's Greenbushes project has been producing spodumene concentrate, a source of lithium, for over 25 years and exports over 400 000 tonnes annually. Lithium carbonate prices have almost quadrupled in the last 15 months, climbing from around \$A7 500 a tonne at the end of 2014 to almost \$A29 000 a tonne in April 2016. The value of lithium produced in Western Australia in 2015 was more than \$180 million. Lithium is used in ceramics, glass, consumer electronics and long-life batteries used in hybrid and electric vehicles, as well as energy storage systems.

The production of lithium from Western Australia is expected to grow in 2016, particularly with the announcement by General Mining Corporation and Galaxy Resources on 1 April 2016 that mining and processing at their Mt Cattlin joint venture spodumene project near Ravensthorpe would restart. This mine was placed on care and maintenance in 2012, but is now expected to make its first delivery of concentrate in July or August this year. Western Australia's lithium output is expected to receive a further boost from the Mt Marion lithium project, which is jointly owned and developed by Neometals Ltd and Mineral Resources Ltd. Construction of the project started in December 2015 and commissioning is scheduled for mid-2016, with the current resource estimated to be 23 million tonnes. Exploration work also augurs well for the state's lithium industry, with Pilbara Minerals defining what it says is one of the world's biggest new spodumene deposits at its Pilgangoora project, east of Port Hedland, with a resource estimate of 80 million tonnes. The future of lithium mining within Western Australia looks promising, with the state well positioned to benefit from this emerging industry.

### **REGIONAL TELECOMMUNICATIONS PROJECT**

*Statement by Parliamentary Secretary*

**MR P.T. MILES (Wanneroo — Parliamentary Secretary)** [12.07 pm]: On 10 March 2016, I attended the launch of the Carnamah west and Arrino mobile phone towers. This was followed by the launch of the Yerecoin and Bolgart mobile phone towers. The \$40 million regional mobile communications project has successfully delivered 113 towers across nine regions, improving telecommunication coverage in the state by up to 31 per cent. The impact of this project has been far-reaching, boosting mobile and internet reception across 95 000 square kilometres and improving continuous highway and town-to-town coverage.

The state government is now investing a further \$45 million to install additional telecommunications towers in small communities as part of the regional telecommunications project. The first 14 sites under this program are now operating. The commonwealth and state governments also recently announced joint funding for the delivery of new or upgraded mobile base stations in Western Australia under the mobile black spot program. The mobile black spot program will deliver a further 130 new or upgraded mobile base stations across Western Australia, an increase from the 85 originally planned under the regional telecommunications project. The new sites for the mobile black spot program are in addition to 23 sites already announced under the regional telecommunications project earlier this year and will result in 153 new towers being constructed across the state in the next few years.

The state government's significant investment of \$85 million since 2012 in regional telecommunications is leading to the development of 266 new mobile phone towers across regional WA. Encouraging technology development and innovation will underpin future competitive industries. In line with efforts to ensure that the region is able to participate effectively in the digital economy in the global market, the new mobile coverage creates opportunities for businesses to improve their customer service, efficiency and competitiveness. These programs are an excellent example of how government and the private sector can partner together to achieve excellent outcomes for the community.

### **DEPARTMENT OF TRANSPORT — FORRESTFIELD–AIRPORT LINK**

*Standing Orders Suspension — Motion*

**MS R. SAFFIOTI (West Swan)** [12.09 pm] — without notice: I move —

That so much of the standing orders be suspended to allow the following motion to be moved forthwith —

That this house condemns the Minister for Transport for his incompetent handling of serious allegations of insider trading involving his office, and his department, regarding the Forrestfield–Airport Rail Link, and calls on him to explain the following.

- (1) Why did the minister initially dismiss the seriousness of the allegation when it was first raised in February?
- (2) Why did he mislead the Parliament about what his office knew regarding the preferred tenderer prior to the public announcement?

- (3) His and his office's role in the steering committee that signed off on the preferred bidder days before the announcement.
- (4) When did the evaluation panel recommend the preferred bidder to the steering committee and what knowledge did the minister have of the evaluation panel's discussions and decisions?
- (5) Exactly when did the minister become aware that ASIC would be conducting an investigation?
- (6) Why was the Premier only informed of the ASIC investigation yesterday?

This is a very, very serious matter. I want to outline —

**Mr J.H.D. Day:** Sit down and we'll agree to it.

**Ms R. SAFFIOTI:** This is a very serious matter and is like nothing I have seen in my time in politics.

Several members interjected.

**The SPEAKER:** Thank you! I want to hear the member for West Swan in silence. Member for West Swan, did you hear the Leader of the House?

**Ms R. SAFFIOTI:** Yes. This is a very serious matter. I thank the government for allowing each side 20 minutes. We would have preferred more because the issues are very significant, but I will sit down and allow the Leader of the House to speak.

*Standing Orders Suspension — Amendment to Motion*

**MR J.H.D. DAY (Kalamunda — Leader of the House)** [12.11 pm]: Being as generous as we are in government, we will agree to a debate, as the member foreshadowed, of 20 minutes on each side, so I seek to add the words to the motion. I move —

To insert after “forthwith” —

, subject to the debate being limited to 20 minutes for government members and 20 minutes for non-government members

Amendment put and passed.

*Standing Orders Suspension — Motion, as Amended*

**The SPEAKER:** Members, as this is a motion without notice to suspend standing orders, it will need the support of an absolute majority for it to proceed. If I hear a dissentient voice, I will be required to divide the Assembly.

Question put and passed with an absolute majority.

*Motion*

**MS R. SAFFIOTI (West Swan)** [12.12 pm]: I move —

That this house condemns the Minister for Transport for his incompetent handling of serious allegations of insider trading involving his office, and his department, regarding the Forrestfield–Airport Rail Link, and calls on him to explain the following.

- (1) Why did the minister initially dismiss the seriousness of the allegation when it was first raised in February?
- (2) Why did he mislead the Parliament about what his office knew regarding the preferred tenderer prior to the public announcement?
- (3) His and his office's role in the steering committee that signed off on the preferred bidder days before the announcement.
- (4) When did the evaluation panel recommend the preferred bidder to the steering committee and what knowledge did the minister have of the evaluation panel's discussions and decisions?
- (5) Exactly when did the minister become aware that ASIC would be conducting an investigation?
- (6) Why was the Premier only informed of the ASIC investigation yesterday?

As I said, this is a very, very serious matter. When we first raised some of the happenings back in February, what did the minister do? He laughed at it. He said, “Nothing to see here; I'm not going to be conducting a witch-hunt.” This is a minister overseeing a massive contract and the shares of one of the preferred bidders spiked 55 per cent in the three days prior to the announcement. It was a very serious matter. What did the minister say at the time? He said —

“There was nobody in my office that was aware of it as far as I know,” ... “I can't give you the specifics of how many people within the department were aware of the circumstances ... I'm not sure.”

He said there were many reasons why markets moved.

“For me to speculate that it was something to do with my office and go off on a witch-hunt or something is silly.” ...

Once again, a serious matter was raised in this place and through the media, and it was laughed off. Now we see an investigation into the minister’s office and into the department.

**Mr D.C. Nalder:** No we’re not.

**Ms R. SAFFIOTI:** Minister, you can get up and talk.

Again, he laughed it off. The share spike was incredible. Three days before the announcement, a company that was to get a government tender saw its shares go through the roof. Of course there were questions to be asked, but this minister laughed it off. Remember, this is a minister who is responsible for a number of contracts. This is not the only one. A number of contracts are being discussed at the moment. If you are a minister of the Crown and something like that happened with one contract, would you not be a little bit worried and ensured your governance was so strong that this could not be problem for you?

**Mr D.C. Nalder:** Who said it’s a problem?

**Ms R. SAFFIOTI:** Minister, you can get up and explain. This is very serious and if he is laughing it off again, I do not know what needs to happen in this place.

**Mr D.C. Nalder** interjected.

**The SPEAKER:** Minister!

**Ms R. SAFFIOTI:** This is a massive issue.

Several members interjected.

**The SPEAKER:** I want to hear the member for West Swan.

**Ms R. SAFFIOTI:** We asked questions on 23 February following some reports in the paper. The minister again stood up and said, “Nothing to see here; I’m not having a witch-hunt.” He then accused us of doing something but he did not address the issue. Once again there was a massive problem. He could have addressed the issue and taken it seriously but he did not do that. Instead, he stood up and misled the Parliament.

**Mr D.C. Nalder:** No.

**Ms R. SAFFIOTI:** He stood up and misled the Parliament. The question was, and I quote —

How many people in the minister’s department and office were aware of the announcement before it was made ...

The minister said —

There was nobody in my office who was aware of it, as far as I know—nobody in my office.

**Mr D.C. Nalder:** It’s still correct and I stand by that.

**The SPEAKER:** Minister!

**Ms R. SAFFIOTI:** You stand by the statement that no-one was aware of the impending announcement.

**Mr D.C. Nalder:** Correct.

**The SPEAKER:** Thank you! I want to hear the member for West Swan.

**Ms R. SAFFIOTI:** Yesterday, fortuitously, we got back some freedom of information documents, and your office —

**Mr D.C. Nalder** interjected.

**The SPEAKER:** Minister, I call you to order for the first time.

**Ms R. SAFFIOTI:** Your office received a briefing note at nine o’clock on the morning before. Let me read the email. It states —

Just to let you know that the briefing note on the preferred proponent is in the bag for this afternoon.

We have not previously been given it via email—only on a USB ...

Our FOI requests get only emails; they do not get USBs, but there is confirmation that you knew before the announcement and there is confirmation that documents were floating around on USBs as well. That is what the FOI response shows. Again, a briefing note was prepared on the sixteenth and forwarded to your office. You had to stand up and say that your office particularly—you knew about it—knew about it at least the day before it was announced. You said in this place that you were not aware of it before it was announced. You misled this place.

It is as clear as that. The briefing note was prepared two days earlier; the draft media statement was prepared two days earlier. You said in this place that no-one in your office knew about the announcement before the eighteenth. We knew that could not be true and your office knew about it.

The third point I want to talk about is the steering committee. We understand that at the very latest, the steering committee met on the Tuesday. I understand that the minister did not know who was on the steering committee. I understand that you had no idea how the steering committee operated. Minister, we need you to confirm: was someone from your office on that steering committee? You have to stand up and tell us that, yes, someone from your office was on that steering committee. That steering committee reports to you. The idea that a steering committee overseeing a major project sits in the ether without reporting is completely false. In fact, the minister's own document shows the governance framework that shows that the steering committee reports to the Minister for Transport! The idea that the minister did not know that it existed or who was on it or how it operated is beyond imagination! I am sure that if we were to put in more freedom of information applications, we would find that the steering committee minutes went to the minister because it reports to the minister. Who else does it report to? The document states that it reports to the minister! The suggestion that the minister had no idea what the steering committee was doing is absolutely false.

I turn now to the evaluation panel, which, as we know, reports to the steering committee. That is the process. The evaluation panel reports to the committee. We know that the evaluation panel must have made a decision regarding the preferred tenderer well before Tuesday. The minister is obligated to tell us exactly when the evaluation panel reported and made its recommendation to the steering committee. That is the key point. When did the evaluation panel make the recommendation to the steering committee? Was the minister made aware of the evaluation panel's questions? I want to make a particular point of this because there were some issues and concerns to do with the tender, so a meeting was held between the potential successful tenderer and the evaluation panel; I saw that in a briefing note. The meeting was held to discuss some issues and concerns related to the tender. A pre-meeting was held between the evaluation panel and the potential successful bidder to clarify some Public Transport Authority concerns. When was that meeting? We understand it was a week before the announcement, but when was it? Again, the minister is obligated to tell us when that meeting was held.

**Mr C.J. Barnett:** Is he? Why should he tell you?

**Mr W.J. Johnston:** Because he has to tell the truth. If he wants to lie, that is up to him.

*Withdrawal of Remark*

**The SPEAKER:** Thank you. Withdraw that, please.

**Mr W.J. JOHNSTON:** Mr Speaker, I said, "If he wants to lie, that is up to him."

**The SPEAKER:** Yes, well, just withdraw it and let us move on.

**Mr W.J. JOHNSTON:** I did not make an allegation; I do not have anything to withdraw!

**The SPEAKER:** You did make the allegation. Just withdraw it, please.

**Mr W.J. JOHNSTON:** Exactly which words do you want me to withdraw?

**The SPEAKER:** "Lie"; "If he wants to lie." You are talking about the minister. Can you withdraw it and we will move on?

**Mr W.J. JOHNSTON:** I did not say the minister lied!

**The SPEAKER:** I am asking you to withdraw it!

**Mr W.J. JOHNSTON:** Mr Speaker —

**The SPEAKER:** Do not argue with me. I am asking you to withdraw it. Will you please withdraw it?

**Mr W.J. JOHNSTON:** The use of the word "lie" is not unparliamentary of itself! Please take advice from the Clerk!

**The SPEAKER:** I am not arguing with you; I am asking you to withdraw it! Will you withdraw it?

**Mr W.J. JOHNSTON:** I cannot withdraw anything —

**The SPEAKER:** Okay; I call you to order for the first time.

**Mr W.J. JOHNSTON:** Okay.

**The SPEAKER:** Now, I am going to ask you to withdraw it again.

**Mr P.C. Tinley** interjected.

**The SPEAKER:** I am asking you again to withdraw it!

**Mr W.J. JOHNSTON:** Mr Speaker, I am happy to unreservedly withdraw any allegation I have made.

**The SPEAKER:** Thank you very much. Now we can move on. I only want to hear the member for West Swan; I do not want to hear from you either, members for Butler and Willagee.

*Debate Resumed*

**Ms R. SAFFIOTI:** I will quote from a briefing note prepared on 16 February, which reads —

... the ... Evaluation Panel held a clarification meeting with the SI-NRW JV in which the majority of the above concerns were addressed.

We know a decision was made and a meeting was held regarding concerns.

I now turn to the Australian Securities and Investments Commission inquiry. When was the minister first made aware that his office and department was required to provide information and evidence to that inquiry? Another key point is that we raised this in February. The minister said in this place there was nothing to see here, and that he was not aware of any inquiry. Then an inquiry occurred. The minister was obligated to come into this house and actually tell us that. The minister said there was nothing to see here and there was no inquiry. The minister was obligated to come in and tell us. Again, he did not do that. He did not take the matter seriously enough.

The last issue is that we understand from media reports that the Premier was informed of this inquiry only yesterday. Why is that the case? Why was the Premier not informed earlier? Did the Premier refer the matter to the Public Sector Commissioner? Did the Premier undertake a review of governance models across his agencies?

**Mr C.J. Barnett:** Why? Why would I do that?

**The SPEAKER:** Carry on, member.

**Ms R. SAFFIOTI:** Did the Premier undertake a review of the governance structures?

Like I said, this is a very serious matter. This minister oversees a large number of contracts. If something has happened, members would think the minister would try to make sure it would not happen with other contracts and other live issues in his department. Yet again, he should have taken this matter seriously. I do not know what the minister wants to take seriously in this place.

Several members interjected.

**The SPEAKER:** Thank you; carry on.

**Ms R. SAFFIOTI:** I do not know what the minister thinks should be taken seriously in this place. I have been around a while. This is as bad as I have seen. I do not know what else has to happen for the minister to take it seriously, because this is a massive issue that goes straight to his office and department. Initially, the minister laughed it off and said it was not a matter worth investigating; now he is saying, “Oh, yes, of course we’re going to do an inquiry; of course.” There are some serious questions, particularly around the evaluation panel. When was the recommendation made? When was that meeting held with the joint venturers? Was any information on this referred to the minister’s office or him? Frankly, I do not believe it was not. As to the steering committee decision, someone in the minister’s office was on the steering committee and the minister’s office knew about it for a number of days before the formal announcement. I understand the minister said this morning that he gets involved in mergers and acquisitions, that he is a businessman of some repute and has been involved in business mergers and acquisitions.

**Mr C.J. Barnett:** Yes.

**Ms R. SAFFIOTI:** I think it is time for the Premier to make a massive divestment—a divestment of the minister—because, honestly, I have never seen a minister who does not take these issues seriously. We saw it previously with some issues regarding the minister’s ownership of shares.

**Mr D.C. Nalder:** Here we go.

**Ms R. SAFFIOTI:** We have seen it previously. The minister does not take the issue seriously. He laughs it off, and, again, he is not taking it seriously. These are serious questions, and the minister’s role is to answer them. When we raised it before, he refused to answer properly. He did not inform the house of this investigation, and now the minister is obligated to answer these questions.

**MR R.F. JOHNSON (Hillarys)** [12.27 pm]: I am sorry; I am not going to allow this to simply go to a vote because it is too important an issue. I say this: I am surprised that the Premier did not get up to defend one of his ministers.

**Mr C.J. Barnett:** I shall.

**Mr R.F. JOHNSON:** The Premier should have got up by now instead of leaving it until the last minute.

Several members interjected.

**The SPEAKER:** Thank you, Premier. Premier, the member for Hillarys has the floor.

**Mr R.F. JOHNSON:** I was not going to speak on this motion; I was simply going to abstain because I have a lot of respect for the Minister for Transport and I do not think he would knowingly do anything wrong.

Some insider trading dealings have definitely gone on here. I do not know who has been doing it. It is not just the minister's office that may be involved; it is also the Department of the Premier and Cabinet. Nothing gets announced without the Premier's department being informed. It works on all the press releases that go out, and, quite frankly, in my view there are people in that department who have been undermining the minister all the time for the last couple of years now. I am not the only member on this side of the house who believes that; other members do too. Paul Murray wrote a very good article yesterday or the day before on the dirt that comes out on certain people at certain times, and I think that is what has happened in this particular instance. There has been insider trading, and absolutely I think it should be investigated by the Australian Securities and Investments Commission. I also think Parliament should investigate it; it really should. What is going on is too serious an issue. I look forward to hearing the minister respond. As I say, I actually believe he is innocent of any corruption allegations that might be made in this place, and I think he has been undermined and undermined by people in the Department of the Premier and Cabinet. I would love to name them, but I will not do that in this chamber. Many members on this side of the house know exactly who I am talking about. I hope that the Premier does get up and defend his minister, because I do not think he has the problem; I think it is probably people in the Premier's department.

**MR C.J. BARNETT (Cottesloe — Premier)** [12.29 pm]: This is a serious motion based around innuendo and accusation.

Several members interjected.

**The SPEAKER:** Members!

**Mr C.J. BARNETT:** My reluctance to stand was because I expected that the Leader of the Opposition would have had the integrity and courage to make the accusation. He sat there and listened and said nothing.

**Ms M.M. Quirk** interjected.

**The SPEAKER:** Member for Girrawheen.

**Mr C.J. BARNETT:** All we heard was one speaker from the opposition on serious allegations. The Leader of the Opposition went out in the media, but he did not have the courage to stand in Parliament and make an accusation. He did not have the courage.

Several members interjected.

**The SPEAKER:** Thank you. Let us move on.

**Mr C.J. BARNETT:** Only one speaker was willing to speak out.

Several members interjected.

**Mr C.J. BARNETT:** Let us look at the issue.

**Mr M. McGowan** interjected.

**Mr C.J. BARNETT:** No; you are speaking now but you would not get up, mate! You would not get up and put your name to it. That is the point.

Several members interjected.

**The SPEAKER:** Through the Chair.

**Mr C.J. BARNETT:** They are all talking now. Five minutes ago, they were all gutless.

Several members interjected.

**The SPEAKER:** Thank you. Through the Chair, Premier. Let us move on.

**Mr R.H. Cook** interjected.

**The SPEAKER:** Member for Kwinana! Let us move on.

**Mr C.J. BARNETT:** Let us look at the motion. It states —

That this house condemns the Minister for Transport for his incompetent handling of serious allegations of insider trading involving his office, and his department, ...

So what is the allegation of insider trading that members opposite wish to make against the minister, his office and the department? What is the allegation? That is what I was waiting to hear. Is there an allegation; and, if so, what is it? If, indeed, members opposite have any evidence of anything, they should go to the Australian Securities and Investments Commission, the ASX, the police or the Corruption and Crime Commission, but they did not make the allegation. They did not make it. So what is the allegation, Leader of the Opposition?

**Mrs M.H. Roberts** interjected.



**Mr C.J. BARNETT:** No; I do not want to hear from the member for Midland. I want to hear from the Leader of the Opposition. What is his allegation against the minister, his office or the department? What evidence does he have of it? Get up and speak. Does he have any evidence of anything?

**Mr M. McGowan:** You're losing it.

**Mr C.J. BARNETT:** I am not losing it at all.

Several members interjected.

**The SPEAKER:** Members! Member for Churchlands! Minister!

**Mr M. McGowan** interjected.

**The SPEAKER:** Leader of the Opposition! Member for Bassendean! Member for Warnbro! Let us move on. Through the Chair.

**Mr C.J. BARNETT:** It is a serious motion making serious allegations of insider trading involving a minister, his office and the department. It is incumbent on members opposite in Parliament to provide evidence of that. They provided no evidence and they actually lacked the courage to make an allegation.

**Mrs M.H. Roberts** interjected.

**Mr C.J. BARNETT:** No; I do not want to hear from the member for Midland.

Several members interjected.

**Mr C.J. BARNETT:** The member for Midland did not get up and speak.

**Mr M. McGowan:** You're a bully. That's all you are.

**Mr C.J. BARNETT:** At least I will get up and speak for my members and my ministers; the Leader of the Opposition would not.

**Mrs M.H. Roberts** interjected.

**The SPEAKER:** Member for Midland, I call you to order for the first time —

**Mr N.W. Morton** interjected.

**The SPEAKER:** — and the member for Forrestfield for the first time. Through the Chair, please.

**Mr C.J. BARNETT:** Let me go to the issues around this. I begin by drawing a parallel to an announcement made by the Minister for Culture and the Arts relating to the preferred bidder for the construction of the new Museum. It is a current example. As happens on all major government contracts, there was an exhaustive process of evaluating tenders —

**Ms M.M. Quirk** interjected.

**The SPEAKER:** Carry on, Premier.

**Mr C.J. BARNETT:** I thought it was a serious matter.

There was an exhaustive process of selecting, as often it comes down to a narrow group of tenderers, and examining all aspects of the tenders, including financial and technical matters and the like. Something like a railway and an underground rail line is a new experience for the government and the Department of Transport. There is a very demanding, exacting process for a big project. What then comes to the minister is a recommendation for the preferred proponent. That happened with the Museum project. The minister informally briefed cabinet—in fact, it was a briefing for cabinet—on the preferred bidder for the Museum and a reserve bidder. The minister then made, quite correctly—it is standard procedure—an announcement on that. Contract negotiations will go on, and if that preferred bidder becomes the bidder and a contract is finalised, that contract and that final recommendation will come back for a cabinet decision. That is what happens.

**Ms M.M. Quirk** interjected.

**The SPEAKER:** Member for Girrawheen!

**Mr C.J. BARNETT:** It is hard to treat the topic seriously with that sort of conduct, but I will continue.

The Museum is an example of how major government contracts are determined and awarded. I go back to the process for the Forrestfield–airport rail line. Again, there is a whole range of technical issues; an underground line is a very complex and new project for Western Australia, with all the tender processes to go through and all the advisory groups and experts to deal with. A conclusion was reached that the preferred bidder was the Italian company, with great international experience in tunnelling, partnered with NRW Holdings Ltd, an Australian company listed on the stock exchange. A lot of people are involved in the tender process. That is hardly surprising when all sorts of expertise within government are drawn on. Once NRW became the preferred tenderer through the process of government—it was not yet at a ministerial or cabinet level—and as it is a listed company, it was required to report to the stock exchange the substance of that. It was actually the stock exchange rules on reporting that required some public disclosure.

Several members interjected.

**The SPEAKER:** Members!

**Mr C.J. BARNETT:** Mr Speaker, I am addressing the Chair.

Several members interjected.

**The SPEAKER:** Thank you.

**Mr C.J. BARNETT:** I may have got the sequence wrong when I spoke to the media.

**Mr M. McGowan** interjected.

**Mr C.J. BARNETT:** You did not even have the courage to speak, my friend.

**The SPEAKER:** Through the Chair.

**Mr C.J. BARNETT:** In this situation, the requirement on the company to report to the stock exchange was almost immediate and therefore we did not have the normal opportunity to brief cabinet on the preferred bidder. The minister, quite properly, came to me seeking my advice on that, and I agreed with him and totally endorsed him and gave him authority to make a statement, which he did and it was released as a matter of public record. Although the sequence was not ideal because of the reporting requirements to the ASX by the company, the informal briefing of cabinet had to follow the announcement. The minister acted only on my authority, quite correctly. The statement was made identifying this group as the preferred bidder. At the immediately following cabinet meeting, the minister informed cabinet that it was the preferred bidder and, like any other major project —

**Mr M. McGowan** interjected.

**Mr C.J. BARNETT:** The Leader of the Opposition had his chance to speak and he did not.

As with any other major project, that contract negotiation will go on. If that contract is satisfactorily finalised, the minister will bring it back to cabinet for a final decision. That is the process. I am totally satisfied with that process and the minister acted only with my full authority. We do not even know that there was insider trading.

Several members interjected.

**Mr C.J. BARNETT:** Members opposite do not even know that. The whole purpose of the ASX investigation and the ASIC inquiry is, firstly, I would imagine, to determine whether there was insider trading. I do not know that that has been established. Members opposite seem to think there was. If they have any information, please disclose it. I do not think they do; I think they are just putting out innuendo. Was there insider trading? I do not know. The minister does not know.

**Mrs M.H. Roberts** interjected.

**The SPEAKER:** Member for Midland!

**Mr C.J. BARNETT:** Let us let the ASX and ASIC determine whether there was insider trading and, if there was, whether information was leaked or obtained in some way and by whom. Who would members have more confidence in—the Australian Securities Exchange, the Australian Securities and Investments Commission or the Labor Party? I have no confidence in the Labor Party and what the Leader of the Opposition has done today, if he ever gets the courage to speak, is arguably compromise the ASX and the ASIC investigations. That is what he has done. This government—the minister, his office, my office, the department—is fully cooperating with those inquiries, as we would do in any similar situation. Does the Leader of the Opposition have any information? He does not. All he can do is engage in scummy in-the-gutter innuendo. The Leader of the Opposition has form in this place; he has form on dirty politics. Here he goes again.

**The SPEAKER:** Further speakers?

Several members interjected.

**The SPEAKER:** Minister for Mines and Petroleum, and Premier, I call you to order for the first time.

Several members interjected.

**The SPEAKER:** Thank you! Minister.

**MR D.C. NALDER (Alfred Cove — Minister for Transport)** [12.40 pm]: Firstly, I would like to say that no member of my staff and nobody in the Department of Transport is under investigation by the Australian Securities and Investments Commission. No-one has actually made any information available to suggest otherwise, and any accusation that they are is totally unfounded, whether it be by the media or the opposition or whomever. Nobody is under investigation.

**Mrs M.H. Roberts** interjected.

**The SPEAKER:** Member for Midland!

**Mr D.C. NALDER:** What has occurred is that there was a share price spike in NRW Holdings on 15 February. I will quote what I said when the member for West Swan asked the question, because she has suggested that I laughed it off. I said —

The advice that I have is that all due process was followed. I was advised ... on Wednesday afternoon, and have subsequently been advised that the successful tenderer was notified ... the close of business on Wednesday afternoon. With regard to any activity that might occur on the stock market in a preceding period —

**Ms R. Saffioti** interjected.

**The SPEAKER:** Member for West Swan.

**Mr D.C. NALDER:** I continued to state that that is a matter for the Australian stock exchange to follow up.

**Ms R. Saffioti** interjected.

**The SPEAKER:** Member for West Swan, I call you to order for the first time. You were heard in relative silence, so please extend that courtesy.

**Mr D.C. NALDER:** I also stated —

The member is trying to suggest that someone internally within my department had something to do with it.

I am referencing the share price spike. I said —

If the member has any kind of evidence, I ask that she puts it forward and I would be more than happy to have it investigated.

I also said that if the stock exchange were to make inquiries, we would cooperate fully. ASIC has made inquiries. It is not an inquiry. There is a share price spike. ASIC is undertaking a review, as I would expect it to, and it is not necessarily to do with the department. It could be anybody for any reason. It could be purely speculation in the marketplace. It is premature to suggest that there are allegations and inappropriate behaviour at this point. I am aware that ASIC is investigating the matter. We have cooperated fully and made sure that we handed over all the information that is available. It is not just within the Department of Transport; there are other people on the committee, as has been said.

**Ms M.M. Quirk** interjected.

**The SPEAKER:** Member for Girrawheen.

**Mr D.C. NALDER:** There is information in *The West Australian* today that is totally inaccurate. Some of those aspects will be forthcoming when contracts are finalised.

**Mr W.J. Johnston:** Which bits?

**Mr D.C. NALDER:** I will not talk about them at this point.

**Mr M. McGowan:** Why?

**Mr J.R. Quigley:** It's embarrassing.

**Mr D.C. NALDER:** There is nothing to be embarrassed about.

Several members interjected.

**The SPEAKER:** Member for Butler, I call you to order for the first time. Let us make some progress.

**Mr D.C. NALDER:** Can I say, Mr Speaker —

**Mrs M.H. Roberts** interjected.

**The SPEAKER:** Member for Midland.

**Mr D.C. NALDER:** Having been a member of Parliament and a minister for the past two years, I am extremely proud of the work that the people in the Department of Transport undertake and I cannot think highly enough of those officers. There is an insinuation that we or my office were somehow involved, and reference was made to a share spike and when we received the information. I assure members categorically that we received that information well and truly after that share price spike, so there can be no assertion that anybody in my ministerial office had anything to do with that.

