



WESTERN AUSTRALIA

Parliamentary Debates

(HANSARD)

THIRTY-FIFTH PARLIAMENT
FIRST SESSION
1997

LEGISLATIVE ASSEMBLY

Tuesday, 18 March 1997

Legislative Assembly

Tuesday, 18 March 1997

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

STATEMENT - SPEAKER

Seating Changes

THE SPEAKER (Mr Strickland): I have authorised the seating changes requested by the Leader of the Opposition in accordance with Standing Order No 61.

PETITION - TEMPORARY TEACHERS

MR RIPPER (Belmont - Deputy Leader of the Opposition) [2.03 pm]: I present the following petition -

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

We, the undersigned citizens of Western Australia, wish to register our strongest possible protest over the treatment of Temporary Teachers by the Education Department of Western Australia. Temporary Teachers have no job security and have no career structure. We believe this situation reflects badly on our State's commitment to education - especially that of children in country areas.

We hereby request that the Minister for Education urgently reviews the conditions of Temporary Teachers and the way in which Permanent Teacher status is granted.

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

The petition bears 28 signatures and I certify that it conforms to the standing orders of the Legislative Assembly.

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

[See petition No 7.]

STATEMENT - MINISTER FOR HEALTH

Commonwealth Dental Health Program - Closure

MR PRINCE (Albany - Minister for Health) [2.06 pm]: It gives me no pleasure whatsoever to confirm to disadvantaged persons in Western Australia that the commonwealth dental health scheme will cease at the end of June this year. As a consequence of federal government plans to save more than \$1b over four years by axing funding to health programs in all States, approximately 40 000 people in this State will no longer have access to the commonwealth-funded dental health scheme.

For many years, the program has provided emergency and general dental treatment to disadvantaged people in our community and has supplemented services provided by the State. The program, which was originally operated by individual States until the Commonwealth took it over several years ago, has raised the level of dental health in this group considerably over the past few years, and I have little doubt that its cessation will see that trend reversed.

The Commonwealth expanded the population of eligible patients receiving treatment through the program, and now it has abandoned them. Consequently, basic dental work, such as repairs, fillings, provision of dentures and preventive oral hygiene to thousands of Western Australian long term unemployed, pensioners and other disadvantaged groups will not be available.

Public dental clinics in this State are already under enormous pressure to provide emergency treatment to pensioners and other health and disability card holders. These clinics will simply not be able to cope with the increased demand placed on them as a consequence of the closure of the program - patients will have to wait a lot longer for general treatment. Currently, a 30-week waiting period already applies in the metropolitan area for general treatment, and I expect by June, when this program ends, the waiting period will increase to 40 weeks.

Country centres in Western Australia will be particularly hard hit because the State's country dental subsidy scheme will not be able to meet the demand for services that has developed as a result of the commonwealth program. The State has recently reviewed its funding sources and has been unable to provide any alternative sources to maintain the bulk of this highly worthwhile service. We are also in the process of determining priorities for service provision

to identify ways of stretching state resources to, as far as possible, meet the demand. I can tell members that the most disadvantaged persons to be affected by this decision will continue to be serviced through the state scheme.

Last financial year, Western Australia received about \$8m through the program, of which \$2m was used to fund emergency treatment, and the remainder was used for general treatment. If the State were to maintain the existing level of service provided by the Commonwealth, it would need to find \$6.4m. Frankly, that is money we do not have in the Health budget.

The decision to end the program occurred without consultation, without state support and without considering the impact this will have upon disadvantaged Western Australians. It is a blatant exercise by the Commonwealth to shift responsibility for the program to the WA Government at a time when the health system is already under strain.

The Commonwealth decided to take the program from the State and fund it, and it has now reneged on that commitment. I have raised, and will continue at every opportunity to raise, this bad decision with the federal Minister for Health and other federal members of Parliament because it will affect the most disadvantaged persons in our community - namely, pensioners, the long term unemployed and many others who need assistance.

STATEMENT - MINISTER FOR WATER RESOURCES

Water Corporation - Water Environment Merit Award

DR HAMES (Yokine - Minister for Water Resources) [2.09 pm]: It is my pleasure to inform the House that the Water Corporation last night won this year's prestigious water environment merit award for its Albany land disposal wastewater site. The Albany tree farm is a shining example of government and the community working together to solve a problem. It is also the first agroforestry scheme for effluent disposal in Western Australia, and is a pacesetter in wastewater reuse. Both the corporation and the people of Albany deserve high praise for their efforts to find an alternative solution to disposing of treated wastewater in Albany harbour.

The merit award is presented at the Australian Water and Wastewater Association's biennial conference in Melbourne in recognition of an organisation considered to have achieved outstanding environmental management on a specific project. The judges made the award to the Albany tree farm on the basis of the contribution the project made to alleviating an environmental problem in the region, the innovative practices used in its ongoing operation and the high level of community support it continues to enjoy.

Following a commitment that treated wastewater would no longer be disposed of in the harbour, the land disposal wastewater system for Albany began operation in January 1995. It involves the trickle irrigation of 500 000 heavy drinking Tasmanian blue gum trees. I understand the current Ministers for Local Government and Health planted the first trees as part of the plantation.

The plantation was established 13 km from Albany, adjacent to the airport, and more than 3 000 kilolitres of wastewater is now pumped to it daily. The tree farm will begin selling timber in 2002 and has the capacity to meet Albany's effluent requirements until at least the year 2020. The scheme has attracted wastewater specialists from other parts of Australia as well as overseas. There is little doubt that the experience we have gained in this operation will be applied to other projects.

[Questions without notice taken.]

MOTION- STANDING COMMITTEE ON UNIFORM LEGISLATION AND INTERGOVERNMENTAL AGREEMENTS

Establishment

MR BARNETT (Cottesloe - Leader of the House) [2.43 pm]: I move -

- (1) That a Standing Committee be established for the duration of the Thirty-fifth Parliament to inquire into, consider and report on matters relating to proposed or current intergovernmental agreements and uniform legislative schemes involving the Commonwealth, States and Territories, or any combination of States and Territories without the participation of the Commonwealth.
- (2) When considering draft agreements and legislation, the committee shall use its best endeavours to meet any time limits notified to the committee by the responsible Minister.
- (3) The committee shall consider and, if the committee considers a report is required, report on any matter within three months; but if it is unable to report in three months, it shall report its reasons to the Assembly.

- (4) Each member, while otherwise qualified, shall continue in office until discharged, notwithstanding any prorogation of the Parliament.
- (5) No member may be appointed or continue as a member of the committee if that member is a Presiding Officer or a Minister of the Crown.
- (6) When a vacancy occurs on the committee during a recess or a period of adjournment in excess of two weeks the Speaker may appoint a member to fill the vacancy until an appointment can be made by the Assembly.
- (7) The committee has power to send for persons and papers, to sit on days over which the House stands adjourned, to move from place to place, to report from time to time, and to confer with any committee of the Legislative Council which is considering similar matters.
- (8) If the Assembly is not sitting, a report may be presented to the Clerk of the Legislative Assembly who shall thereupon take such steps as are necessary and appropriate to publish the report.
- (9) In respect of any matter not provided for in this resolution, the Standing Orders and practices of the Legislative Assembly relating to Select Committees shall apply.

DR CONSTABLE (Churchlands) [2.49 pm]: I will say a few words about this motion and about the reconstitution of the Standing Committee on Uniform Legislation and Intergovernmental Agreements. I am pleased the Parliament is considering this matter, will vote on it and, I suspect, will agree to the motion of the Leader of the House. I am pleased that this committee will continue as a committee of this Parliament. It is an important committee. Last year discussion took place about changes to the committee system and whether the uniform legislation committee would continue, and there was some uncertainty about its future. As someone who was on that committee for the life of the committee, and also on the committee that preceded it - the Select Committee on Uniform National Cooperative Legislation Schemes - I am delighted that the work of the committee will continue.

By continuing that work the House will recognise the increasing complexity of commonwealth-state relations and the importance of this Parliament in monitoring the relationship between the Commonwealth and the State and, particularly, in monitoring the work of ministerial councils. Without the Parliament's input, the uniform legislation that is brought before it could not be as good as it has been in recent times. Continuing the committee will also recognise the work of the standing committee over the past nearly four years under two chairmen; first, the member for Albany before he entered the Cabinet, and, second, the member for South Perth, who was the chairman during the past couple of years.

As you will recall, Mr Speaker, it was an active committee: It produced 18 substantive reports plus a number of annual reports and committee reports covering a wide range of topics. Many of those reports relate to legislation that was brought before the Thirty-fourth Parliament, and some relate to legislation that will come before the Parliament during the coming months or years.

Continuing the work of the committee will also recognise the original committee, the select committee, that was set up under the chairmanship of the member for Kingsley when the Government was in opposition. That was a landmark committee because it recommended setting up the standing committee and realised the importance of the scrutiny of uniform legislation and the agreements that often precede that legislation.

I will not take up the time of the House today by going into the detail of the work of the previous committee because it is well documented in its reports as well as in debates in this House. However, I urge members who will be members of the new committee to continue the work of the previous committee with the same gusto that we put into it and to always maintain the importance of parliamentary scrutiny of ministerial councils and uniform legislation.

MR PENDAL (South Perth) [2.52 pm]: I will make a brief contribution to debate on this motion, given that I was the outgoing chairman of the Standing Committee on Uniform Legislation and Intergovernmental Agreements. I congratulate the Government on its decision to sponsor the re-formation of this committee. You will be aware, Mr Speaker, that a committee on committee systems, which became known as the Strickland committee, last year recommended against the continuation of this standing committee. I took the view, as did other members on the Standing Committee on Uniform Legislation and Intergovernmental Agreements, that that was a bad decision and that that recommendation should not be followed. I am pleased the Government has seen fit to ensure the continuation of the standing committee.

The Leader of the House, who is sponsoring the motion, the incoming chairman and every member of the committee must take the committee seriously. A recommendation was made by the standing committee, I think three years ago, that proposed standing order 255A should be inserted to make Ministers more aware of their obligations and to bring about a situation where real scrutiny of intergovernmental agreements could occur. Without that change in standing

orders this committee's work will be largely undermined. If the Leader of the House, representing the Government, is serious about sponsoring the committee, the Government must make a commitment to change the standing orders.

When Professor Douglas Whalan from the Australian National University reviewed the work of the standing committee, he was always most encouraging. In particular, he was most encouraging about the suggested change to the standing orders. Indeed, whenever the committee members met him, he would inquire with some interest as to whether it had achieved that change because he saw that as being a real weapon in the hands of other Parliaments across Australia. It is disappointing from my point of view that three years after I became the chairman, and just on four years since the original formation of the committee, the House has not seen fit to bring about that change in standing orders.

As the House moves into the new phase of the committee's work, for which it has gathered the attention of most Parliaments around Australia and across the Tasman, it is a good opportunity for the Government to say that it is not just about providing an outlet for underemployed people, but is serious about the terms of reference it has been given and that as a Government it will, therefore, support the change in those standing orders - without which the committee's work will never be fully effective. I support the motion.

MR RIPPER (Belmont - Deputy Leader of the Opposition) [2.56 pm]: Mr Speaker, I looked around to see who might be in a position to support the recommendations of the Select Committee on Procedure that you chaired on the procedures of this House. I did not see anyone else who might be well placed to advance the argument; therefore, I thought that responsibility should fall to me. The committee did not recommend that the work of the Committee on Uniform Legislation and Intergovernmental Agreements should not continue. The committee agreed at that time that the work was valuable; however, the committee was concerned to recommend a rational standing committee system in this House that would allow members to be involved in committee work covering all portfolios. It must be recognised that this House has a capacity to support only a limited number of standing committees. There are only a small number of members in this Chamber compared with the membership of other Parliaments, and naturally there are also limitations on the staff resources available. The Select Committee on Procedure recommended a rational and comprehensive system of standing committees that would still be capable of support by the membership of the House and by the staffing resources available.

It is noteworthy that the Commission on Government has also recommended a rational and comprehensive committee system in this House. It is not the same recommendation as that of the select committee; however, it is of the same tenor. I do not oppose what we are doing here today, but it represents just one more ad hoc committee decision. It has been the pattern of this place over many years to set up a committee - either a standing committee or a select committee - when a temporary majority of members are in favour of it. However, members have not thought about what the overall committee system should look like. I hope the Leader of the House will give more study to the report of the Select Committee on Procedure and return to this place with the Government's response.

One of the most important issues on which he should respond on behalf of the Government is the overall shape of the committee system. At the moment Parliament has some standing committees and a range of select committees. It does not cover through its committee work the work of all government departments and agencies. If members want to cover the work of all government agencies and departments through the committee system, they must accept a limitation on their ability to set up ad hoc committees from time to time. The compensation is that the work which would normally be done by those ad hoc committees can be done by a more powerful standing committee system. The Opposition supports this motion, but I appeal to the Leader of the House to bring back recommendations on the establishment of a comprehensive committee system. I advise the member for South Perth that we are not trying to inhibit the important work done on uniform legislation and intergovernmental agreements. However, the committee was trying to subsume that work and the work of other ad hoc and standing committees into some rational committee system in this House.