There is commentary going around that a certain member of my staff sat on a committee. I assure members again, and I clarify this: a liaison officer, who is an employee of the Public Transport Authority, interacts with my office and he sat on the committee, but he was specifically —

**Ms R. Saffioti** interjected.

**The SPEAKER:** Member for West Swan.

**Mr D.C. NALDER:** I am referring to Leigh Boucher. I have a huge amount of respect for Mr Boucher. He was specifically removed from the committee when the final proponent was discussed to work out the final tenderer. He was specifically moved from that committee. An independent probity adviser works on these tenders, irrespective of whether it is the Department of Transport—whatever ones—and strategic projects in the Department of Treasury. We are not provided minutes of and information from those committee meetings. We are deliberately kept away from them for a specific reason. I am finally briefed and we are going to speak to the Premier, and because of the ASX requirements, we put it out. There is an investigation into that share price spike.

**Ms M.M. Quirk** interjected.

**The SPEAKER:** Member for Girrawheen!

**Mr D.C. NALDER:** There is no allegation whatsoever by ASIC that someone within the department or a member of Parliament or a staffer for a member of Parliament has done anything wrong. The member for West Swan, the shadow Minister for Transport, is putting forward the question: why have I not gone back through the governance processes? She is starting to challenge me and my integrity in this place. If she is going to do that, she had better have some good facts.

**Mr P. Papalia** interjected.

**The SPEAKER:** Member for Warnbro, I call you to order for the first time. We are running out of time.

**Mr D.C. NALDER:** As I said, there are accusations of improper behaviour by me, my staff and my department, but I have not seen anything—not one shred of evidence—that anything has been done wrong. What we have seen and what we acknowledge is that there has been a share price spike. We are not under investigation; we are assisting ASIC with the investigation.

**Mr P. Papalia** interjected.

**The SPEAKER:** Member for Warnbro, I call you to order for the second time; and, member for Girrawheen, I call you to order for the second time.

**Mr D.C. NALDER:** We are assisting ASIC with an investigation, as we should. While that investigation is going on, is it appropriate for me to make public statements about what should be occurring from ASIC and the ASX or do I let them, unimpeded, go through a proper investigation to determine whether we need to be concerned about any issue?

**Mr D.J. Kelly** interjected.

**The SPEAKER:** Member for Bassendean, I call you to order for the first time.

**Mr D.C. NALDER:** At this point in time, ASIC has provided nothing that suggests that there is concern about the state government. ASIC has provided nothing that suggests there should be concern about any individual employed by the state government. Everything that I can identify in here would suggest that proper and due process has been followed. We acknowledge that there has been a share price spike. It is not up to this government or the people within this government to investigate that share price spike; that is up to the federal authorities to investigate. Those federal authorities have made contact with us and would like to understand the flow of information and the flow of communications. We have provided that information. We wait for them to conclude their investigations. I cannot stand here and categorically say that someone on the staff has done something right or wrong. I cannot. That is why I have to stand back and let an independent investigation be undertaken and await the findings of that investigation. I can assure members that my office was not informed of that share price spike at the time. There was no flow of information to my office. From my understanding, the committee did not make the decision until the sixteenth, I believe, and the share price spike was on the fifteenth.

**MR B.S. WYATT (Victoria Park)** [12.49 pm]: The Minister for Transport says there is nothing of concern to him and the government, except of course an investigation by the Australian Securities and Investments Commission into the government's processes around the release of market-sensitive information.

**Mr C.J. Barnett:** Who said that?

**Mr B.S. WYATT:** The Australian Securities and Investments Commission! That is what ASIC is investigating. In his kind of bizarre response, the Premier talked about the unofficial process around the Museum. I wrote down the Premier's response—he said, "Because we have this process of informal briefings of cabinet." Does that happen with market-sensitive information—informal briefings of cabinet?

**Mr C.J. Barnett:** That has been the standard process of cabinet for decades.

**Mr B.S. WYATT:** Interesting. No wonder ASIC is investigating. The minister said there is no investigation, yet he is cooperating fully with ASIC. That is an investigation! I am interested in the flippant disregard —

**Mr C.J. Barnett:** Into whom?

**Mr B.S. WYATT:** Into your government, Mr Barnett; an investigation into the Barnett government because there is a concern —

Several members interjected.

**The SPEAKER:** We have a short period of time. The member for Victoria Park has the call. I want him to speak through the Chair.

Several members interjected.

**The SPEAKER:** Premier, I call you to order for the second time. Member for Victoria Park, I call you to order for the first time. We have limited time. Let us have a good debate.

**Mr B.S. WYATT:** ASIC is clearly concerned that the movement of information from the evaluation committee to the steering committee, through to the Department of the Premier and Cabinet, the Department of Treasury and the Department of Transport has been compromised. Whether the minister himself is out there trading shares or whether he has other people trading shares —

*Point of Order*

**Mr C.J. BARNETT:** That was clearly an innuendo that the minister had been trading shares and that he was involved. That is an accusation of criminal conduct. I ask the member for Victoria Park to withdraw it.

**The SPEAKER:** Thank you. Carry on.

*Debate Resumed*

**Mr B.S. WYATT:** Thank you; and no point of order.

Whether the minister is trading shares has not been argued by the opposition. What has been argued is the compromise in the minister's processes. ASIC is clearly concerned that market-sensitive information has been released. Two days before the public release of the information there was a share spike of 55 per cent. No; the minister says there is nothing of concern there. A share price spike of 55 per cent! The minister does not seem to have any worries about potential insider trading; in fact, he shows flippant disregard. Can I remind the minister that a criminal conviction for insider trading carries a penalty of 10 years' imprisonment. It is a serious offence. That means rather than "Nothing of concern here; there's no investigation; we're cooperating with ASIC", perhaps the minister should investigate the governance process along the way of the transfer of information. According to ASIC, it has some concerns about that. I want to hear from the Treasurer as well, because his office is involved in this whole process. Where, if anywhere, was that compromise? Is he saying it is up to ASIC to investigate? No; it is this government. Any governance failure is a responsibility of the Premier, a responsibility of the Treasurer, a responsibility of the Minister for Transport —

**Dr M.D. Nahan** interjected.

**The SPEAKER:** Treasurer, I call you to order for the first time.

**Mr B.S. WYATT:** All I need is the reality that there is an ASIC investigation into this government. That is all I need. Do members know what? Too right the opposition will be asking questions about this. The government's rush to victimhood is startling: "Oh, this is outrageous!" It is all about "poor us". Every time the government is under pressure—the Premier is particularly very good at it; he has built a career on it—the rush to victimhood, that the now transport minister is taking up, is quite extraordinary.

**Dr M.D. Nahan:** What is extraordinary is your mudslinging.

**Mr B.S. WYATT:** It is not mudslinging at all.

**Dr M.D. Nahan** interjected.

**The SPEAKER:** Treasurer, I call you to order for the second time. Through the Chair.

**Mr B.S. WYATT:** True—ASIC may have thrown some mud and it may be sticking with the Treasurer! I am sorry about that, but the reality is that there is an investigation because the federal regulator has concerns about the transfer of information along the way of market-sensitive information that may have caused that price spike. The minister comes in here and says there is nothing of concern to us. Guess what? There is, until we get answers to these six questions, plus the seventh: When did the Minister for Transport tell the Premier? When did the minister and the Premier have that unofficial conversation about market-sensitive information? On what date? That raises another interesting question in itself.

**MR M. McGOWAN (Rockingham — Leader of the Opposition)** [12.55 pm]: Mr Speaker, the idea —

Several members interjected.

**The SPEAKER:** Sit down. Leader of the Opposition.

**Mr M. McGOWAN:** The idea that this is an insignificant matter, which the government portrays, is absolutely wrong and it is rubbish.

Several members interjected.

**The SPEAKER:** We have two minutes left. We want to hear the Leader of the Opposition.

**Mr M. McGOWAN:** The Minister for Transport stands and says that no-one is under investigation. There is a front-page story that an Australian Securities and Investments Commission inquiry is seeking phone records from the minister's office. He pretends that there is nothing important going on here. The minister then asks, "Where's your evidence?" There is a 55 per cent share spike in the company that was awarded a successful tender worth \$1.3 billion. There is some evidence that something is wrong in the state of Denmark! There is some evidence that something is wrong. Instead of coming in here and saying, "Look, we're going to work on this and try to get to the bottom of it", he is all defensive as though he has done nothing wrong and there is nothing to see. He should be investigating.

I want to make two quick points —

Several members interjected.

**The SPEAKER:** Member for Perth, I call you to order for the first time. Premier, I want to hear the Leader of the Opposition. We have exactly two minutes.

**Mr M. McGOWAN:** I have two quick points. When this issue was raised on 23 February 2016, the minister said that he was advised on the Wednesday afternoon. Earlier today, the Premier said there was a discussion between him and the minister at or after cabinet. Cabinet meets on Mondays. The minister said that he was informed on the Wednesday. Now we have the minister misleading Parliament, according to the Premier's own definition. Secondly, if the minister knew there was an ASIC inquiry going on for some weeks or months, as he said this morning, I want to know why the Premier found out only yesterday. I thought that would be a relevant consideration for the Premier in deciding who is in his cabinet and who gets what portfolio. That is basic accountability from a minister to his Premier on an important issue. Surely he would want to know there was an ASIC inquiry going on. Surely that is a relevant consideration for the Premier in deciding the composition of his cabinet and the portfolios.

#### *Division*

Question put and a division taken with the following result —

#### Ayes (19)

Ms L.L. Baker  
Dr A.D. Buti  
Ms J. Farrer  
Ms J.M. Freeman  
Mr W.J. Johnston

Mr D.J. Kelly  
Mr F.M. Logan  
Mr M. McGowan  
Ms S.F. McGurk  
Mr M.P. Murray

Mr P. Papalia  
Mr J.R. Quigley  
Ms M.M. Quirk  
Mrs M.H. Roberts  
Ms R. Saffioti

Mr C.J. Tallentire  
Mr P.C. Tinley  
Mr B.S. Wyatt  
Mr D.A. Templeman (*Teller*)

#### Noes (34)

Mr P. Abetz  
Mr C.J. Barnett  
Mr I.C. Blayney  
Mr I.M. Britza  
Mr G.M. Castrilli  
Mr V.A. Catania  
Mr M.J. Cowper  
Ms M.J. Davies  
Mr J.H.D. Day

Ms W.M. Duncan  
Ms E. Evangel  
Mrs G.J. Godfrey  
Dr K.D. Hames  
Mrs L.M. Harvey  
Mr C.D. Hatton  
Mr A.P. Jacob  
Dr G.G. Jacobs  
Mr R.F. Johnson

Mr S.K. L'Estrange  
Mr R.S. Love  
Mr W.R. Marmion  
Mr J.E. McGrath  
Ms L. Mettam  
Mr P.T. Miles  
Ms A.R. Mitchell  
Mr N.W. Morton  
Dr M.D. Nahan

Mr D.C. Nalder  
Mr J. Norberger  
Mr D.T. Redman  
Mr A.J. Simpson  
Mr M.H. Taylor  
Mr T.K. Waldron  
Mr A. Krsticevic (*Teller*)

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#### Pairs

Mr R.H. Cook  
Mr P.B. Watson

Mr J.M. Francis  
Mr B.J. Grylls

Question thus negated.

### **BUSH FIRES AMENDMENT BILL 2016**

#### *Introduction and First Reading*

Bill introduced, on motion by **Mr J.M. Francis (Minister for Emergency Services)**, and read a first time.

Explanatory memorandum presented by the minister.

*Second Reading*

**MR J.M. FRANCIS (Jandakot — Minister for Emergency Services)** [1.02 pm]: I move —

That the bill be now read a second time.

I am pleased to introduce the Bush Fires Amendment Bill 2015. This bill is an important part of the government's continued response to the report of the special inquiry titled "A Shared Responsibility: The Report of the Perth Hills Bushfire February 2011 Review", which was undertaken by Mr Mick Keelty, APM, AO.

Recommendation 38 of the Keelty review stated that local governments should institute a comprehensive program to assess fuel loads and bushfire preparedness on private properties. Mr Keelty recommended that this program should involve the creation and maintenance of a building protection zone on private properties, in line with guidelines. Evidence shows that fuel load reduction can reduce the exposure of assets to bushfire and thus assist in firefighting efforts and increase the likelihood of a building or other asset surviving a bushfire.

This bill allows the Fire and Emergency Services Commissioner, after consultation with the minister, to publish standards that will specify measures to prevent the outbreak, spread or extension of a bushfire, or to mitigate the effects of a bushfire. Undertaking the measures specified in the standards will not be compulsory. Currently, under the Bush Fires Act 1954, local governments bear the primary responsibility for determining the requirements for bushfire risk treatments to be undertaken by occupiers of land within the local government area. Bushfire risk treatments are currently required and enforced by local government under section 33 of the Bush Fires Act, through the issuing of what are commonly referred to as firebreak notices. There has, however, been recognition that complying with firebreak notices may leave occupiers of land open to prosecution for breaching other acts that are inconsistent with the terms of the firebreak notice inasmuch as they prohibit the clearing of vegetation. This bill does not change the onus on local governments to implement bushfire mitigation measures in their areas, but complements this responsibility by clarifying the circumstances in which owners or occupiers of land can undertake mitigation works to protect their properties without the risk of breaching other laws.

Owners or occupiers of land who undertake the measures specified in the standards will be afforded protection from breaching other written laws, except in the circumstances set out in the bill.

The Department of Fire and Emergency Services currently issues guidelines for occupiers of land with regard to bushfire risk treatments; however, those guidelines have no legislative standing, and undertaking bushfire mitigation measures in accordance with these guidelines requires a landowner to comply with the provisions of other acts with regard to things upon the land. This may act as a disincentive to undertake mitigation measures.

A clause has been inserted into the bill so there is the ability to prescribe written laws that will not be overridden by the standards to be published by the Fire and Emergency Services Commissioner. This provision came about as a result of consultation that revealed situations in which it may not be appropriate to override other written laws in all circumstances. This will provide the ability to balance the need to protect buildings and other assets from bushfires with the need to ensure that, where appropriate, other matters such as the ecological protection of particular areas of the state are maintained.

The written laws that may be prescribed will be the subject of further consultation. During the consultation for this bill, other agencies indicated that they may not seek to have any laws they administer prescribed. This will depend on matters set out in the standards, such as the size of the area that can be cleared around an asset, or the severity of the mitigation measures.

The changes set out in this bill are in line with the Premier's building protection zones policy, which states —

In an effort to improve the State's preparedness for bushfire, all public sector bodies and entities listed in Schedule 1 of the *Public Sector Management Act 1994* are encouraged to implement or improve existing Building Protection Zones (BPZs) around their critical assets in high bushfire risk areas.

Although the policy is focused on the public sector, it indicates the state's commitment to the utilisation of a fuel reduction strategy for bushfire risk mitigation.

This bill defines an owner or occupier of land for the purposes of the standards to include a department of the public service that occupies land or a state agency or instrumentality that owns or occupies land. This will ensure a consistent approach to the carrying out of bushfire risk treatment measures for all owners or occupiers of land in the state. There has been broad agreement that this proposal will assist in lessening the impact of bushfires on communities and strategic assets. I commend the bill to the house.

Debate adjourned, on motion by **Mr D.A. Templeman**.

**MOTOR VEHICLE (CATASTROPHIC INJURIES) BILL 2016**

*Returned*

Bill returned from the Council with an amendment.

*As to Consideration in Detail*

On motion by **Dr M.D. Nahan (Treasurer)**, resolved —

That the Council's amendment be considered in detail forthwith.

*Consideration in Detail*

The amendment made by the Council was as follows —

New clause 35A

Page 26, after line 7 — To insert —

**35A. Review of Act**

- (1) The Minister must carry out a review of the operation and effectiveness of this Act as soon as is practicable after the 5th anniversary of the day on which this section comes into operation.
- (2) The Minister must prepare a report based on the review and, as soon as is practicable after the report is prepared, cause it to be laid before each House of Parliament.

**Dr M.D. NAHAN:** I move —

That the amendment made by the Council be agreed to.

I would like to go through the amendment and start off by thanking the Legislative Council for the expeditious passage of this bill. It is a very important reform and I thank the Legislative Council for its quick action. This is a standard review clause and I find no problem with it at all; I think it is a good idea. It is not a standard clause in other legislation related to the Insurance Commission of WA. I am not saying it was an omission or oversight or our fault. Either the minister or, indeed, the Parliament, can authorise such a review. There was some discussion about whether it should be three years or five years. Given that the scheme will be phased in over the first year, I would strongly argue for five years. I think that is good. The Insurance Commission of Western Australia will undertake regular reviews of the processes, because this is a new approach that is no fault, and it will require a large amount of money. I see no problem with this amendment at all, and I urge its passage quickly so that we can get the bill passed by 1 May and the no-fault scheme can be implemented on 1 July.

**Mr B.S. WYATT:** I have a couple of questions about this amendment. As members are aware, the opposition has been supportive of this legislation in both this house and the upper house. However, I am keen to know, and perhaps the Treasurer can explain, whether this amendment was generated from a government member and the arguments that were put. I have only just seen this amendment. I agree with the Treasurer that this is a good amendment. It is not controversial. The amendment refers to a review after the fifth anniversary of the day on which “this section” comes into operation. Interestingly, it probably should be “the act”. How did this amendment come upon us? Did it come from cabinet?

**Dr M.D. NAHAN:** Prior to the debate, Hon Nick Goiran came to me and asked about this amendment. He was going to move it on the floor of the upper house. I did not watch the actions on the floor, but I assume that this amendment was put forward by Hon Nick Goiran. I said that I had no problem with the amendment, so long as the amendment could be passed and come to this house in an expeditious manner. I have no problem with the amendment at all. I actually think we should have omnibus legislation that provides for reviews to be standard across all legislation, particularly legislation of this significance. My understanding is that Hon Nick Goiran came to my staff and asked whether I would be amenable to this amendment, and I said yes, subject to the expeditious passage of the bill. That happened—the bill passed through the upper house very quickly, and the amendment is now down here. The amendment was not raised in cabinet. It was put on the floor of the upper house, and I assume that it had majority support.

**Mr B.S. WYATT:** I have a question about the nature of the review. I would be concerned if this review was undertaken on behalf of the Insurance Commission and for the Insurance Commission. I am also keen for the review to comprise representatives of the plaintiffs—that is, those who are injured and are receiving the benefits under the no-fault catastrophic injury insurance scheme that we are setting up—because ultimately the views of the Insurance Commission may differ from the views of the people who are the beneficiaries of this regime. I ask the Treasurer to put on the record his view of the nature of the review that will take place as a result of this amendment.

**Dr M.D. NAHAN:** That is a very good question. I have already discussed with the Insurance Commission whether it conducts reviews as standard. My view is strongly that the review should be independent of the Insurance Commission and should comprise people with a wide range of expertise. I would be disappointed if it was an exercise to water down the coverage of the scheme. Therefore, even though this amendment does not give direction as to the composition of the review, my view is that it should be independent of the Insurance Commission and have a wide range of expertise. I accept the member's argument that it should



include the expertise and knowledge of the plaintiffs and the perspective of the major focus group—that is, the catastrophically injured parties. Another question is the definition of “catastrophic”. The member will remember that we had a discussion about all the standards that will be set up. In the next five years, we will see the roll out of the National Disability Insurance Scheme and the development of other standards. I would think this scheme needs to be looked at in the wider context of the NDIS. Therefore, it will be a review of the act, but in the context of an evolving insurance and assistance scheme for the disabled. Therefore, the review will need to be wideranging.

**Mr B.S. WYATT:** Similarly, the Treasurer may recall that we had a long conversation around the dispute resolution process or the appeals process. That should also be captured in the review of the act, not just from the perspective of the Insurance Commission, but importantly from the perspective of the injured parties, so that whatever Parliament is dealing with this will be able to get a thorough understanding of how the scheme is being implemented. We had a conversation in this place, and we were all in furious agreement, about the fact that we do not want to create an overly legalistic or adversarial system. The problem is that we often say that in this chamber and the systems we create then become something quite different from what was expected by the Parliament at the time, hence our support of this review clause, because hopefully it will allow for a review around the specifics of the implementation of the regime.

**Dr M.D. NAHAN:** I support the amendment fully. Hon Nick Goiran was pushing very strongly to have lawyers involved in the medical assessment. I think the member for Cannington said that sometimes we cannot differentiate what the issue is, and a lawyer would be the advocate, and there would be a push to take a legalistic approach to the medical assessment. I think Hon Nick Goiran’s focus with this amendment is to make sure that the assessment is not adversarial and not legalistic. Hon Nick Goiran had a concern that that will happen anyway. That is also a concern for the member for Victoria Park, and it is my concern, too. Therefore, the review should look at whether any legalism is creeping into the medical determination process, and whether there are any issues that we need to address at that time. This will be a very good and appropriate focus of the review. I therefore commend the amendment to the house.

**Question put and passed; the Council’s amendment agreed to.**

**The Council acquainted accordingly.**

#### HEALTH SERVICES BILL 2016

##### *Consideration in Detail*

#### **Postponed clause 20: Functions of Department CEO —**

The clause was postponed on 22 March after it had been partly considered.

**The ACTING SPEAKER (Mr I.M. Britza):** We are considering the Health Services Bill 2016. The Legislation Committee on the Health Services Bill 2016 agreed to postpone the following clauses for consideration in the Legislative Assembly: clause 20, clause 102, clauses 141 to 143, and clauses 161 to 174.

**Ms J.M. FREEMAN:** Mr Acting Speaker, I am not sure how we should deal with this. At page 25 of the uncorrected proof *Hansard* of the Legislative Assembly Legislation Committee of 22 March, clauses 20 to 23 were postponed. I was not in the room at that time, but, other than that, I have a good understanding of what happened subsequently. We then went on to clause 24. So my question is: did we deal with clauses 21 to 23 at some later stage? There were postponed clauses and the report we got—I clearly did not look at that, but I have a bit of paper from Wendy Duncan—shows that they were the postponed clauses, but that does not appear to properly correlate with the *Hansard* I am looking at. I would like clarification to begin with about why we are only looking at clause 20 and not clauses 21, 22 and 23.

**Mr J.H.D. DAY:** I am advised that clauses 21, 22 and 23 were dealt with at the end of the Legislation Committee. I understand that clause 20 was overlooked at the time.

**The ACTING SPEAKER (Mr I.M. Britza):** What the minister has said is in fact correct. The video has confirmed that clauses 21 to 23 were dealt with and that clause 20 would be dealt with in consideration in detail in the Legislative Assembly.

**Ms J.M. FREEMAN:** Just for clarification, when were they dealt with? They were not dealt with on the night. Did we deal with them on the Thursday or the Wednesday?

**Mr J.H.D. Day:** On Thursday, on the last day.

**Ms J.M. FREEMAN:** On the last day, okay.

**The ACTING SPEAKER:** It was on the Thursday.

**Ms J.M. FREEMAN:** So clause 20 is the only clause we are looking at at this point in time?

**The ACTING SPEAKER:** That is correct.

**Ms J.M. FREEMAN:** I will just start off. Again, as I said, I was not there at the time, but I understand that the issue with clause 20 was the functions of the department CEO in relation to its industrial relations responsibilities. There was concern from members that the CEO would not take the general position for the whole of the health system and that different systems would occur. Does the minister want to comment on that? I will then leave it to my colleagues who were in the committee who had those concerns.

**Mr J.H.D. DAY:** As the member has intimated, I was not there in the committee as the Minister for Health at the time—we have had a change in the meantime—but I am advised that to address the concerns raised clause 24 was amended to ensure that a delegation by the CEO of the department could not be given to a staff member of the health service provider. As I said, clause 24 was amended to address the concerns that were expressed.

**Mr D.J. KELLY:** I was one of the members of the committee who raised the concern about the function of the government's industrial relations policy. One of the functions of the department CEO is identified in clause 20(1)(f) as follows —

managing WA health system-wide industrial relations on behalf of the State, including the negotiation of industrial agreements, and making applications to make or vary awards;

One of the concerns I had in the context of the other provisions of the bill was that the government could potentially break up, deregulate or atomise, or whatever we want to say, industrial outcomes between various hospitals. At the moment my understanding is that single negotiations cover different classifications of staff across hospitals—at least when they are employed by the health department. The concern I had was how this power under clause 20(1)(f) sits with the rest of the provisions of the bill, which seem to me to give ability to the government to basically have different industrial outcomes at different hospitals. The minister's predecessor said very strongly that that was not the government's intention and it was not something he would support. Given that we have had a change of jockey, I would very much be interested to hear from the new minister reaffirmation that that is still the government's view, particularly, I suppose, how the amendment to clause 24 assists to ensure that in terms of that function of the CEO this bill is not used to deliver something other than a statewide industrial relations system, and we in fact do not end up with different negotiations and industrial outcomes at different public hospitals.

**Mr J.H.D. DAY:** I do not have any reason to vary the statements that were made by my predecessor as Minister for Health. The policy of the government then is still the policy of the government; it has not changed in the last week or so. A clear policy is not to allow delegation of the role of the department on a statewide basis for the purpose of overseeing and setting the industrial framework, including enterprise bargaining agreements. I do not have the amendment that was made here, but it would obviously be in *Hansard* and will be reflected in the bill when it is finally printed. The amendment reflects that clear policy intention. I am assured that the amendment ensures that that function is not able to be delegated in the way expressed in the concerns.

**Mr D.J. KELLY:** I thank the minister for those comments. My concerns are well grounded in history. There was a time when under the previous Court government —

**Mr W.J. Johnston:** You were the minister!

**Mr D.J. KELLY:** And we respected him deeply when he was!

**Mr J.H.D. Day:** I don't recall that!

**Mr D.J. KELLY:** I do not recall that, no!

Was the minister succeeded by Graham Kierath or was there some other poor soul in between him and the former member for Riverton?

**Mr J.H.D. Day:** Kevin Prince preceded me, Graham Kierath preceded Kevin Prince and Peter Foss preceded Graham Kierath.

**Mr D.J. KELLY:** With some indulgence, I remember one meeting I had with Graham Kierath as the minister when I made a comment that he had only been minister for a week and his predecessor said such and such. He said to me, "I'm the minister, and I'll be the minister for a long time", and the next week he lost the ministry! I remained secretary of the union throughout all those ministers, but I digress.

There was a time when there was a policy view that there would be different outcomes, not only in different hospitals, but also with individual contracts that allowed different outcomes for different people within the same classification. The minister can forgive me if I press him, but he has said that it is not the government's policy to have differing outcomes across different hospitals. Does this legislation allow the department CEO to implement a statewide system that nevertheless has different outcomes from hospital to hospital, and in fact from individual staff member to individual staff member? Does this legislative framework allow that to happen, notwithstanding that I accept that the minister said that it is currently not the policy of the government to have that sort of system in place?

**Mr J.H.D. DAY:** The advice I have is that the effect of the Health Services Bill 2016 does not provide for the circumstance that the member just inquired about. The whole tension in relation to the policy aspect of the bill and the whole structure of the bill is to establish a standard and consistent approach to the employment and industrial framework across the Western Australian public health system, including health service providers. I will answer the member for Bassendean's question directly. Does the bill allow for the circumstances he expressed concern about? The advice that I have is no.

**Mr D.J. KELLY:** I thank the minister for that response. I will just ask the minister about clause 20(1)(i), which states —

- (i) establishing the conditions of employment for employees in health service providers in accordance with the requirements of any binding award, order or industrial agreement under the *Industrial Relations Act 1979*;

The only legislation referred to is the Industrial Relations Act 1979. Can I just clarify: are any employees covered by the WA health system covered by the federal Fair Work Act 2009; and, if so, should there not be a reference to that legislation in this clause as well?

**Mr J.H.D. DAY:** I am advised that no employees within the Western Australian public health system are covered by the commonwealth Fair Work Act. They are state government employees and, therefore, are unable to be covered by that act.

**Mr D.J. KELLY:** Further to that point, I understand that employees of trading corporations are covered under the Fair Work Act, so there is always a question of whether or not public hospitals are in fact trading corporations. Simply because they are state government employees does not preclude them from being covered by the Fair Work Act; it is a question of the nature of the entity and whether it is defined as a trading corporation. My understanding is that it is a test that lawyers have made quite a bit of money out of litigating in various circumstances. Entities such as the Water Corporation, I understand, are trading corporations, so they have people who are covered. There has been debate around public hospitals because in some of their activities they do trade, including their interactions with private health insurance providers—the whole works. I am not disagreeing with the minister's view that no-one is covered by the Fair Work Act; I suppose I just seek a further explanation or clarification that, in the government's view, none of the hospitals within the public health system are in fact trading corporations and, therefore, none of the staff are captured by the provisions of the Fair Work Act.

**Mr J.H.D. DAY:** I understand that the issue the member raises has been discussed by some, but there has not been any action to confirm or to establish Western Australian public hospitals as trading corporations. Some may try to push the limits a bit, but that is certainly not the intention of the government. I am advised that a provision in this bill somewhere makes it clear that employees are employees of the state government. I draw attention to clause 108(1), which states —

Each chief executive is to be appointed by the Department CEO for and on behalf of the State.

That refers only to chief executives, obviously, but my understanding is that that is the policy reflected in relation to other employees as well.

**Ms L.L. BAKER:** I refer to clause 20(1)(k), “providing support services to health service providers”. I am interested to hear from the minister what the nature of those support services might be. It is something that I did not notice when we were in consideration in detail in the Legislation Committee the other night, but one of the reasons it interests me is that that is a pretty general term. Both the minister's government and the previous Labor government have been through shared services and there is always the issue of duplication of systems, including information and communications technology systems. I am really interested to know what the extent of those support services would be. Is there a ring fence around it? For instance, if one of the health service providers wants support in upgrading its IT system, would that be part of what is being provided? Is it a fee-for-service arrangement or is it support services that the CEO provides from the department for free to all health suppliers? Is that clear enough for the minister to form a response?

**Mr J.H.D. DAY:** I am advised that the reference to support services relates to corporate-related services or shared clinical services such as pathology, and would also include IT services. Whether those support services are provided for “free” or whether a charge is made, as part of the general health budget at the moment work is being done to try to ensure that the actual cost of providing those services is identified. Obviously, if there is to be appropriate management of the budget in the health system, there needs to be knowledge about where resources are being used and how they are being spent and so on. If changes need to be implemented, we need to have good information about the cost of particular aspects of the system.

**Ms L.L. BAKER:** Does the government intend to show a list of what is in the range of that support services description, because in most corporate environments support services involve human resources, industrial relations, occupational health and safety, finance support and information and communications technology. Myriad things come under the term “corporate support” in most government departments. Can a list be provided

so that the house can look at what will be covered? I think it is an interesting concept, when working out exactly the costings of those services. Clearly, if it continues to grow and the department is doing recruitment or support for ICT, the government might put fees in place. It might want to levy fees on health service providers. Can that information be located?

**Mr J.H.D. DAY:** The sort of services that are included include those I referred to earlier, such as information technology services, pathology and other corporate support services, including payroll management, human resources management, supply services and procurement services. That is the general ambit of what is included. The health system is a very large one, of course, and at the moment I am not fully familiar with the exact details of how those services are provided. It is quite an important issue because it is such a large system and the services need to be provided in an efficient way. I imagine there is a hybrid arrangement through which the department provides services across the whole system for some areas, but others are done on a more localised basis. I do not have more detailed knowledge than that at the moment, but the sort of services provided are those that I mentioned.

**Ms J.M. FREEMAN:** I want to clarify a question asked by the member for Bassendean. Subsection (1)(i) refers to the Industrial Relations Act. Previously, employees of what was the Liquor, Hospitality and Miscellaneous Union, now United Voice, were covered by a federal award and a federal agreement before coming back under the state agreement after agreement was reached by the parties. I am not sure of the status of the federal award. Did that happen because it was done during a period in which the parties relied on the constitutional provision of section 51(xxxv), which refers to disputes across the borders of any one state, and because the government did not think it would fall foul of the changes that happened under the federal industrial relations system when it started using corporations power under the Workplace Relations Amendment (Work Choices) Act 2005? We all know that when John Howard became Prime Minister, he used a whole series of powers, including the corporations power under the Constitution, to take control of pretty much 98 per cent of industrial relations in Australia, excluding unincorporated small businesses and state governments. The Victorian government handed its powers over to the federal government. There was indeed a time when workplace relations legislation did apply in a dispute across borders of any one state because there was an award and there was an agreement. On that basis, if there is still active capacity for a dispute and a dispute is found and detailed, is it such that the federal workplace relations legislation would completely rely on corporations legislation such that the traditional aspects of industrial relations, which involved disputes across the borders of any two states, would no longer hold and therefore there is reason for the government to reflect binding awards, orders or industrial agreements under the federal system of the Fair Work Act? From my perspective it seems too simple to say that there is no concept of hospitals being seen as trading corporations. Certainly St John of God Hospital and Joondalup hospital are covered by the federal system and have workers who are covered by the federal system. Prior to the changes brought by the Howard government, which used corporations power to distinguish the rights and responsibilities of industrial relations over state workers, industrial powers were found in the Constitution under section 53(xxxv). A dispute was found across the borders of any one state in the case of health and that delivered a federal award and subsequently federal agreements. Why has that dispute not been reflected in this case, because it could still have some currency? We have been told on a number of occasions that the government is futureproofing; why is there no inclusion of that to futureproof if that dispute continues?

**Mr J.H.D. DAY:** The issue that the member has raised relates to commonwealth legislation. I do not pretend to be an expert on commonwealth workplace relations or corporations legislation. What we are dealing with here, as I explained before, are employees of the Western Australian state government. To elaborate on what I said in response to the member for Bassendean earlier, I also draw attention to clause 140(1), which states that a health service provider may employ and manage employees for and on behalf of the state, so we do not expect the circumstance that the member for Mirrabooka just outlined to apply. We are dealing with state legislation and the state industrial relations system.

**Ms J.M. FREEMAN:** I think there could still be a dispute and that the commonwealth legislation must be able to apply, unless the minister can tell me by virtue of fact that it uses corporations power and only corporations power to establish the fair work legislation. I do not think the government has done any futureproofing. That aside, if a future government decided to do what Victoria did, which handed over its industrial relations to the federal system because there was such a small amount of coverage—its public servants are in the federal system as well—does that mean that the government would have to come in here and purposely change the legislation to include the commonwealth Fair Work Act so that in terms of futureproofing, the government would need to ensure that those other provisions of awards or agreements under the Fair Work Act are binding?

**Mr J.H.D. DAY:** If the state was going to transfer its responsibility for industrial relations to the commonwealth, I am advised there would need to be an amendment to this bill and that would be included in whatever legislation is put forward to enable such a change, but the government does not have any intention or plans to do that. It is not something that has come up in any discussions I have been involved in, certainly in my recent memory, so it is an academic consideration.

**Ms J.M. FREEMAN:** Subclause (1)(i) refers to an order or industrial agreement under the Industrial Relations Act. How is it that the Minimum Conditions of Employment Act is not included?

**Mr J.H.D. DAY:** I do not have a clear answer for why that is not spelt out in here, but I imagine it is on the advice of parliamentary counsel that it is not necessary because those conditions are applied, either implied or explicit, somewhere in Western Australia's legislation; and, clearly, there is no intention to do otherwise.

**Mr W.J. JOHNSTON:** I want to raise the wording of that paragraph, because it states that the functions of the department CEO include —

establishing the conditions of employment for employees in health service providers in accordance with the requirements of any binding award, order or industrial agreement under the *Industrial Relations Act 1979*;

The conditions of employment are established by the contract of employment; the contract of employment cannot be contrary to the provisions of the binding award, order or industrial agreement. It is not the CEO who establishes the conditions of employment; they are the subject of the contract between the employee and the employer under the Minimum Conditions of Employment Act. Minimum conditions are implied in all contracts of employment in Western Australia, and, indeed, because these are state public servants, they would be covered by long service leave arrangements, which are also binding on the employer, but they are not mentioned here. I am concerned with the phrasing of this paragraph, which the member for Mirrabooka just drew to our attention. I do not understand why the words “establishing the conditions” are used, because the conditions are not established administratively; they are established by the contracts. The contracts have to comply with certain provisions, which is a different issue, so I am not sure why the word “establishing” is used here.

**Mr J.H.D. Day:** It is parliamentary counsel's advice.

**Mr W.J. JOHNSTON:** I would be interested to hear that advice, because I am not sure that is the case.

**Dr K.D. Hames:** If you had been at the Legislation Committee meeting, you would have!

**Mr W.J. JOHNSTON:** I could have, but I was not a member of the committee.

**The ACTING SPEAKER (Mr I.M. Britza):** Members, let us stay with the debate.

**Mr W.J. JOHNSTON:** I am being distracted by unruly interjections from the Liberal Party backbench. The member for Dawesville thinks he has something to say in these matters. He is like all the other backbenchers; he is way down the back and nobody in the ministry listens to him anymore.

I wonder whether the minister has a better explanation for using the word “establishing” when that is not what it will be doing.

**Mr J.H.D. DAY:** As I explained earlier, the conditions of employment need to be made clear by the department on a statewide basis. The department has a responsibility to ensure a statewide approach to the conditions that exist, and the words in paragraph (i) reflect that point, so I think it is a fairly esoteric argument we are getting into. It is very clear that the policy intention of the government in this legislation is that there will be appropriate conditions of employment that will comply with other state legislation, which the member for Cannington outlined himself, and a statewide approach will be taken.

**Mr W.J. JOHNSTON:** This reminds me of when I appeared for the Shop, Distributive and Allied Employees Association of WA in an inquiry into the first round of industrial relations changes, when Peter Reith was the federal minister. I think it was Winston Crane, a Western Australian Liberal senator at the time, who asked me how many people in the retail industry were covered by individual contracts. It was a silly question because it is 100 per cent—every single employee is covered. The definition covers someone who turns up to work and gets paid; that is their contract. The question really should have been: how many are covered by a salary package? This goes back to that question. The CEO cannot establish the conditions of employment because they are established by the contract of employment. The contract of employment has to comply with certain conditions, but it is the contract that creates the conditions, not the legislation itself; the legislation regulates the conditions. Again, I get to the words “establishing the conditions of employment”. I do not see how the CEO can establish the conditions of employment, because the conditions of employment, by law, have to comply with the IR act and, by fact, with the contract of employment. It is not that the CEO is “establishing” them; the government must look for some other word. I wonder, in the few minutes before question time, whether the minister can explain what this clause is trying to achieve, because it is not establishing conditions.

**Mr J.H.D. DAY:** I thank the member for his learned explanation and understanding of Western Australian industrial relations legislation. As I have explained, the intention is that there will be a statewide approach. The conditions of employment, of course, will reflect the Minimum Conditions of Employment Act and other relevant Western Australian legislation. Employees will be treated fairly and equitably, as they have been all the time that we have been in government. Obviously, I was not involved in detailed drafting of this legislation, but I do not see any problem arising from the wording expressed here, albeit if we accept the member's argument that there are perhaps a few more words than is absolutely necessary, but perhaps a cautionary approach has been taken.

**Ms L.L. BAKER:** During the Legislation Committee hearing, I was interested to get some clarity about subclauses (3) and (4), which state —

- (3) The Department CEO must have the written agreement of the Minister for Works before commissioning and delivering a capital work or maintenance work under subsection (1)(g).
- (4) The Minister for Works may by order exempt a work, or class of work, from the operation of subsection (3).

Could the minister give me some clarity as to what those two clauses mean, in particular, what class of work might end up being exempt? It would be good if the minister could advise whether anything further in the clause might make this clear. I go back to the CEO having written agreement of the minister before commissioning and delivering a capital work or maintenance work and, also, the Minister for Works exempting a work or class of work from the operation of subclause (3).

Debate interrupted, pursuant to standing orders.

[Continued on page 2212.]

### QUESTIONS WITHOUT NOTICE

#### DEPARTMENT OF TRANSPORT — FORRESTFIELD–AIRPORT LINK

**207. Mr M. McGOWAN to the Minister for Transport:**

I refer to the minister's admission that his chief of staff advised the Premier's office of the Australian Securities and Investments Commission inquiry earlier than yesterday.

- (1) On what date did the minister's chief of staff advise the Premier's office?
- (2) Who did the minister's chief of staff inform in the Premier's office?
- (3) What advice did the minister receive back from the Premier's office in relation to this issue?

**Mr D.C. NALDER replied:**

- (1)–(3) As I have said from the outset on this—I really want to re-emphasise it—there has been no allegation from ASIC that there has been any impropriety by any member of staff in the state government. We acknowledge there has been a share price spike —

**Mr M. McGowan:** That's not the question.

**Mr D.C. NALDER:** — no-one questions it. But it is the context.

**Mr M. McGowan:** Answer the question.

**Mr D.C. NALDER:** It is the context.

**Mrs M.H. Roberts:** Are you going to answer the question?

**Mr C.J. Barnett:** Yes, he is.

**Mr D.C. NALDER:** It is the context.

We fully support ASIC investigating it and will fully comply with its requests and provide the information. ASIC has requested a vast amount of information; we have supplied that fully. Allegations have been put by the other side to suggest that I should have been investigating the process and I should have been investigating people, but there is nothing there to investigate at this point in time.

When ASIC contacted my office, it did not contact me directly. It contacted my office seeking information; the information was supplied. I again followed it up with my chief of staff this morning, to confirm that the Premier's office was notified. He confirmed that, yes, it was, and he said he confirmed immediately that ASIC requested the information.

**Mr M. McGowan:** When?

**Mr D.C. NALDER:** Mr Speaker, we have met the obligations requested of us by ASIC.

Several members interjected.

**The SPEAKER:** Member for Girrawheen, thank you for your assistance. Minister, you have had a lead-in time: the question was to do with when you notified the Premier's office. If you want to answer it, answer it and let us move on.

**Mr D.C. NALDER:** I will sit because I did say that we notified immediately that we received the information from ASIC.

## DEPARTMENT OF TRANSPORT — FORRESTFIELD–AIRPORT LINK

**208. Mr M. McGOWAN to the Minister for Transport:**

I have a very specific supplementary question. On what date did the minister's chief of staff advise the Premier's office; who did the minister's chief of staff inform in the Premier's office; and why did the minister not personally tell the Premier about an ASIC inquiry into a \$1.3 billion contract?

**Mr D.C. NALDER replied:**

Here we go again. There is no inquiry into a \$1.3 billion contract.

**Mr J.R. Quigley:** The date you advised the Premier.

**The SPEAKER:** Member for Butler, I call you now to order for the second time. I want a succinct answer, minister.

**Mr D.C. NALDER:** There is no inquiry into a \$1.3 billion contract. That was the supplementary question. There is no inquiry. ASIC is conducting an inquiry into a share spike on the stock exchange. That is what it is investigating. With that, it wants to look at all process flows and information flows to see whether there is some connection between the activities undertaken as part of that contract and the share price spike. ASIC is the appropriate authority to do that, and we must let it undertake that investigation unimpeded —

Several members interjected.

**Mr D.C. NALDER:** The Leader of the Opposition has told me there is an inquiry!

**Mr P. Papalia:** What date?

**The SPEAKER:** Right; I have given quite a lot of latitude. They have asked for a date: if you want to give a date and you want to answer, let us just move on.

**Mr D.C. NALDER:** I will clarify that the last supplementary question was about an inquiry: there is no inquiry.

Several members interjected.

**The SPEAKER:** Member for Perth —

**Mr D.J. Kelly** interjected.

**The SPEAKER:** Member for Bassendean, you continually interject from the back there. I call you to order for the second time.

## NEW MUSEUM PROJECT

**209. Ms E. EVANGEL to the Minister for Culture and the Arts:**

Minister, I was excited to hear that the new Museum project has reached another key milestone. Can the minister please update the house on the progress of this very important project?

**Mr J.H.D. DAY replied:**

I am very happy to do so. Finally, Western Australia is getting a Museum in Perth for the whole of Western Australia that it deserves and of which it can be proud. The need for a new Museum development in the city has been recognised for at least 20 years, and this government is actually delivering it. The Western Australian Museum is a major cultural, scientific and educational institution for Western Australia, and its facilities in the past 20 years, particularly since the Francis Street building had to be closed in 2004, have been completely inadequate and lacking in space, contemporary design and appropriate exhibition areas, albeit a wonderful job is done with the current facilities. Since we have been in government this project has been kept alive. We allocated \$428 million in the 2012 budget, and a thorough process has been undertaken between then and now to get to this point of having decided on a preferred bidder or respondent in response to the request for proposals. That preferred respondent is Brookfield Multiplex, working with the international architects OMA and Hassell. I make the point that Western Australia would not be getting a new Museum, which is needed so much, if the Labor Party were in government. At the last election it opposed this project going ahead, and the Leader of the Opposition —

Several members interjected.

**The SPEAKER:** Member for Midland!

**Mr J.H.D. DAY:** The Leader of the Opposition made some pejorative comments about the Museum only being a place for woolly mammoths; he obviously has not been to the Western Australian Museum in recent times —

Several members interjected.

**The SPEAKER:** Members!

**Mr J.H.D. DAY:** — and has no idea about the role —

**Mr B.S. Wyatt:** We knew there was a debt problem then!

**The SPEAKER:** Member for Victoria Park!

**Mr J.H.D. DAY:** The Leader of the Opposition clearly has no idea about the role of contemporary museums in not only cultural preservation and presentation, but also in relation to the education of children, and adults for that matter, and also in relation to scientific research, particularly for natural history in Western Australia and Western Australia's biodiversity. The preferred respondent nomination consortium at the moment, as I said, is Brookfield Multiplex, together with the international architecture company from Holland, OMA. OMA has a very strong international reputation and has been responsible for other major projects such as Seattle Public Library, Qatar National Library, the striking China Central Television building in Beijing and the expansion of the fine arts museum in Quebec. OMA will be working with Hassell, which is a local Australian architecture company that has completed many projects in China, South-East Asia and the United Kingdom, and, closer to home, the one40William project and Brookfield Place in Perth city centre. The reserve respondent is a consortium led by Doric, with the French architecture company Ateliers Jean Nouvel, working together with local architects. That consortium also put in a very strong proposal, particularly in design terms, but we needed to make a decision on one consortium and that has now been determined. Negotiations over the next four to six weeks will finalise the details, including the design, and then we will be able to get on with delivering this much-needed new facility, which will be a wonderful centre for Western Australians, young and old, and for visitors to the state to visit from 2020.

DEPARTMENT OF TRANSPORT — FORRESTFIELD–AIRPORT LINK

**210. Ms R. SAFFIOTI to the Minister for Transport:**

I refer to the Premier's claim that the Minister for Transport held a private discussion with the Premier to get approval to make the formal announcement regarding the awarding of the preferred bidder status for the Forrestfield–Airport Link on Thursday, 18 February.

- (1) When did the minister hold that discussion with the Premier about the formal announcement?
- (2) Who was involved in the discussion about the formal announcement?
- (3) Did the minister have other discussions about the potential of NRW Holdings and Salini Impregilo being the preferred bidder in the weeks leading up to the formal announcement?

**Mr D.C. NALDER replied:**

(1)–(3) I will deal with the last question first. I had no idea that Salini was the preferred tenderer until 17 February, and the announcement was made on 18 February. The advice I have received is that the committee did not determine Salini until 16 February. We acknowledge the share price spike on 15 February. I had no knowledge, prior to the briefing I received on Salini, as to any —

**Mr M. McGowan:** You're contradicting the Premier.

**Mr D.C. NALDER:** No, I am not.

**Mr M. McGowan:** When did you brief him?

**The SPEAKER:** Thank you. Just address those three questions.

**Mr D.C. NALDER:** Yes. I started with the last question. I do not know why the Leader of the Opposition is in such a hurry. The primary issue here —

**Mr P. Papalia:** They don't trust you to answer on your own.

**Mr D.C. NALDER:** I beg your pardon!

**The SPEAKER:** Thank you! I have given latitude. There were three parts to the question: when did you have this meeting with the Premier; who was involved; and, were there other discussions? Those are the three things you need to home in on.

**Mr D.C. NALDER:** I have done the third one. It was a discussion between the Premier and me, on our own. I am going a little bit on memory, but I believe it was the afternoon of the day before—on the Wednesday afternoon, in Parliament; I went and saw him in privately—rather than the Thursday morning. It could have been—yes, it was the Wednesday afternoon.

**Mr P. Papalia:** He's telling him what to say.

**Mr D.C. NALDER:** I beg your pardon! I am trying to recall it because I do not have the exact times.

**The SPEAKER:** Through the Chair, please.

**Mr D.C. NALDER:** It was an informal conversation that I had with the Premier. We discussed it. I can say that I was talking about whether I make it as an announcement during Parliament. He suggested that I go out and make it a formal announcement because it is big enough and to not do it in the house. There was a conversation along those lines, so we set it up to be a formal announcement outside the house. Parliament was sitting and I remember having a private conversation with the Premier.



## DEPARTMENT OF TRANSPORT — FORRESTFIELD–AIRPORT LINK

**211. Ms R. SAFFIOTI to the Minister for Transport:**

I have a supplementary question. Is the minister telling us that he organised the media strategy only late on Wednesday afternoon, after the press release had been drawn and just two hours prior to communicating to the successful tenderers that they were going to be the preferred bidders?

**Mr D.C. NALDER replied:**

I had no idea of the preferred tenderer.

**Ms R. Saffioti:** How did you talk about it?

**The SPEAKER:** Member for West Swan!

**Mr D.C. NALDER:** The member is talking about a media strategy. I had no idea what was coming, so, no, I had not organised a media strategy. We were also advised at the time I was being briefed that because of ASX laws, we needed to get the information out post haste. Our preferred position was for me to take it to cabinet the following week and then announce it, but because of ASX, we needed to make that information public as quickly as possible. We set it up for that to be communicated with the public because of the requirements of the ASX for this information to be out in the public domain.

## POLICE — RESOURCING

**212. Mr M.J. COWPER to the Minister for Police:**

It is important that my former colleagues in the Western Australia Police have appropriate facilities to respond to the needs of the community. Can the minister please advise the house how the Liberal–National government is ensuring that the Western Australia Police have the resources they need to fight crime and antisocial behaviour?

**Mrs L.M. HARVEY replied:**

I thank the member for Murray–Wellington for his question. I was particularly pleased last week to visit the member for Murray–Wellington’s electorate for the opening of the new Waroona Police Station, a \$2.5 million project that will enable Waroona police officers to grow their capacity for up to 10 officers. Waroona Police Station now has custom-made secure detainee receival areas. It has a reception area and an interview room that are state of the art. There is a gym for officers so that they can look after their health and wellbeing. We have closed-circuit television throughout the new Waroona Police Station to ensure that all detainees are monitored right through custody processing and any form of detention at that police station.

I am very proud, as Minister for Police in this Liberal–National government, to be the custodian of a \$100 million project that is designed to refurbish, refit and build new police stations across the state of Western Australia. Over the last 18 months we have opened the Carnarvon Justice Complex and police stations in Eucla, Augusta, Margaret River and Three Springs.

**Dr A.D. Buti:** What about Armadale?

**The SPEAKER:** Member for Armadale!

**Mrs L.M. HARVEY:** Shortly, by the end of this year, I expect to open the new police station at Cockburn Central, a \$19.6 million project; a new police station at Mundijong —

**Dr A.D. Buti:** You don’t care about Armadale, do you?

**The SPEAKER:** I am going to mention Armadale. Member for Armadale, I call you for the first time. I do not want to call you for the second time.

**Mrs L.M. HARVEY:** I hope soon to open the \$8 million Mundijong Police Station, in my ministerial colleague’s electorate, and the \$10.9 million Liberal Party election commitment, the Ballajura police station. I look forward to opening the Ballajura police station later this year, which is delivering on the Liberal–National government’s election commitment in 2013 to service the community of Ballajura. I hope the member for West Swan will be there to acknowledge my efforts as police minister, and the efforts of our government to achieve our very important election commitment for the people of Ballajura.

## PRINCESS MARGARET HOSPITAL FOR CHILDREN — PLAY COORDINATORS

**213. Mr R.H. COOK to the Minister for Health:**

I refer to the confirmation that the Department of Health will cut between 10 and 20 play coordinators at Princess Margaret Hospital for Children, who assist children in the hospital by minimising the child’s fear and anxiety, as well as the family’s fear and anxiety, and by normalising the child’s hospital stay as much as possible.

- (1) Why is the minister attacking the very service that makes a child’s stay at hospital less traumatic?
- (2) What are the savings to the health budget as a result of these staff cuts?
- (3) Does this not make it clear that the Minister for Health is sacking staff as the Australian Medical Association predicted the government would in 2015?

**Mr J.H.D. DAY replied:**

(1)–(3) The opposition is doing well what it normally does—that is, scaremongering and frightening parents of sick children, whom we do actually care about and for whom this government is providing a \$1.2 billion new children’s hospital. We are not attacking those people at all. A new model is being put in place that is more contemporary and in accordance with the model that exists in similar children’s hospitals elsewhere in Australia. In fact, I am advised that Princess Margaret Hospital is one of the only Australian hospitals still using play coordinators. Almost everywhere else they have modernised to what is known as the “keeping kids in no distress” model. More volunteers will be involved. Fewer play coordinators will be employed. There are currently —

Several members interjected.

**The SPEAKER:** Members!

**Mr J.H.D. DAY:** About nine people, or seven full-time equivalents, will no longer be involved once the changes have been made, and all of them have expressed an interest in voluntary severance.

Several members interjected.

**The SPEAKER:** Members!

**Mr J.H.D. DAY:** As I said, there is a much more contemporary arrangement that is used at other children’s hospitals and changes are being made to that arrangement as a prelude to moving to the new \$1.2 billion Perth Children’s Hospital. As an example of what is done elsewhere, at the Royal Children’s Hospital in Melbourne this program is delivered through hospital volunteers, non-government organisation partners and allied health professionals on referral. This is not being done as a cost-saving measure; it is being done to put in place a more contemporary arrangement and it will result in —

Several members interjected.

**The SPEAKER:** Member for Victoria Park, I call you to order for the second time; member for Girrawheen, for the third time. A quick answer, please.

**Mr J.H.D. DAY:** The government is keen to obtain the best value for the very large amount of taxpayers’ money that is put into our health system so that children and other patients can get the best possible care with the very large amount of taxpayers’ funds that are made available.

PRINCESS MARGARET HOSPITAL FOR CHILDREN — PLAY COORDINATORS

**214. Mr R.H. COOK to the Minister for Health:**

I have a supplementary question. What does the minister have to say to parents like Tracy Hollington—and her son Angus, who is a cancer sufferer—who say that these services are what they, the patients, need more than the minister’s contemporary volunteer services?

Several members interjected.

**The SPEAKER:** Member for Wanneroo, I call you to order for the first time. Member for Swan Hills!

**Mr J.H.D. DAY replied:**

What I would say to children and parents such as those just mentioned by the member for Kwinana is: “Don’t be frightened by the scare campaign of the Labor Party and understand that this government is very keen to provide world-class services to children and their families in Western Australia who need treatment at a world-class children’s hospital.” They can be reassured that these services and activities will continue to be provided with a more modern arrangement.

ALBANY COMMUNITY HOSPICE

**215. Mr T.K. WALDRON to the Minister for Regional Development:**

Can the minister please explain how the Liberal–National government is helping to support essential palliative care services in the great southern?

**Mr D.T. REDMAN replied:**

I thank the member for Wagin for the question. On Friday last week I had the fantastic opportunity to open the Albany Community Hospice, a building that we funded through the royalties for regions program with some \$4.788 million. It is one of two privately owned hospices in Western Australia. It has huge respect from the community, and it does a fantastic job in providing a high level of care and support for palliative care patients in the catchment of Albany and the broader regional areas surrounding it. This facility is located right next door to Albany Hospital, which is another significant piece of infrastructure that this government has funded during its time in government. Being right next door to that facility means that all the synergies that exist between

a hospital and a hospice can be performed with the support, care and services that come out of those facilities. Some of us have experienced grandparents and the like reaching a stage in their lives at which they have to move to a larger centre or, indeed, to Perth, to get the care and support they need, particularly at the palliative care end. I am one of those who has had that experience, and my grandmother, who lived in Denmark, was in despair at the notion of shifting from Denmark to Albany. For someone of that era, shifting just 50 kilometres is a significant shift, so think for a second what it means for someone from the great southern who needs palliative care services to be asked to move to Perth; that is huge. We now have a care service based in Albany that has doubled in size from four beds to eight. It has fantastic support services and the average stay is about 10 days, so it is not only for those who need longer term care, but also for those who come in for short-term stabilisation of their treatments before going back home, and to have that is really significant. There is also an impact for carers, who have big demands placed on them in their households; we know that that is where people want to stay, and it is with a huge amount of pride that we invest this in a private sector group that delivers a fantastic service in the great southern region. The member for Albany was down there with me, and this is an organisation that is hugely respected and will go on, with the support of this government, to deliver fantastic services to people at a stage in their lives at which they need that support.

#### NEW MUSEUM PROJECT

**216. Mr B.S. WYATT to the Treasurer:**

I refer to the statement by the Premier today that the decision about the preferred proponent for the Museum, announced by the Treasurer and the Minister for Culture and the Arts, was, and I quote, an “informal briefing of cabinet”.

- (1) Why would a briefing on a successful proponent be informal?
- (2) Are records kept of these informal discussions of cabinet?

**Dr M.D. NAHAN replied:**

- (1)–(2) Yes, all discussions in cabinet are recorded. As the Premier indicated, the Minister for Culture and the Arts brought the recommendations to cabinet for cabinet’s information and discussion, and we had a wide-ranging discussion about it. That was recorded, no doubt, by the recorders of cabinet, and then he brought back to cabinet the formal recommendation—a joint submission with he and I. We had an informal discussion about the various issues. It is a very important investment; it is not only a large sum, but it will be a cultural icon in Perth going forward and it is important to get it right. As the Premier indicated, on these types of issues, if one has anything to do with culture and the arts, most issues are very controversial, so we have to make sure we get it right, both architecturally and otherwise. Again, we had an informal discussion about the recommendations, recorded in cabinet, and then discussions were had and final decisions were made and brought back to cabinet for a final decision, and we announced that a brand-new Museum would be built for Western Australia to the tune of \$428 million. As I said, it will be an icon and a major achievement of this government.

#### NEW MUSEUM PROJECT

**217. Mr B.S. WYATT to the Treasurer:**

I have a supplementary question. How many conversations in cabinet around investment—if the investment, as the Treasurer said, is very large—are informal?

**Dr M.D. NAHAN replied:**

Someday the member for Victoria Park will know—perhaps not for quite a while—what being in cabinet is like, but I am not going to discuss what is in cabinet. We have all sorts of discussions in cabinet about issues that we make final decisions on—submissions and all sorts of issues—and that is the way we will continue. I am not going to discuss what is in cabinet.

#### DEPARTMENT OF FIRE AND EMERGENCY SERVICES AND DEPARTMENT OF PARKS AND WILDLIFE — INTERAGENCY ARRANGEMENTS

**218. Mr G.M. CASTRILLI to the Minister for Environment:**

Further to the minister’s comments yesterday in question time regarding the Department of Parks and Wildlife’s use of a contracted private firefighting organisation to work from Collie during the Waroona fire incident, could the minister please set the record straight on why his department did this?