MR BLOFFWITCH (Geraldton) [3.01 pm]: Having served on the Standing Committee on Uniform Legislation and Intergovernmental Agreements, I would like to add my views on the matter. I would like this Parliament to set up a scrutiny of Bills committee because this is absolutely essential. The suggestion that the Delegated Legislation Committee should be responsible for this is not in the best interests of either committee. One committee has the task of looking at delegated legislation, such as regulations which are published in the *Government Gazette*, and it has a responsibility to check the regulations to ensure Parliament understands the implications. However, no committee is set up which looks specifically at legislation. As the uniform legislation committee considers uniform legislation, it could very easily be incorporated into a committee that serves this Parliament by giving the background to the legislation. The committees to which I refer have terms of reference similar to those of the Delegated Legislation Committee. Each Bill is analysed as a result of those terms of reference and the information from the committee is available to all members of Parliament. It certainly helps members to understand the legislation much better and it gives everybody an equal opportunity to study and comment on the legislation. It is a forward step and I urge the

Leader of the House in the near future to consider the incorporation of a scrutiny of Bills committee, and perhaps include in that the uniform legislation committee. The committee funded would have a dual role and it would be very useful to the Parliament.

MR BARNETT (Cottesloe - Leader of the House) [3.02 pm]: I thank members on all sides of the House for their support for the re-establishment of the Standing Committee on Uniform Legislation and Intergovernmental Agreements. Some of the comments referred in broad terms to committee structures within this House, and I hope during the course of this year we can arrive at a new and agreed committee structure within the House. However, that does not mean we should not proceed with the establishment of this committee. That seems to be the view of most members.

There is no doubt that in recent years greater use has been made of select committees in this House. The Government is also considering, through various proposals, setting up a more expansive system of standing committees. That is all well and good, but it must be remembered that there are only 57 members in this Chamber and, given that most members of the Executive are drawn from this House, that reduces the number of members available to serve on committees. Also the Speaker and the Deputy Speaker are not part of the committee system and that further reduces the number. With a small Chamber such as this, we must look at this matter pragmatically and be somewhat miserly in the way in which committees are constructed and not establish too many. Otherwise there will be a large number of committees which are ineffective. It is far better to have a small number that can do the job. That is an important matter to be considered as part of the general reform of this House. I thank members for their support.

Question put and passed.

Appointment of Members

On motion by Mr Barnett (Leader of the House), resolved -

That the members for Burrup, Girrawheen, Greenough, Mitchell and Ningaloo be appointed members of the committee.

IRON AND STEEL (MID WEST) AGREEMENT BILL

Introduction and First Reading

Bill introduced, on motion by Mr Barnett (Leader of the House), and read a first time.

PROFESSIONAL STANDARDS BILL

Second Reading

MR PRINCE (Albany - Minister for Health) [3.07 pm]: I move -

That the Bill be now read a second time.

In today's complex technological and highly industrialised society very few activities are risk free. Risk is the inevitable consequence of activity, whether that activity is commercial, sporting, cultural, social or whatever. Risk is principally managed in our society by insurance. Yet, in our increasingly litigious world and the broadening liability regime which applies for many activities, insurance against the consequences of risk is no longer available or is prohibitively expensive.

The Professional Standards Bill addresses the growing problems in relation to professional and occupational liability by introducing limited liability for members of professional and other occupational associations who have entered a professional liability scheme. The Bill also provides greater protection to consumers of services provided by members of such schemes by ensuring that some regime is in place so that -

- (1) there is some means of satisfying any judgment either in whole or in part;
- (2) members of schemes are required to participate in risk management activities; and,
- (3) members will be subject to a complaints and disciplinary structure.

In the past 25 years the liability of professionals and others to negligence claims has expanded dramatically. This is because developments in the law have opened up new fields of liability, and compensation payments have increased by sharp increments along with community awareness of consumer rights. Increasingly plaintiffs look to the indemnity insurance carried by professionals and others as a source of recovery for loss. The general perception is that those with financial substance hold indemnity insurance. For a long time that has been the case. However, even when it is true, it comes at a price. The cost of insurance is added to all the other costs of business. It is a truism

that as judgments increase, there becomes no definable insurable limit a person should have which guarantees security. Not only do the rates increase but so, necessarily, must the amount covered if the insured is to enjoy any feeling of safety. Unfortunately, this prudent action has an adverse effect. There is nothing like the existence of insurance to focus litigation and, of course, this impacts on the determination of premiums. While historically professionals and other groups have regarded it as axiomatic that they meet the consequences of their own mistakes, the fact is that for many of them insurance is now unavailable or not affordable at levels commensurate with their exposure and liability.

This is impacting upon the manner in which professional practices and occupations are being conducted, which has significant consequences for the client, third parties and the community generally. Anecdotal evidence from professional bodies suggests that the practices of professions which are subject to a high level of financial risk are characterised by an excessive degree of caution, with detrimental consequences for the client. Alternatively, the service ceases altogether or is constrained - especially in the country.

One consequence of the dramatic rise in claims and the resulting increase in insurance premiums is the alarming number of professional practitioners who choose to reduce their insurance cover or go uninsured. At the same time, they reduce or eliminate the assets in their hands through family and trust arrangements.

The changes in attitudes to insurance are highlighted in a recent publication of the Insurance Council of Australia entitled *Report to Insurers on Underinsurance and Non-insurance* reported in the *Australian Accountant*. It indicates that of Australia's 700 000 small businesses, as many as 140 000 - that is, 20 per cent - are completely uninsured.

The report in the *Australian Accountant* notes, for example, that there is about 95 per cent underinsurance for public liability and that about 60 per cent of businesses are underinsured for business interruption. The report does not specifically refer to professional liability; however, it is probably safe to say that there is a high level of underinsurance or non-insurance. It is clearly of no consolation to the aggrieved clients if they are awarded substantial damages but have no real prospect of recovery because of underinsurance or non-insurance.

It was in the light of these trends that a committee of the Legislative Council was created, on 13 November 1991, to examine the problem, originally on the motion of Hon J.M. Berinson, QC, the then Attorney General. The original members of the Select Committee on Professional and Occupational Liability were Hons J.M. Brown, Fred McKenzie, Max Evans and Peter Foss. On 17 March 1992 Hon Mark Nevill replaced Hon J.M. Brown on the committee. On 10 August 1993 Hon Nick Griffiths replaced Hon Fred McKenzie, who had, of course, retired from the Council by then. The Council provided that the committee could consult with Hon Fred McKenzie, include him in its deliberations and report any views which he had.

The final report of the committee was tabled in January 1994 under the signature of Hon Max Evans, who was, by then, the chairman. In the circumstances, I believe that the Bill should have universal acceptance in this Parliament and thank those members of the Government and Opposition who actively participated in the preparation of the report. I commend the report to members.

The idea for such legislation originated in New South Wales, but the members of the select committee were not happy with the drafting and scheme of the proposed New South Wales Statute and prepared an alternative, which they presented to Hon John Dowd, QC, then the Attorney General for New South Wales. This alternative was adopted and adapted by him and passed in the New South Wales Parliament late in 1994. The Professional Standards Act 1994 (New South Wales) commenced on 1 May 1995.

Schemes limiting liability under that Act are in place for the Law Society of New South Wales, the Institution of Engineers, Australia, the Association of Consulting Engineers, Australia and the College of Investigative and Consulting Engineers, Australia. I understand that a scheme in relation to accountants has been or will be considered shortly.

Members will be all too aware that at present when a person sues a member of a professional or other group it is possible that he may obtain a judgment of a large amount. However, there is no certainty of recovery as the capacity of the person to meet a valid claim varies depending on the level of indemnity insurance and that person's personal assets. In other words, there is, in effect, a de facto cap already operating.

The Professional Standards Bill replaces this de facto with a statutory cap on damages tied to a number of safeguards to protect the interests of clients. These safeguards are -

- (1) a threshold of up to \$500 000 up to which all claims will be met in full;
- (2) limitation of liability will not apply in relation to claims for death or personal injury or in relation to conduct involving a breach of trust, fraud or dishonesty;

- (3) there must be full disclosure of any limit of liability;
- (4) schemes may require the inclusion of compulsory professional indemnity insurance;
- (5) the Bill requires the introduction of risk reduction and risk management strategies; and
- (6) there must be a system to allow for proper redress of consumer complaints.

Schemes are voluntary and will not be imposed on any profession or occupation. It will be left up to each such body to determine whether it will participate and to seek a specific scheme for its members. A particular person may decide not to enter a scheme being arranged by his or her professional or occupational group and adopt alternative methods to limit liability. Such a person could choose, for example, to have no insurance and vest all assets in family members or trusts. It is thought, however, that the consequences of membership of a scheme will make participation attractive to many professional and occupational organisations. Those professions or occupations which elect to participate may either cover all members or provide that the scheme applies only to certain members, such as those with an unrestricted right to practise. In either case it will be necessary for the body to keep a register of persons who are part of the scheme.

The Bill establishes a Professional Standards Council, which will consider applications for schemes and monitor the Act generally. The members of the council will work part time and be drawn from business and have appropriate experience, skills and qualifications.

It is intended that the council will be funded by a levy on occupational associations seeking the creation of a scheme and ought to be no cost to the State. However, in the initial years there may be a need to provide for a minimal support from the State, and accordingly the legislation provides for the appropriation of moneys "from time to time" by the Parliament.

The council will be required to maintain an account at either the Treasury or a bank approved by the Treasurer and will be subject to the Financial Administration and Audit Act 1985. The council will be responsible for the making, amendment and revocation of schemes. Application for a scheme will be made by an occupational association to the council. Before approving a scheme, the council must give public notification explaining the nature and significance of a proposed scheme and inviting public comment. All comments will be considered by the council. In approving a scheme, the council is to have particular regard to a number of matters, such as the level of claims against members of the profession and the impact of a limit of liability upon consumers. These matters are set out in clause 23 of the Bill.

The council may also conduct a public hearing into a proposed scheme. Once approved by the council a scheme is submitted to the Minister, who, if satisfied with the proposed scheme, may authorise its publication in the *Gazette*. The scheme comes into operation two months after publication in the *Gazette*, subject to any challenges from persons who are reasonably likely to be affected by the scheme. A challenge is to be heard by the Supreme Court, which may declare the scheme to be void, decline to make an order, or give directions or any other order it thinks fit. Members will be pleased to know that a scheme may be subject to disallowance by Parliament in the same way a regulation may be disallowed.

Liability may be limited by reference to the insurance arrangements, the business assets, a multiple of the fee or a combination of the three. The limit is subject to a threshold. This threshold, which the Bill provides must be at least \$500 000, will be set so that the great majority of claims, and certainly all consumer claims, will continue to be uncapped.

The limitation of damages by way of a multiple of the fee creates a direct correlation between the nature and size of the work performed by the person as reflected in the fees and the potential liability. It has the advantage that a claimant could determine with some degree of certainty what the maximum liability of the person with whom they are dealing would be. The multiple would be determined for each occupational group.

As I earlier noted, limitation of liability will not apply in relation to claims for death or personal injury. These claims raise issues of more general application. The scope of limited liability is therefore restricted to liability for financial loss.

Liability will also not be limited in relation to a breach of trust or arising from conduct involving fraud or dishonesty. The duty of care arising from a trust relationship imposes greater obligations and it is not appropriate to limit liability for breach of these obligations. A person who is personally guilty of fraud or dishonesty is not to be entitled to any limitation of liability.

The limit of liability applies to business partners and employees of persons covered by a scheme, provided that if such persons are eligible they must be members of the same occupational association. This ensures that all members of the firm are, so far as possible, subject to risk management, complaints and the other consumer protection elements.

As I have noted, the policy behind this legislation accepts that it is preferable to provide some assurance of payment for the vast majority of claimants than to have a system of unlimited liability with no certainty of any payment in many instances. This is achieved in the Bill by relating the limited liability to a requirement that insurance and/or business assets be held to the level of the limit. Persons with a joint interest are to be treated as making a single claim. This would clearly include partners of one firm but would not extend to persons with a common but not joint interest, such as claimants in a grouped proceeding or representative action.

The Bill provides that the members of schemes may be required to hold insurance to an appropriate level and allows each occupational association to require that members hold that insurance. While professional indemnity insurance is thought by some to safeguard only the insured, not their clients or third parties, it is clear that mandatory insurance will create a degree of protection for plaintiffs by ensuring that considerable resources will be available to meet claims in the event of liability being proven. It is also possible that in consequence of the greater risk sharing associated with universal application of indemnity insurance within a particular profession, the members of the profession may obtain suitable cover at more reasonable premiums than would be available under a voluntary insurance system.

The Bill encourages participants to establish, in cooperation with insurers, systems to identify trends in claims which may be addressed through professional education and training.

An essential component of all schemes will be risk management. Risk management is a significant element of consumer protection. Risk management procedures may include, but are not limited to, the following matters: Codes of practice; codes of ethics; quality management; claims monitoring and review; complaints resolution; discipline of members; voluntary mediation service; and continuing educational standards.

Close adherence to risk management will lead to improved practices and a reduction in the cause of claims. Introduction of greater risk management will also be of considerable benefit to the community. The court infrastructure is a cost borne by the community and it is in the public interest to introduce schemes which encourage attention to reducing risk, and thus the number of claims and the level of litigation. In any event, people would much rather never need to make a claim.

The Bill requires that a professional or occupational association which has a scheme in place create a complaints and disciplinary structure. This will provide a more efficient and cost effective system of dealing with consumer concerns rather than resorting to civil litigation; it will also allow professional associations to identify poor practices which may not have led to any loss but which may draw into doubt the competence of the practitioner and warrant disciplinary action being taken.