**Mr A.P. JACOB replied:**

I thank the member for Bunbury for the question. It is important to have an opportunity to set the record straight on a number of claims —

Several members interjected.

**The SPEAKER:** Member for Girrawheen, you are on three calls; you are now on three and a half calls.

**Mr A.P. JACOB:** The member for Girrawheen continues to play very fast and loose with the truth. I caught some of the interjections there —

**The SPEAKER:** Just hold on a minute. What I want you to do is put your answer through the Chair. I do not want another fracas developing here.

**Mr A.P. JACOB:** Indeed, as —

*Point of Order*

**Dr A.D. BUTI:** Mr Speaker, this is question time. I would like you to clarify what actual question was asked by the member for Bunbury. It was not a question asked of the Minister for Environment.

**The SPEAKER:** I do not understand your point of order. It is not part of his portfolio—is that what you are saying?

**Dr A.D. BUTI:** No, my question to you, Mr Speaker, was: did the member for Bunbury actually ask a question? He asked the minister to clarify or put on the record something he said yesterday. That is not a question, and this is question time. That would be a ministerial statement.

**The SPEAKER:** Just repeat your question, please, member for Bunbury.

Several members interjected.

**The SPEAKER:** Member for Willagee, I call you to order.

*Questions without Notice Resumed*

**Mr G.M. CASTRILLI:** Let me duplicate it in full, Mr Speaker. I will put my glasses on for a start. My question is to the Minister for Environment. Further to the minister's comments yesterday in question time regarding the Department of Parks and Wildlife's use of a contracted private firefighting organisation to work from Collie during the Waroona fire incident, could the minister please set the record straight on why his department did this?

Several members interjected.

**The SPEAKER:** Thank you for that.

**Mr A.P. JACOB:** Mr Speaker, they do not like being caught out! As I said, and particularly when it comes to the member for Girrawheen —

**The SPEAKER:** Minister, I just want to say something to you. I do not want to have you and the member for Girrawheen have a fight. So go through the Chair, please.

**Mr A.P. JACOB:** Absolutely, Mr Speaker.

Several members interjected.

**The SPEAKER:** Members!

**Mr A.P. JACOB:** There is form. We saw that yesterday with a question from the member for Girrawheen that was found to have absolutely no basis in truth whatsoever—indeed, referring to an agreement that had already been signed the year before and was entirely functional. It shows a pattern, in particular from the member for Girrawheen, but a pattern right across the board —

*Point of Order*

**Mrs M.H. ROBERTS:** Mr Speaker —

Several members interjected.

**The SPEAKER:** Member for Wanneroo, I call you to order for, I think, the first time—the second time.

**Mrs M.H. ROBERTS:** Minister, we have already wasted enough time hearing —

Several members interjected.

**The SPEAKER:** This is starting to get out of control. Something is going to happen if we do not bring it back on line.

**Mrs M.H. ROBERTS:** We have finally ascertained that the member for Bunbury has now asked a question. I am calling upon the minister to answer it, rather than trying to redefine his answer from yesterday.

**The SPEAKER:** Minister, through the Chair.

*Questions without Notice Resumed*

**Mr A.P. JACOB:** Thank you, Mr Speaker.

Several members interjected.

**The SPEAKER:** That is enough.

**Mr A.P. JACOB:** Indeed, I think that although members opposite may not be in government, they are still members of Parliament, and they still have a responsibility to the Western Australian community, and to this place, to tell the truth and be honest, first of all, in the questions that they ask, and also to tell the truth and be honest in claims that they make frequently outside this place that are often found to have no basis whatsoever.

*Point of Order*

**Mr W.J. JOHNSTON:** Mr Speaker, we all know how dumb this guy is, but let us get it straight. He should just comply with the standing orders. That does not have anything to do with the —

*Questions without Notice Resumed*

**The SPEAKER:** Minister, I am going to sit you down. If you do not answer the question quickly, I am going to sit you down.

**Mr A.P. JACOB:** What do you expect, Mr Speaker? I have only had —  
Several members interjected.

**Mr A.P. JACOB:** I accept your ruling.

**The SPEAKER:** I do not want to hear any more.

**Mr W.J. Johnston** interjected.

*Withdrawal of Remark*

**The SPEAKER:** Member for Cannington, I never heard what you said, but if you said something untoward, withdraw it.

**Mr W.J. JOHNSTON:** I withdraw.

*Questions without Notice Resumed*

**The SPEAKER:** Thank you. Now, please, a short answer, and I want it through the Chair. Let us move on.

**Mr A.P. JACOB:** Thank you, Mr Speaker, and I would love nothing more than to come directly to the point. However, I draw to your attention that I am increasingly being shouted down. If the spotlight is turned back onto the integrity of members opposite —

Several members interjected.

**The SPEAKER:** Minister, this is your last chance to answer the question. If you do not answer the question, you can sit down.

**Mr A.P. JACOB:** Certainly, Mr Speaker. I am seeking the opportunity to set the record straight.

Several members interjected.

**The SPEAKER:** Member for Cockburn!

**Mr A.P. JACOB:** Mr Speaker, that was the question, and I am seeking to answer the member for Bunbury's question.

*Point of Order*

**Mr W.J. JOHNSTON:** Mr Speaker, could I suggest that you draw to the attention of the minister standing order 148, which allows for personal explanations. Unfortunately, the minister has been asked a question under standing order 75, which is regarding his administrative responsibilities, not a personal explanation.

**The SPEAKER:** Sit down. If you make spurious points of order, I am going to call you to order.

**Mr W.J. JOHNSTON:** It is not spurious.

**Dr K.D. HAMES:** Mr Speaker, further to that point of order, the question to the minister clearly asks for clarification and to set the record straight. He is trying, Mr Speaker, to set the record straight.

**The SPEAKER:** The actual thing that you have to home in on is why this happened—why. So that is what I want you to address, through the Chair.

*Questions without Notice Resumed*

**Mr A.P. JACOB:** Thank you, Mr Speaker. The question related to the response in the midst of the Waroona fires—a response which ran over 17 days in January this year and which saw the firefighting services of this state significantly stretched. Indeed, in excess of 500 parks and wildlife staff alone were caught up in a direct response to that fire front of the Waroona fires over those 17 days. That is not including the Department of Fire and Emergency Services' response, and, indeed, the important response from volunteer and

local bush fire brigades. But the key point in my response is the claims that the firefighters in those communities, and, indeed, we as a government, were having to deal with in the midst of that response from the member for Girrawheen, who came out very strongly criticising the operational response to use contractors —

Several members interjected.

**The SPEAKER:** Sit down, please. Next question.

TUNG TRAN

**219. Mrs M.H. ROBERTS to the Minister for Police:**

I refer to the minister's refusal to answer questions yesterday because of non-existent police negotiations and a need to somehow protect the state's interest in those negotiations.

- (1) Will the minister now admit that there were no negotiations underway, and no impediment under standing order 91 or any other standing order, and that the minister had no reason, other than perhaps her own incompetence or untruthfulness, for not answering those questions?
- (2) Can the minister now advise the house of the full circumstances surrounding this case, including why it took the police 12 months to drop the charges?

**Mrs L.M. HARVEY replied:**

(1)–(2) I thank the member for Midland for the opportunity to clarify my statements made yesterday in Parliament in response to her question about Mr Tung Tran. I was going to rise under standing order 82A after question time, Mr Speaker —

**Mrs M.H. Roberts** interjected.

**The SPEAKER:** Member for Midland!

**Mrs L.M. HARVEY:** Standing order 82A would have been the appropriate standing order, as I have been advised.

**Mrs M.H. Roberts:** You misled the house!

**The SPEAKER:** Member for Midland, I call you now to order for the second time, I believe.

**Mrs L.M. HARVEY:** I have not misled the house; I have never misled this house, and I will never mislead this house.

**Mrs M.H. Roberts** interjected.

**Mrs L.M. HARVEY:** I reiterate: I have never misled this house.

To go back to the comments that I made in Parliament yesterday, I said that there is a potential for some negotiation between Mr Tran and WA police so that both parties can understand the particular circumstances around how that case got to the point it did before the charges were actually dropped.

**Mrs M.H. Roberts** interjected.

**The SPEAKER:** Member for Midland!

**Mrs L.M. HARVEY:** That is what I said. With the benefit of hindsight, the word “negotiation” was probably not the best word to use. “Discussion” is probably a better word, because what WA Police is currently doing is reviewing the entire interaction that it had with Mr Tran over that 12-month period, reviewing the time line and having a look at the police actions and what actually led to the point in time when the charges were dropped. My understanding and my expectation of WA Police was that they would then take that review and have discussions with Mr Tran to explain all of those circumstances, because it has not been clear to Mr Tran or his team why those charges were dropped, and I think it is in the public interest that Mr Tran and his lawyers are informed. I do not want to pre-empt or influence that review process with police. It is currently underway. I will be informed of the outcome of that review once it is concluded.

TUNG TRAN

**220. Mrs M.H. ROBERTS to the Minister for Police:**

I ask a supplementary question. Why will the minister again today not be accountable to this house and to the public of Western Australia and tell this house why police dropped the charges? The case is over. The minister has no excuse not to come clean on it.

**Mrs L.M. HARVEY replied:**

I thought I made it abundantly clear that I am awaiting a review by police of this particular scenario. It is a most unusual set of circumstances. A 12-month time line is involved. I understand that the charges were dropped. There has been a court outcome of sorts, and I am not going to comment on my opinion with respect to this matter until police have finalised their review.

*Point of Order*

**Mrs M.H. ROBERTS:** I believe the minister has misled the house by saying that there was a court outcome. Perhaps she should either retract that or explain what the court outcome was.

**The SPEAKER:** That answer is over; there is no point of order.

## UNEARTHED PERTH HACKATHON

**221. Mr M.H. TAYLOR to the Minister for Finance:**

Can the minister please update the house on the Uearthed Perth Hackathon that will run from this Friday over the coming weekend?

**Mr W.R. MARMION replied:**

I thank the member for Bateman, who is also the new parliamentary secretary —

**Mr P. Papalia** interjected.

**The SPEAKER:** Member for Warnbro!

**Mr W.R. MARMION:** I will start again, Mr Speaker. I thank the member for Bateman, who is the new Parliamentary Secretary to the Deputy Premier, for his question. I think the member for Bateman has to be the strongest advocate of start-ups of any member of Parliament, possibly in Australia, so I congratulate him. It will be my great pleasure this Friday —

Several members interjected.

**The SPEAKER:** Member for Mandurah, thank you.

**Mr W.R. MARMION:** It will be my great pleasure this Friday to open the Uearthed Perth Hackathon, which is the third one to be held in Perth. It started in 2014. This is the third of the six hackathons that will be held throughout Australia and South Africa. Cape Town has already had one, Brisbane has had one and ours is the third one this year, to be followed by Adelaide, Sydney and Melbourne. It is an event that is run by the organisation Resources Innovation through Information Technology and I congratulate it for running such a wonderful event. I would like to point out that the event is supported by not only industry but also government. Industry supporters are Woodside, the Commonwealth Scientific and Industrial Research Organisation, Cisco, acQuire Technology Solutions, Austmine, Amazon Web Services, CRCMining, the University of Western Australia, the City of Perth and, of course, Brodie McCulloch's Spacecubed and team. The departments involved in supporting this event are the Department of Mines and Petroleum—so I thank the Minister for Mines and Petroleum for his staff's attendance—the Minister for Lands and Landgate, which are also strong supporters, and of course the Government Chief Information Officer who works through my Department of Finance.

The winner of the first event in 2014 was an organisation called Newton Labs, which has an innovative solution that is being developed that can support mine site efficiencies of up to \$100 million per site. Newton Labs was last year awarded the WA Innovator of the Year in the emerging category. That is a really good start-up that came out of the 2014 event. Last year, about 80 individuals took part. They developed 15 innovative prototype solutions that can benefit the resources sector, and eight teams were allowed to present their prototypes to mining companies. I am looking forward to this year being even bigger. I know that the member for Bateman will be there on Friday.

I have some data on start-ups that was reported last year. In Western Australia we have hosted 335 active start-ups employing nearly 3 000 people across 12 co-working spaces. These start-ups have collectively raised over \$100 million in funding since 2010. This is an important area that the state government is supporting, and I look forward to another successful event this Friday.

**TUNG TRAN***Question without Notice 205 — Supplementary Information*

**MRS L.M. HARVEY (Scarborough — Minister for Police)** [2.43 pm]: I rise under standing order 82A to provide further information. Regarding Mr Tran, there was a court outcome with respect to the distribution of costs. I just wanted to clarify that. The member for Midland said that that adjudication of the court with respect to distribution of costs is not a court outcome; it is.

**MINISTER FOR ENERGY***Horizon Power — Electricity Costs — Kimberley — Personal Explanation*

**DR M.D. NAHAN (Riverton — Minister for Energy)** [2.44 pm]: I rise under standing order 148 to correct the record.

**The SPEAKER:** You may proceed.

**Dr M.D. NAHAN:** On Thursday, 25 February 2016, in response to a grievance raised by Josie Farrer, MLA, member for Kimberley, I stated that a Horizon Power customer had had a second meter on his property since 2001, for which he had never been charged electricity. I have since been informed that the date was incorrect. It was in fact 2011, not 2001.

Several members interjected.

**The SPEAKER:** That is enough!

#### **PORTFOLIO AGENCY STAFF — CLUB OR ASSOCIATION MEMBERSHIP**

##### *Question on Notice 2167 — Supplementary Information*

**DR M.D. NAHAN (Riverton — Treasurer)** [2.45 pm]: I rise under standing order 82A to provide some additional information about Legislative Assembly question on notice 2167 asked by the Leader of the Opposition on 9 April 2014. The response I provided in relation to Western Power was not complete. This was only uncovered when the Leader of the Opposition asked question on notice 4789 on 25 November 2015. Due to an administrative error, only the memberships that were paid by individuals then reimbursed by Western Power were included. Data relating to memberships that were paid in full by Western Power were omitted. Accordingly, I now resubmit the answers with the correct information and request that it be tabled.

[See paper 4060.]

#### **HEALTH SERVICES BILL 2016**

##### *Consideration in Detail*

#### **Postponed clause 20: Functions of Department CEO —**

Resumed from an earlier stage of the sitting.

**Mr J.H.D. DAY:** I will just make a comment in response to the questions that the member for Maylands asked before about clause 20(3) and (4). I am advised that all capital works, major or minor, are governed under the Public Works Act. Clause 20(1)(g), 20(3) and 20(4) enable the CEO of the Department of Health to carry out major or minor works with the agreement of the minister for works. The minister for works could exempt a class of work or a particular work under subclause (4), and this would be based on the value or the type of work. The reason for these two subclauses is that all capital works, as I mentioned, are governed under the Public Works Act, for which the minister for works has responsibility.

**Ms L.L. BAKER:** I thank the minister; that is very helpful. Just before I leave this issue, can the minister, maybe through his advisers, give me an example of what work or class of work might be exempt?

**Mr J.H.D. DAY:** It would be relatively minor. Works that are exempt could be things such as repairs and maintenance, replacement of windows and that sort of thing. I have just inquired about what the threshold might be and I am advised that it is probably—we would need to confirm this—up to \$1 million or so. Therefore, they would be minor renovations or repair works and so on. Anything larger than that would need more formal consideration.

**Mr W.J. JOHNSTON:** I want to draw the minister's attention to clause 20(1)(d), which states —

promoting the effective and efficient use of available resources in the provision of public health services in the State;

This morning at the public hearing of the Public Accounts Committee we had the benefit of a discussion with the director general and the deputy director general regarding the accountability process of the Department of Health. I wonder what will be done about an agency that can spend over \$40 million and apparently have no senior executive know about any of the expenditure. That is of course in respect of the Auditor General's report on the centralised computing services contract, because we will wait for some answer from the Public Accounts Committee. That was a public hearing and that is why I can talk about it. I understand the commentary from the agency in the media and the former Minister for Health's defence in here was that three individuals were able to spend over \$40 million of taxpayers' money, and no executive noticed that that money was spent. Clause 20(1) states —

(d) promoting the effective and efficient use of available resources ...

What will the Department of Health do so that it does not have executives completely unaware of over \$40 million being spent? It is inconceivable, quite frankly, that executives would not know that \$40 million was being spent. Will there be some accountability, will there be regular meetings and will there be financial committees? How exactly will we ensure that this sort of deep, deep incompetence at the senior levels of bureaucracy is not allowed to continue when the Health Services Bill 2016 comes into effect?



**Mr J.H.D. DAY:** I entirely agree that the spending of \$40 million or thereabouts on services and information technology equipment that have no useful role or need within the health system is a completely unsatisfactory situation, and that was well debated and publicised a couple of months ago when the Auditor General's report was published. I look forward to being briefed much more fully on how that sort of action will be prevented from occurring in the future. I have been in this role less than a week, and I do not pretend to have knowledge of every detail of health expenditure or what sort of protections will be put in place to ensure that that situation is not repeated, but I look forward to receiving that detail. Given that there was a hearing of the Public Accounts Committee this morning that the member just referred to, he probably knows more than me about what the department will be doing because I suspect it was already covered in the hearing this morning.

Briefly, I am advised that the CEO of the department will have overall responsibility for the performance of WA Health and the allocation of resources. Part 5 in the bill, which is a separate part, provides for service agreements to be established with performance requirements in relation to health support services. Policy frameworks will also be established that will be binding on WA Health, including on procurement and finance. What is put in place will directly relate to the requirements of the Financial Management Act 2006 and the State Supply Commission. I trust and certainly very much expect that there will be a much better system put in place than has been the case that allowed this very unsatisfactory situation to occur.

**Mr W.J. JOHNSTON:** I also ask the minister: will there be some procedure that ensures that the CEO continues to advise the minister of issues relating to the "effective and efficient use of available resources"? With the problems at Fiona Stanley Hospital that cost over \$100 million with the Serco contract when it paid for an empty hospital, this \$41 million-odd in the contracting of IT services, other problems in the health bureaucracy and the issues around cancer services, on each occasion these issues came up, the former minister's defence was, "No-one told me." What processes will we have to ensure that a future CEO is not as derelict in their duty as the former directors general who did not do something as simple as tell the minister about these problems? I remind the minister that the former minister, particularly in the cancer services example, had 14 or 15 meetings with the director general between the time he asked for the report on cancer services and when it was formerly received on his desk. Firstly, the minister never asked the former director general about the cancer services at any time in those 14 or 15 meetings, and, secondly, apparently and unbelievably, the director general was so incompetent as not to offer up an opinion about the report that was with the director general that had been commissioned by the minister but was not discussed. I would hate to see this clause of the bill as being seen as an out-clause by a minister to say, "Don't look at me; look at him. It was his fault, not mine." In the Westminster system, the buck is supposed to stop with the minister. Will there be a procedure in place to ensure the CEO keeps the minister informed so that we do not have a situation in which the minister or some future Minister for Health stands in the chamber and says, "Don't blame me. Even though I get the money as the minister, and even though I have asked for all these things to happen, the fact that none of them happened I didn't know because nobody told me"? Will there be some procedure to ensure that the CEO keeps the minister informed, so that we do not have it being an argument that this clause is an out for the minister to say that it is not his fault; it is the CEO's business?

**Mr J.H.D. DAY:** I expect to be kept fully informed about any major issues within the health system and have not seen any reason to believe that that will not occur. In the six days or so that I have been in this role, there has been a provision of a lot of information so far and a number of briefings, but there is still a long way to go.

**Mr R.H. Cook:** The briefings on IT services will be called the descent into madness.

**Mr J.H.D. DAY:** I thank the member for the advice; I look forward to having such briefings and ensuring that there will be adequate scrutiny of expenditure of taxpayers' money.

To be more precise about what is provided for through this legislation, the CEO of the department will be responsible for the overall performance and governance of WA Health, and to report to the Minister for Health. Health service providers and health support services will have clear authority and accountability through service agreements and annual reports to Parliament. Putting in place service agreements is new through this legislation. In a statutory sense, they will be in place to some extent, but not established so much through legislation. The health service boards will also have full accountability and responsibilities under this legislation.

**Mr R.H. COOK:** I am taking some time to reacquaint myself with this clause, because this was obviously something that we talked at some length about. The member for Cannington's comments have reminded me of the situation with Fiona Stanley Hospital, which was not only about things such as the engagement of IT services, but also the whole committee of inquiry that hinged on the question of the communication between the CEO and the minister around the timing of the hospital; that is, whether in December 2012, the minister had knowledge of whether the hospital would be delivered on time. I am keen to understand this in terms of providing strategic leadership and direction for the provision of public health services in the state under the chief executive officer's responsibilities because under this legislation, the CEO will be the leader or the operator of the system. In the context of the particular scenario I provided of the development of significant infrastructure that falls outside the realm of the functions of the board, I want to make sure that in that context, the CEO will continue to have direct oversight and will not just be a systems operator.

**Mr J.H.D. DAY:** I am assured that the CEO of the department will have the role that the member just outlined. The CEO will be responsible for the oversight of what is happening across the whole system and will be able to require the provision of information where it is appropriate to do so. This legislation has been established to do everything that we can to ensure multiple accountability measures are put in place.

**Mr D.J. KELLY:** I refer to the service in Midland that will provide restricted health services that cannot be provided by the St John of God Midland Public Hospital. I am sure the minister is familiar with those services. Is that clinic or facility considered part of the public health system, thereby allowing the CEO's function under clause 20 to apply?

**Mr J.H.D. DAY:** The arrangement that the member refers to is considered part of the broad Western Australian health system. It is a contracted health entity, a situation that is referred to in clause 7(3)(c). It reads —

a contracted health entity under a contract or other agreement entered into with the Department CEO on behalf of the State, a health service provider or the Minister.

The first line in subclause (3) reads, “A *public health service* is a health service provided by”, including what I just read out.

**Mr D.J. KELLY:** I thank the minister clarifying that the clinic is part of the WA public health system. As a result, will WA Health policies on recruitment, occupational health and safety and diversity apply to the clinic thereby, under clause 20, becoming part of the department's CEO responsibility of ensuring and monitoring its performance? Does this provision apply to that clinic?

**Mr J.H.D. DAY:** I am advised that for those criteria to apply, they would need to be included within the contract. I expect that any entity within WA would need to comply with general Western Australian legislation, of course. The services provided by the organisation are regarded as a public health service. I referred to a contracted health entity earlier, which the member for Kwinana is clearly familiar with. The definition is provided on page 4, and states —

*contracted health entity* means a non-government entity that provides health services under a contract or other agreement entered into with the Department CEO on behalf of the State, a health service provider or the Minister;

In many cases those sorts of criteria are included in contracts—they are probably not there automatically—as if it is a direct party of the Western Australian health system or a state government agency.

#### **Postponed clause put and passed.**

#### **Postponed clause 102: Minister may dismiss all members of board —**

The clause was postponed on 24 March after it had been partly considered.

**Ms J.M. FREEMAN:** I raised this issue with the previous Minister for Health. Under this clause, the minister may dismiss all board members. In other provisions in which a whole board can be dismissed, the responsible minister reports to the Parliament. For example, if the Minister for Local Government dismisses a whole board, the Local Government Act provides that a report must be presented to the Parliament as to why that occurred. The decision is given public scrutiny, which happens after a process. I will put on record the Legislative Assembly Legislation Committee *Hansard* from Thursday, 22 March 2016. Although the *Hansard* reads “Uncorrected Proof — Not to be Quoted”, I assume that enough time has passed that it can now be quoted. During the committee hearing, I said —

This is basically dismissing the whole board, so this is like dismissing the council under the Local Government Act. When that happens, a report is made to Parliament ...

The previous Minister for Health said —

I am not prepared to support that clause myself, so it leaves us with a mild dilemma.

**Mr J.H.D. Day:** Sorry, which clause is this?

**Ms J.M. FREEMAN:** This is clause 102. When I raised this issue with the previous minister, we talked about dismissing the whole board without making representations to Parliament and there being no capacity to know what went before that. We were a bit tight for time on Thursday, 24 March. We were trying to finish up what we could because we wanted to get the bill into the house so that it could pass. The previous Minister for Health said —

The plan is that we get through this bill today. I am not prepared to support that clause myself, so it leaves us with a mild dilemma. But remember that last time we postponed debate and discussion on some clauses and resumed them in the house, so I would like to look at that clause and reconsider it when we get back into the house.

The previous minister was not supportive of this clause because there is no procedural capacity to appeal and no reflection in terms of bringing the process prior to the dismissal before the house. If the local government minister dismisses a whole board, an investigation report goes to Parliament and post that there is a process of reporting to Parliament. Given that there are no procedural justice issues for members of the board and that the minister can dismiss the whole board if he finds the health service provider has failed to perform its functions effectively or has negligently or wilfully failed to comply with a service agreement or with a direction given by the minister under clause 60—all those things are very serious—how does the minister show the chamber that the board has failed to perform its functions effectively? How is that established? What is the process for establishing it and what is the reporting mechanism to Parliament for that? How does that operate? I remind this minister again that the previous minister said, “I am not prepared to support that clause myself, so it leaves us with a mild dilemma.”

**The ACTING SPEAKER (Mr P. Abetz):** Member for Mirrabooka, a word of caution: if you quote from the uncorrected proof, even though enough hours may have passed, there is always the possibility that someone has made some changes, which you would not have with you. That is just a little word of caution, but that is fine.

**Ms J.M. FREEMAN:** I asked for the *Hansard* from the clerks this morning before we started this process. I was given this by the clerks. If they did not give me the —

**The ACTING SPEAKER:** In that case, it would be correct; it is not an uncorrected proof.

**Ms J.M. FREEMAN:** It states at the bottom “uncorrected proof”. I asked the clerks for the *Hansard* today, and this is what I was given. I am assuming what they gave me was something I could quote in this Parliament; otherwise, they would have, as clerks of the Parliament, given me something that was more accurate to quote, because that is what I requested today.

**The ACTING SPEAKER:** Fine, we will follow that through.

**Mr J.H.D. DAY:** I am advised that clause 102 is consistent with provisions in other legislation for many other boards that operate in this state for which there is no requirement for a report to Parliament. The practical reality is that if the board of a health service provider, or just about any other board in the public sector for that matter, is going to be dismissed by a minister or government, there would be public debate or scrutiny about that. Any sensible minister would take such action only as a last resort. I cannot think of a possible situation in which there would not be the opportunity for parliamentary scrutiny of such a situation and for questions to be asked, debate to occur or whatever the case may be, so I do not think that is a major concern. I presume this was debated in the Legislation Committee. There would be a lead-up to such an event occurring, and clause 95 provides for the minister to appoint advisers to boards when that is considered necessary. Also, under clause 99, an administrator can be appointed. It is necessary to have a provision like this in the legislation. We are not talking about employees; we are talking about board members. It is not as though they are there for their primary employment—I would certainly hope not; they would be appointed on the basis of their expertise, capacity and particular specialised knowledge in a range of areas. The power needs to be available to the minister and the state government, whomever that may be, at a particular time for such action to be taken. There is a recent example in New South Wales, which the member may be aware of, in the provision of cancer services at St Vincent’s Hospital in Sydney. I do not know whether the board was dismissed, but whatever the case, there was a need for very strong action to be taken because of failures in the health services provided, and I understand that was something that the board should have known about or, at least, should have asked questions about. I do not pretend to have any more detailed knowledge—if I had more time, I would look up the news websites—but there are real examples of when action has needed to be taken. Indeed, in that sort of situation, when matters such as dismissal of the board would be contemplated, the opposition of the day would be very strongly critical of the government if strong action was not being taken over the provision of poor health services. There has been an example in South Australia just in the last week over pathology services. I do not know exactly what is at fault in all of that, but I know from the news reports that I saw that the head of the pathology service has lost his job as a result of what has happened. I am not sure whether that is justified and I am certainly not making any comment, but there are situations that arise in health services in which strong action needs to be taken for the protection of patients.

**Mr R.H. COOK:** The member for Mirrabooka referred to the comments by the member for Dawesville in the Legislation Committee when we retired this clause. His comments related to a question I asked about the dismissal of the board for noncompliance with a direction of the minister under clause 60 of the bill. One of the questions I asked, just prior to the minister of the day referring the bill back to this chamber, was about the boundaries around the scope for a direction under clause 60. At the moment, the minister has fairly broad powers; for instance, the minister can give a direction to a board about the performance or exercise of its function either generally or in relation to a particular matter; it cannot be about a specific person but it can be in relation to a whole range of things. Obviously, the Department of Health is responsible for delivering a range of very sensitive services, and I was keen to understand the scope the minister has in a direction under clause 60, understanding there might be a stand-off between the minister and a board and the board can be

dismissed under clause 102. I will expedite this because of time. Under clause 60, the minister is required to lay the text of the direction before each house of Parliament within 14 days after it is given. In terms of what the member for Mirrabooka had to say, it is extraordinary that the direction to a particular board has to be laid before Parliament, but the decision to dismiss the whole board for failing to comply with that direction does not have to be reported to Parliament. That seems to be an imbalance; therefore, the issue the member for Mirrabooka raised in that context is a pretty reasonable proposition.

**Mr J.H.D. DAY:** From my experience of having responsibility for organisations that have boards, including in the culture and arts portfolio and my previous portfolio of planning, although powers generally exist for directions to require boards to take certain actions, it is extremely rare to use that power. If I recall correctly, one related to the Perth Theatre Trust board, and it was simply because it did not have a quorum at the time and it needed a direction to take certain action. Normally, there is a cooperative relationship between boards and ministers, and the outcomes achieved are mutually agreed, generally speaking; albeit governments expect boards to provide clear advice and take actions on the basis of their knowledge and take responsibility for their actions to an extent that ministers should not always be expected to. I do not see any problems with either of those two aspects. In relation to the sort of scope of situations that may arise when a direction is required, I have said that it would be extremely rare. It might be if there is a requirement to provide particular health services in a particular area or to maintain a particular health service or specialty or whatever at a particular health service, but I would imagine that would be extremely unusual. If things get to the situation of those sorts of directions having to be given, either the minister or the board should not be there. As I said a little while ago, in my view, it is necessary to have this power; it is really a reserve power to remove boards to provide protection to the public. It would be extremely unlikely for the power to be used, and certainly if it were, it would be very well covered in the media and no doubt asked about in Parliament.

**Ms J.M. FREEMAN:** The minister said that it would be uncommon, but given that the minister's length of time in this place vastly exceeds mine, he may recollect that when Hon Jim McGinty was Minister for Health, he appointed himself as the board of the different regions after dismissing the sitting boards. The minister is giving himself a power, not just making a direction. The member for Kwinana put to the minister that if a direction lies before the house, the minister will have some knowledge about that direction and will come into this place and dismiss the board. That would at least provide some transparency. But clause 102(3)(a) and (b) includes the word "or" and reads —

... if the Minister is satisfied that —

- (a) the health service provider has failed to perform its functions effectively; or
- (b) the health service provider has negligently or wilfully failed to comply with a service agreement; or

I do not doubt that the minister should have the right to dismiss the whole board; I am not saying that he should not have that right. In fact, that right was exercised by a previous Labor member of Parliament —

**Mr J.H.D. Day:** You seemed to disagree with the action he took though; correct? You don't like what Jim McGinty did.

**Mr D.J. Kelly** interjected.

**Mr R.H. Cook:** Not even Kim Hames would question what Jim McGinty did.

**Mr D.J. Kelly:** No; that's true.

**Ms J.M. FREEMAN:** No, I would never question what Jim McGinty did—absolutely not.

**Mr R.H. Cook** interjected.

**Ms J.M. FREEMAN:** I would question Hon Jim McGinty and have a full and frank debate and discussion with him if I had a difference of opinion, but I would defer to his better knowledge. I was not suggesting that it was the wrong thing for the health minister of the time to do. As I understand it, the reason was to take some control of the health system and its profligate spending. Now we are doing the opposite by setting up boards because we do not want to control their profligate spending. We want boards to try to control their profligate spending, because if we leave it to government, someone else negotiates an agreement with a whole bunch of nurses just before an election, and then it has to be done with doctors and then there is profligate spending!

**Mr R.H. Cook:** A senior public servant.

**Ms J.M. FREEMAN:** A senior public servant did that, yes. Maybe if a board did that, it could be seen as negligently or wilfully failing to comply with a services agreement and find itself suddenly dismissed. Meanwhile, the workers would probably still get their well-deserved pay rise. My point is that at no stage is there any procedural fairness in putting this before Parliament as an appropriate decision made by the minister if that minister was not satisfied that the provider had failed to perform its functions or negligently or wilfully failed to

comply with the service agreement. The minister stood and said, “Well, there would be a public debate and something will happen. I have been around long enough to know about these things.” Hopefully, after 2017, the member for Kwinana will be the minister, and I do not even want to see the member for Kwinana put before Parliament that he has dismissed a whole board. For transparency, if a decision such as that is made because the minister is satisfied that the health service provider failed to perform the functions effectively, or negligently or wilfully failed to comply with the service agreement, the minister should not put that before Parliament.

**Mr D.J. KELLY:** I would like to hear more from the member for Mirrabooka.

**Mr R.H. Cook:** Are you moving the amendment?

**Ms J.M. FREEMAN:** I keep talking because I have been reliably told by the Clerk that my amendment will hit my desk at any moment and I can then move it. It is my intention to move an amendment

**Mr D.J. Kelly** interjected.

**Ms J.M. FREEMAN:** I thank the member for Bassendean. I move —

Page 69, after line 25 — To insert —

- (5) If the Minister acts under subsection (1) then the action taken by the Minister in accordance with subsection (3) must be tabled before both Houses of Parliament.

I do not want to delay the house too much longer by speaking on this amendment. Before I moved the amendment, I apprised the house pretty comprehensively as to why I think it is necessary.

**Mr J.H.D. DAY:** In relation to history, the member referred to Hon Jim McGinty’s removal of the Metropolitan Health Service Board when the Labor government was in office. I am pretty sure that happened under his predecessor as health minister, Bob Kucera.

**Mr R.H. Cook:** It was, too; you’re quite correct.

**Mr J.H.D. DAY:** Bob Kucera was the first Labor health minister, but he did not survive all that long—he might have been in the job two years or so—and it was the Labor government’s policy to remove the Metropolitan Health Service Board. I very well recall that, in the lead-up to the 2001 election, Geoff Gallop and the Labor Party told everyone that they were going to fix the health system and that one way to do that was to remove the Metropolitan Health Service Board. The establishment of the Metropolitan Health Service Board as an entity across the whole hospital system was somewhat contentious, but it was established for very good reasons: to remove duplication, reform the health system—which to some extent has happened, but perhaps not to the extent that was contemplated previously—and to try to deal with what is still an issue, of course, and that is the rapid increase in the cost of the health system and to try to get best value for the taxpayers’ money put into the health system. Under a particular chief executive officer, the MHSB became somewhat contentious, but it was established for very good reasons, as I just outlined—and that is history, of course. To some extent under this legislation, we are going back to a situation of having not one board across the metropolitan system, but, effectively, three boards across the metropolitan system, an additional one for children’s health services and an additional one for country health services.

The amendment requires that any action taken to dismiss a board be reported to Parliament. I am not sure that will be necessary, because, as I said, there is no way that such action would be taken without Parliament or the wider community becoming aware of it. However, I will get more advice and make sure that I am correct in my interpretation of the amendment.

**Ms J.M. FREEMAN:** I am happy to restate one of the most important aspects. The minister who had been the health minister since 2008 until last week and who had been a shadow spokesperson for health stated—now I can quote him, because I refer to the final version of *Hansard* —

I am not prepared to support that clause myself, so it leaves us with a mild dilemma.

On the aspect that I raised with him, he said that it is the same as others, such as the Healthway one, but I quickly pointed out to him that it was not. The other ones give him the right to dismiss certain board members, but not the whole board. I am not asking for full disclosure when only one or two or a few members are dismissed; this is about the whole board. It is not good enough to say in here, “We’re going to give full disclosure.” Just look at what has been happening in question time over the last day or so. Full disclosure on what goes on in ministers’ offices and what decisions are made is not given easily in this place. If it was all by direction, and if the amendment only said that the health service provider failed to comply with the direction given by the minister under clause 60, it would be fine. The direction would be in Parliament; it would be known by people. I do not know whether a direction can be debated in this house—it probably cannot—but a matter of public importance can be moved or questions can be asked about a direction. But this amendment will give the minister a capacity to say that the board failed to perform its functions effectively or that it negligently or wilfully failed to comply with a service agreement.

I do not want matters to be played out in the media like the Healthway issue was played out in a “he said, she said” way. I do not want members to be standing up saying that they have heard chatter in their ears from someone on the board and the opposition spokesperson for health asking questions, to which the minister answers, “That’s not how it happened! It happened completely differently” or “It happened this way.” This amendment provides a clear process for the government to deliver to the community a full and frank disclosure about why it is getting rid of a peak administrative body that the government put in to run the health system and health services in Western Australia. It is perfectly reasonable for the government to put its considerations and reasons for making those decisions in front of this house and the other house. I am not asking that those matters be debated. I am not asking for any of that. I ask simply that the government make its decision known and put it before the house. Do not leave it to the scuttlebutt and the bits and pieces in the court of public opinion in the media and whatever else. Previously, with Healthway, the minister would stand up and say, “That is the shadow spokesperson just making up things again”, or the shadow spokesperson would stand up and say, “You’re just not telling us the truth about this.” That is what happened when the government sacked the members of that board—they were not sacked; they were all made to go. This will give the minister the ability to do a similar thing. All I say is that in the interests of the public, health and efficiency, put the decision before the house. It may never happen, but if it does, at least the government will be accountable.

**Mr J.H.D. DAY:** I will give the member a win. I am prepared to accept the amendment.

**Mr R.H. Cook:** You are undermining us at every twist and turn!

**Mr J.H.D. DAY:** The member was not expecting that, was she?

**Ms J.M. Freeman:** I was. I thought it was a great amendment!

**Mr J.H.D. DAY:** Such action of tabling in Parliament would be required to happen after the event. There is no way that any minister or government should be impeded by giving an explanation to Parliament before the action is taken. It may be necessary to take action quite quickly in some circumstances. As I said before, I cannot envisage a situation in which a health service board would be removed without it being very well known publicly and without reasons being given comprehensibly in both Parliament and the wider media. I think this is a bit of an academic exercise, but given that it does not appear to cause any problems or do any harm, I am prepared to accept it.

**Amendment put and passed.**

**Postponed clause, as amended, put and passed.**

**Postponed clause 141: Transfers between health service providers or between health services providers and the Department —**

The clause was postponed on 24 March after it had been partly considered.

**Ms J.M. FREEMAN:** This clause states—

- (1) If the employing authority of a health service provider considers it to be in the best interests of the health service provider or the WA health system to do so, the employing authority may —
  - (a) transfer an employee in the health service provider from one office in the health service provider ...

I think the question during the Legislation Committee hearing was whether this was a compulsory transfer or would the employee have a choice, and would it include the Midland St John of God campus and Fiona Stanley Hospital campus. To assist us in the deliberations, there was debate about whether, under the Public Sector Management Act provisions suitable alternative employment was considered to be at a private hospital—say, from Swan District Hospital to the Midland campus—and whether the Midland campus was considered to be another health service provider. I think this was resolved in the affirmative on the basis that the health service provider that they are transferring to will always be the public health service provider under the definition of “public health service provider”. I am requesting that that be clarified.

**Mr J.H.D. DAY:** In a moment I will ask the member to repeat the last question, but just to give an explanation in relation to the transfer of staff, I am advised that it is currently possible to require a hospital employee to relocate to another facility. If that situation arises, it is currently deemed to be an industrial matter, which is subject to review by the Western Australian Industrial Relations Commission under settlement procedure provisions within the relevant industrial agreements. That includes employees covered by the Health Services Union, the Australian Nursing and Midwifery Federation, and United Voice. The dispute settlement procedure process requires the employer to consult with the employee and issue the relevant notice provisions before putting the transfer in place. If the employee remains aggrieved, they have recourse under the relevant clause in the industrial agreement and the public sector transfer standard. Clause 141 provides the employing authorities—in other words, the boards—with the right to transfer an employee after consultation, and the employee has recourse under the dispute settlement procedure, as I said, and can lodge a breach of standards claim with the Public Sector Commissioner. Clause 141 replicates section 94 of the Public Sector Management Act, and the public sector transfer standard will continue to apply.

What was the member's last question?

**Ms J.M. Freeman:** Just run that past me again. What you're saying is that these are the standards of the Public Sector Management Act and that, without that, that transfer is internally. That's an internal transfer, under clause 141(1)(a) and (b), within the public health sector.

**Mr J.H.D. DAY:** Yes, that is my understanding.

**Ms J.M. Freeman:** So my last question was: does that include the Midland campus and the Fiona Stanley Hospital campus?

**Mr J.H.D. DAY:** I am advised that, as the member stated, it can be required for there to be transfers within the Western Australian public hospital system—for example, from Swan District Hospital to Fiona Stanley Hospital —

**Mr D.J. Kelly:** Swan District Hospital's closed.

**Mr J.H.D. DAY:** Yes, that is why they would be required to move from Swan District Hospital. That is why I used that example, because it has been closed, and —

**Ms J.M. Freeman:** By way of interjection, minister, if you're a cleaner at Swan District Hospital, and you're transferred to Fiona Stanley Hospital, you're going to a private employer.

**Mr J.H.D. DAY:** Yes, they would be employed by Serco, as I understand it, at Fiona Stanley Hospital.

**Ms J.M. Freeman:** So you could go from a public employment position to a private employer under this particular section of the act.

**Mr J.H.D. DAY:** I was about to say that I am advised that, especially if a situation arises in which there is no position available within the public sector, there is currently the ability to require an employee to transfer to a private sector employer that is providing a similar service. That is currently the case, as I said, but I am also advised that it has never been used.

**Mr D.J. KELLY:** To say that it has never been used is a completely unsatisfactory response to this issue. I have been in situations in hospitals all over the state in which people have been told that positions are to be made redundant and the threat of being forcibly transferred to the private sector is hung over people's heads like a sword. It is a terrible situation to put people in, minister. The government is giving itself a legal authority, but it is saying, "Oh, well, it's never been used", as if that somehow makes it a benevolent employer. I have actually seen circumstances in which that threat has been made to people and hung over their heads in order to get them to choose other options. They may be given the option of a redundancy or they may be given the option of a job that they actually do not think is suitable and does not meet their needs, for a whole range of reasons. They are told about the third option, which is, "Oh, well, we can force you to take a job with a private employer", but people find that offensive for a whole range of reasons—the loss of job security, the change in pay or simply not wanting to work for a multinational that is there primarily to make a profit, when the person has chosen for many years to work in the public sector because they actually believe in our public institutions and our public hospitals. They do not want to go and work for a multinational; they want to keep working in the public system. If this legislation is going to allow the government to do that, it is completely unacceptable. It is also completely unacceptable to say that it has never been used, because I have seen that hung over people's heads as a real threat, time and again.

**Mr R.H. Cook:** It's coercion.

**Mr D.J. KELLY:** Yes, it is coercion. It is intimidation, and it is used, as the minister would know, primarily against people who work part time. There are very few full-time jobs these days in support services in government hospitals. It is a workforce that is predominantly part time, most of them are female, and many of them are from non-English speaking backgrounds. People in this environment are really desperate to keep their jobs, and a bully of an employer like the minister can come along and say, "We're downsizing and your options are A, B and C, and C is that if you don't take A or B, we'll forcibly transfer you to the private sector." The minister should not stand here and say, "I'm a benevolent employer because these provisions have never been used", because in practice they are used. They are used as a threat and they are used as a method to coerce people into doing things that they otherwise would not be willing to do.

One of the most gutless things I have seen employers from the conservative side of politics do to low-paid workers—whether those in hospitals or, for example, cleaners in schools—is to use these types of provisions to bully people into doing things that they would not otherwise do. The Minister for Health and other ministers then have the gall to say, "Well, we didn't force anyone. They all chose, of their own free will, to do X or Y."

If this legislation gives the minister the ability to transfer people from the public sector, I think he needs to have another look at it. When we raised this issue during consideration in detail, the minister's predecessor said, "We wouldn't want to do that." We could say a lot of things about the previous minister, but if the current

minister is going to bring a harder attitude to these things than his predecessor, we deserve more of an explanation as to whether he actually intends to use these provisions; and, if he does not, he should take them out.

**Mr J.H.D. DAY:** I understand the points the member has made. They relate to a wider philosophical debate that I think we have had on a number of occasions in this place. Certainly, the government has no intention of treating employees badly. I think we have demonstrated through the actions that we have taken over recent years, including the level of wage increases that have occurred, that we treat public servants, including those within the health system, very well. Most people in the public sector in this state are paid well above the average of all other Australian jurisdictions and in most cases are at the top level. We treat employees well and we value Western Australian government employees, particularly those within the health system.

In relation to transfers within the public sector, this provision replicates the provisions in the Public Sector Management Act, as I indicated earlier. Provisions exist currently for a review of decisions through Public Sector Commissioner's Instruction No 1, which requires that decisions are consistent with the principles of equity, interest and transparency. In relation to transfers to a private provider, which relates to the redeployment and redundancy provisions, they are covered under the Public Sector Management Act and there is no change as a result of this legislation. So, we can have the wider philosophical debate, and I understand that, but no change is being put in place as a result of this bill.

**Mr D.J. KELLY:** If there is no change, why is it necessary to have these transfer provisions in this legislation? It seems to me that if there is no change, the minister is wasting our time and wasting the paper that it is written on. If there is no change, why have these provisions been put into this bill? That is the obvious question arising from the minister's answer.

**Mr J.H.D. DAY:** It is clear that this is a whole new bill; it is not just amending legislation. Therefore, it is necessary to provide the whole framework of how things will operate in relation to employees and employers within the Western Australian health system. Therefore, it is necessary to provide all the detail in what is a very large piece of legislation. My statement that there is no change refers to the fact, as I am advised, that there is no change in the practical situation in relation to the employees we have been discussing.

**Ms J.M. FREEMAN:** I want to make the minister aware of the debate that we had in the Legislative Assembly Legislation Committee. I raised the issue that the minister could forcibly transfer a person from a public sector employment position to a private sector employment position without their agreement, and effectively the minister could use that as a tool to make that person leave the public sector. I used the example of what happened to education assistants and Aboriginal and Torres Strait Islander education officers in the education department. Those people were effectively told that either they would be forcibly sent to a position that was not suitable alternative employment for them or they could take the enhanced redundancy package; however, if they chose not to take that other position or not to take the package, they would be dealt with under the disciplinary procedures and would be made forcibly redundant in any event. I want to refer to what the Minister for Health at the time said. The then Minister for Health, who was the health minister since 2008, and prior to that was the shadow spokesperson for health, is the minister who oversaw the privatisation of Fiona Stanley Hospital for cleaners, gardeners and orderlies, and the privatisation of the Midland hospital campus for all the workers at that hospital. The then Minister for Health said—I am quoting from the uncorrected proof of the Legislative Assembly Legislation Committee of Thursday, 24 March —

I am happy if there is a suitable alternative position in our system—

He meant the public system —

for them to go to, but not to the private sector. That just does not seem right.

Because the committee was limited in time, the minister went on to talk about the deferral of some clauses and said —

We can defer them to the end of this sitting today ... We are supposed to get through the whole bill by 5.00 pm. Clearly, we have referred some clauses to the chamber.

Therefore, we deferred clause 161 as well, which also has to do with the issue that we are raising here.

In the debate on clause 141, when we first started to raise this issue, I was told—I will need to go back and have a quick look—that this clause was to apply only to the public health system. I was told that employees could be transferred only from one public health service provider to another public health service provider, and that this clause would not provide the capacity to transfer employees, in the best interests of the health service provider, from a public health service provider to a private health service provider. The current minister gave the example of a cleaner who is transferred from Swan District Hospital to Fiona Stanley Hospital. I understood from the debate in the Legislation Committee that clause 141 would not enable a cleaner in a public health position in which they had accrued length of service, sick leave, long service leave and a range of other entitlements, to be



transferred to Fiona Stanley Hospital and the private sector and lose all their entitlements. The minister has said that that has always been the case. I am not aware, for the United Voice members, that that is the case. I have always had the understanding, although the minister has said in this house that that is not the case, that under the current enterprise agreement for those employees, they would retain the provisions of redeployment and redundancy and would not be forced into that sort of alternative employment.

**Mr J.H.D. DAY:** Clause 141 deals with, as it states here, transfers between health service providers or between health service providers and the department. So, it is within the public system. It does not cover the situation of staff who take up positions in the private sector, which is covered later in the bill. Therefore, I think that the concerns that have been expressed about clause 141 do not apply. However, as I said, overall there is no change essentially to the system that is in operation now.

**Ms J.M. FREEMAN:** Just to clarify and put it on the record, clause 141 applies only to the public system. It applies only from public provider to public provider; it cannot apply to a public provider and Serco and it cannot apply to Midland. This is just to clarify clause 141.

**Mr J.H.D. Day:** Yes.

Debate adjourned, pursuant to standing orders.

## ASSET SALES

### *Motion*

**MR B.S. WYATT (Victoria Park)** [4.01 pm]: I move —

That this house condemns the Liberal–National government for its bad deals with the private sector, which result in costing taxpayers significant sums of money, and notes the poor return the government has received from its current sale of government land.

I want to begin by reflecting for a second on today—insider trading. We find ourselves in the Parliament of Western Australia questioning a minister because of potential leaks of market-sensitive information currently being investigated by the Australian Securities and Investments Commission—insider trading, a criminal offence. People go inside for 10 years for insider trading. That is what we have been talking about today. I want to reflect on that for a minute as I enter into my contribution to the debate on this private member’s motion about the many examples of not just this government, but the Liberal and National Parties themselves, generally getting scalped time and again by the private sector. It happens time and again; it has become standard operating procedure for this mob to the absolute detriment of the taxpayer. It has happened time and again in a range of portfolio areas. I am somebody who quite likes conversation about the role of government and the private sector. I like that conversation; I am open to those questions. But after sitting on this side of the chamber for the last seven or eight years—however long it has been—I have serious concerns about the capacity of this government to enter into those arrangements, whether they be full-on privatisations through the sale or long-term lease of an asset, or a contracting arrangement with the private sector, without getting duded and taken to the cleaners by the private sector partner.

Time and again there have been different examples and there just does not seem to be an understanding by the government. We had this conversation about the Princess Margaret Hospital for Children car park in the Parliament yesterday. One of the fundamental arguments for entering into an arrangement with the private sector is so that risk can be distributed. We all understand that if there is an essential service like the operation of a large public tertiary hospital, the government in the end does not really contract out the risk; in the end it comes back to the government of the day. We know that; I think all of us in this chamber have worked out that happens in the end. But certainly things like financing risks should be transferred to the private sector when entering into those arrangements. What we saw with Wilson is some absurd arrangement by which state assets were transferred to Wilson and the state said that it would continue to pick up all the liability for maintenance and that Wilson could have all the revenue from not just the car parks that have been built, but all of them. The government did not then release the public sector comparator and the business case to back up that deal. I reckon that if the government had thought it had entered into a good arrangement, two things would have happened. First, the health minister would have said that the government would subsidise parents and families whose children are at the new children’s hospital; and, secondly, it would have released the business case that showed it was a good deal. If the government had not found itself terribly embarrassed by that, it would have provided any information it could to show that the taxpayer was getting a good outcome.

This Barnett Liberal–National government is very bad at doing deals with the private sector. I will go through a couple of examples just briefly, because I want to make some comments about land sales before I sit down and allow others to comment. The Minister for Lands might get up at some point and make some comments himself. I refer to Muja AB. Remember Muja?

**Mr R.F. Johnson** interjected.

**Mr B.S. WYATT:** The member for Hillarys certainly remembers Muja. It was a diabolical deal in which the state underwrote the debt of a private company to a private bank when the state could borrow at a lower rate. I think this was back in the days when we still had our AAA credit rating, so our interest rate exposure would have been even lower. To get that deal up, the Minister for Energy, who is now also the current Treasurer, although he was not then, guaranteed the debt of a private company to a private bank. Is it any little wonder that when, I think, KPMG did the report into that, it was very critical of the government. What was the government doing? Again, it found itself in a desperate situation and entered into a bad deal.

I refer to Fiona Stanley Hospital. I am not going to revisit all that. Some of my colleagues might go into Fiona Stanley Hospital and the Serco arrangements because they have been diabolical from beginning to end. I remember giving a speech in this place some years ago, I think it was before the last election, about the public sector comparator and Treasury being very worried about it and the fact that when the information technology risks were added into the public sector comparator, the result was to lower the risk assessment. What is going on? I am not sure there is the capacity internally in government to do the public sector comparators. That means that the very basis upon which a decision is made about whether there is a good deal for the state or the taxpayer is not being adequately assessed. When we go all the way back, the Serco arrangement with Fiona Stanley Hospital highlighted the fact that the public sector comparator was woefully inadequate. Every time I hear somebody on the government side say that something is a good deal for taxpayers, they actually do not know. They do not have the slightest idea whether it is a true statement because the public sector comparator was so badly done. We have seen the rollout of the hospital over time—\$100 million-plus, a hospital with no patients et cetera. That is Serco again—another private company taking the government to the cleaners.

In my own electorate there is an organisation that I like, the largest single-site employer in Western Australia—Crown Perth. Again, the government sold valuable public land to Crown with a \$35 million discount. The land, from memory, was valued at about \$90 million and it sold for \$60 million. Again, that was all done by the Premier—all done by him. We all remember the discussion. There was a \$35 million discount on the basis of this, that and the other. There was no rigour to that process whatsoever.

I refer to the cancellation terms for the nib Stadium contract. There was an \$8 million payment to Allia, and \$400 000 was paid to Perth Glory. Again, the government successfully gets itself into a position of contractual weakness, like it did with Wilson from what I could gather from the parliamentary debate, so that it finds itself exposed. We discussed this issue today in the Public Accounts Committee hearing, which was a public hearing. We discussed this very issue today in respect of the health contract for IT at Fiona Stanley Hospital that the Auditor General tore apart a couple of weeks ago.

The problem with the basic contractual arrangement between the government and the private sector is that the government continually fails to protect its interests, and continually fails to consider the outcomes and the best financial arrangement. As I said, the failure of the government to do adequate public sector comparators means that it does not know. On Westadium and the arrogance of this government, the National Party walked away from the sale of Fremantle port on the basis of the lack of transparency and then the Treasurer refused to tell Parliament the total cost of Westadium. It is not an unreasonable request for the Parliament to know the cost. We all wander the same halls, we all have the same networks and we are in a small city, and I hear that a bit of a subsidy is going to come along that way. I will be very interested to hear whether the government tells us about that this side of the 2017 election—it is not a small subsidy. I am sick of getting these bland responses from ministers who say that we are questioning the probity of this arrangement; therefore, we must oppose it. That is the response of a tired, arrogant government when it is not willing to come in here and give details of the arrangements it is entering into on behalf of taxpayers that will last years, perhaps decades, into the future—the financial exposure of taxpayers well after government members have all gone and left this place.

Pelago! I know the minister will get up and say how wonderful these investments are in the Pilbara, but again it is putting the taxpayer on the hook for the empty apartments; the taxpayer is exposed again. The government is underwriting rents, underwriting lease terms and underwriting debt for the private sector operator. Again, the taxpayer is left exposed. I do not hear at all from the government any acknowledgement that perhaps along the way it has learned a lesson. The Wilson Parking issue yesterday perhaps confirmed that the government refuses to learn—utterly refuses to. The bizarre response from the Premier today, in an attempt to defend the Minister for Transport over the Australian Securities and Investments Commission investigations, was perhaps one of the strangest responses I have seen from him. It is the sort of response I get when I get those strange phone calls in my electorate office from people. That was the sort of response that we got from the Premier today—odd; very odd.

The member for Geraldton is not here. Going back to 2014, he raised a very good report—the Economics and Industry Standing Committee report, titled “The Management of Western Australia’s Freight Rail Network”. It is a very good report. I do not know whether everybody on the government side has read it, but I suggest members go back and read it, because it shows us where it can go wrong, to the long-term detriment of taxpayers and to the economy of WA. This is a great example. When National Party members went out on the front doorsteps of

Parliament House and said that they were now opposing the sale of Fremantle port, they should have perhaps had this report in their hands as the evidence of their concern. I will not go through it all; it is a big report. I note that on page ii it states —

As Chapter 3 notes, in situations where a government monopoly is, in effect, privatised, it is essential that there is adequate regulation to ensure the public interest is not marginalised by the profit maximisation goal of private enterprise.

The fundamental issue is: in a monopoly asset, how do we protect the taxpayer, or the client, if you like—for example, Western Power, Fremantle port, the users? We had a debate in here recently on the sale of Utah Point. That was an interesting debate because the Treasurer said that the Utah Point legislation is effectively pro forma legislation that will be replicated in the sale of Fremantle port. Anyone who was involved in that Utah Point debate will know that it was a small piece of legislation for something quite significant. Initially, the government wanted the right to sell anything at Port Hedland Port Authority, but in the end wound it back to just confine it to Utah Point, on the recommendation of the opposition. That was a very good approach to have taken. The point is that all the details—I have tried to understand the National Party’s position—about the sale of those assets are not debated in here. They are not in the legislation. They are shunted aside to be seen, perhaps if we are lucky and the government tables the final contract in the house, once the sale has been executed. It is interesting that there are only, from memory, three users of Utah Point. It is not a facility that has lots of clients, not like Fremantle port. The Treasurer and I had a conversation in this place around those iron ore junior miners that use Utah Point. He said that of course they had been consulted. Once the legislation passed the lower house, with the opposition opposing it, and made its way to the upper house, I got a call from one of those juniors, who was surprised and asked, “What’s going on with Utah Point?” I said, “It’s on its way. It’s into the upper house now. Didn’t you know?” They said, “No. We knew there had been talk about it, but we didn’t know. We hadn’t been spoken to about the detail of this. What is going on?” This came from a very concerned junior, who had put in considerable capital contributions to help pay for the original construction of Utah Point. Although I did not hear from them prior to the debate in this place on the sale of Utah Point, interestingly, last week, on 24 March, the Association of Mining and Exploration Companies, which represents junior miners, put out a long communiqué. I am not going to read it all in, Mr Acting Speaker, you will be pleased to know; I will quote a couple of paragraphs. It starts by stating —

**Junior miners determined to ensure the proposed privatisation of Utah Point does not threaten the survival of the Western Australian Junior Mining Industry**

A complete lack of any meaningful consultation by Government, prior to introduction of the Pilbara Port privatisation bill to enable the sale of the Port Hedland Utah Point Bulk Handling Facility ... has created considerable uncertainty for Atlas Iron Limited, Mineral Resources Limited and Consolidated Minerals Pty Ltd (the junior miners that currently export from Utah Point) as well as for the wider Western Australian community.