As I noted earlier, schemes of limited liability will operate through professional or occupational organisations on a voluntary basis. The consequences of membership of the scheme, including greater control through self-regulation, will make participation attractive to many organisations.

Membership of a professional body will also provide an assurance to clients that certain minimum standards have been met and that the professional body has in place proper complaints and disciplinary procedures. There should be considerable benefits to consumers from choosing to deal with a person who is part of a scheme under the legislation.

This is an exciting reform. It is unique in the way in which it combines, in an effective scheme, a range of priorities concerned with the provision of professional and other occupational services. The Bill addresses a significant and growing problem in a unique and positive manner. I commend the Bill to the House.

Debate adjourned, on motion by Mr Cunningham.

ADDRESS-IN-REPLY

Motion

Resumed from 13 March.

MR SULLIVAN (Mitchell) [3.22 pm]: Ten years ago I was at Parliament House working for the then Leader of the Opposition, and a decade later I am back here on the opposition side!

Seriously, Mr Speaker, let me congratulate you on not only your appointment, but also your progressive approach to the position. I offer my thanks to the officers of the Parliament for their assistance and advice in recent time, and to all members who have shown me the courtesy of attending the Chamber to hear this, my maiden speech.

It would be remiss of me not to take the opportunity to place on the public record my sincere gratitude to those people without whose support, trust, advice and assistance I would not be here at all. I single out my all-enduring, ever-forgiving wife, Lee; my parents and, indeed, my whole family, who I am sure are hoping, for the sake of their own offspring, that the madness which prompted me to enter politics is not hereditary.

I thank the dedicated members of my campaign committee, especially Greg Mason, Vi Kershaw, Warren Lambert, Bev Custers, Rob McPhee, and my chairman, Liz Eastman. I also thank Peter McNaughton for his encouragement and support, and the 400 or so helpers and supporters whose assistance and hard work combined for a powerful and effective campaign.

I am grateful to all my colleagues in politics for their advice and guidance, but, most importantly, I thank the people of the Mitchell electorate who gave me their trust and support. Let me assure them one and all that I will never forget who placed me in this position, and that I will never lose sight of the fact that I am the people's servant, not their master. It is a tremendous privilege to have been chosen to represent the electorate of Mitchell, and I will do my utmost to fulfil my responsibilities with vigour and a strong sense of purpose.

In business, innovation, greater efficiency and improved customer service are among the hallmarks of success. So too, a good Government is one which strives for improvement at every opportunity and is not afraid to introduce reforms to achieve this goal. Of course, reform can mean different things to different people.

I am reminded of an amusing episode from my formative years, when my family lived in a third-world African nation which recently gained the unfortunate reputation as the world's poorest country. It had not always been so; this nation once boasted a thriving export trade, relative prosperity and a peaceful climate. However, things changed over time and a number of so-called reforms were introduced in that nation, including an interesting decision to change from driving on the left hand side to driving on the right hand side of the road. A great deal of planning went into this reform, and eventually it was decided to adopt a cautious approach - after all, this was to be a serious and far-reaching reform. It was decreed that a trial period would be held during which heavy vehicles, such as buses and trucks, would commence driving on the right hand side of the road, but all other vehicles would continue to use the left hand side! I leave members to imagine for themselves the chaos which ensued.

By comparison, we are fortunate to have a Government which epitomises the notion of responsible public administration; it is also a Government which stands for genuine and workable reform. Indeed, the past four years have seen a number of successful reforms in Western Australian society, and it is encouraging to know that the coalition Government does not rest on its mantel. In four years we have seen reforms in energy supply, budget management, industrial relations, law and order, health care and housing, to name some of the most significant.

During this time, the Mitchell electorate has benefited considerably from these reforms and from sound administration. Only last weekend I attended the foundation stone ceremony for the new South West Health Campus, officiated by my colleague the Minister for Health. The \$68m health campus reflects a major shift in thinking from that of the previous Labor Administration and is part of widespread reform in the Health portfolio which will bring tremendous benefits to the people of Mitchell, and, indeed, to everybody living in the south west.

Another key reform is under way in Carey Park, which is known as a residential area characterised by public housing. However, this situation is being changed and a process of urban revitalisation is under way. More and more Homeswest tenants are being given the opportunity to own their own homes under the right-to-buy scheme. Also, I am confident that the new \$3.5m primary school currently being planned will provide the catalyst for a range of other local improvements.

Mitchell is one of the fastest growing areas in the State, due in no small part to a local labour market situation which has improved significantly in recent years. Not only is the number of unemployed people on the fall, but also anecdotal evidence indicates that the level of "underemployment" in Mitchell reflects the relatively low statewide figures. It is easy to forget that many people in the labour market become discouraged and simply give up looking for work or accept part time employment because they cannot find full time jobs. Including these people in the monthly labour market unemployment statistics gives a measure of the level of underemployment and it is encouraging to know that, according to the latest information from Access Economics, Western Australia is outperforming every other State in this respect. This is despite the fact that Western Australia has consistently shown the highest participation rates in the country. This is a reflection of the confidence in the labour market, which can be expected to place additional pressure on underemployment.

Like the member for Southern River and others, I will always seek the best I can for my electorate, but government members of the last four years certainly have much to be proud of if the progress achieved in Mitchell in that time is anything to go by.

But while the people of Mitchell have benefited greatly from a number of reforms, there is one area of reform which, although urgently needed, requires a major policy shift at the federal level: The future of my electorate and of this great State, and the prosperity of all Western Australians, depends on a whole range of complex economic, social and governmental considerations. One aspect in particular, which has far-reaching implications for us all, is the urgent need for widespread reform of the national taxation system.

Benjamin Franklin was right when he stated that taxation is as certain as death, but the national tax system itself has been slowly killing small business and strangling wage and salary earners for years. Although Australia's federal system of government has many things going in its favour, it has presented a number of serious obstacles to much needed tax reform. Four or five years ago, when the debate on tax reform was getting into top gear, it was driven at the federal level. However, that does not mean that the States, especially Western Australia, cannot or should not have a decisive role in bringing about change.

The present national taxation system, which has developed over the decades, is counterproductive in so many ways. At the very same time that the Premier has promoted the importance of encouraging and fostering value adding export industries, we have a national tax system which contributes in no small measure to reducing the competitiveness of our exports on global markets. We all know that the tax which raises more than any other in this State and which has become a primary income source to all States - payroll tax - is a direct disincentive to some extent on businesses to increase employment, even despite this Government's considerable efforts to reduce its impact. With a judicial system which is about as predictable as a northern cyclone, it is not surprising that there is growing concern over the future of the State's franchise levies. After all, more than 23 per cent of the State's taxation revenue is derived from levies on petrol, tobacco and liquor, so the implications of a successful High Court challenge against these imposts are obvious. Considering that Federal Governments in effect have prevented the States from pursuing the option of an income tax surcharge and that the Constitution rules out a state based consumption tax, without major reform the States are destined to rely on a complicated and often unpredictable process of commonwealth handouts. Although the States account for more than 40 per cent of all governmental expenditure in Australia, they raise only 20 per cent of the nation's taxes. With the trend being towards a shift in certain expenditure obligations to the States, this gap is more likely to widen than to close.

Australia relies on a mishmash of complicated taxes and revenue measures, providing little incentive, some say, to employees and imposing punitive compliance costs on many small business owners. After running a couple of successful small businesses myself, I know from experience just how complicated and frustrating the national tax system has become. My work at the federal level on taxation and small business policy only served to reinforce my commitment to national taxation reform. Unfortunately, all too often it is the smaller businesses which suffer the most. A national report concluded that compliance costs associated with payroll tax, for example, at the national level were 1.6 per cent for large corporations but for the smaller concerns compliance costs were as high as 33.3 per cent - one-third of the taxation burden itself. There can be no doubt that small business stands to benefit significantly from a simpler, fairer national tax system. So too would Australian families.

At present Australians pay one of the highest rates of personal tax in the world. Indeed, a study of tax rates of production employees in 25 countries of the Organisation for Economic Co-operation and Development found that Australians paid the seventh highest rate of income tax. The average personal tax rate for a married couple with two children was found to be more than 27 per cent in Australia, compared with 19 per cent in the United States, 16 per cent in Canada and just 10 per cent in Japan. It is no wonder that tax minimisation has virtually become a requirement for Australian taxpayers, especially small business owners. Yet while PAYE and small business taxpayers fork out high personal tax rates, tax avoidance, especially in the black market, continues to run rampant. The way the present income tax system works means that the only way to clamp down on much of this avoidance is to make the system even more complicated and to rely on a growing army of tax office storm troopers to interrogate and audit shopkeepers and invade the apple orchards and strawberry fields in search of every last tax dollar.

A comprehensive tax on goods and services should not be seen as a panacea for all our problems, but it could well be the catalyst for significant reforms to make our taxation system fairer, simpler and more open and accountable to the community. Importantly, it could provide the basis to reduce the present level of overdependence of the States on revenues raised by the Federal Government and could provide the foundation for a total reassessment of commonwealth-state financial relations. Dare I say it, at a very personal level, a far-reaching reform of the tax system might even enable the States to consider scrapping or reducing their reliance on a range of existing taxes and imposing a simple income tax surcharge instead. Comprehensive national tax reform could be designed to bring

about significantly lower and flatter personal income tax rates. A broad-based consumption tax would tackle the black market head on and in the simplest, most effective way possible.

Certainly the States need greater autonomy to raise revenue, rather than having to comply with a complicated system which does not adequately reward efficiency or sound financial management. This would enable the decentralisation of a range of public administration from Canberra. For example, we all know just how dependent Western Australia and the other States have become on the Commonwealth for hospital funding. Indeed, the Federal Government hands out over \$4.8b to the States specifically for hospital services, in addition to funding its own very significant health administration and a range of other health care programs. Despite spending a massive \$4.8b on hospitals, the Commonwealth does not actually operate a single hospital. This may seem oversimplistic but it does demonstrate just how financially reliant on Canberra the States have become over the years.

One thing is certain: More and more economic commentators now realise that meaningful national taxation reform will not be achieved without the introduction of a broad-based goods and services tax. Our tax system is already fraught with consumption taxes and although some, like this State's fuel franchise levy, are extremely fair in the way they are levied and in the way the proceeds are spent, other consumption taxes are not so effective. At a time when around 100 countries operate a broad-based consumption tax, Australia languishes as one of just six nations which still rely on a grossly inefficient wholesale sales tax system which is fraught with discrepancies. Just ask the member for Carine what she thinks of sales tax on emergency position indicating safety beacon equipment for recreational boating; or try explaining to someone involved in professional fishing or aquaculture why they pay tax on certain work vehicles but farmers do not; or why non-profit sporting organisations in my electorate must pay tax on sporting equipment. These are just a few of literally hundreds of anomalies in the sales tax system. Furthermore, the system has become so complicated and is altered so often that many tax experts simply cannot keep up with its complexities. Speaking with a friend of mine who manages an accounting firm in the city, I was dismayed to find that they no longer give advice on sales tax because of its complexity, preferring instead to rely on a specialist tax agency.

Other taxes have developed to nightmare proportions, too. In years gone by most people were happy to complete and send in their own income tax returns, but not today. The tax office spends millions of dollars each year on tax packs, the majority of which end up in the rubbish bin because Australians nowadays feel more and more obliged to seek professional advice at tax time. Why? Because the rules are so complicated that the only people who can find their way around the income tax system are the growing numbers of taxation specialists.

Even those taxes which are not consumption based add indirectly to business costs, which are simply passed on in the price of thousands of everyday goods we buy and in the cost structure of many Western Australian exports. That last point is an absolutely vital consideration in my electorate and in the south west because our future depends on being able to mix it with the best across the globe. We need everything in place to be able to compete successfully on world markets, especially if the Western Australian economy is to develop a stronger and more competitive manufacturing and value adding base. A goods and services tax which zero-rates exports offers the potential to boost our competitiveness, along with other reforms being achieved in areas such as industrial relations, energy supply and transport.

A well designed consumption tax certainly will not make taxation popular but it could be designed for simplicity and to bring tax out into the open so that people would know exactly what rate and how much they are paying. Widespread tax reform would also take the pressure off the Commonwealth, which is experiencing revenue difficulties of its own due to an over-reliance on taxes, some of which are highly susceptible to changing economic conditions. For example, a cursory glance at the sales tax revenue base shows just how dependent it is on a narrow range of goods for which consumption is steadily on the decline. Some state Premiers, to their credit, have already moved on tax reform, and this Government has been responsible for a number of significant improvements to a range of tax measures over the past four years, including extending payroll tax thresholds; granting certain stamp duty exemptions, including to the farming community; and ensuring the proceeds from the fuel levy are spent on our roads system. The fact remains that any thorough overhaul of state taxes and of commonwealth-state financial relations depends extensively on taxation reform at the national level. The pressure is on for a fairer, more efficient and more open national taxation system and on behalf of the people of the electorate of Mitchell I am pleased to lend my voice to the call for reform.

Australia does not need a wholesale sales tax, but it certainly does need wholesale tax reform. Thank you, Mr Deputy Speaker.

[Applause.]