Each of these companies made significant capital contributions to part fund the original construction costs of Utah Point and they also invested heavily to develop and expand their mining operations in the Pilbara region on the strict understanding that Utah Point would remain exclusively available to the junior mining industry.

The communiqué continues —

The scant detail that Government has released in respect of the principles proposed to govern the privatisation of Utah Point is cause for significant and justifiable concerns over the implications it will have on the survival of the junior mining industry in the Pilbara region. Without these proposed principles being amended to include appropriate safeguards, there is no doubt that disposal of Utah Point to a non-government entity will put the significant social and economic future benefits that the junior mining industry will continue to deliver to WA at risk.

This is not a light statement from AMEC, probably because those juniors have found themselves startled by the fact that the Utah Point legislation had nearly progressed through the Parliament before they became fully aware of what was going on. It is now referred to a parliamentary committee, but there has been a lack of meaningful consultation. The government is setting itself up to repeat the problems that were identified by the member for Geraldton in the Economics and Industry Standing Committee when it looked at the freight rail network back in 2014. If we do not learn those lessons, we will repeat them. Every single scenario that I went through before suggests to me that this is not a government that has learned those lessons or has the capacity to deliver on the lessons that the public service has certainly learned—absolutely not.

Now that the government is trying to move rather aggressively down a path of assets sales, it is worth pausing to reflect upon its record, which is not a very good one. It is very keen to pass the benefits to the private sector without guaranteeing that the risks are also passed. Time and again we have seen back in this place contracts, or the results of those contracts, that are woeful when it comes to protecting the interests of the taxpayer.

Do members remember the former Minister for Health and this article titled “Health data bungle cost \$41m”? The door hit the former Minister for Health on the way out with a nice little gift to the taxpayers of Western Australia. Paul Murray nailed this issue in his opinion piece. The government tried to say the problem was due to three people who went rogue and that it had “nothing to do with us”—the government. Despite years of warnings from the Auditor General about information technology and a parliamentary committee looking into the IT arrangements at Fiona Stanley Hospital in the Barnett government’s first term, the problem was caused by three people who went rogue. Paul Murray’s article in *The West Australian* on 27 February this year states —

Under our system of government, ministers are held responsible for significant failures in their portfolios. That should be tempered by their ability to know what was going on.

But in this case, flashing lights, sirens and bells obviously would not have been enough to alert Health Minister Kim Hames.

An earlier Auditor-General’s report in 2010 publicly questioned Health’s ability to monitor these complex computing contracts. That should have attracted the minister’s enduring attention.

Former Nationals leader Max Trenorden made two blistering attacks on the issue in the Legislative Council that year and in 2011. They were ignored.

The Auditor-General’s recent report uncovered an internal review in 2012 that found Health was not monitoring “key contract deliverables”, which also escaped the minister’s attention.

This was not the result of a public servant going rogue and agreeing to vary the contract out of context; the Auditor General had been blaring about this for a long time. As Paul Murray wrote, there could have been bells and whistles going off and the former Minister for Health, the member for Dawesville, would not have woken up. He was not paying attention. As a result, there was another \$41 million loss. Hopefully that is it. The Public Accounts Committee questioned the Department of Health on this in a public hearing today. Hopefully, the losses have been crystallised. This example is not an exception to the rule. I am speaking as someone who is perhaps more willing to consider a role for the private sector, but I have watched what this government has done. I am glad the member for Geraldton is in the chamber, because I commend the member for Geraldton’s 2014 report into the sale of the freight rail network. It is a very good report, but, unfortunately, the government does not seem to have learnt lessons from it. I referred to the Association of Mining and Exploration Companies. The Treasurer is in the chamber; I do not know whether he will respond, but, hopefully, he will respond to the communiqué AMEC put out on the sale of Utah Point. I am interested to hear what the Treasurer has to say on that.

Now, I refer to the sale of land; it is quite extraordinary. The Treasurer says “yes” from across the chamber. No doubt his response will be along the lines, “It’s not about making money; it is about utilising land that the government is sitting on for better use.” I dare say that that is what the Treasurer will say, but I will not attempt to put words in the mouth of the Treasurer or the Minister for Lands—whoever responds to this issue. A very good piece of research by Annabel Hennessy—I give her credit—looks at properties sold by the Department of Lands over the last 12 months. Twelve of the 23 properties sold by the Department of Lands were sold at a loss or under the asking price; that is half the properties sold. These are not pieces of land that the government bought or inherited back in 1920; all this land the government purchased relatively recently, during the lifetime of this government. I will not go through all the examples, because the article, which I am sure all members saw, went through a range of them. For me, perhaps one of the starkest examples is the sale of Western Power land in Neerabup. The sale date for the land was 11 February 2016, and the sale price was \$2.76 million. The purchase price of that land five years previously was \$5.089 million. The land was sold at a loss of \$2.3 million. That is just one of many examples listed in the article.

I understand that there is now a bit of desperation in the government to try to resolve its debt—I get that. The rhetoric behind the asset sale process has changed. The Treasurer had said that there was no way in hell that proceeds from any sale would be used to build or be spent on something else, but that is what we are doing now. We are not cutting debt; we are going to reduce the glide path that the current budget has around our net debt. The rhetoric is now significantly different. When the government goes around flogging off assets for less than their value, it starts to become a concern for the broader taxpayer. I do not object to or dispute the government’s right to sell land—governments buy and sell land all the time—but the government is in a situation in which it has brought money from land sales into the budget books. The government has been talking about land sales for so long that it is perhaps a little embarrassing when government members speak at public events because they now have to flog land regardless of the price the government bought the land for and regardless of the land’s valuation. The government has to sell land to bring in the revenue. That is not a sensible use of assets owned by Western Australians—not a sensible use in the slightest.

The government has form on this issue. There have been a long series of events. Every single time the government tends to do a deal with taxpayers’ money, taxpayers get stung—time and again. I went through seven or eight examples. I dare say when we see the Fremantle port sale legislation, it will be similar to the

Utah Point legislation. There will not be a lot of detail in it, but it will allow for the capacity to create pricing structures and access regimes that will be debated not in this place, of course, but separately. The issues raised by the member for Geraldton and his committee in its report on the management of Western Australia's freight rail network highlights that we do not think the government can do the deal that will protect the Western Australians' economic interest—not now, not in the next five years, but in the next 20 years or 30 years. That is what the government should do, and it is why the Australian Competition and Consumer Commission is active in this space. I note the letter from the ACCC provided by the minister to the opposition reflects comments Mr Sims has made in public speeches for some time, mainly in respect to the sale of Melbourne port, that if the government gets this wrong, it is effectively a tax on future generations. If the government simply tries to increase the value of the asset at sale time or it tries to ensure that it will increase the asset value by limiting competition in the future, it is a tax on future generations. Having gone through those examples, I am not convinced that this government has the capacity to deliver on that in the interest of taxpayers—I am not—and those land sales confirm that. I do not think there will be any change. I am sure that in 12 months from now, when we look at all those land sales, there will be another report similar to this one about lots of land being sold below either its purchase price, of which, as I said, there are quite a few in the story by Ms Hennessy, or its valuation. The government will get its own valuation of land and flog it below that valuation in any event.

When this government has entered agreements with the private sector, it has not managed to deliver returns in taxpayers' long-term interests, which is why the opposition has moved this motion. As I said to the Treasurer, AMEC put out an interesting communiqué last week. I am keen to hear the Treasurer's response to claims of a lack of communication and consultation with AMEC about the sale of Utah Point, because AMEC listed its concerns in its very long and detailed communiqué. No doubt the member for Geraldton will support the opposition on this motion because his report was very good. The report highlighted failures way back when the grain freight network was sold that continue to bedevil us today. If the government does the same with the sales of Utah Point, Fremantle port and Western Power, in 20 years' time, a Parliament will be having this exact same debate and we will be on our rocking chairs saying, "I told you so." Hopefully, we will not get to that point.

**MRS M.H. ROBERTS (Midland)** [4.30 pm]: I rise to support the motion moved by the member for Victoria Park condemning the Liberal–National government for its bad deals with the private sector that have cost taxpayers significant sums of money and noting the poor return government has received from its current sale of government land. I rise to speak on the motion for a number of reasons. Firstly, I highlight the very poor economic record of this government. This government has been the worst economic manager of any government in the state's history. The Liberal–National government has taken us from a net debt position of only \$3.6 billion in June 2008 to looking down the barrel of nearly \$40 billion of debt by 2018–19. That is just astronomical. During that time, we have heard what outside regulating agencies and commentators have had to say. In August 2014, we saw that the wheels were well and truly falling off when the Barnett government lost the state's AAA credit rating. Western Australia has now been downgraded from AA1 to AA2. This government is going down the tube badly. The *Government Mid-year Financial Projections Statement* that came out at the end of last year was shocking for many people. It took us to a new and unprecedented low. It has certainly taken us to unprecedented debt levels with the prediction of nearly \$40 billion of debt by 2018–19. Now these poor economic managers are going to raise a few billion dollars from asset sales. They will do that at a time when market values are well down and at the expense of future generations.

**The ACTING SPEAKER (Mr N.W. Morton)**: Members, a number of conversations are happening in the chamber that are making it difficult for me and, I assume, for Hansard, too. Keep the volume down.

**Mrs M.H. ROBERTS**: The decisions of the Barnett government, because of the dire financial state that they alone have taken the state of Western Australia into, will have consequences for generations to come. It is all very well for the Premier to talk about raising a few billion dollars through asset sales, but some of the so-called asset sales are going to be even more costly into the future. Although this may give us a quick sugar hit and get some cash in now to help the Barnett government through the next year or two, the longer-term consequences for my children and everyone else's children and grandchildren concern me. The debt anchor the Barnett government has placed around every child born in Western Australia will have significant implications for generations to come. Let us look at selling something like the Fremantle port—the port built out of the vision of C.Y. O'Connor—which has been such a strategic asset for this state for so long. To think that Fremantle port could be flogged off by the current government to cover its debts is alarming. Once an asset like that is sold or leased, it is gone. The Premier very cutely talks about 99-year leases—it is not only the Premier who will not be here in 99 years' time; no-one will be here in 99 years' time to potentially get the lease back—but a 99-year lease is as good as selling the asset. Once sold, we cannot retrieve it. Buying an asset back will be nigh on impossible. There are many reasons core assets such as Fremantle port should be kept in public hands. Fremantle port was built by the public, paid for by the public and used by the public, and profitable for the public, earning an income for the public, the community of Western Australia, year in, year out and well into the future. It makes sense to keep an asset like Fremantle port. Flogging it off at this time is senseless. Indeed, I think flogging off a key asset like that at any point in time is totally senseless.

Let us consider other matters around key infrastructure such as a port. We saw recently the sale of the port of Darwin. What overseas interests are going to be buying our port? What are the security implications for having overseas owners of our port? What will that mean for future generations? These are all significant issues—issues that this government would prefer we did not question; issues that this government thinks we should quickly sign up to to help it out of its immediate debt problem. The opposition is not about to do that because we do not see a sale of that nature being in the short-term or, more particularly, the long-term interests of Western Australians.

Another big asset earmarked for sale is Western Power. This is another strategic asset for our state. To think this government could sell off to multinational companies and put into foreign hands strategic assets such as Fremantle port, Western Power or other key infrastructure is alarming. I think that a lot of people in the community will be alarmed by it. This government says, “Trust us; we think it’s a good idea.” The fact is I would not trust this government as far as I could throw it. Let us look at the mess it has got us into so far. I know why we have this mess. I do not think we can blame the current Treasurer for the mess. Yes, he was part of government for all that time, but he is the seventh Treasurer sworn in during the time of the Barnett government. Let us look at the debacles we saw with earlier Treasurers. The Premier needs to wear a good share of the blame himself. As I and others have pointed out over the years, the Premier has form when it comes to cranking up debt and not living within his means and bursting the budget. That was his form as a minister in the Richard Court government. When he was Minister for Education, he was given a budget to work within. Did he work within that budget? No! Did he have form and not work within his budget year after year? Absolutely! That is exactly what characterised him as a minister; he was a minister who wilfully would not work within the budget that he was given as part of the budget process. Year after year he instructed his department to overspend and not to worry about it—the Treasurer would just have to top up the funds! The reason all of us know that that is how he operated, quite apart from looking at it in the budget papers year after year, is that it was brought to our attention when a letter from the then Under Treasurer John Langoulant was made public in which he was openly critical of the education minister for not doing his job and not living within his budget—spend, spend, spend, and let someone else pay the bill. The Premier has brought that exact attitude into his government.

Then we had Christian Porter and Troy Buswell, and Mr Barnett was Treasurer a couple of times. I have to question the Premier’s judgement when he appointed his good mate Troy Buswell to be Treasurer on a couple of occasions. He was appointed first up, then he was put on probation and the Premier reckoned he would ride him harder than Black Caviar. What a joke! This is a bloke who had significant problems. These problems did not arise in the last year or two; they were there for anyone to see. They were obvious for anyone to see from the day that Troy Buswell arrived in this place. He was a buffoon who belittled other people in this house and who thought it was funny to do so. He did it in this place, and everywhere he went. He thought it was funny to unclip someone’s bra as a party trick. In opposition, he thought it was funny to sniff chairs after women got up from them! Troy Buswell did not do that once; he did it more than once. Anyone else would have been relegated to the back bench for a very long time and told, “It’s great you’re a very popular person in your electorate, but you’re not ministerial material.” What did the Premier do? He did not just make him a minister; he made him Treasurer of the state. When he got up to his buffoonery —

*Point of Order*

**Mr V.A. CATANIA:** I cannot see how this is relevant to the motion that the opposition has moved.

**Mrs M.H. ROBERTS:** Further to the point of order —

Several members interjected.

**The ACTING SPEAKER (Mr N.W. Morton):** Points of order will be heard in silence. Further to the point of order, member?

**Mrs M.H. ROBERTS:** Further to the point of order, this goes to the character of the former Treasurer and the botch-up he made of the state’s finances, supported by the Premier. He is a big part of the reason we are heading towards \$40 billion worth of debt.

**The ACTING SPEAKER:** I have heard the arguments. I encourage you to talk to the crux of the motion before the house.

*Debate Resumed*

**Mrs M.H. ROBERTS:** I will do that, and I thank you for your advice, Mr Acting Speaker.

The fact is that the finances of this state have just been in slippery hands from the moment Premier Barnett took office. They have been in his slippery hands, they have been in the slippery hands of Mr Buswell, and then back to the Premier. Even after Mr Buswell blotted his copybook yet again in government, he shed a few tears and the Premier reappointed him as Treasurer. We are now asked to trust this government with our assets for the future. These people said at the last election “fully funded, fully costed”. What a lie! It was not fully funded and fully costed. Then the Premier tried to say that it was not him saying that; it was just a slogan that Ben Morton put on every single piece of election material!

The fact is that we cannot trust this government on finances. We are heading towards unprecedented debt. We are now being pushed towards decisions on selling key government assets. Many of those assets, of course, are income-producing assets for this state. When Eric Ripper was Treasurer and I was part of that government, Eric used to give us very strong advice on managing the budget. He was very keen to keep within a spending envelope not just for the current year, but for the out years. He took a prudent and responsible approach to government spending. There was no guarantee that the boom years would continue and we would continue to have massive revenue; we had to plan as though the revenue outlook was not as rosy as some would like to pretend. On that basis, he took a very responsible attitude to spending. He also used to talk about so-called good debt and bad debt. If members in this house do not understand the difference, good debt is debt from which future income can be earned and is an investment; bad debt is debt incurred with no return on investment.

**Mr D.T. Redman** interjected.

**Mrs M.H. ROBERTS:** Fancy someone from the National Party interjecting! It is just absolutely incredible.

**The ACTING SPEAKER:** Minister, you will have a chance to respond.

**Mrs M.H. ROBERTS:** We are now seeing the sale of good assets—good income-earning assets—and a lot of it is very, very short-sighted.

I particularly want to home in on some of the assets I am fearful will be sold from my electorate, and, as the motion states, the poor return government will receive from its sale of government assets. One asset that will be put up for sale in my electorate is the former Swan District Hospital site. I highlight the difference for the Premier and all members on the government side: it was never “Swan Districts hospital”. Swan Districts is a football club; it was never a hospital. The Swan District Hospital site is very large, and this government is now prepared to flog it off. My community is very worried about what will happen with that site. We can all see that it has fabulous potential, but we are also very fearful of losing that local community asset. I raise that particularly because, as we all know, there will be future government needs as well as current government needs. As an aside, I will mention some of the things for which governments need land. One is community justice centres, which are generally not popular in residential communities. There is also a need for more drug rehabilitation centres and accommodation for the aged, and government will need to find sites for all those things. But what we are seeing all too often—a bit like this government’s ham-fisted attempts at inflicting community justice centres on communities—is the government going through this whole palaver of purchasing a site, advertising it, trying to get zoning, upsetting the community and making a complete botch of it. Similar to other quasi-institutional uses of land, there is often, quite rightly, some push back from local communities. But the Swan District Hospital site is very proximate to Midland town centre and to other services and could be used for a range of purposes. In the eastern region there is almost no greater need than for housing for the aged, with very few sites available. I very often speak to people in their 40s and 50s in my electorate about them trying to find accommodation for their elderly parents. I also speak to people visiting Midland from the wheatbelt and neighbouring country regions who are looking to accommodate elderly parents or elderly family members within the Midland and broader eastern region, including the hills area. They are looking for local nursing homes and accommodation for the aged; they are in high demand. More often than not I hear from people who, when the need has arisen, have had to look at putting their elderly parent into a nursing home in Osborne Park, Mosman Park, somewhere in the western suburbs or somewhere in the far northern suburbs because they are not able to locate them in the Swan Valley.

[Member’s time extended.]

**Mrs M.H. ROBERTS:** They are not able to locate them in the Perth hills or the Midland region, and it is very difficult to find sites. The Swan District Hospital site covers a massive amount of land, and my view is that at least part of that site could be used for that kind of government purpose. But by the time this government wakes up to it or another government seeks to implement it, can members imagine the cost of purchasing a suitable piece of land for that purpose?

The situation is likewise with drug rehabilitation centres. We often hear that one of the things driving crime rates in the community is too many people on methamphetamine and hooked on drugs. The cry from many parents in my electorate—I am sure all members’ electorates—is, “Where can we take them? Where can we get assistance? The number of places is limited.” By and large, a lot of people do not want to live next door to a drug rehabilitation centre. If the government suddenly decided to purchase two or three houses or a large block of land in the suburbs and said, “We’re putting in a drug rehabilitation centre where we’re going to house 20 or 30 people”, that would create a lot of alarm within the community. In an average residential street people would say, “I have little kids; I don’t want crazed drug addicts—recovering drug addicts; whatever—in my street and in my community.” But the advantage of a site such as the former Swan District Hospital site is that a discrete location could be found within a broad site such as that, and that kind of facility could be provided. In my view there would be very little push back. The river is on one side and a major road, the Great Northern Highway, is on the other side. Eveline Street contains few residential properties and on the other side of the site is

Midland Brick. Although that site is well connected to the local community, it is in many ways isolated from immediate residential areas.

I would like the government to be engaged in that kind of thinking—a whole-of-government approach that looks at the community's future needs. What does the community need? What services and supports does the community need? That is what government is supposed to be about. That is the role of government. How do we serve our communities? What do we do to help out those communities? Is it right that to access a drug rehabilitation service people must go to Esperance or wait on a waiting list for six months to go somewhere else? Is it right that somebody who has lived their whole life in Midvale, Guildford or Toodyay, must live in retirement in Mosman Park? I do not think so. Does government have an obligation to do the right thing here? Absolutely, it does. From a social and moral perspective many of these things are the right thing to do. That is what the government should be doing. Even more than that, I make the case that it would be economically sound to think through these needs and make those decisions. I am sick of government selling off perfectly good sites suitable for a range of government purposes to only then, when a government agency gets funding to do something, purchase sites in the community that cost three, four or five times the amount of half of the land it could have had had it kept its assets. This entire site is going on the market and we have to put our trust in this government that it will somehow do the right thing by the community. I do not think that is right. I think local people should have a say; the local community should have a say in what goes on at the Swan District Hospital site. It is a local asset. It is a local Midland regional asset for the Midland regional community. Those dollars should not just be rounded up and put into Treasury coffers because of the Barnett government's mismanagement.

I raised similar concerns in the late 1990s in this place when I called for the establishment of the Midland Redevelopment Authority. It fell on deaf ears year after year. Then in 2000 the government finally saw sense. At the time a lot of little bids and offers were coming in for the former Midland railway workshop site from people who wanted to run microbreweries or set up racetracks. All kinds of proposals were coming in from everywhere. I said that surely government should take a strategic and coordinated approach and that it should not just chop up that site and sell it piecemeal to the highest bidder. That did not make sense. The Midland Redevelopment Authority was established so that government could decide on the highest and best use for that sizeable parcel of land and meet community needs and interests by balancing that with getting in some revenue from that site. That is what occurred. The same thing should be occurring with the Swan District Hospital site. We should be getting a good deal for local people. That money should not be taken out of the Midland community and just popped into Treasury to help pay off Elizabeth Quay or any of the other debt projects that this government has.

Whilst I am on this topic, I am also worried about other smaller sites, such as the Midland Primary School. Again, I understand that that site in the centre of Midland has been strategically kept by the Department of Education. It has now come to the stage that that school needs to be reopened. Yes, there "coulda, shoulda, woulda" been other options, and there are certainly more expensive options that would meet community needs, but, by way of example, this is exactly the point I have been making: if the Midland Primary School site had been sold off, the government would now be looking for a greenfields site to cater for the overflow of students at the Guildford and Woodbridge Primary Schools. Those schools are servicing the needs of the member for Belmont's constituents. People in South Guildford and Rosehill do not have a school. No school has been built in South Guildford, so all the kids—there are a lot of them—from South Guildford and the Rosehill and Waterhall estates and the new estate that eventually will be going in on the former golf course, are in the catchment of Guildford Primary School. The only problem is that Guildford Primary School is absolutely full. There is no room for expansion. It is the oldest, continuing, operating primary school in the state and there is no room for expansion. It is a heritage site and there is not even room to put a demountable on that site. So the surplus students, those who cannot fit in the doors even though they are in the catchment of Guildford Primary School, have to go to Woodbridge Primary School. The only problem is that that school is now full. Plans have been drawn up, which have little outline, for up to 10 demountables on a 2.4-hectare site. These days an average primary school is built on sites of four hectares, so that is about half the size. If those demountables are put on that site, that school will lose play space on the oval, their vegetable and community gardens, and a range of other things. Of course, the government has a very cheap option sitting there—that is, opening Midland Primary School in stages, starting with those early years, to cater for the students in that area rather than having to find a site. When I say it is a cheaper option, I mean that the land and the buildings are there and only a bit of refurbishment is required. If that site had been sold off 10 years ago when the school was closed, it would not be at the disposal of the government now. It would not have that option. It would be looking at purchasing a four-hectare site from developers probably in South Guildford to cater for the students there.

That takes me back to this point: we have seen very poor financial management in so much of what this government has done. It has absolutely burst the bank. There has been the most unprecedented growth in debt and we are now looking at a fire sale of government assets. The big ones like the sale of Western Power and Fremantle port make the news, but there are other sales that are really big for local communities, like the



Swan District Hospital site and others like the Midland Primary School site and probably a variety of former government sites.

This government has moved out of Midland big time. It has shut the licensing centre. The Midland licensing centre operated on Great Eastern Highway for decades, probably since the turn of the previous century. That is how old the licensing centre would have been in Midland. Although the buildings were probably built in the 1960s or 1970s, a licensing centre has existed in Midland since before then. It has now been closed. The Legal Aid WA office has been taken out of the Landgate building. Perhaps the Treasurer or the National Party can explain what is happening with the Landgate building and how many square metres the government will retain in that key government building within the heart of Midland.

They are my concerns. My concern is as basic as this: we cannot trust this government with the management of government. It has done, as the member for Victoria Park has said, one bad deal after another and it is now flogging off key assets at a bad time in the market, when it will not get the best value return and it will be denying future generations the opportunity of earning income from key assets. Further opportunities will be lost because some of those assets or land parcels will not be available for future government use.

**MR D.J. KELLY (Bassendean)** [4.59 pm]: I want to make some comments in support of this motion, which criticises the government for some of the many deals it has done with the private sector. The only difficulty on this side of the house in participating in this debate is choosing which deals to highlight. I will take two, and with regard to the first, as shadow Minister for Water I have watched the train wreck that is the government's decision to privatise the engineering and construction services at the Water Corporation. That deal simply does not make —

**Ms M.J. Davies** interjected.

**Mr D.J. KELLY:** The minister is saying unemployment is a train wreck. I look forward to her being unemployed —

**Ms M.J. Davies** interjected.

**Mr D.J. KELLY:** The minister has justified this terrible decision on the basis that, by privatising this enterprise, the government is going to guarantee the employment of the staff that the minister has made redundant. The buyer, RCR Tomlinson, has done very well out of this enterprise. It is funny that the minister should raise the issue of employment, because only this week RCR Tomlinson has flagged 270 redundancies.

**Ms M.J. Davies** interjected.

**Mr D.J. KELLY:** I look forward to the minister actually getting off her whatever and standing up to speak, rather than interjecting, because when I ask her questions in this place about this deal, she is quiet. I have asked the minister, "Will you release the contract?" She cannot answer that question. I have asked, "Will you release the business case for this deal?" She will not answer that question. She is so gutless that when I get up to speak on this issue —

*Withdrawal of Remark*

**Ms M.J. DAVIES:** I actually do not think "gutless" is parliamentary language. Ask him to withdraw it.

**Ms M.M. Quirk:** The Premier used it today!

**The ACTING SPEAKER (Ms J.M. Freeman):** Member for Girrawheen, I can hear points of order in silence. Member for Bassendean, just watch your language. I will not ask you to withdraw at this point in time, but please watch your language and direct your comments to me. Members will hear the debate; just direct your comments to me. Thank you, member.

*Debate Resumed*

**Mr D.J. KELLY:** Madam Acting Speaker —

**Mr V.A. Catania** interjected.

**The ACTING SPEAKER:** Member for North West Central, I will officially call you for the first time on the basis that you knew who I was asking to refrain from speaking, yet you waited until the debate resumed. Please, let us get on with the debate. Thank you.

**Mr D.J. KELLY:** The minister has refused to answer basic questions about this deal. I have asked the minister to provide the contract and she has refused. I have asked the minister to provide the business case; she has refused. I think it shows a lack of courage—maybe the minister would prefer me to describe it as a lack of courage—for her to refuse to answer basic questions about this deal and then, in a debate like this, to just jump up and interject. If the minister had courage and believed that this deal was really in the best interests of the public, she would provide the contract and she would provide the business case. If she has nothing to hide around this deal, she would not sit there and say nothing when she has the chance to enlighten the public as to why she has made this decision.

I suspect she will not do it because the more we see of this deal, the more it smells. It smells terribly. The government sold that entity for \$10.4 million; we now know that it cost the taxpayer more than \$8 million to actually go through the sale process. When we look at the cost of consultants, the costs of redeploying staff and the costs of the redundancies the government paid, it comes to more than \$8 million, and all the government got for the engineering and construction division was \$10.4 million.

The minister says, “We didn’t do it to make money.” Well done, minister. On that key performance indicator, she has actually succeeded, because she has not made any money. The minister has said that she did it to secure people’s employment. We know that RCR Tomlinson has, this week alone, announced 270 redundancies. I would love the minister to stand up in this debate rather than doing the thing that lacks courage, which is to just interject rather than actually standing up and participating in the debate. I would rather the minister —

Several members interjected.

**The ACTING SPEAKER:** Members! Members! The member for Bassendean has the floor. You are interjecting, minister. If you do it again, I will call you.

**Mr D.J. KELLY:** The member for North West Central talks about the truth. He could have told people the truth before the election when he ran as a Labor Party candidate and then jumped ship. That would have been the truth.

**Mr V.A. Catania** interjected.

**Mr D.J. KELLY:** You are gutless! Do not talk to me about telling the truth!

**Mr J.M. Francis** interjected.

*Withdrawal of Remark*

**The ACTING SPEAKER (Ms J.M. Freeman):** Members! I am on my feet! You can stand up and withdraw that, and, member, you can stand up and withdraw that as well.

**Mr J.M. FRANCIS:** I withdraw.

**Mr D.J. KELLY:** He called me a thug!

**The ACTING SPEAKER:** No, not that comment. You can withdraw the “gutless” comment.

**Mr D.J. KELLY:** The member is not gutless. He is not up to that. I withdraw that.

**The ACTING SPEAKER:** Right; I am on my feet. If one more person speaks when I am on my feet, I am going to call them. We can all calm down now.

*Debate Resumed*

**Mr D.J. KELLY:** This deal just does not make sense on any level. The government sells an asset for \$10.4 million when it costs it more than \$8 million to go through the sale process, and then it says, “It doesn’t matter that we didn’t make any money because we never sought to make any money out of it.” I find that bizarre. We have an agency that under the Water Corporations Act is required to act in a financial or commercial manner, yet the minister says, “We’ve sold this asset. We know we won’t make any money out of it, but we did it for some altruistic purpose, which was to try to secure people’s employment.” That does not stack up, for two reasons. One, RCR Tomlinson has just announced that it is going to make 270 people around the country redundant, so the job security of people who have gone from the Water Corporation to work for RCR Tomlinson seems pretty suspect in itself. If the minister was so concerned about maintaining employment in the Water Corporation, one would wonder why she has cut more than 400 other positions at the Water Corporation over the last two years. She is busily cutting jobs at the Water Corporation but when it comes to privatising this asset, she is saying that she is doing it to keep jobs. The fact that it does not stack up financially does not make sense; it is apparently because she is trying to keep jobs. Nothing the minister has done while she has been Minister for Water has been consistent with keeping jobs at the Water Corporation. For some reason she has sold off the engineering and construction division of the Water Corporation. It does not stack up financially, so she says, “Well, I’m actually doing it to save jobs”, when we all know that is not what is happening at all.