MR PENDAL (South Perth) [3.40 pm]: I join other members in the House in placing on record my congratulations to the Speaker on his election to the Chair. He probably has a better opportunity than any of his predecessors for perhaps the last half century to actually bring about serious and significant change to the way in which Parliament

operates. The reason is that the member for Innaloo, who has recently assumed that office, comes to that position not as one who has been given it as a consolation prize for something else, but rather as someone who has served as the Deputy Speaker and, more than that, as someone who brings to the task a background to and an ethic for what Parliament should be about, what parliamentary practice and behaviour should be and the sorts of facilities that should be available to members and Ministers who serve in this place.

Members would understand that I for one was thrilled to be returned at the last state election as the Independent member for South Perth. I thank many people involved in that, in particular my campaign team - people such as Vince Pandal, Kerry Davey, John Horner, John Kelly and Barry MacKinnon and also my campaign chairman, Dr Brian Hilbert. I also express my gratitude to my electorate office staff, my fundraisers, my women's support group, my office volunteers, of whom there was a small legion, my precinct deliverers and probably somewhere between 250 and 300 people who turned out for me on polling day.

It is not altogether good form to tell people how well one did, but sometimes if one does not do that oneself, it is unlikely to be said by anyone else. In two party preferred terms the South Perth electorate decided that I should be its member and I polled 64.21 per cent to my Liberal opponent's 35.79 per cent. In the primary vote I polled 40 per cent, the Liberal candidate 33 per cent, the ALP candidate 20 per cent and the Greens (WA) candidate 7 per cent. The reason I mention that is not to reflect on my outcome, but to hold that figure up against what the major parties achieved on a statewide basis. For example, the statewide vote for the Liberal Party was 39.9 per cent and for the ALP it was 35.82 per cent. It may have slipped your attention, Mr Deputy Speaker, but the next largest block of voting in the state election on 14 December was the Independents with 7.7 per cent followed by the Nationals with 5.79 per cent - the Independents did beat the Nationals - the Democrats with 5.08 per cent and the Greens with 4.73 per cent. I mention that for a purpose: The large Independent vote is a message for the major parties in general, but it is a message for the Liberal Party in particular. In fact one quarter of the voting public across Western Australia declined to vote for either the Liberal Party or the Labor Party.

Turning to the Governor's speech I will briefly, before I move an amendment, welcome the undertaking given by the Governor for a new heritage Act in Western Australia. In particular I am pleased the Government accepted the recommendation of a select committee, which I chaired in its first term of office, and its commitment to the need for a plain English Statute. There are very few Statutes in this Parliament that are less comprehensible to even an intelligent person than the current Heritage of Western Australia Act. That commitment to rewrite an important piece of social legislation, in readily understandable language, would be widely applauded.

The second thing I welcome, if I have read it correctly, is the reference in the Governor's speech to the intention to have a government records Act. The Governor's speech does not tell us much and it has a slightly ambiguous meaning for me, but I hope it is a reference to the outcomes of both the Commission on Government and the commitment made by the then Opposition in 1992 for proper legislation to safeguard the interests of the written documented records in the public arena in Western Australia. Mr Deputy Speaker, you may recall that during the hearings of the WA Inc royal commission evidence was given on a number of fronts about the way in which the public record was debauched by being interfered with. It was possible to interfere with the public record because there is no legislation to safeguard those records. One of the great ironies was that the outcry which that debauchery produced was not sufficient to safeguard some of those royal commission records from the royal commission itself. I vividly recall not so long ago when I was a member of another House that a Bill was proceeding through the Parliament which would have allowed the destruction of some of those royal commission records. I and a number of other members took umbrage at that and in the end the legislation was either withdrawn or amended, I am not sure which, after there had been a conference of managers between the two Houses. The legislation was halted because a group of Independents then controlled the numbers in the lower House and ensured that the contents of that Bill would be resubmitted, which ultimately was the case. If ever there was evidence that even the best willed and the best informed minds, for example royal commissioners, could have their attention diverted from the real issues, that was such a case because the Bill was, in effect, sponsored by the royal commissioners and by counsel assisting the royal commission. There was great pressure on the legislators because it sounded a most desirable end to protect the confidentiality of witnesses, but in achieving that confidentiality of witnesses the Bill was also achieving a destruction of vital public records. In the end, the Parliament put a halt to it. Ironically, the Parliament said to the royal commissioners that enough was enough, and it would not pass the Bill that would permit the wholesale destruction of those records. It will be a welcome day when we see for the first time in the history of Western Australia legislation specifically designed to define public records and to lay down mechanisms for their survival.

One final point is that totalitarian regimes around the world invariably target the destruction of the public record. The obliteration of what has gone on in the past through the destruction of the public record is part of their social engineering technique. That technique has been used by Governments of the extreme left and right in a time honoured tradition. Those public records and documents are not something that is of passing interest to the historians, the researchers and the students of the next century; they are a fundamental part of who we are and how

we see ourselves when we begin to research and write history. If I have made the correct assessment of the words "government records Bill", I congratulate the Government.

Amendment to Motion

MR PENDAL: I move -

That the following words be added to the motion -

and wishes to support the recent moves at the State and Territory Leaders' Forum for agreement to be reached by all Governments for taxation reform in Australia.

It is somewhat ironic, but probably not all that coincidental, given the importance of the topic, that I should move that amendment with the new member for Mitchell having resumed his seat after speaking about the need for reform of taxation in both the federal and state arenas. It is coincidental only to the extent that anyone who takes no real interest in the finances of the State is likely to be someone without much interest in knowing where the State is headed.

I will make a case in the next 15 or 20 minutes that the problems with Western Australian finances that we should tackle in an open public inquiry are not, on the surface, what may seem to be the case. For example, the Governor's speech makes a brief reference to commonwealth-state relations when it says -

The Federal Government raises 73 per cent of all revenue but the States, which are allowed to collect only 23 per cent of revenue, must provide more than 40 per cent of all services.

That statement by the Governor is a highly debatable way of expressing things if ever I have heard it. It is not the case that the States are allowed to collect only 23 per cent of revenue. The States have the capacity to raise a lot more even under current constitutional arrangements; whether they have the wherewithal or political courage to do so is another matter entirely. It is certainly not accurate to say that the States are allowed to collect only 23 per cent of revenue.

Mr Cowan: Where would you advocate there be an increase in revenue?

Mr PENDAL: I will come to that, and I am sure the Deputy Premier will be the first to agree with me. A case can be made to look at the States first. I understand the imperatives of the tax sharing arrangements being held up to scrutiny. However, a wide range of options are available to the Government to achieve the same end. I will present another side to the argument on commonwealth-state relations. It is so much now a part of our embedded thinking that it may be limiting our vision about taxation reform. For example, Western Australia now receives 38 per cent of its total recurrent revenues from commonwealth sources. In the 1981-82 financial year Western Australia relied on commonwealth income to the tune of 50.3 per cent. In the space of 15 years there has been a massive turnaround in our reliance on federal funding. Some people would be inclined to say that is a bad thing. I happen to think it is a good thing for many reasons, not the least being that less reliance on other people's incomes means more autonomy for oneself. One can make out an argument - as does the present Premier - for which I have some sympathy, which says that reduction has come about because the Commonwealth has imposed on the States a level of fiscal restraint that it has never imposed on itself. Similarly, a mighty good case exists to say that the State should welcome the fact that it is less reliant on commonwealth revenues than it was a mere 15 years ago.

Another statistic that is becoming apparent in the 1996-97 Budget is that the only growth figure that bears any resemblance to the consumer price index in current Western Australian revenues is commonwealth income. In the past four years, from 1992-93 to 1996-97, commonwealth revenues into Western Australia have grown by a factor of about 12 per cent. I do not think it is a coincidence that the consumer price index in that same period - it is sometimes difficult to translate to the precise quarter - rose by 11.7 per cent; that is, almost precisely the amount by which our revenues grew from the Commonwealth. If no-one else has been faithful to the rise in the CPI, at least the Commonwealth Government has.

On the surface that sounds good for the State. I will now walk members through what has happened with state revenues in that period. The blowout that has occurred in those state revenue figures, which I am about to give to members, provides the justification for a full and open public inquiry into public finance in Western Australia. The State takes revenue which is part of the wider revenue base, which comes from departmental revenue and forms of non-taxation, such as mining royalties, and which has been bloated over the past four years. In my view we are in danger of killing the several geese that have been laying the golden eggs. For example, in this period while Western Australia's revenue from the Federal Government has increased 12 per cent, there has been a 73 per cent increase in the amount that the State has received from its state taxes and licence revenues. I am not saying that the taxation rates or base have altered. I am saying that something is peculiarly amiss when the consumer price index for the

period can be under 12 per cent and commonwealth funding can be just over 12 per cent, yet the revenue received from state taxes and state licences in that same period has grown, not by 12 per cent but by a massive 73 per cent.

In Western Australia the Government is using business taxes as the blunt weapon to balance the books. In the same four years, when the CPI was just under 12 per cent, we saw a 42 per cent increase in stamp duty revenues; a 25 per cent increase in payroll tax receipts; a 25 per cent increase in land tax receipts and a 21 per cent increase in financial institutions duty receipts. It is interesting that one of the things with which the Premier came away from the leaders' forum recently was a decision to introduce a uniform debits tax. We will get rid of the financial institutions duty and the bank accounts debits tax, the BAD tax, and instead will have one uniform rate of a debits tax. Apparently that has been agreed to by all states, with the exception of Queensland, but I imagine once its election is out of the way, it will soon come on board.

I am putting the case that there may well not be the need for that debits tax, if the state revenues continue to increase at that bloated level over a long period. After all, one must concede that it has been going on for, at least, the past four years of this Government and for several years of the Government prior to that.

Mr Cowan: Will you give us some figures on the actual rate of business growth for Western Australia?

Dr Gallop: The Deputy Premier is very grumpy this afternoon.

Mr PENDAL: I think he has had a bit of a bad weekend. He must have lost at the footy or something. I do not need to provide those figures because they are in the Governor's speech, and they are very impressive. That begs the question: If economic growth is like that, why do we need to impose levels of taxation that produce a 73 per cent blow-out? That is the point I am making.

Mr Cowan: Because of the increased demand for services, and you are one of the people who is constantly asking for more services.

Mr PENDAL: I will come to that in a moment because that is another matter that is covered in the Governor's speech.

Mr Cowan: You are running out of time.

Mr PENDAL: Between 1992-93 and 1996-97 the State Government's total recurrent revenue, of which taxes and licences are only one part, went up by 29 per cent. I remind members that during that period commonwealth funds went up 12 per cent and the CPI increased by the same amount. From that an argument begins to emerge that we are living beyond our means. If inflation is 11 per cent and commonwealth funding is up 12 per cent but state tax and licence revenues have gone up by 73 per cent, I put to the Deputy Premier that something is seriously amiss.

Mr Cowan: Yes, and I will tell you what it is: You have not taken into account the economic growth, the business growth and the growth in demand. All you have done is to take a fixed position and say that everything will be delivered at exactly the same rate. You can't do that.

Mr PENDAL: I will answer that by telling the Deputy Premier that these are the Government's figures. It is very timely that the Deputy Premier should interject, because in either the Governor's speech or the Treasurer's speech on the Budget last year it was said that in the two years for which the Premier was conducting a review, spending on health had gone up - I ask the Deputy Premier to take these figures on board - by 11.7 per cent; on education by 13.9 per cent; on disability services by 23 per cent; and on police by 31 per cent. My point is that if we are to increase the spending on services by a figure that outstrips the inflation factor, in some cases by 5:1 or 6:1, something is seriously amiss. These things are being hailed -

Mr Cowan: No, it is not.

Mr PENDAL: I ask the Deputy Premier to hold on, unless he wants me to seek an extension of time within which to speak. If he keeps interjecting, I will start to think about it. I reiterate my point: We cannot increase public spending out of proportion to those other factors, which I have outlined, without getting the two out of kilter. That is precisely what has happened.

Earlier I referred to income from stamp duty. I estimate that rose in the period of my review and during the current Government's term of office from \$424m to \$604m in the current financial year, an increase of 42 per cent. Therefore - I come back to the point about which the Deputy Premier is interjecting - that demonstrates the need for an inquiry to determine why some areas of state revenues have reduced while others have seen massive blow-outs. I have already referred to revenue from recurrent state taxes and licences going up 73 per cent.

Let us now look at the law court revenue - that is, the amount people pay when they are fined - because that kept pace with inflation. In fact, it has been below that. There has been a 7 per cent increase in that four year period. Let us

look at another benchmark. Departmental revenue has fallen by 4.5 per cent, from \$839m four years ago to an estimated \$802m this financial year. From what I gather, departmental fees are those charged for services. Therefore, one is entitled to wonder why these have been allowed to fall by a factor of 4.5 per cent in a period when the CPI has gone up by 11 per cent. I now refer to something that is close to the hearts of many members in this place - mining royalties. Mining royalty collections stand in the current Budget at \$619m, a 35 per cent increase on the collections of four years ago. I am simply saying that there does not seem to be an overall strategy involved in an outcome where violent fluctuations of that kind are occurring.

Mr Barnett: What is your position on a gold royalty?

Mr PENDAL: I want the Minister to answer the questions I have raised before I give a vote on a gold tax. On the basis of what is appearing in my research, a gold royalty is not to be favoured.

Mr Cowan: You will never be the Treasurer of this State and most people will be grateful for that.

Mr PENDAL: The Deputy Premier cannot have it both ways.

Mr Cowan: We have not. It is still a balanced Budget.

Mr PENDAL: Of course it is possible to still have a balanced Budget if the Government bloats the figures.

Mr Cowan: What figures?

Mr PENDAL: The figures I am reading are included in the Government's Budget, and will answer the Deputy Premier's questions. In 1992-93 the taxes and licences component of recurrent revenues was \$1.471b. The figure for that component in 1996-97 is \$2.5b. That is an increase of 73 per cent in the four year period. I refer to the other yardstick I used. The same set of figures suggests the commonwealth receipts in that period increased from \$2.219b to \$2.493b, an increase of 12 per cent. The income from territorial sources - namely mining, timber and other royalties - increased from \$458m to \$619m, an increase in the four years of 35 per cent. I refer now to the modest increases. The gross amount collected by the law courts from people who have misbehaved was \$44m in 1992-93 and an estimated \$47m in 1996-97. That represents an increase of 7 per cent. Why must the business community countenance an increase of 73 per cent in taxes and charges, while the amount collected from recalcitrants has increased by only 7 per cent?

Should that discrepancy not be enough, why is there a negative growth in one of these recurrent revenue summaries? For example, I have already explained that departmental revenues fell during that period by 4.5 per cent. Why have they fallen by that amount while taxes and licences revenue has increased by 73 per cent? Together that makes a difference of 77.5 per cent. That is a violent fluctuation in anyone's terms.

The total recurrent revenue for Western Australia, including that from commonwealth sources, increased from \$5b to \$6.5b, an increase of 29 per cent. That is an average of all components. That reflects throughout the state taxation regime. In particular, it is reflected in the business taxes and licences charged by the Government. I appeal to the Treasurer to bring down state budgets using the same terminology and format from one year to the next to allow proper analysis. If one tries to find out how the stamp duty receipts have been sorted, one cannot get an apparent answer because the figure is now broken down and appears in different parts of the Budget this year from where it was five years ago. However, from working assiduously it is possible to reach the conclusion that in the four years to which I referred there has been an increase of 42 per cent. That increase has not been in the rate at which it is applied but in the increased revenue.

Mr Cowan: What do you think caused that?

Mr PENDAL: It is exactly what the Deputy Premier said. Increased use has been made of these facilities which leads to an increased take for the Government. I am not bemoaning that. This can be applied to land tax also. It should be possible to reduce the level of land tax or the level at which the rate is struck for stamp duty, and still receive as much revenue as was received last year, taking into account an increase for inflation. The Government is not doing that. Therefore, it is allowing an absolute blowout in the spending of some departments. It is allowing an absolute blowout in some of the receipts being drawn from some taxation sources, but it is ignoring others.

Mr Cowan: Where would you like the cuts to be made? A lot of people would be very interested to know in this place.

Mr PENDAL: I said a few years ago that there should be a toll on the Narrows Bridge.

Mr Cowan: That is revenue raising.

Mr PENDAL: Of course it is.

Mr Cowan: Where do you want the cuts?

Mr PENDAL: I urge that the following steps be taken. The Government must accept that taxation reform should not be shovelled onto Canberra. That is such a convenient way out of the problem. The figures I have used today are indicative of that attitude. At least the commonwealth payments to this State, far from having been cut, have kept pace with inflation. It is another argument entirely to debate commonwealth-state relations and commonwealth-state finances. I am happy to take part in such a debate on another occasion. I have moved this amendment to the motion which commends the Government for taking the initiative it did at the Leaders' Forum. I have raised it to commend the Government for seeking to bring about taxation reform in its own role and at least wean itself temporarily from the notion that the only way to achieve taxation reform is through the Commonwealth Government. I was interested to hear the previous speaker touch on similar matters.

In summary, I simply state that the Government and the Premier are to be commended for being part of the Leaders' Forum which seeks to make state taxation reform an initiative of the States' and Territories' leaders. However, I wish to take the debate one step further and refer to the need for some form of open, public inquiry about why we experience violent fluctuations of the kind I have outlined here today.

Whatever members say, it is no good whingeing that we are receiving an increase of only 12 per cent in our allocation from the Commonwealth, when that increase represents inflation, when we receive a 73 per cent increase in our state taxation revenues. That means that the State has greater scope to be a little more imaginative in looking at the problem in its backyard. First, the Premier deserves that commendation and, second, the State should take the initiative in instituting some public inquiry of the sort I have outlined.

DR CONSTABLE (Churchlands) [4.22 pm]: I second the amendment.

Mr Cowan: Do you have a Bachelor of Economics as well?

Dr CONSTABLE: I will talk about land taxes.

Mr Cowan: That will be good!

Dr CONSTABLE: It will be good. The Deputy Premier should just wait a moment.

Mr Cowan: I wait with bated breath.

Dr CONSTABLE: I am glad to hear it. In seconding the motion, I agree that the States' and Territories' leaders should be congratulated for their recent moves toward the notion of tax reform. It is very important that this matter is considered not only nationally, but also at the state level. I will concentrate my remarks on the vexed question of land tax, which affects many people, particularly self-funded retirees, in our community.

Earlier today I listened with interest to the first speech in this House of the member for Mitchell when he spoke, in particular, about the mishmash of federal taxation. I agree with him totally that we have an extremely complex and unwieldy system of federal taxation which each year increasingly confuses the citizens of this country. We have personal income tax, the Medicare levy, talk about tax on personal superannuation, and company and sales tax. It would be much fairer if the Federal Government decided to apply one income tax which incorporated these taxes and made life simpler for everybody.

I wonder why successive Federal Governments have not been more honest in their approach to taxation and sought to simplify the system.

Mr Cowan: Your Independent colleague on your immediate left was just demonstrating that the Federal Government was the good guy. Now you're taking a different line.

Dr CONSTABLE: The Deputy Premier was not listening: He is comparing apples with oranges.

Mr Cowan: Is there a split in the ranks of the Independents?

Dr CONSTABLE: Not at all. The member is comparing apples with oranges, which is something at which, being from the country, the member is quite good.

At the same time as having great complexity in our income tax system, we have great complexity in the tax benefits and deductions. Once again, the citizens of this country deserve a simpler system.

Just like federal taxation, state taxation has extended and developed in a very topsy-turvy way. Also, in recent years the relationship between federal and state Governments has become more complex, and the sharing of limited funds in the form of the federal taxation take among the States has become more complex and difficult for the States. That

is one of the reasons we find state taxation becoming so complex and, in many ways, unfair. Land tax is only one of the many unfair taxes with which I will deal this afternoon.

The member for South Perth outlined a litany of taxes and charges which the citizens of this State must pay; namely, stamp duty on many goods; payroll tax by employers; land tax by investors in land, but not in other property; and financial institutions duty. These are only a few of those taxes. We had the infamous \$50 levy on car registration which the Government saw fit - this was timely from its point of view - to remove before the last election, and we have seen a huge hike in the taxation revenues.

I will concentrate on land tax receipts. Over the four years of this Government's term, a 25 per cent increase in revenue from land tax occurred. Therefore, it is no wonder so many people are struggling with their investments. This land tax is most unfair on self-funded retirees. Well over 20 per cent of people in my electorate are over the age of 65, the vast majority of whom are self-funded retirees. As each year goes by, these people struggle to maintain a moderate standard of living as a result of these many imposts. It is worth mentioning that during their working lives, these people paid their taxes as good, upstanding citizens and did not rely on handouts from the State at all. Nevertheless, each year they find their modest incomes declining as a result of such taxes.

It is worth reminding members of the Government that I clearly remember a promise made in 1992; namely, that over the first term of this Government payroll tax would be abolished. What about the struggling businesses which must still pay payroll tax because the Government has been unable to fulfill that promise?

I will, however, direct my attention to land tax this afternoon. Over the last five and a half years I have had countless discussions with constituents about land tax and how it affects them. In the last four years we have heard some rhetoric from the Government about land tax, and there has been some tinkering with land tax scales.

Mr Cowan: It was more than just rhetoric! It was not just tinkering. That is unfair.

Dr CONSTABLE: It was tinkering, as the Deputy Premier knows! There has been no relief from land tax. In fact, land tax receipts, as I have said before, have increased by a massive 25 per cent over the last four years, and much of this extra revenue is paid by self-funded retirees.

In 1994-95 the amount of land tax collected was \$137m; in 1995-96, the figure was \$155m; and in the current financial year, the take is expected to increase to \$165m. So I point out to the Deputy Premier that no great change has occurred. The Government has been tinkering around the edges, and the member knows it.

Mr Cowan: That is very unkind.

Dr CONSTABLE: It is not unkind at all - it is just the truth. I am sure that the Deputy Leader of the Liberal Party agrees with my view as I heard him speak on this view in 1992 when he was in opposition.

A general principle underlining taxation is that it should be imposed equitably, simply and efficiently. Land tax is a selective tax on one sort of property. We do not tax other kinds of property. We tax a second home - perhaps, a beach home - but not boats. Why not? Why not apply the tax across the board? This one piece of property, real estate, is chosen for such taxation. Therefore, land tax is essentially a wealth tax on one kind of property. It is quite unfair. What is more, the landowner is not taxed on the net value of the property and a mortgage on the property is not taken into account. The tax applies to the unimproved value of that land.

Mr Barnett: Would you prefer a tax on net receipts?

Dr CONSTABLE: There are several possibilities, to which I shall refer in a moment. I prefer no land tax at all; I would prefer reducing the burden on those who pay land tax.

The value of the land is determined by unimproved value. A lot of argument is heard about the way in which the Valuer General's Department values the land. It does not seem to relate to a person's piece of land. Correspondence I have received from the Minister for Finance indicates that the value relates to some hit and miss program pertaining to a property sold in the area. The property in question might be sold two or three streets away, and may be unlike the property taxed. That will be the basis for the taxation.

Land tax is not related to a taxpayer's ability to pay. It is based on the site value of the land regardless of the use of the land. It might be used to raise income, or it might not be. However, the tax is still imposed. It is also not based on any rents from the land. Therefore, land tax is not related to income in any way. The owner of the property pays insurance premiums, rates, repairs, maintenance, and other charges. However, that is not taken into account when assessing land tax. Land tax is imposed whether or not land is income producing. It is hard enough for self-funded retirees to exist on a modest income. However, when part of that income comes from rental income from properties

on which land tax is placed, it is even more difficult for them. The imposition of the tax means that any revenue from that land for those self-funded retirees is a paltry amount.

In many ways many people are penalised through land tax. Land taxes penalise land owners who have a block of land on which they may build their home in the future. Land tax does not discriminate between those who earn income from the land and those who do not. As I said a moment ago, I have countless files of constituents who have complained about hefty increases in their land tax assessments in the last four years. In one example, the land tax increased by over 300 per cent over the four years, but the rent increased by only about 35 per cent. I do not know how any self-respecting Government can allow that sort of taxation to go on. The Valuer General's valuations are often unrealistic and do not relate to the valuations that my constituents have got from members of the Real Estate Institute of WA. There is some fantasy in the way those valuations are arrived at.

Every year, in the second half of the year, a stream of angry constituents come to see me about their land tax problem. For many of them there does not appear to be an equitable correlation between the increase in the valuations from year to year and the increase in the land tax. Land tax is increasing at a very high rate compared with the increase in the valuations.

Essentially, land tax is a wealth tax on investment in property, which generates very little income, if any, for those who own land. We do not tax boats or other property on an annual basis. Therefore, there is no argument why we should be singling out land for taxation.

I said a moment ago that my preference would be for land tax to be abolished as quickly as possible. If that cannot happen, a number of things should be looked at. At least we should be reviewing the way valuations of land are carried out because in many cases they seem to be unfair. We should be giving relief to people who are taxed on land that does not generate income and we should be taking costs into account when land tax is being assessed.

On a more general note, there seems to be a growing consensus among economists, the community, the business world, and now political leaders in this country, that tax reform is necessary. I welcome that. Of major interest will be the direction that that reform takes. It has been said today already that the existing tax system is complex, unwieldy and cumbersome, and that reform is urgently needed and long overdue. We have many taxes - I have given an example of one - that tend to be unfair, inequitable and in some senses arbitrary. Land tax is the example that I gave the House. One of the reasons taxes seem to have grown like Topsy and have become more complex, cumbersome and convoluted over recent years is that Governments have argued they are trying to minimise tax avoidance. However, despite recent protestations by the federal Treasurer, there is little evidence of tax avoidance declining. Therefore, making the tax system more complex does not seem to have solved that aspect of the taxation system. A tax system should be easily understood by the community. It should not be something that is understood only by highly qualified accountants. Too many of us have to spend money going to accountants because of the complexity of the tax system. If it were simplified and reformed, it would be much easier to understand.

As we know, small business employs a large number of Australians. As the member for Mitchell said in his speech, small business is beleaguered by the complexity of an onerous tax system. Red tape, layers of taxation and obstacles put in people's way make it very difficult for the small business person to feel as if he is getting ahead. In my electorate of Churchlands, the small retailer has suffered enormously over the last few years, partly because of the tardiness of the current Government in amending the commercial tenancy legislation. If it did that, perhaps these people would have some relief. However, red tape and problems face these people. Reform of the taxation system will help many of those small business owners, who are, as many would say, the backbone of the Australian economy. We should reform land tax, payroll tax and other tax imposts placed upon business people and citizens. I urge members to support the amendment.