There are other aspects of this deal that simply do not pass the pub test either. We know that when the Water Corporation sat down to make the decision as to whether or not it would privatise this asset, three members of the board had a conflict of interest.

Three members of the Water Corporation board had links with potential buyers of the engineering and construction division. All three of those board members participated in the original decision to put the asset up for sale. To any member of the public, that is a conflict of interest. If a person is sitting on a board and deliberating on a decision about whether to put an asset up for sale, and they have links that they would identify as being such that they have a conflict of interest, they should not participate in that decision. We all know—not because the minister made it public, but through various FOI requests and questions that we asked in this

house—that three members of the Water Corporation board had links to potential buyers of this asset. They all participated in the decision to put that asset on the market. However, when that decision had been made and the work was put out for tender, those members of the board did not participate in which tenderer got the work. The minister would say that is fine, because they did not participate in who got the work.

**Ms M.J. Davies** interjected.

**Mr D.J. KELLY:** Madam Acting Speaker, I do not do know whether the minister did not hear your earlier request not to interject. Maybe she has selective deafness.

However, all board members participated in the original decision to put the asset up for sale. People in this government do not understand about a conflict of interest. If we are on a board and we have links to potential buyers of an asset, we should not participate in the decision to put that asset on the market. That is what the public would understand as a conflict of interest. Three members of the board who have links to potential buyers made the decision to put the asset on the market. They then excused themselves. I understand that when the tenders came in, two of the board members came back into the decision-making process, because the people they had links with were not in the running. The asset was ultimately bought by RCR Tomlinson. The chairperson of the Water Corporation is a director of RCR Tomlinson. The minister can dance around and talk about probity provisions and the like. The minister can use whatever jargon she likes. A significant asset of the Water Corporation has been sold to a company. The chairperson of the Water Corporation is a director of that company. The taxpayers who the minister is responsible to think that is unacceptable. That is what this government has done. This asset was sold for \$10.4 million. The sale process cost over \$8 million. The board made the decision to put the asset on the market, and three of those board members had links to potential buyers. The successful buyer of the asset was RCR Tomlinson. The chairperson of the Water Corporation is on the board of that company.

At the time the government announced the sale, it did not 'fess up to the fact that what RCR Tomlinson got for its \$10.4 million was not only the engineering and construction division of the Water Corporation, but also a guarantee from the Water Corporation of \$130 million worth of construction work over the next two to three years. That is interesting. On 14 August last year, I think it was, when the Water Corporation put out the announcement about the sale, it told us that the sale price was \$10.4 million. However, the press release did not say anything about the guarantee of \$130 million worth of work that RCR Tomlinson got as part of the deal. We only found that out —

**Ms M.J. Davies** interjected.

**Mr D.J. KELLY:** I look forward to the minister jumping up and correcting all this when she gets a chance to speak on this motion. I look forward to the minister clearing up all these misconceptions.

The media release from the Water Corporation said it sold —

**Ms M.J. Davies** interjected.

**The ACTING SPEAKER (Ms J.M. Freeman):** Minister, I did say that there were to be no interjections, so I call you for the first time. Member for Bassendean, you have the floor.

**Mr D.J. KELLY:** The Water Corporation sold the asset to RCR Tomlinson for \$10.4 million. The Water Corporation told the public what it sold the asset for, and what a great deal it was. However, it did not tell the public that RCR Tomlinson got not only the corporate knowledge and all the other assets that came with it, but also a guarantee of \$130 million worth of work from the Water Corporation. That was a significant part of the deal. RCR Tomlinson thought that was a significant part of the deal. It told the ASX that that was a significant part of the deal. It also put out a press release saying that it would be a major boost to the company and would enable the company to grow a whole new area of capacity. However, the press release from the Water Corporation does not make one mention of that. The question that I have, and that remains unanswered, is: why does the government believe this is a good deal for the taxpayers of Western Australia? That is what I would like to hear from the minister as part of this debate. The taxpayers did not make any money from this sale.

Another concern about this sale is that it means that the Water Corporation no longer has the internal capability to do construction work, or significant construction work. I understand that about 15 per cent of the Water Corporation's construction work was done by this division of the Water Corporation. RCR Tomlinson got the work by tendering for it. It was not just handed that work. It had to bid and compete for that work. Previously when the Water Corporation had to do construction work, it could either use a private operator or do the work internally. That did a couple of things. It provided discipline for the private companies that were bidding for Water Corporation work, because they knew that the Water Corporation had its own —

**Ms M.J. Davies** interjected.

**The ACTING SPEAKER:** Minister!

**Mr D.J. KELLY:** Minister, there is a world of difference —

**Ms M.J. Davies** interjected.

**The ACTING SPEAKER:** Minister!

**Ms M.J. Davies:** He's staring straight at me!

**The ACTING SPEAKER:** Member for Bassendean, can you stare straight at the Chair. Thank you very much.

**Mr D.J. KELLY:** I am not aware that during our speeches we are allowed to look only at the Chair. If looking at a member opposite is inviting an interjection, that is a new ruling.

**Ms M.J. Davies** interjected.

**The ACTING SPEAKER:** Minister!

**Ms S.F. McGurk** interjected.

**The ACTING SPEAKER:** I am on my feet, member for Fremantle. Minister, stop interjecting. I have asked you to stop interjecting. I formally call you now for the second time.

**Mr D.J. KELLY:** The fact that the Water Corporation had the internal capability to do construction work provided a discipline to private operators who tendered for Water Corporation work. They knew that the Water Corporation had the capability to do its own construction work and did not have to choose a private operator, and that if they tried to pad out the tender, the Water Corporation could put in a genuine alternative bid.

[Member's time extended.]

**Mr D.J. KELLY:** Now, all the Water Corporation can do is an internal comparator because as a result of this decision it no longer has the internal capability to do this work. We all know that the public sector comparators that this government uses are hopeless at getting genuine good deals for the taxpayer. Those public sector comparators are hopeless. The difference between an internal construction division with a skilled workforce that is actually putting in a genuine bid for construction work and an on-paper public sector comparator is absolutely worlds apart. We now have the Water Corporation —

Several members interjected.

**The ACTING SPEAKER (Ms J.M. Freeman):** Members, if you want to chat amongst yourselves and pat each other on the back there, that is fine, but go outside and do it. The member for Bassendean has the call.

**Mr D.J. KELLY:** The loss of that internal construction capability will in my view inevitably lead to the Water Corporation paying more for its construction work in the future. I would have thought that members opposite would want to ensure that when construction work was put out to tender there was a maximum amount of competition for that work. When the Water Corporation had that internal capability, the people in the Water Corporation knew they had to sharpen their pencils and put in place the best proposals to get that work, because they knew if they could not compete against the private sector, they would not get the work. The people in the private sector knew that if they put in bids that were really taking the proverbial, they would not get the work because the Water Corporation could do it itself. This government has taken away the ability for the public sector to put the pressure on those private contractors to make sure that when they tender for Water Corporation work, the taxpayer is really going to get the best value for money.

The other thing the minister has said is that the government sold the construction off because the Water Corporation now has a reduced need for construction work in the future—all the bid work has been done and the desalination plants and those sorts of things have been built, so there is not as much need for construction work in the future as previously. It is true that under this minister over \$1 billion worth of capital expenditure has been taken out of the Water Corporation's five-year plan. This minister has done her best to gut the Water Corporation of its asset investment program, not, I might add, because it is in the best interests of the Water Corporation, but because there were directions from above that it needed to curtail its asset investment program in order to keep a lid on state debt. It was not done because it was in the best interests of the Water Corporation, taxpayers or consumers; it was done because people elsewhere in government have blown state debt. I know members of the National Party do not see that we have a debt problem, but because there is a massive debt problem now, the Water Corporation under this minister has had its asset investment program reduced by over \$1 billion. That is true, but in the forward estimates the Water Corporation's asset investment program is going up. The minister's claim that we do not need an internal capability for construction because of a reduced requirement does not add up in the budget papers. It is interesting that this week *The West Australian* has reported that it is likely that this minister and this government will have to bring forward the expansion of the water recycling plant currently being completed. That will be a project of about \$100 million. Even with her having cut back the capital expenditure program for the Water Corporation, I predict that this minister will announce the doubling of the water recycling plant very soon, because despite her ridiculous claims that she has droughtproofed Perth, and much of Western Australia, we know that scientifically that is a nonsense. It is the most ridiculous claim.

**Ms M.J. Davies:** Water is coming out of your tap, is it? Are you having showers?

**Mr D.J. KELLY:** The minister's definition of whether she has droughtproofed Perth is whether or not water comes out of the tap.

**Mr V.A. Catania:** Absolutely.

**Mr D.J. KELLY:** I will take that interjection. The minister's definition of whether or not she has droughtproofed Perth is whether or not water comes out of the tap. So, provided water comes out of the tap, she thinks she has droughtproofed Perth. It does not matter whether our aquifers are depleted and it does not matter whether our dams are empty. It does not matter that we started the desalination program and the Liberal Party said it would be a huge white elephant. It does not matter about any of those things. When the minister says she has droughtproofed Perth, she means when you turn the tap on, water comes out. That just shows the ridiculousness with which the minister takes her job. There is no scientific basis for saying that Perth has been droughtproofed. I have not heard anyone from the Water Corporation saying that Perth has been droughtproofed. I have not heard any bureaucrat —

Several members interjected.

**The ACTING SPEAKER:** Members!

**Mr D.J. KELLY:** I have not heard the bureaucrats 'fessing up that Perth has been droughtproofed. I have only heard two people say that—the Minister for Water and the Treasurer, who foolishly adopted that phrase and put it in his budget speech last year. We now know that when the minister says she has droughtproofed Perth, all she means is that when you turn the tap on, water comes out. That is remarkable. It is does not matter where that water has come from or what the environmental impacts are. It is just that if the water comes out of the tap, Perth has been droughtproofed. I have asked the minister previously to clarify what she meant and what her criteria were for making that claim, and I thank her very much for confirming today that Perth has been droughtproofed if when you turn the tap on, water comes out.

In the remaining five minutes I have I want to touch on one other deal that this government has done that shows just how appalling it is at these decisions. It is not in the Minister for Water's portfolio; it is actually in the portfolio of the Minister for Health. I just want to touch one aspect of the decision to privatise the Midland Public Hospital facility. This is a public hospital half funded by the federal government and half by the state government. This government made a decision to enter into a contract with a private provider, which for religious reasons will not provide all the facilities we would expect at a public hospital. I find that incredible in this day and age. There will be no contraceptive advice and no terminations purely because of the religious grounds of the operators that have entered into the contract. The Premier in this place has said he is not happy about that. I find that extraordinary. Cabinet members sat around a table, assuming that all were there and some were not outside, and entered into a contract with St John of God Health Care. Unless they were completely not on this planet, they should have been completely aware that those were the conditions that St John of God would place on running that hospital.

I do not blame St John of God, because it was up-front about what it would or would not do, nevertheless, the government entered into that contract. I find that absolutely incredible. We have a Premier who says he is not happy about it, yet the members opposite let it all go through. How does anyone opposite justify that in the twenty-first century? In the twenty-first century, how does anyone justify giving a contract to a private provider that will only provide facilities based on what is acceptable to its particular religious beliefs? That is completely unacceptable. Ever since then, the problems started. The government thought that it needed to provide those facilities to the people of Midland, so what did it do? It put out a tender for a separate provider to provide those services in a clinic that the government believed would be placed at the end of the car park for the Midland Public Hospital. It actually put out an expression of interest calling for people to apply to provide that day surgery. St John of God was not happy about that. It did not want that clinic to operate on its site, so it told the government that if it builds it, it will not allow people who go to that clinic to use its car parks—"We won't allow people who go to that clinic to access that clinic by using our driveways or our entrances at all." St John of God told the government that it wanted a hard fence between its facility and car park, and that clinic. As a result of that, the proposal did not go ahead. The government is now paying a clinic down the road \$1.5 million to upgrade that clinic to the required standard and then paying that clinic hundreds of thousands of dollars a year to provide those services, when they could have been performed in the \$300 million hospital that the public just paid for. That was an appalling decision; a privatisation based purely on ideology, not on what is in the best interest of the taxpayers. Once again, members opposite let that deal go through when the problems that it would create were so obvious to everybody. It is just another example of how members opposite get themselves into trouble when the government does these privatisations. You guys let it through.

**MS S.F. McGURK (Fremantle)** [5.32 pm]: I would like to make a contribution on the question of privatisation and the many pitfalls that we need to be aware of when government assets and services and public assets and services are sold off to the private sector. What is most worrying is when the criteria for selling those services or

assets are not made because a private provider can offer a better, more efficient and effective service than the government sector. The big worry is when assets and services are sold off simply because the government is chasing the dollar. Time and again we have seen matters come before this house and the Western Australian public, where we have seen that the privatisation process has been so poorly undertaken with such short-sighted interests in mind that the WA public and the WA taxpayer, more importantly, are left footing the bill and are essentially worse off.

A good example is asset sales in my electorate of Fremantle. A series of asset sales have been announced, particularly over this current term of the Barnett government, and I have yet to see a penny of proceeds of those sales come back into my electorate. A good example is the sale of the previously private, and then returned into government hands, Kaleeya Hospital. It was used for day surgery and was a maternity hospital. It was a very good hospital and a very good facility. I have spoken before in this house about being approached by some of the medical practitioners who worked in that hospital who said it was an absolute shame for women in the southern suburbs and the south metropolitan health area to not have access to a facility like Kaleeya to give birth. For them to now go to Fiona Stanley Hospital—an expensive tertiary hospital—in the case of uncomplicated births is overkill and poor health spending, and is usually a bad personal option for those women giving birth. It was much better for them to be in a smaller and more intimate environment that was Kaleeya. But no, this government was quick to sell off the facility, and the reported sale was \$17.5 million for the 10 000 square metre facility in East Fremantle. It has been sold to the aged care facility, Southern Cross Care, but in the Fremantle area we do not see a penny of that.

We have had significant land sales in White Gum Valley. Where some of those land sales were amassed closely together, people were planning and hoping and the Department of Lands was planning a strategic development in that area, similar to the old Kim Beazley School site. But no, individual lots have been sold in White Gum Valley to the highest bidder, and I think we will get a very poor planning outcome as a result.

We have seen some money spent on the Warders' Cottages, the result of campaigning by not only me, but also the local community. That money needed to be spent on the Warders' Cottages, but that money will only be spent for the Warders' Cottages to be sold off. We have got the planned sale of the old Potato Marketing Board site in Coogee, which I understand has not been sold, but just in the last week or two, I understand that the old Police Station, which was originally the Magistrates Court, has now been sold; I am not sure for how much. It is good that something will now be done with that particular site, but I hazard a guess that Fremantle will not see a penny of it. Along with the 2 000-plus jobs that this government has stripped from Fremantle Hospital, we see all sorts of property and assets taken from Fremantle and not a penny being invested back into the Fremantle area.

There are lots of examples of privatisation gone wrong by this government that has written the rule book on how not to sell off government services or assets. Just this week in Parliament we heard about the charges and the deal with the car parking arrangements at the new children's hospital, and the difficult situation that families will be confronted with when they have to be in that hospital with their children for long periods. For many, that will be very difficult, when they know that the clock is ticking on the expense of car parking arrangements, at \$23-plus a day. We could talk about the operations of the tier 3 rail line; an incredible situation. I was just refreshing my mind, rereading the results of the committee that handed down its findings in 2014 into the arrangements and contracts around that rail line, and what a debacle the management of that sale has been under conservative governments. It was an incredible situation, in which we had the community and Co-operative Bulk Handling Ltd wanting to use that rail line, but because of the amendments made to the sale process, that was not able to be done. If the Nationals had been doing their job, we would have seen a better outcome on the operation of the tier 3 rail lines.

I would particularly like to address the sale of Fremantle port this afternoon because it is an incredible situation.

**Dr A.D. Buti:** We will see if the minister interjects on you now!

**Ms S.F. McGURK:** That is right.

**The ACTING SPEAKER (Ms J.M. Freeman):** Member for Armadale!

**Ms S.F. McGURK:** I thought the Perth Freight Link project had gone from bad to worse. The whole Perth Freight Link debacle has been astounding. As a new member of Parliament, I must say that the Perth Freight Link has been manna from heaven. When I talk to people in my electorate and in surrounding electorates, they cannot help but roll their eyes; some of them laugh, but they laugh with an air of desperation, because they think that it is incredulous that the government could have embarked on this Perth Freight Link. It will cost nearly \$2 billion in public expenditure, and that is before it gets across the river. The freight then has to get across the river and into the port. We do not know whether it will take out houses in Palmyra or in Hamilton Hill or whether it will tunnel under White Gum Valley or under Hilton. Either way, \$2 billion later, the freight still has to get to the port. I would be very surprised to see Perth Freight Link and Roe 8 built—quite frankly, it has been a complete mess.

I want to speak about Fremantle port. We learned from an article published on 2 March that the Australian Competition and Consumer Commission chairman, Rod Sims, acknowledged in a confidential letter to the Premier that privatisations are usually positive—the ACCC is usually a fan of privatisation because typically they improve overall economic efficiency—but in this case, in correspondence to the Premier, Rod Sims warned —

... obtaining the highest price was “an inappropriate way to judge success”.

I and other members have spoken in this house about the warnings the ACCC is giving about the conflict to the public interest of selling monopoly infrastructure; that is, that governments will be motivated to get the highest price for those assets, but in order to get the highest price, they will be necessarily required to put fewer and fewer rules that may be in the public interest around that sale. Essentially, that is the ACCC’s concern. That does not seem like a complicated argument to put, and it seems that most of the Western Australian public seem to agree with that view. I am sure it was not lost on other members of this house that the ReachTEL polling reported by *The West Australian* in late March showed that 57 per cent of Western Australians thought that the Labor Party would do a better job of managing the state’s finances, compared with 44 per cent who thought the Liberal Party would do a better job. In that polling, which was a significant sample of 1 248 voters, over 60 per cent of those polled opposed selling assets such as Fremantle port and Western Power to repair the budget, and only 22 per cent supported the measures. The government should be very, very cautious of the argument that people understand selling a piece of monopoly infrastructure is something; in fact, people are opposed to it.

**Mr V.A. Catania** interjected.

**Ms S.F. McGURK:** I am not taking interjections from the member. The member should take the opportunity to speak when it comes to him; I am not really interested in speaking to him—ever actually.

Several members interjected.

**The ACTING SPEAKER:** Member for Girrawheen, I am on my feet! Member for North West Central, the member is not taking the interjection. If you do it again, I will call you again.

**Ms S.F. McGURK:** I certainly would not take interjections from someone who would change party. I think the lack of moral fibre from that member is astounding; it is just incredible.

The ACCC has concerns that there is a contradiction between policies that need to be put in place in the public interest and a government desire to maximise the sale price. Those two issues are at loggerheads, and voters get that. What variables in the sale of the Fremantle port might influence the sale price the government might extract for that asset? The first and most obvious variable is any control on the prices that stevedoring companies or any other operators such as those dealing with freight containers or bulk and general freight or live exports are charged to undertake their business. That is one variable that could influence the sale of the port. Again, Rod Sims, or the ACCC, in correspondence to Colin Barnett and the Treasurer, outlined those concerns. The Treasurer tabled the correspondence he received from the ACCC on this matter. I referred before to correspondence that the ACCC sent to the Premier in August 2014. In this correspondence to the Treasurer in September 2015, the ACCC states that any sort of regulatory regime over port operators will be a poor system, that it is essentially very difficult to manage the prices port operators will be charged and that the government needs to be mindful of that. It is quite likely that increases to charges to stevedoring companies and other port operators could be passed on to the WA public. Again, I think that the voting public of WA understands that really all this government is interested in is chasing a dollar in a short-sighted way, and that the government is not talking about asset recycling or selling the Fremantle port to invest the money from the sale into other important infrastructure projects or income-generating assets, like an outer harbour or even a public transport project. The government is not talking about any of that; it is just talking about selling this port to get the highest dollar it can to deal with its massive debt.

Another variable that might influence the price is the number of containers that come in and go out of Fremantle port. This is a crucial question, because until the announcement of the Perth Freight Link, it was commonly accepted that the maximum number of containers coming in and going out of Fremantle would be 1.2 million containers a year. I have spoken about this before. I think we are at about 740 000 containers a year now. After Perth Freight Link was announced, the government put on the table information—scant as it was—about Perth Freight Link being predicated on 1.4 million containers a year. That is nearly twice the number of containers in and out of Fremantle port than we see today. Already, we have seen a lot of trucks and traffic coming in and going out of Fremantle and a lot of congestion. Initially, 1.4 million containers a year would have seen container traffic more than double.

[Member’s time extended.]

**Ms S.F. McGURK:** The government is now talking about two million-plus containers, which is in the vicinity of three times the current number of containers coming in and out of Fremantle port. The key point the government needs to address in the sale of Fremantle port is the maximum number of containers in and out of Fremantle, a 120-year-old port—that is, if it gets around to selling that asset.

I attended a lunch in Fremantle hosted by the Fremantle Chamber of Commerce at which the Minister for Transport was asked how many containers he saw as acceptable going in and out of Fremantle. I was interested to hear the Minister for Transport say that it would be up to the public to decide how many containers they thought would be acceptable to move in and out of Fremantle. That was an extraordinary position for the Minister for Transport to take. I have never heard the minister or anyone from the government say how they intend to arrive at a figure that is acceptable to the Western Australian public and the local community of how many containers would move in and out of Fremantle. As I have said before in this house and elsewhere, increasing traffic is completely contrary to the government's planning policy, which encourages density in places that have public transport, good beaches and fantastic public and community amenity, such as around Fremantle, East Fremantle, North Fremantle, Palmyra, Willagee—any area one can think of along the freight route—which are fantastic places to live. Why the government would want to pour three times the number of containers—over two million containers a year—in and out of that port is beyond me. I guess, looking over at the Treasurer now, he would not really care how many containers go in and out of that port or what impact that would have on the community amenity around Fremantle. He would not care that the sole mechanism for transporting freight in and out of Fremantle under this government's plan is a truck-based solution using diesel trucks that are hugely polluting and dangerous for the community. The Treasurer would not care about any of that; he only cares about getting the best dollar he can out of the sale of Fremantle port.

Finally, the other variable that might determine the price of the sale is the timing and the sale construct around the outer harbour or second port for Fremantle. Everyone agrees that the outer harbour is necessary, although this government wants to continue to put it out to the never-never. If members did some calculations on the possible time frames for reaching the maximum number of containers to justify the construction of the outer harbour—say, two million container movements, let alone 1.4 million container movements—it could be as close as 10 to 15 years. As I said, that depends on what the government considers to be a desirable number of containers in and out of Fremantle port. Let us use the average, which is the figure quoted in Fremantle Ports' annual report, but we could also use the percentages used by Infrastructure Australia. The figures vary for the growth of freight movements in and out of Fremantle. Let us say the average growth is between 4.5 per cent and six per cent a year. If we compound those figures, it could be that we would need the outer harbour anywhere between 15 and 17 years. Presumably, it would take a number of years to put together the planning, even if it is done in a staged approach. Either way, it is crucial that the government starts to address this question of when the outer harbour will be needed. The concern is that in the sale process the arrangement for the outer harbour could be compromised in order for a private operator to sweat the asset, basically, to get the most that they can out of the inner harbour. The timing and arrangements around the construction of the outer harbour will be a crucial issue in the price extracted for the sale of Fremantle port. Essentially, the more conditions or constraints that are placed around any of those things—the arrangement with the outer harbour, the maximum number of containers that are allowed in the inner harbour or the pricing regime that might apply to port priorities—the more the price is dampened, which is not in the government's interest. Rod Sims has made all these points a number of times publicly and to the government, both to the Premier and the Treasurer; he could not have said it more clearly.

The other obvious point is that Fremantle port is an income-generating asset, which again is obvious to the WA public. They understand that the government is selling an income-generating asset—not to buy or invest in another income-generating asset, but simply to retire the considerable debt that has been amassed by this government. The combined income to the state government from Fremantle port includes the dividends and income tax equivalents. Government trading enterprises must pay tax equivalents under the principle of competitive neutrality. Under that principle, tax equivalents are state revenue that is paid directly to the state government. With a private operator, that income tax is obviously paid to the federal government. There are benefits from receiving tax from a government trading enterprise. If we include the income tax equivalents and dividends from Fremantle port from 2011–12 to 2014–15, the total is \$145.6 million received from Fremantle port. As I said, people understand that; it is not difficult. It is obvious from the last financial year in which net profits for 2014–15 were \$48 million and dividends and income tax equivalents paid to the state government were \$68.3 million. However, this government would sell that asset and we would have nothing to show for it.

The National Party likes to spin its position on Fremantle port as having stood up to the state government on the sale of Fremantle port, but its ministers sat in cabinet when these matters were debated. The Treasurer said that the Nationals were in cabinet when this matter was decided, but later he said that they had actually stepped out of cabinet when this matter was debated. The National Party wants to have two bob each way. It wants to be there when it suits it, but when this so-called alliance government that it has does not suit it, the National Party wants to step out of the room when decisions are made that might be unpalatable to it. I think the Western Australian public understands that if it votes for the National Party, it is a vote for conservatives, the Liberal Party and Colin Barnett. The public understands that if it votes for the National Party at the next state election, just like if people vote for the Liberal Party, the sale of Fremantle port will be delivered to it.



The Treasurer tried to throw in a sweetener. I first heard him speaking about it only a week or two before the Nationals' position on Fremantle port was made public. The Treasurer started to talk about the money from the sale of the port going to a new live animal export facility in Kwinana. There would probably be support for that in my electorate, although I am opposed to the live export of sheep and aware of the importance of transitioning from that over time—not an immediate cessation of that cruel business—because it would be better if that meat was processed in WA abattoirs under conditions that could be much better regulated. I am worried that moving live animal export to Kwinana would result in an out of sight, out of mind situation, and that would be a big motivator for the government and people in favour of that industry.

The Treasurer talked about a state-of-the-art live export facility in Kwinana. I do not know what he meant by that, but one concern about that business is that animals are transported on trucks to a loading facility, taken up a plank and put onto large ships and shipped. I am not sure what a state-of-the-art facility is, and whether there would be, I do not know, cafes or something for the animals. I am not sure what would happen to those animals. That was a poor attempt at a joke. I am not sure what a state-of-the-art facility is. I think it is probably a figment of the Treasurer's imagination to think that we would have anything but a transfer of that facility to Kwinana. As a possible sweetener to the Nationals, it did not work, and I am hopeful, as is most of the WA public, that the sale of Fremantle port will be frustrated until at least March 2017 after the next state election.

**MS M.J. DAVIES (Central Wheatbelt — Minister for Water)** [6.02 pm]: I rise to set the record straight on the contribution the member for Bassendean made on the Water Corporation. That member in particular seems to delight in making use of half-truths and innuendo, particularly when it suits him in this house. It is really disappointing. Before I go any further, I am not the lead speaker on this motion; the Treasurer will be the lead speaker.

**Dr M.D. Nahan:** We only have an hour anyway.

**Ms M.J. DAVIES:** I wanted to make clear that I am not the lead speaker.

It is very disappointing that once again the member for Bassendean rose to call into question the integrity of the members of the Water Corporation board. I think that is very unfortunate because they are unable to defend themselves in this place. They have, and continue to, conduct themselves with the utmost of propriety. The member for Bassendean continues to perpetuate this myth in and around the sale of the engineering and construction services division that something untoward has occurred.

From my perspective, the proposition put forward by the member is that we have not been transparent and are not putting the facts on the table on this matter. I have answered 16 questions in both houses, done numerous interviews, and the member took the opportunity during the annual reports hearings to question Sue Murphy and members of the Water Corporation's executive on the sale. Information has been forthcoming on this particular transaction, and the member is absolutely incorrect to suggest there was anything other than an entirely proper process.

To recap on the 16 answers I have provided in both houses around the sale, it was never about making a profit. The Water Corporation has been undergoing a broader business transformation. It was about making sure we had the right people in the right jobs. I am sure not one member on the other side of the house is arguing that we should be anything but efficient with taxpayer dollars.

**Dr M.D. Nahan:** Yes, they are.

**Ms M.J. DAVIES:** That is what it would seem, Treasurer.

If we accept the premise of the argument from the other side, we should continue to employ people with an unsecure or lumpy workflow; that is what was occurring in that branch of the Water Corporation. There was a change in workflow for that particular organisation. The Water Corporation board made the decision to look at whether to simply offer everyone in the organisation redundancy, which would have meant a significant number of people being unemployed, or whether options could be considered so those people would have ongoing employment. That was the decision taken by the board. It really does beggar belief, given his background, that the member for Bassendean continues to purport there should have an alternative outcome that would have left more than 140 people without work.

**Mr D.J. Kelly:** That is a misrepresentation of our position; we have always said it should have stayed in-house. Do not misrepresent our position. We have never said that they should have been made redundant, and you know it.

**Ms M.J. DAVIES:** The member for Bassendean missed the first part of my contribution, and so his interjection, once again, is off track.

This entire decision was taken within the broader context of the business transformation, and having the right people in the right place to do the right job. It was about making sure we were using the taxpayer dollar appropriately. I have every confidence that the board acquitted itself appropriately.