DR GALLOP (Victoria Park - Leader of the Opposition) [4.37 pm]: The Opposition will support the general thrust of this amendment to the Address-in-Reply. However, it will move its own amendment for which it will be seeking the support of the House. Before I get to the amendment, I would like to say a couple of general things about tax reform and how it relates to our system of government currently. It is interesting to note that at this very moment, the High Court of Australia is considering a very important case that will bear significantly on the ability of the States to operate effectively within our federation. It is important to begin my comments by referring to that case. Under section 90 of the federal Constitution, the States are prevented from imposing excise. Excise is traditionally interpreted to be a tax on goods imposed at any stage from production to distribution, short of reaching the final consumer. The precise interpretation of that by the High Court will have a big impact on the ability of the States to do not only things they might want to do in the future, but also things they are doing today, because they impose taxes on tobacco and alcohol, for example. It is those taxes that have led to the current High Court case. So far the courts have been flexible. In that flexibility they have allowed our federation to work without a huge encumbrance on the ability of the States to perform their functions.

The flexibility of the High Court has been well defined in an article in *The Australian Financial Review* of 11 March 1997. I will read three paragraphs of that article to indicate the importance of this issue for the States. The article was written by Kathryn Bice and states -

The cases turn on the definition of "excise" in s.90. It is thought the section was aimed at giving the Commonwealth power over tariffs, and a 1904 decision viewed excise as "a tax on manufacture but not on sale", allowing the States to levy sales taxes.

But in 1949 the court broadened the definition of excise to include sales taxes, depriving the States of that form of revenue raising. The States responded with business franchise "fees". These were upheld in the Dennis Hotels decision of 1961, which said the fee was a tax on a liquor licence, not on alcohol sold.

If the broad definition of "excise" prevails, the States could still be free to levy taxes on services. But if the court abandons precedent and adopts a narrow definition, it would clear the field for the States to levy a retail sales tax.

That would be a quite controversial debate.

That article indicates the degree to which this issue is currently on the agenda of state and federal politics, and what is behind the moves of the State and Territory Governments to get a sensible debate flowing. The other example of the degree to which this issue is on the agenda today can be seen from the recent decision of most of the States - Queensland has yet to indicate its attitude - to dispose of bank accounts debits tax and financial institutions duty and make way for a new flat rate bank debits tax of 10¢ for every \$100 withdrawn from a financial institution account. Given that Queensland does not currently impose FID, there is some doubt about whether it will be a uniform system throughout the country, but it indicates the fluidity within our current system with regard to all of these taxes and how they relate to federal-state financial relations. It is because there is fluidity and uncertainty that we must take a systematic approach to this question. Whether that will be of greater or lesser significance for the ability of the States to function will depend upon the High Court's decision in the case that is currently before it.

We on this side of the House acknowledge that our tax system has problems, and there is no doubt that we must look at the tax system. I will indicate some of the problems that exist currently.

Mr Barnett: Does that mean the Labor Party is now saying it will agree to look at things like a consumption tax?

Dr GALLOP: No. I intend to move an amendment about the consumption tax.

Mr Barnett: So the Labor Party will not participate in the tax reform debate?

Dr GALLOP: I will come to that.

One of the great problems is that some of the people who participate in our political system do not listen to the electors. People have great disillusionment with our political system. I ask every member opposite to look at what happened to the New Zealand political system. The reason that the people of New Zealand voted so unanimously to change their electoral system was that they felt they could not trust their Governments to carry out their will after elections: No matter what was the will of the people with regard to taxation issues, consistently and unanimously expressed, the Governments in New Zealand imposed a consumption tax. This happened even when the people did not want one.

Australia's tax system has two problems. Firstly, it relies heavily on income tax. Secondly, our indirect tax system tends to focus on goods, such as fuel, tobacco and alcohol, rather than on services, because that is how it has developed. Important reform possibilities exist within our tax system. We must streamline our indirect taxes, and we must crack down on high income tax avoidance. Make no mistake; the Labor Party does want to see reform of our tax system.

Mr Baker: What about death duties?

Dr GALLOP: The Australian Labor Party will not introduce death duties while I am the leader. Is the member for Joondalup happy with that answer? It is as clear as crystal.

The Labor Party's view on tax reform has been clear, at both federal and state level, for some time: There are many ways in which we can streamline our system of indirect taxes and crack down on high income tax avoidance.

I will say two things about the so-called tax reform debate of the conservative side of politics, backed by the Business Council of Australia and the Australian Chamber of Commerce and Industry. Firstly, those who propagate their version of major tax reform, which is essentially a goods and services tax, vastly exaggerate the impact of change on our economy and its future performance. In other words, they are like all ideologues and people who become

victims of a narrow, ideological panacea: They think it will solve all the world's problems. However, experience should tell them that if they pursue that narrow, ideologically based package, it will not solve Australia's economic ills, nor will it be a solution to many of the questions that are posed by the tax debate.

My position on taxation is that something must be done about the balance between indirect and direct taxes, and about avoidance by high income earners in our tax system, and there are possibilities for streamlining our indirect tax system. However, people who try to convince us that their wonderful Fightback-type packages will be the universal panacea for all our problems are like all ideologues: They are wrong. They would take this nation on a little trip down fantasy lane, causing enormous problems in the process, and the outcomes would not improve our economic situation. We need look only at what happened in Canada and New Zealand. Anyone who thinks that ideology is a panacea for Australia's problems is mistaken.

I am concerned that significant business groups in Australia seem to have fallen victim to that ideology. They are not the business people who are out there trying to make ends meet in the current political situation. They are the business bureaucrats whose business it is to come up with proposals that create the need for task forces on which they can then go, and that create the need for legislation on which they can then comment, and that lead to massive overhaul and undermining of stability and certainty within our business economy, with which their own members then have to cope. The one thing that we should say about tax reform is: Be cautious; be sceptical; do not become a victim of the Fightback-type ideology.

One aspect of tax reform that must be dealt with and should be on the agenda is vertical fiscal imbalance. If members opposite had a real concern for the federation of Australia, rather than fall onto the bandwagon that the right wing Liberals in Canberra are trying to create they should redress the damaging effects of vertical fiscal imbalance in this nation. We got closest to doing that in 1991 when Bob Hawke was Prime Minister of Australia. The Commonwealth collects 74 per cent of our taxation revenue and spends 54 per cent of such revenue. The States account for 41 per cent of total government expenditure but raise only 22 per cent of government revenue. Countries such as Germany and Canada derive only 10 per cent of their total revenue from their respective commonwealth governments. Vertical fiscal imbalance is a much more important issue than a consumption tax. Addressing it would actually do something for the people we represent, who go to our public hospitals, and use our public schools and transport system. Vertical fiscal imbalance must be addressed as a fundamental issue of tax reform. Vertical fiscal imbalance means two things that we should be concerned about as members of Parliament: The first is that the Commonwealth exercises more influence over our state priorities and programs through its tied grants. We all know about that. The Commonwealth collects all the revenue; it cannot spend it on its own programs so it tells the States that it will spend the revenue but only if the States agree to certain conditions.

In 1982-83, 36 per cent and in 1995-96, 55 per cent of commonwealth funding to the States was tied. The real issue of our federation is that we have gone from one Prime Minister, Paul Keating, who was an expansive centralist - he had a vision for the country and he wanted the States to be part of that vision - to our new Prime Minister, John Howard, who is also a centralist but a stingy centralist. We have witnessed his stinginess in regard to the issue raised by the Minister for Health today; that is, the dental scheme. We have seen his stinginess with the legal aid cutbacks, and with disability services. That is the tax reform that we should be addressing, because that is the one that impacts on the people who elected us to this Parliament and who use our public services. Members opposite are singing to the tune set by the Peter Costellos and the John Howards of this world, which is a centralist tune. The real issue of tax reform is not a consumption tax but vertical fiscal imbalance.

The second implication of vertical fiscal imbalance is one that was addressed, if only indirectly, by the members for South Perth and Churchlands; that is, the growing reliance at state level on regressive indirect taxes to provide services to our people. The States have been part of the problem of excessive use of indirect taxes, because that is all that is available to them to do the things they must do. Therefore the States are imposing more regressive taxes on their citizens. Western Australia is the third highest taxing State. Victoria is the highest; New South Wales is next; and Western Australia is followed by Tasmania and Queensland. We have imposed more indirect taxes on our people to meet the service demands placed on us. We are increasingly imposing user charges on a range of goods and services, beginning with school fees, for which user-pays principles now apply.

The second impact of vertical fiscal imbalance is that those of us on this side of the House who believe in public services find the ways and means by which we must fund those services fall increasingly on ordinary working families. We want to change that situation, and the best way to do that is to bring about a fundamental reform in federal-state financial relations. However, we will not get that from John Howard. We should consider his record as Treasurer, his prejudices and his biases. He is a centralist, and he will not bring about that reversal. If members think they are on a winner by backing a consumption tax, they should go ahead and do it. It will mean more regressive tax, more negative implications for small business through the compliance costs involved, and a redistribution of the burden towards low income earners which follows from an increase in indirect taxes.

The Labor Party supports tax reform. However, we will not accept that the goods and services tax should be part of that agenda. The electors of Australia voted twice on this issue - once in 1993 when the former Prime Minister was returned on the Fightback election campaign, and again in 1996 when John Howard said he would not have a goods and services tax. The people have spoken. Let us have a little respect for democracy. Let us make the election mean something rather than, as soon as the election is over, have the business people say that we should forget the election, because it does not mean anything, and that we will have one of those taxes anyway. The Premier should have said no. He should have said that the people have voted; it is off the agenda. That is what the Labor Party says and that is why we believe my proposed amendment to the amendment is in the interests of Australian democracy. It is also in the interests of Australian small businesses, because when we talk about a consumption tax we are talking about compliance costs on businesses.

In the United Kingdom the compliance cost for the value added tax is about 2.3 per cent of the net revenue raised - and it is regressive. In other words, it is mainly imposed on small business. In New Zealand the goods and services tax compliance cost is 7.3 per cent of the GST net revenue, and it is mainly imposed on the smaller businesses. Therefore, there are high compliance costs between 2 and 7 per cent of revenue, and they are regressive. Let us look after small business. That is what we will argue in any debate about a consumption tax. It is all about small business, and the effort of big business to impose extra costs of tax delivery on small business. Let us support the Australian people. We agree to the amendment moved by the member for South Perth subject to the following addition.

Amendment on the Amendment

Dr GALLOP : I move -

That the following words be added to the amendment -

provided that the proposed goods and services tax, rejected by the Australian people at two elections, is not on the agenda.

This will give a chance to all members opposite to declare where they stand on the goods and services tax in this country.

MR RIPPER (Belmont - Deputy Leader of the Opposition) [4.57 pm]: I support the amendment on the amendment. I wish to express the concern of members on this side of the House at the growing trend towards increased inequality in our society. Daily we witness trends in our economy as a result of the globalisation of the Australian economy, which are producing two tiers in our society. There are those who are higher paid and work longer hours, and who in many cases are working unpaid overtime. Nevertheless, these people have a traditional full time job with perhaps higher salaries than they have received in the past. There are also those who are condemned to the margins. I will always remember the constituent who came to my office last year and said that there are no real jobs out there any more. He meant that all he could get was part time or casual work. He had taken a redundancy from a large firm which had laid off many workers. His vision of the labour market must have been as it was 20 or 25 years ago. He thought it would be relatively easy for him to get unskilled, full time work, with all the benefits that would normally apply to a full time job. He had a sad experience in the labour market. He found that for a person with his skills the labour market was not what it was 20 or 25 years ago. All that was available for him was casual or part time work, or a small income without any of the benefits that would normally apply to people in full time employment.

This trend is gathering pace in our community. We already have a very disturbing inequality. An article in *The Australian* written by Peter Botsman refers to a study by Peter Saunders entitled "Welfare and Inequality" and findings by the National Centre for Social and Economic Modelling which confirm that the income of the most affluent 20 per cent of Australians is 13 times the income of the bottom 20 per cent of Australians. That is an astonishing figure. According to the article, that is in excess of the income inequality in the United States where the difference is about 10 times. That is the context in which we must consider the situation - massive inequality and economic trends intensifying that inequality in this community.

Dr Turnbull: That inequality developed over the past 11 years of the previous federal Labor Government's reign.

Mr RIPPER: It has been intensifying here as it has across the western world. Economic trends prevail which all countries are finding difficult to resist. People with skills are attaining high powered, high salaried jobs probably with a requirement to work longer than they have in the past, while those with less marketable skills are finding they do not have access to full time jobs.

Dr Turnbull: That is because the union movement has partly deserted its original philosophy and is now concentrating on people who are members. In my town the union voted for fewer people being paid more. It was a very close vote and 48 per cent of people who voted against that motion were very disappointed in the union. The union opted for massively higher wages, almost equal to my base salary.

Mr RIPPER: It is fashionable for the conservative side of politics to blame the union movement for many of our social ills. These are trends throughout the western world; they are very pronounced in the United States where, regrettably, the influence of the union movement is small. However, the trend is a result of technological change and the fashion among many big corporations to reduce their work force by half and double the salaries paid to those remaining while expecting three times as much productivity. Those corporations see this as the way to enhance their profits. However, it results in some people being without jobs and other people with good jobs and salaries, but the requirement to work considerably harder.

Naturally this trend towards inequality is of great interest to those at the bottom of the heap and those confined to the margins. It is also of great interest to those people we might call rich. It affects the quality of the society in which they do and will live. We are moving towards a society where people are increasingly concerned about safety in the community and their personal security. What has happened in the United States will eventuate here; that is, walled, gated and moated estates and private security guards for the reasonably well off. Outside will be an increasingly lawless society with no-go areas where even people doing fairly well in the community will not want to travel.

One may have a good income and a good car but be shot on a freeway like Ennis Cosby was. That is the sort of society that will develop if we allow inequality to grow too strongly.

In that context I am concerned about calls for taxation reform in this country. I see them as code for the introduction of a goods and services tax. We do not have to look any further than the statements of the Premier on these matters to see the not-so-hidden agenda. In an article in *The Australian* of 28 February Judy Hughes says -

On taxation, Mr Court said a number of areas needed addressing including the narrow tax base of the States and the high level of personal income tax rates.

Further on he says -

In Hong Kong and Singapore (rates are) around the 17 per cent mark, and when it's around that mark you don't worry about the tax, people don't mind paying it.

They then have to pay a tax on consumption or whatever. Now that is generally accepted around the world.

To be fair, the article went on to say that Mr Court stopped short of outright support for a consumption tax. However, it is clear from his comments that his idea of taxation reform is a switch from income tax to consumption tax. It embodies a reduction in the level of income tax collected and its replacement with a consumption tax.

I am concerned that one of the objectives of our income tax system is to be progressive. In other words, the more affluent people are, the higher the proportion of their income they will pay in tax. I said that one of the tax system's objectives is to be progressive because there are many ways in which it falls short of that objective and in which people are managing to avoid their share of taxation. Some people use this avoidance as a reason that we should shift from income tax to consumption taxation. Their argument is that we cannot collect the revenue; therefore we should give honest taxpayers the benefits which are being achieved by those who are rorting the system and evading their obligations. We should not give up. There is a very good argument for a progressive income tax system. We should not say that because some people are managing to avoid and evade their obligations it is all too hard, we will extend the benefits they have been achieving to other taxpayers and replace the revenue with a consumption tax. A consumption tax will mean that those people rorting the system will pay at least some level of taxation. However, they will continue to rort the system and achieve benefits to which they are not entitled unless we embark on other taxation reforms to close some of the loopholes.

It is pleasing that the Australian Taxation Office is investigating how hundreds of people can have control of very high levels of net wealth - hundreds of millions of dollars in individual circumstances - yet report annual incomes of \$20 000 to the Taxation Office when it comes to paying income tax. I do not think it is beyond the wit of those people charged with closing loopholes in the taxation system to do something about it.

To shift to a goods and services tax would be to shift to a tax which by design is regressive. One of the advantages of this country is that it has cheap food and wine, particularly taking into account the quality. Australians do not have excessive heating costs like North America or many northern European countries.

Mr Barnett: It is not that cold.

Mr RIPPER: That is the reason we do not have excessive heating costs; I am glad the Minister understands the point I am making. Although it is not pleasant to be poor in any country, at least in this country some characteristics of our society ameliorate the position of those on the lowest incomes. A goods and services tax will attack those characteristics of this country that to a certain extent alleviate the situation of many of the poorest because it will be impossible to compensate all lower and middle income earners. With a Federal Government such as we have at the

moment, there is no possibility of those people being properly compensated. The Federal Government does not support the Australian Council of Trade Unions' claim for a living wage increase for those on minimum wages. It has constructed an industrial relations system that has weakened the bargaining power of people on low incomes. This State Government has done exactly the same with Western Australia's industrial relations system. The vulnerability of people on low incomes has been increased as a result of the industrial relations changes perpetrated by conservative Governments, and the ability of those people to gain their own compensation through the industrial relations system has been compromised.

My colleague the Leader of the Opposition has drawn attention to the compliance costs that would result from the introduction of a GST. This is a particular issue for many small businesses. The Leader of the House is making a note. I draw to his attention that small business people in my electorate have swung specifically to the Labor Party as a result of their consideration of the likely compliance costs that would flow from a goods and services tax. As the Leader of the Opposition points out, research shows that these compliance costs hit small businesses most heavily because as a proportion of their turnover they are much higher than for large businesses.

The inflationary consequences of the introduction of a GST must also be considered. It may be that as a result of the Government's bludgeoning of the labour movement and its industrial relations changes the ability of workers to gain compensation for the introduction of a GST will be sufficiently compromised to moderate the potential inflationary consequences. Nevertheless, a likely response from all sectors of society to the initial increase in prices that will flow from the introduction of a GST will be that people will seek to compensate themselves if they have any market power to do that, and a serious inflationary process could be set off.

The people voted against the introduction of a GST. It was put to them at the 1993 election. The Liberals were not prepared to put it to the people again at the 1996 election. That was one of the reasons the Liberal Party was able to win in 1996; that is, it explicitly said there would be no GST during its first term in office if it were elected. We must think carefully about the 1993 and 1996 elections. A Labor Government that had been in power for 10 years, that had presided over a recession and that had a leader who was personally unpopular won an election that everyone expected it to lose. There is only one explanation - it won because of the opposition of the Australian people to a goods and services tax. Despite the fact that they could normally be expected to turf out a Government that had the misfortune of presiding over a recession, they did not. They did not because they did not want a goods and services tax. They comprehensively rejected a GST; yet people on the other side of politics will not give up this ambition.

Members opposite continue to promote what they euphemistically call taxation reform. They really mean that the country should move from a system that is progressive, at least in principle, to a system that is, without qualification, regressive. They want us to shift the burden to low and middle income earners. They want us to make everyone pay more for their food and for the basic essentials of life, and to make all of those who are already doing it tough, do it even tougher. They want that in a community in which there is already a disturbing level of inequality, which is growing as a result of international economic trends. In this country we should be trying to moderate those international trends. We should try to do what we can to preserve a measure of equality in this community. Only if we do that will we produce the quality of life in our society to which all - rich and poor - really aspire. A goods and services tax will run contrary to that objective. It will only intensify the developing inequality that unfortunately this country is experiencing.

MR BARNETT (Cottesloe - Leader of the House) [5.16 pm]: The Government does not support the amendment moved by the Opposition to the original amendment of the member for South Perth. However, although it does not agree with many of the comments made by the two Independent members, the Government will agree to the amendment as moved originally by the member for South Perth. It is a fairly innocuous statement and one with which members on this side of the House feel comfortable.

Mr Pandal: I can jazz it up if you want.

Mr BARNETT: No, it is fine; leave it. I find it interesting that members in the Labor Party could join in a debate on tax reform, but in the most shallow way say that we should not talk about a consumption tax or a goods and services tax. If that is their position, no significant tax reform is possible in Australia.

Mr Ripper: So I am right: Tax reform is code for the GST?

Mr BARNETT: Tax reform requires a better balance between income and direct and indirect taxation in Australia. It also requires a better balance between federal and state taxation regimes. If the Labor Party says that we can talk about fiscal imbalance between the Commonwealth and the State and about tax reform, but not about indirect taxation and a consumption tax, it is simply tying one hand behind its back; it is not having a genuine and open look at tax reform.

Mr Ripper: Haven't the people made that decision?

Mr BARNETT: Members opposite talk in great detail about the election campaigns. That is history and it makes it difficult for a Government of any political persuasion to bring about genuine taxation reform.

Dr Gallop: Can you see any tax on the agenda? Would you put death duties on the agenda as well?

Mr BARNETT: The member should let me make my speech.

Dr Gallop: You asked a question about a consumption tax not being on the agenda.

Mr BARNETT: I did not ask a question.

Dr Gallop: You answer the question on whether you are willing to put death duties on the agenda.

Mr BARNETT: I will make my speech and I will take any interjections -

Dr Gallop: You won't answer it, because it is not convenient to your argument.

Mr BARNETT: No, I will make my speech in the way I want.

Dr Gallop: I tell you what: It is not on our agenda.

Mr BARNETT: We all know what is not on the Labor Party's agenda; it is not death duties and it is not a GST. The only thing the Labor Party can do is agree with members in this House that a problem exists with taxation in Australia. As to a solution, the Labor Party is out of it - it is not in the debate.

Several members interjected.

Mr MacLean interjected.

The ACTING SPEAKER (Mr Ainsworth): Order! The member for Wanneroo will come to order.

Mr BARNETT: The Premiers and the Prime Minister say that the taxation issue is coming up for debate again because major problems exist in Australia's taxation system. There is a major imbalance between the Commonwealth and the State. Australia must address that, and must do it within the context of a federation. I have always supported a consumption tax - a broadly-based indirect tax - in Australia. I do not resile from that. When John Hewson was federal Liberal Party leader I must have made a hundred speeches around Western Australia on a GST. I still support such a tax, and I will continue to do so. I will not go through all the arguments; however, I remind members opposite of a couple of things about a broadly-based indirect tax.

Mr Ripper: This is like the gold royalty issue: You make the speeches and eventually it happens.

Mr BARNETT: Well, yes! It does not reflect well on our taxation system that, unfortunately, income tax for many people has become an optional tax.

Dr Gallop: It shouldn't be.

Mr BARNETT: Okay, but that is the reality. Some of the wealthiest people in Australia pay very little in direct taxation.

Dr Gallop: They shouldn't.

Mr BARNETT: They should not, but that is the reality. It is not peculiar to the Australian taxation system; it is a problem in capturing income from corporate taxes. That is a weakness -

Mr Ripper: Let them off; is that the answer?

Mr BARNETT: The member really is foolish. That weakness is exacerbated when a country has high marginal tax rates. That is why around the world the shift has been towards a balance between direct and indirect taxation.

The black economy is rife in Australia. Working people face high rates of marginal tax. Some do not pay that tax and we see the emergence of the black economy. A large amount of economic activity in our system is not being taxed. The growth of services such as home duties, gardening and cleaning has been rapid. We are an affluent society and about three-quarters of that activity is conducted in the black economy. That is the glaring hole in our tax system.

If a country has a broadly based indirect tax it can reduce high marginal tax rates. They are a disincentive to work and, equally, they act as a disincentive to earn and save. One of the great economic problems facing Australia is our relatively low rate of savings. One way to correct that is to change the tax balance.

Dr Gallop: This is all theory.

Mr BARNETT: The other fundamental economic issue - which the Opposition dismisses as theory - is that if one introduces a broadly based tax on consumption and, at the same time, removes the inefficient, inconsistent commonwealth and state taxes on production, one immediately improves the competitiveness of Australian industry. As a result, Australia becomes more export competitive and business investment increases. That is a fundamental issue.

The member for Belmont said that we need a progressive income tax system. That reflects the old cliché from the Labor Party: We will catch the rich and tax them and give the revenue to the poor. There is one thing wrong with that - and it is not just the failure of the tax system: There are not enough rich people. Even if we catch them and they pay the tax, we will not achieve the required redistribution of income. The statistics show that there is a very small number of very rich people in any one community, and taxing the hell out of them will not provide enough revenue to do the things that members opposite want to do.

Dr Gallop interjected.

Mr BARNETT: Even if we made it work, there would not be enough revenue; it does not solve the problem.

Dr Gallop: That is not what the Assistant Tax Commissioner says.

Mr BARNETT: I am not defending people on high incomes who avoid tax.

There is one fundamental point despite all the arguments about a GST. I cannot remember the exact figure quoted during the debate, but, from memory, of the 15 top OECD first world developed trading nations, there were two countries that did not have a broadly based GST: Australia and a major European nation.

Several members interjected.

Mr BARNETT: It was a significant country. We have an open, trading and competing world economy. Each of those countries has a broadly based consumption tax and can therefore reduce taxes on input costs for production. Those countries are going one way down the stream and one trading nation - Australia - is trying to swim against the tide.

Dr Gallop: That is foolish. Some of those countries are doing well and others are not. The Minister's theory does not fit the reality of their performance.

Mr BARNETT: When the Leader of the Opposition starts to lose a debate he begins to crumble.

Several members interjected.

Mr BARNETT: The Leader of the Opposition studied economics and he knows that numerous factors affect this situation.

Tax reform is not everything. I stress one point: If Australia is to survive as an internationally competitive trading nation, it must have a tax system that is consistent with those in the rest of the world. If we continue with a tax system that is fundamentally at odds with those in the rest of the world, we will continue to see a decline in our international competitiveness and we will never solve our unemployment problem. Whether or not we like the idea of a GST does not matter; the rest of the world has gone one way and we cannot swim against the current. That is the reality and that is why a GST is inevitable in Australia.

Dr Gallop: The republic is but the GST isn't.

Mr BARNETT: I agree with regard to the republic.

The other issue to be addressed is the balance between the Commonwealth and the States. The member for South Perth cited statistics explaining relative shares and so on. True, there has been growth in state revenues and cutbacks in commonwealth grants have changed that relative balance. It is a fundamental principle of public finance that Governments should be responsible for raising the money they spend. We could have some form of agreed revenue sharing arrangements, such as those which Prime Minister Hawke promoted. I realise that there would be some major constitutional barriers, but a more fundamental reform would be to introduce a broadly based consumption tax and allocate those taxes to the States to raise.

Dr Gallop: You would get more centralism. They would run the whole show.

Mr BARNETT: We would then have a true democracy.

Dr Gallop: The Commonwealth would run everything.

Mr BARNETT: Individual States would then make choices. Those States that choose to have high taxes and extensive social welfare services would raise their GST rate. If States wanted low taxes and fewer social services, they could so choose. What is wrong with that? People could elect a Government that imposed the type of taxation scheme and level of service provision they wanted from the government sector. That would be one aspect of fundamental reform. My position is very clear; it always has been.