I take the member up on his point around there having been a loss of capability within the Water Corporation to understand the nature of the business it delivers in terms of tendering and making sure it is getting value for money. It continues to be able to do that. There has not been a loss of capability in that space. Every project is very well understood, and the board, the executive and those responsible for delivering projects understand that they are getting a good outcome for the taxpayer. There has not been a loss of capability. There is in-house capacity to manage the tendering process and make sure it gets the best outcome.

**Mr D.J. Kelly:** They have lost the capability to do the work themselves.

**The ACTING SPEAKER (Ms L.L. Baker):** Member for Bassendean!

**Mr D.J. Kelly** interjected.

**Ms M.J. DAVIES:** The member for Bassendean is very welcome to.

To recap, it was not about profit; it was about the fact that the Water Corporation looked at its forward planning and understood there was a change in some of the workflows for that branch. I have previously given examples of the type of work done by this branch; pump stations, water mains, water tanks, switchboards and population growth drives are the types of projects delivered by that particular branch. That work was becoming inconsistent with the workforce, so the board made the decision to go ahead with the sale. The statement about whether we made a profit is ridiculous; it was an operational decision.

Before I finish I want to touch on the fact that the member talked about future source options, the state of our current water supplies and the insinuation he made. Again, he is very good at picking up parts of conversations and perpetuating to the public and in this house and using them to say this is the whole truth and misrepresenting people's comments. Last year we had one of the driest winters, the ninth driest on record, which was followed by the hottest spring on record. Our water system delivered and managed by the Water Corporation coped and managed to continue to deliver water to households in Western Australia.

**Mr F.M. Logan:** Thank God we built those desals.

**Ms M.J. DAVIES:** It is funny that the member for Cockburn should say that. He is absolutely right. Our strategy has meant that we have diversified our water sources so that we can be confident to continue to deliver water and enjoy the amenity we have in Western Australia. The plan, triggered by the former Minister for Water who sits to my left in this chamber, is around new water sources—that is, desalination plants. We have always acknowledged that the first desalination plant was introduced and started under the previous Labor government, and that it made the decision to build a second one. We have taken further steps. The member talked about the fact that we have depleting aquifers.

**Mr D.J. Kelly** interjected.

**The ACTING SPEAKER (Ms L.L. Baker):** Member for Bassendean, I would like to make the point that Hansard is attempting to record what is being said. If you interject over the top of other people, the Hansard reporter will not get the record straight. So rather than continuing to interject over the top of the minister, it would be better to ask whether she will take an interjection and then that will give you time to get your comments in *Hansard* without them being confused.

**Ms M.J. DAVIES:** Thank you very much.

**Mr D.J. Kelly:** Will you take an interjection?

**Ms M.J. DAVIES:** No, I will not, because I am paired. I am supposed to be at a function, but I wanted to take this time to correct the record, because I would be very unhappy if anyone thought that anything that came out of the member for Bassendean's mouth in this place in the last half an hour was true.

**Mr D.J. Kelly** interjected.

**Ms M.J. DAVIES:** I am not accepting interjections, member for Bassendean.

I want to point out —

**The ACTING SPEAKER:** Member for Bassendean! I am checking the call sheet. I have asked you a number of times to stop interjecting, member for Bassendean, so I call you now for the third time.

**Ms M.J. DAVIES:** I would not like anyone following this debate or the Western Australian public to be under the impression that we do not take very seriously the impact of the way that we manage water has on the environment and the amenity in Western Australia, as well as making sure that water is delivered to everyone's house safely and consistently. Since 2006, member for Bassendean, we have been continuing to decrease —

**Mr P.C. Tinley:** I will opt in for the member for Bassendean.

**Ms M.J. DAVIES:** I am sorry.

**Mr D.J. Kelly:** Obviously, you should not open your mouth, member for whatever it is.

**Ms M.J. DAVIES:** I am sorry I started that—my apologies.

**Mr D.J. Kelly** interjected.

**The ACTING SPEAKER:** Go on, minister.

**Ms M.J. DAVIES:** The Water Corporation's peak take, because we are absolutely aware of the impact of superficial and deep aquifers, has been on a downward trajectory since 2006. The peak take in 2006–07 was 171.8 gegalitres. Last year, in the 2014–15 water year, it was 126 gegalitres. As part of our overall plan to move towards climate independence of dams, we have moved a majority of that water take from the superficial aquifers to the deeper aquifers, because we are aware of the impact that has on very sensitive environmental sites. We acknowledge that we live in a drying climate. I am absolutely confident that we have the capacity to deliver a safe service and water to every household in Western Australia. This and previous state governments have invested to make sure the system is resilient. That means the Water Corporation needs to act in a commercial manner and efficiently. Decisions such as the decision to sell the engineering and construction services branch was made to ensure that we have an appropriate functioning organisation. I have full confidence that the board will acquit its duties appropriately. Any suggestion that it has done anything other needs to be brought up with the relevant authorities. I am happy to stand in this house on this matter, and have done so on many occasions, because there has been absolute transparency in this house on that particular transaction.

Quickly to end the conversation, we are doing much more than just managing the Water Corporation's take. A number of programs and initiatives are running throughout the Department of Water to ensure that we continue to enjoy the amenity and the wonderful lifestyle in Western Australia. It is all part of the state government's commitment in managing this very precious resource.

As one last thing, it has been suggested that the public spike in water use at the end of last year, as the result of that very hot spring, resulted from comments made by me and others in the Water Corporation. I absolutely refute that and put on record that everyone in Western Australia knows that we do not have the luxury of using water wherever and however we like. That demand management part of our strategy toward climate independence has been consistent in this and the previous government, and everyone understands that they are personally responsible for making sure that appropriate water resources will be available in the future. With that, and the fact I have been able to correct the record after the contribution of the shadow minister, I take my leave.

**MR F.M. LOGAN (Cockburn)** [6.16 pm]: Madam Acting Speaker, thank you very much for the call, because it gives me an opportunity to continue remarks I was making two Thursdays ago when I was criticising the government's land deals and investments in a matter of public importance on the horrendous land deals done in the north west of Western Australia.

Let me go back to some of elements of the motion before the house tonight that relate to the purchase and sale of land and the poor return to government that I referred to two weeks ago when I spoke about land and poor investments. However, this matter is about the sale of land around Elizabeth Quay to the Far East Consortium, which, as the house knows, has purchased two blocks on the eastern side of the Elizabeth Quay project for \$25 million. If members did not know anything about the value of real estate in Perth or about the value of riverfront land in Perth at all, they would probably think that \$25 million for two blocks of land is a pretty good return on an investment. If we compare that to the sale of the single block of land, which is the same size as one of the two blocks purchased by the Far East Consortium, on the north eastern corner of the Elizabeth Quay development site to Chevron, we find that Chevron paid \$36 million for that single block. However, the principal office of the Far East Consortium is on Des Voeux Road Central, Hong Kong, and its place of incorporation—this is very topical at the moment given the dump of information from Mossack Fonseca in Panama—is in the Cayman Islands, that well-known place where shelf companies are set up to avoid tax. This government has effectively given that company a free block of land to, I presume, build a hotel for the Ritz-Carlton group that will now be the operators of the hotel on that site. It will only be the operator, by the way; it is not going to own the building. The owner of the building is the Far East Consortium, which, as I say, lists its place of registration as the tax bolthole of the Cayman Islands. Why would a Western Australian state government that has spent at least \$440 million on building the infrastructure of Elizabeth Quay give a block of land to a Hong Kong-based company registered in the tax bolthole of the Cayman Islands? Why would it do that? Why would a government do that, particularly when one of the two blocks of land that have effectively been sold to the Far East Consortium was sold for \$36 million? Why would a government do that?

I put it to the house that the government has effectively given away a block of land to a foreign company registered in the tax bolthole of the Cayman Islands to underpin its Elizabeth Quay project and to make that project work. It has given the developer what a National Party member of Parliament referred to as a "leg-up" to get the project underway. It is common practice for this Liberal–National government to effectively subsidise private developers to get its pet projects up and running. It is commonplace for this government and ministers of this government to do that, and that is exactly what has happened with the Far East Consortium in Elizabeth Quay.

Apart from getting an effectively free block of land on Elizabeth Quay and a second subsidised block—compared with the money forked out by Chevron for its block—we now understand that the Far East Consortium and its sales team has actually had its project underwritten by the purchase of 36 luxury units in the project by the Department of Housing. Those luxury units were purchased because the Metropolitan Redevelopment Authority apparently has a longstanding policy of delivering affordable housing in the central Perth redevelopment area. There is nothing wrong with that policy; nothing at all. Obviously, everyone believes that there should be affordable housing in central Perth, but the questions literally are where that affordable housing is to be made available, how much that affordable housing will cost the taxpayer, and whether there is any reasonable opportunity for people to afford that affordable housing.

This house was told some absolute blather by the Treasurer and the Leader of the National Party two weeks ago in defence of the purchase of those luxury units. The Treasurer and the Leader of the National Party asked, “What’s the matter with Labor? Don’t they want people to have affordable homes in Perth? Is there something wrong with buying affordable homes in this apartment block in Elizabeth Quay?” That is not the issue; it is not an issue with the MRA’s longstanding policy. It is the issue of where that policy is to be applied, whether its application is appropriate for the best use of taxpayers’ money, and whether the people for whom these houses are being purchased, the final purchasers, can actually afford them.

Under the Opening Doors scheme, which is the state government’s current affordable housing policy, a single applicant can apply for a home loan on the basis of having a total income of under \$75 000 before tax. For a couple, the total income limit is \$95 000 gross income. We need to remember that once we remove the tax, that is what people have left over to purchase a unit in the Far East Consortium’s project, The Towers. We need to remember that the strata fees for a high-end luxury apartment are at least \$2 500 per annum, and probably a lot more than that, because as we saw in the paper the other day, some of these developers are throwing all sorts of high-end luxury gimmicks into their apartment blocks, such as home theatres and massage rooms, to actually sell the apartments in the first place. Obviously, someone has to pay for that, and it goes into the strata fee. On the basis of what the applicants would be able to afford, would people earning that type of money—that is the upper limit of what people can earn under Opening Doors—be able to afford a one-bedroom apartment at the construction value of \$526 000 plus strata fees? We have only to take the minimum interest rates at the moment and add the strata fees on a monthly basis, and we can see that an applicant for Opening Doors could not afford these units in The Towers at Elizabeth Quay; they just could not afford to live there. Remember, it is a one-bedroom apartment, so it is either a single person or a couple. They would not be able to afford to live there.

So why did the government buy the apartments in the first place? It bought them for the same reason that it gave the Far East Consortium—the company registered in a tax bolthole—a free block of land: because it wanted to get this project up and running. It wanted to have a building down there at Elizabeth Quay. It had to make the Premier’s pet project work, otherwise it would have looked like the government had spent \$440 million on an inlet off the Swan River without anybody coming to the party, purchasing the blocks and building anything there. That is why the government has done it. That is why the Far East Consortium—the foreign Hong Kong-based company—has been effectively subsidised hugely by the Western Australian taxpayer to build its building in the first place, and then given a further subsidy through the purchase of 36 of its luxury apartments by the Department of Housing. That is what a National Party MP referred to as a “leg-up”. We have given this company a leg-up to get the project underway. That is what it is all about.

It is the same story with the other apartment block that was built on the site of the old Transperth bus station in East Perth, down near the police headquarters at the end of Adelaide Terrace. It is the same there. The development on that site is called Queens Riverside. There are a number of tower blocks there, including Riverside QI and QII towers, at this stage. I have a bit of time, so I will give members an idea from the sales blurb of what people will get in those towers. This is affordable housing under the Opening Doors program.

**Mr D.T. Redman:** Are they shared equity?

**Mr F.M. LOGAN:** The reason the government has given for purchasing these apartments is that they meet the affordable housing policy under the Opening Doors program. That is the evidence from the minister. The sales blurb says that the Riverside QI and QII towers are two and three-bedroom apartments, with plenty of comfort and style, along with lock-up-and-leave convenience. There is a quality kitchen with European appliances and stone benchtops; ducted air conditioning for heating and cooling; luxurious finishes throughout; and hardwood timber decking in the loggia.

**Ms M.M. Quirk:** Not bad!

**Mr F.M. LOGAN:** Member for Kimberley, are there loggias in any of the Homeswest houses in the Kimberley? Are there any loggias up there? No. The taxpayers of Western Australia have forked out to buy 43 of these apartments, which are promoted in the sales blurb as luxurious apartments in which people can live in style in the centre of Perth—affordable housing.

Of course Far East Consortium has been given Foreign Investment Review Board approval for its development at Elizabeth Quay. That was to give Far East Consortium a leg-up and make sure that the project could get underway. It is the same with the Queens Riverside QI and QII towers. This is government land that was sold to the private sector. We do not know at this stage how much that land was sold for. I am sure it would have come with some subsidies as well, just like Elizabeth Quay.

In order to make sure that the Queens Riverside project could get underway and the developer could say that they have sold millions of dollars worth of apartments, the Department of Housing purchased 43 of those apartments. That will allow the developer to advertise on Saturdays and say that millions of dollars worth of apartments have been sold and people should get in before they all go. That is how marketing works. However, that marketing has been underpinned by the Liberal–National government, which has bought 43 of these luxurious apartments, supposedly to provide affordable housing.

[Member's time extended.]

**Mr F.M. LOGAN:** As I have pointed out to the house, to qualify for the Opening Doors program, the maximum gross salary is \$75 000 for a single person and \$95 000 for a couple. These applicants would not be able to afford to buy these luxurious apartments with their after-tax salary, and to pay the strata fees that they will have to pay. So, why did the government buy these apartments? The government bought these apartments so that the developer could get a leg-up and get the project underway. The government wants people to see that under this Liberal–National government, there is more construction in Perth and there are more projects on government land. It wants people to see that it is a government of action. The reason the Liberal–National government is a government of action is because it is basically subsidising developers with Western Australian taxpayers' money. This is scandalous. This is the sort of thing we would expect from a Third World nation. This is the sort of thing we would expect to see happen in the economies of an African country that is run by a dictator. Yet this Liberal–National government, which supposedly takes a high moral attitude, not only to the people of Western Australia, but also in claiming to be the best manager of the economy, is playing the same type of role that we would see from a dictatorship in Africa, and is by using public money to underpin pet projects. We have seen it over and over again in Africa—pet projects purchased by dictators with their people's money. Here we are; it is no different now in Western Australia. There are pet projects being picked by the Premier, and his cabinet members just go along with everything because they are afraid of him. They are using taxpayers' money—it is not their own, and there is no comeback to them once they leave this place—to get their pet projects off the ground, and in so doing are absolutely wasting our financial and fiscal resources.

To underpin this argument I have put to the house in the motion about the poor return the government has received for its current land and assets, I point to what has happened in the north west—Osprey Village and Cottier Apartments in Hedland and, of course, Pelago in Karratha. The Osprey Village purchase is more than scandalous. I do not believe even a Third World dictator would do what the government did in Port Hedland—they would be embarrassed. I mean, it is absolutely scandalous. Remember, it was a joint venture between the Department of Housing, with some royalties for regions money, and Fleetwood Corporation. It was a joint venture, like a public–private partnership, in which Fleetwood Corporation would share the investment, the risk and the benefits. It was supposed to be a long-term venture to deal with the sky-high rents in Hedland and the demand for accommodation. As the house knows, it opened in 2013. The government put the bulk of the money in—over \$50 million—and the private sector player, Fleetwood, put just over \$30 million into the joint venture, and Fleetwood was also contracted to be the operator of the village. On the basis of the temporary contract for operating the village, Fleetwood was being paid the full amount of money for the operation, which I think over that period was over \$7 million, regardless of how many people were actually in Osprey Village. There were 295 units in Osprey Village and the operator was going to be paid regardless of how many people were actually in the village. When the temporary operational contract between the Department of Housing and Fleetwood ran out last year, I said to one of my colleagues here in the house, “I bet you that when this contract runs out, Fleetwood will look at the situation in the north west and go, ‘We’re out of here. We want our shareholders’ money back. There is no future for us in this project. We want to get out of here; we want to flog our investment.’” I bet my colleague that is what Fleetwood would do and, sure enough, before the new operational contract was signed, that is exactly what happened. Fleetwood sold its 50 per cent of the joint venture to the Department of Housing and what did it get for it? Over \$60 million—fantastic! The shareholders must have been smiling absolutely from ear to ear. They put just over \$30 million in and the village opened in 2013. In 2015, they flogged it to the government for \$60 million. That is nearly a 100 per cent mark-up on their investment in two years. Brilliant! It was fantastic for an investor! Who loses? The WA taxpayer. Guess who got the contract to operate the village on an ongoing basis for the next 14 years? It was Fleetwood Corporation. Fleetwood not only got the contract to operate the village, it lent the Department of Housing the money through Westpac. For its part of the purchase of the village, the Department of Housing did not go to the Department of Treasury; Fleetwood arranged the loan from Westpac to the Department of Housing. What country are we in? Fleetwood now has a 14-year contract for \$3 485 000 every year, regardless of how many people are in the 295-unit village. Do members know how full the village is at the moment? It is 53 per cent full. Fleetwood does not get 53 per cent of the management deal of three and a half million dollars —

**Mr D.T. Redman:** You have no understanding of the issues that we are running.

**Mr F.M. LOGAN:** I will tell you what, Leader of the National Party. There is one thing that you do not have any understanding of, and that is financial acumen!

**Mr D.T. Redman** interjected.

**Mr F.M. LOGAN:** If I went down to the Leader of the National Party's bottle shop —

**Mr D.T. Redman** interjected.

**Mr F.M. LOGAN:** Madam Acting Speaker, if I went down to this idiot's bottle shop —

*Withdrawal of Remark*

**The ACTING SPEAKER (Ms L.L. Baker):** Member, I ask you to withdraw that please.

**Mr F.M. LOGAN:** What?

**The ACTING SPEAKER:** What you called the member.

**Mr F.M. LOGAN:** I withdraw.

*Debate Resumed*

**Mr V.A. Catania:** He is just a bogan!

**Mr F.M. LOGAN:** Do not get me started, because you will really cop it!

If I went down to this incompetent's bottle shop and said to him, "Look, I know that bottle of Ninth Island chardonnay is \$27, but, I tell you what, I'll give you \$6."

**Mr V.A. Catania:** I always thought he was a chardonnay man.

**Mr F.M. LOGAN:** All right, a sauvignon blanc.

Several members interjected.

**The ACTING SPEAKER:** Members, Hansard is trying to record this rabble.

**Mr D.T. Redman** interjected.

**The ACTING SPEAKER:** Leader of the National Party, please. Thank you.

**Mr F.M. LOGAN:** I will change that purchase to a bottle of pinot gris, thanks. If I went to this incompetent's bottle shop and purchased a bottle of Ninth Island pinot gris, which might be \$27, I could tell him that I would give him \$7 for it. Would he turn around and say, "Okay. No worries; at least it's better than nothing! I will take the seven bucks"? No, of course he would not do it. However, when it comes to dealing with money that does not belong to him—his money is not invested—he does not care. He will sign off on any contract whatsoever!

**Mr D.T. Redman:** This analogy is going nowhere. It looked good on paper, didn't it?

**Mr F.M. LOGAN:** The analogy is perfect, Leader of the National Party!

**Mr D.T. Redman** interjected.

**Mr F.M. LOGAN:** As I have pointed out —

*Point of Order*

**Dr A.D. BUTI:** The member for Cockburn is trying to make the last three minutes of his speech. He is not asking for interjections. He is not naming these members so that they can then respond, so they should not be interjecting. I am trying to hear the last three minutes of the member for Cockburn's speech and he is being sounded out by members of the National Party.

**Mr D.T. Redman:** Hansard cannot record him pointing the finger at me; that is the issue!

**The ACTING SPEAKER (Ms L.L. Baker):** Members! I am trying to hear as well, let alone Hansard. Please keep quiet, Leader of the National Party. You would not want to be thrown out; we have got 15 minutes to go. Go ahead, member for Cockburn.

*Debate Resumed*

**Mr F.M. LOGAN:** The National Party in particular is heavily involved with the subsidisation of these developments because it fits exactly the wording that Jacqui Boydell of the upper house was quoted in the *Pilbara News* on 27 January this year as saying, and I quote —

Government should absolutely be in the space of leveraging private investment, getting it started and giving it a leg up.

That is giving it a leg-up, it appears, at any cost. I have just been through —

**Mr D.T. Redman** interjected.

**Mr F.M. LOGAN:** Do I have to shout, Madam Acting Speaker, because I will? I can shout a lot more.

I have just been through the shocking investments around Elizabeth Quay and the misuse of taxpayers' money. Why? To subsidise pet projects. If there is no better example of pet projects than Pelago, Osprey Village and Cottier Apartments, I will walk east. They were built to pork-barrel the seat for Brendon Grylls.

**Mr D.T. Redman** interjected.

**Mr F.M. LOGAN:** That is why it was done. You know that; I know that; everyone in this house knows that.

**Mr D.T. Redman** interjected.

**Mr F.M. LOGAN:** Those investments —

**Mr V.A. Catania** interjected.

**The ACTING SPEAKER:** If you want to stay in the house for the next 10 minutes, please stop yelling. It is not an appropriate way for either of you to behave, member for North West Central and Leader of the National Party. Member for Cockburn, would you like to stand again.

**Mr F.M. LOGAN:** Thank you, Madam Acting Speaker. Those investments —

**Mr V.A. Catania** interjected.

**The ACTING SPEAKER:** Member for North West Central, I call you a second time. Enough!

**Mr F.M. LOGAN:** As we all know, the investments in the north west were done to pork-barrel so that Hon Brendon Grylls could get elected to the Pilbara. Those investments were done purely to pork-barrel that seat. That is all. We all know that. Everyone knows that.

Several members interjected.

**Mr F.M. LOGAN:** They were the member for Pilbara's pet projects, just as the units in Elizabeth Quay are the Premier's pet projects. The ones in Karratha and Port Hedland were the pet projects they had to get up, otherwise members opposite could not say that they would be cities of the north—cities of the future. They had to get those developments underway and they were willing to do anything to get them built.

Several members interjected.

**Mr F.M. LOGAN:** What did they get in return? They got \$50 000 from the developer.

**MR I.C. BLAYNEY (Geraldton)** [6.48 pm]: I want to say a couple of things about the Fremantle port sale because I think we acknowledge that the third-tier rail was not privatised or leased out particularly well, but I do not think we can say that that is a blanket reflection on all privatisation. Mistakes were made in the original lease for the state railway system. The first mistake was not to put in legislation a rule that the above-and-below rail assets could not be separated. A promise was made to immediately invest \$400 million in it. Once again, it was not put into legislation and it did not happen. Finally, allowing Brookfield Rail to have a care and maintenance clause effectively locked up the line so that Co-operative Bulk Handling Ltd could not use it. I cannot understand why Brookfield will not allow the lines to be used. Would we not rather use and maintain an asset than leave it to rot? If we look at privatisation across our economy, who here would suggest that it would be now correct to re-nationalise Telstra, Qantas, the Commonwealth Bank of Australia or CSL Ltd, or take away the leases over our airports? Nobody would ask for that; the world has moved on. The government no longer controls the commanding heights of the economy; the government now regulates.

Not releasing the lease agreements over the railway line proved to be a waste of time. The Economics and Industry Standing Committee released the agreements with Brookfield Rail and tabled them in this place. That has not made any difference to Brookfield's legal position.

Moving to Fremantle port, last Friday I met with the Western Australian Farmers Federation. I took its concerns to the Treasurer and I am quite confident that its concerns, which are largely a result of the lease over the railway lines, can be addressed. I have to say that the one thing the Western Australian Farmers Federation was interested in and excited about in the leasing of the port was the proposal to build a facility for moving livestock export down to the outer harbour. There is no doubt in my mind that the lease process will be accountable, and the Treasurer has said a number of times that the contract will be tabled in this place when the process is finished. The government cannot be more accountable than that.

It is worth pointing out that the Fremantle container terminal is the last one in Australia in government hands. The Victorian Labor government is currently in the process of leasing out the port of Melbourne. That more than anything indicates there is nothing to be afraid of in this process. Also, the proposed lease has a mechanism to put funds aside for the eventual construction of the outer harbour. It makes no sense to force a new lessee to build the outer harbour straightaway. It should be timed so that when the existing harbour is full, we start construction of the new harbour to take up the slack. There is also the smallish matter of the federal government encouraging the recycling of assets, which will allow us another 15 per cent which we can add on to the sale price.

There is no bogeyman in this process. Most people in this world have moved on from their fear of privatisation, or sale of government assets. As I said, it is not about who owns things but about the regulations that they sit under. Having gone through with the Treasurer the rules under this lease, I have absolutely no fear of it. The homework has been done. More than anything, this proposed lease of the Fremantle port is a comprehensive plan for the future of the port. I do not see any other ones coming.

**MR D.T. REDMAN (Warren–Blackwood — Minister for Regional Development)** [6.52 pm]: I thought this would be talked out as the debate runs its course, and I suspect my comments will do exactly that. I want to make a couple of comments on land asset sales.

**The ACTING SPEAKER:** Minister, just checking: are you the lead speaker?

**Mr D.T. REDMAN:** The Treasurer is the lead speaker on this motion; I am picking up a component of that but I suspect it might be a challenge to get that message out in the next eight minutes.

I want to comment on the opposition's points on land asset sales. One point put forward by the member for Victoria Park was that this government was somehow desperate in the business of getting assets out the door, which includes land assets. I am pretty certain that the member for Victoria Park, who read the motion into the house, knew about the "Land Asset Sales Report" coming out from the Office of Auditor General, and that he expected something quite different from this report than what it contained. Although reports will always contain findings and recommendations that can be improved, this is probably one of the best reports any agency has ever received for one of the programs that it runs. I have held a number of different portfolios in my time and if I were the minister of this portfolio, I would like to get a report like this. I will quote some of the comments in the summary of the report. It states —

The Department of Lands (DoL) has made good progress and is managing the planning and implementing of the Land Asset Sales Program (LASP) well.

LASP provides a robust framework for identifying, assessing and, where appropriate, selling surplus government properties and for managing the overall government property portfolio. Notably, it increases the accountability of agencies to identify surplus properties by requiring them to justify their property holdings.

It certainly goes on to make a couple of recommendations, as a report from the Office of the Auditor General should. However, this response to a government process that was put in place to sell surplus land assets is not a report that reflects on a government desperate to get land out the door. It states that we have a very strong and robust process for identifying land assets. As a couple of opposition members have highlighted, from time to time, there are sales and purchases of land and they are done in the good order of managing government. This report states that the government is doing exactly that in a very managed, orchestrated, coordinated and strategic way. The fact that we have the Land Asset Management Advisory Group, which is chaired by the director general of the Department of Lands and is made up of a range of other directors general of central government agencies who are responsible for the various property-focused portfolios, means that we have the right filtering process to ensure that when land assets are put out to market, it is done in such a way that their value to government and to government's core business is assessed.

On top of that, as the Minister for Lands, I can direct the sale of land, but I also have access to the Valuer-General to ensure that we have his independence and that he brings to the table his guidance and assessment of valuations so that we know that if we make the decision to sell something, it is at market value. However, if it is sold at auction, the Department of Lands has authority to sell it for up to 10 per cent below the Valuer-General's valuation, and we recognise that there is some variability in the market.

One of the main points that the member for Victoria Park highlighted—he went through a couple of examples that showed up in the media—was the assessment of properties that were purchased for a lower value than they were sold for. That will happen from time to time, and there will also be properties with lower values than their valuations. I think the member for Victoria Park mentioned that properties have been sold for less than the asking price. I cannot remember selling any property that I have owned for more than the asking price; often they are sold for less than the asking price. Overall, I am comfortable with the assessment of valuations of lands put on the market. I am very comfortable with the process we have gone through to achieve that, and the Auditor General's report reflects on the quality of the processes that sit behind that and the fact that we are getting good value for the taxpayer in selling those land assets.

I want to touch on a couple of other issues. It is also good practice for government to do this. It is easy to sit back and say that we are making the decision to get land assets out the door to deal with debt, but we are also making those decisions to do a couple of other things. The first of those is to activate land areas that have not been activated to allow private developers or local governments or, in some cases, not-for-profit organisations to utilise land assets that are surplus to government to provide a service or to activate those land assets in such a way that development can happen where development otherwise would not occur. There is a whole range of reasons why property is put on the market, and it goes well beyond dealing with just the debt issue. It is good practice for government to do that.



When we did the scan of the available properties that government has in its land registry, we found that it is substantial. A lot of these properties are just sitting there because no-one is assessing them to determine whether they contribute to the activities of government. I think of the Agriculture Protection Board depots; at one stage, there were dozens of those around the place. They are no longer used, as we do not have an APB, yet the properties are not activated. Putting those properties on the market in a coordinated way is smart government, and I think we have reflected on that.

The top 20 assets that have been put on the market have been very highly constrained sites, as the Auditor General reflected. Only three of those have been sold. They are lot 500 in Wanneroo, Kaleeya Hospital and the former Potato Marketing Corporation headquarters. A further two—Fremantle Police Station and the Yirra Yaakin Theatre Company sites—are under contract pending settlement. As mentioned by the member for Midland, Swan District Hospital is currently out for a registration of interest. The member for Midland mentioned that a range of community needs and uses may have to be considered in the sale of an asset if there are higher and better uses. I make the point that, hopefully, the registration of interest process will determine from the market whether those interests are indeed there. The government needs to make the decision on whether that is an appropriate use or whether there is another use. I expect that once that registration of interest process occurs, a strong community consultation process could follow once we identify the concerns. I have had a number of meetings with groups that have an interest in Swan District Hospital.

Debate adjourned, pursuant to standing orders.

*House adjourned at 7.00 pm*

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