Mr Ripper: I would like you to run with that at the next election.

Mr BARNETT: Australia has no choice: It must introduce a GST. The key to fundamental reform between the levels of government is not simply a tax sharing arrangement but a more fundamental division of taxation powers.

The Leader of the Opposition is more eloquent than I on this issue, but I recognise that there would be major constitutional problems in trying to achieve this reform. That is what Australia needs for the next century.

Some of the Federal Government's tax reform measures are not taking us in the right direction. Australia has a few basic problems: Firstly, we do not save enough or, if we do save, that saving is represented by the family home; and, secondly, we are experiencing a drift away from private health cover. Suggesting raising the Medicare levy and saying that the increased revenue will not necessarily be allocated to the Health budget is not a good step forward. Equally, suggesting a surcharge on superannuation will lead to a flight out of superannuation investment and a reduction in savings. Careful attention must be given to such changes, which can have damaging effects on the level of health care and savings and on the incentive for people to fund their own superannuation. Most members are part of the baby boomer population. We are riding high.

Dr Gallop: I do not feel as though I am riding high.

Mr BARNETT: We are the baby boomers and most of us are affluent; our children are growing up and we have disposable income. We are about to turn 60 and 70, and when we do we will be a huge burden on this society. We should not send the wrong message in relation to superannuation. The Opposition likes to beat the table and say that it will protect the community from a GST.

Dr Gallop: We did.

Mr BARNETT: The Opposition has no solutions for the future; its proposals are short term. It has no views on gold royalties and so on. It simply opposes things. It will not look at the real issues.

Dr Gallop interjected.

Mr BARNETT: The electorate recently made a judgment about the Opposition.

We need tax reform and that reform should encompass both direct and indirect taxes. It should also address the question of revenue and taxing powers being more appropriately shared between the Commonwealth and the States.

MR COWAN (Merredin - Deputy Premier) [5.29 pm]: I was quite sure that some of the graduates from the various schools of economics, particularly those on the other side, would leap to their feet to support this amendment on the amendment. I graduated with honours from the school of hard knocks. I am proud of that.

Mr Graham: It shows!

Mr COWAN: Yes it does.

Mr Ripper: You have been doing a few postgraduate courses in hard knocks in recent days.

Mr COWAN: I am still managing. Although it is not unprecedented and a number of amendments have been supported while I have been in this place, the moment we seek to have an amendment to the Address-in-Reply in order to examine the taxation systems that are applied across this nation by the States and Territories or the Commonwealth, the Opposition immediately seeks to limit the form of review by excluding a goods and services tax. I have always maintained that the GST failed when it was first mooted not so much on the structure of the tax but because of the way in which it was marketed. It is very easy to walk into a supermarket and tell people that their weekly groceries will cost more because of GST. It is easy to go to the pub and tell everybody that two or three beers a night will cost more. Naturally one can build up great opposition to a GST. What should have been applied and was not, was the intention of this country to reward people for the work they do by the amount of wage they take home. In giving them that reward there has to be an add-on. If they wish to deposit the money in a savings account, the interest earned should be tax free. However, when they start spending money they do not need necessarily to be punished, but they have to know that is where taxation will be applied.

Unfortunately, that system of taxation was not properly marketed by the then Opposition. As a result Australia is lagging behind other countries in respect of the taxes which should be applied in a manner which rewards people for

their capacity and willingness to work and penalises to a certain extent those people who want to spend money on consumer goods and services. I do not think anybody disagrees with that. The sooner we look at taxation reform the better off this country will be.

Quite naturally I fully support the Leader of the House in saying that we reject the amendment on the amendment. In my party's view the move by the Leaders' Forum to re-examine the whole taxation issue must occur. We are quite comfortable in supporting the Premier and other State and Territory Premiers and Chief Ministers in the need for an examination of the taxation systems. It might very well be that we do not have to settle on a GST; it may be that we will amend the taxation Act that transferred responsibility for the collection of tax to the Commonwealth. At the time it occurred I cannot for the life of me understand why the wonderful representative of the States, the Senate, did not object to the legislation. The people who transferred income taxing powers to the Commonwealth when it did not have any also indicated that the States should continue to retain their income taxing powers. However, in the distribution of funds, if the States wanted to apply a surcharge, the Commonwealth had to collect it. In other words, the States instructed the Commonwealth to apply a surcharge; the Commonwealth collected it; and - here comes the hook - the Commonwealth then deducted the same amount from its payments to the States. It would mean that in Western Australia if we wanted to apply a two and a half per cent surcharge to income tax, we would automatically have a deduction in all grants from the Commonwealth. If that were the case, we would probably have a net debt to the Commonwealth and be paying it money.

Therefore, although we have no support for the amendment on the amendment, I fully support the action of the Leader of the House by saying that we can support the original amendment.

MR GRAHAM (Pilbara) [5.35 pm]: I had not intended to speak on this amendment. I have listened with great interest to the debate. I am always amazed when I hear members of the Liberal and National Parties who are great writers about the independence of the State of Western Australia. They always say, "We will do what is good for Western Australia." Their very reason for being is the State's rights. They then stand up in this place and publicly in other places and say, "We will have a goods and services tax because everyone else in the world has one". As the basis for a policy, that is a load of absolute tripe. With the possible exception of the Minister for Resources Development, not one speaker made one valid point. The Minister for Resources Development's point was that some forms of GST, with exclusions, can increase the efficiency of cost inputs for export businesses. This is not the case universally because some businesses are not excluded from general sales taxes world wide. If they are applied, a GST can have that effect on an export industry.

However, many industries in this State and the country operate as leaders in the world market. They have sales tax regimes and diesel fuel rebates that the Minister's mates in Canberra tried to knock off recently. I will not name each industry, because the Minister knows as well as I do those which are good and those which are not. The argument that we must have a GST or value added tax because every other economy we compete with has one is not only nonsense but is also factually incorrect, as was pointed out by the Deputy Leader of the Opposition. Some of those economies are absolute basket cases. We would not want to copy them.

Mr Osborne: They are republics.

Mr GRAHAM: That is a load of nonsense. We must not confuse the issues of republics and tax reform. The United States is the biggest single market in the world. The position put forward by the Deputy Leader of the Opposition is exactly what has happened with a GST in the United States where the tax has been applied in States and federally. What is happening? The States, particularly those with tourism based industries, are removing the GST because it is counterproductive to their industries and because they want to give themselves a competitive edge over other States in the United States. Economists are saying that inside 15 years there will be no GST in the United States. They see the tax as an impediment to industries which we in this State see as being our future. The idiots opposite are advocating that a tax which is killing the United States internationally should be introduced in this State. That is abject nonsense.

I was in the United States two years ago and the biggest single issue in that country was tax avoidance. The Deputy Leader of the Opposition was quite right when he said that rich people around the world no longer pay tax. Tax is seen as an unnecessary obstacle to them. It does not matter whether it is right or wrong, they do not pay their share of tax. They are not stupid. What the wealthy people in the United States do to avoid paying the federal goods and services taxes or sales taxes is form themselves into limited companies and buy their goods via the Internet and interactive television programs. It is the biggest single issue in the United States. People who are worth hundreds of millions of dollars are not paying the GST. However, little Freddie Niblick who buys a watch or family goods pays it. Mr Acting Speaker (Mr Ainsworth), you have been to the United States and I am sure you have seen this in action.

Mr Osborne interjected.

Mr GRAHAM: It was just a guess. The member for Bunbury would not have that problem. I have heard about him and his wallet. He has a big piranha in it and he cannot get his hand in to get out any money. We would not get any tax out of him.

Mr Cowan: I heard you tried to pay for your beer with a five pound note.

Mr GRAHAM: The funny thing is they could change it.

Mr Cowan: They knew you were coming.

Mr GRAHAM: Of all the debates we should have in Australia, the tax reform debate is one and it should be at the top of the agenda.

Mr Cowan: You will join us in the FBT debate, won't you?

Mr GRAHAM: Absolutely. Members opposite will not get an argument out of me about the fringe benefits tax.

Dr Turnbull: There would not be any FBT if we had a GST.

Mr GRAHAM: That is not true. If members opposite were to take what I said seriously, they would read their propaganda. Fightback did not completely remove the FBT; it removed parts of it.

Mr Cowan: The worst parts.

Dr Turnbull interjected.

The ACTING SPEAKER (Mr Ainsworth): Order!. The member for Collie is completely out of order by interjecting while out of her seat.

Mr GRAHAM: Tax on air-conditioning and accommodation in remote areas would have been paid under Fightback. It is all right for members opposite to get hooked up in their party propaganda, but they should read the fine print because Fightback did not remove the FBT. I may have supported it if it had, but it did not.

Tax reform is important and we should have the debate. What annoys me about political debates in this place is their trite nature. This debate, through an amendment, is about a goods and services tax: It is no longer about serious tax reform.

Mr Cowan: You are entitled to express your opinion, but you are not right.

Mr GRAHAM: It is not about serious tax reform; it is about softening up the electorate so that after the next federal election the coalition can bring in a GST.

Mr Cowan: I am very pleased to hear your vote of confidence that it will be re-elected.

Mr GRAHAM: There have been very few one term governments in the history of this country. It has a reasonable chance. Even with Peter Costello it is even money.

Mr Cowan: If we had not worried about a double dissolution and had left Whitlam to his own devices, his would have been a one term government.

Mr GRAHAM: The Deputy Premier is probably right. This debate is no longer about serious tax reform, but rather the introduction of a GST. There may be benefits from a GST. For example, the Minister for Resources Development said most countries in the European Economic Community have a GST; that is because it funds the EEC. That was the reason for introducing that tax in Europe. Places like Ireland love the European GST. They have poor, unskilled impoverished areas which are going through urban and rural renewal programs and they are funded by the GST out of tax collected from Belgium, Germany, Spain and England. It may be of benefit to Australia if it were in the EEC, but it is not. A GST was not introduced in Europe as a tax reform package, but as an additional tax. It is another tax and that is exactly what will be the case in this country.

I do not consider the Leader of the National Party to be naive, but it was a lot of abject nonsense for him to say when talking about introducing an Australia-wide tax, "Australia will be better off because we will have a new tax from which we will get more money."

Mr Cowan: I did not say that.

Mr GRAHAM: I have heard that argument in respect of every tax that has been introduced in Australia. If a GST gets off the ground in Australia its administration will be based in Canberra. If the Leader of the National Party and I are around in 20 years we will hear whichever party is in office say, "We would solve our problems if Canberra gave

us some money. We would be able to fix the health system and the roads if Canberra gave us some money." It is abject nonsense to say, "Let them have the taxing powers and run the bureaucracy."

Mr Cowan: I did not say that.

Mr GRAHAM: The Leader of the National Party did say that. There is only 200 years of evidence of that and no evidence in the other direction. If the member is heading in the way I suspect he is, he will be saying to Canberra, "Give the States back their taxing powers." If he wants to run that argument I suggest he phone Jeff Kennett to get his support. Nothing happens in Australia without his approval.

Mr Cowan: I would rather have a tax sharing arrangement.

Mr GRAHAM: If the Government wants to spend it, it should go through the pain of collecting it.

Mr Cowan: We can collect it through a tax sharing arrangement. I wish you would not put words into my mouth.

Mr GRAHAM: Someone has to. Get on the phone to Jeff Kennett.

Mr Cowan: I would rather not.

Mr GRAHAM: Nothing happens in conservative politics without Jeff Kennett's approval. Phone him and get back the taxing powers for Western Australia. I do not know what is my party's view, but I would be happy to support the Leader of the National Party if he were prepared to get state taxing powers back for Western Australia, but he does not want to do that. The talk of a GST is a nonsense. On its own, it becomes a debate about something that will save the country. It will not do that and in most countries in the world where it has been introduced, it has caused more problems than it has solved.

Amendment on the amendment put and a division taken with the following result -

Ayes (16)

Ms Anwyl
Mr Brown
Mr Carpenter
Dr Edwards
Dr Gallop
Mr Graham

Ms MacTiernan
Mr McGinty
Mr McGowan
Ms McHale
Mr Riebeling
Mr Ripper

Mrs Roberts
Mr Thomas
Ms Warnock
Mr Cunningham (*Teller*)

Noes (30)

Mr Baker
Mr Barnett
Mr Board
Dr Constable
Mr Court
Mr Cowan
Mr Day
Mrs Edwardes
Mrs Hodson-Thomas
Mrs Holmes

Mr House
Mr Johnson
Mr Kierath
Mr MacLean
Mr Masters
Mr McNee
Mr Minson
Mr Omodei
Mr Osborne
Mrs Parker

Mr Pental
Mr Prince
Mr Shave
Mr Sullivan
Mr Sweetman
Mr Tubby
Dr Turnbull
Mrs van de Klashorst
Mr Wiese
Mr Marshall (*Teller*)

Pairs

Mr Kobelke
Mr Marlborough
Mr Grill

Mr Bradshaw
Mr Nicholls
Mr Bloffwitch

Amendment on the amendment thus negatived.

Debate (on amendment to motion) Resumed

MR RIPPER (Belmont - Deputy Leader of the Opposition) [5.52 pm]: The Opposition has been put in a difficult position by the defeat of its amendment opposing taxation reform which would include a goods and services tax. I make it clear that the Opposition does not support a goods and services tax. We regard many of the calls for taxation reform as being code for the introduction of a goods and services tax. We will not oppose the amendment that is now before House because there are many taxation issues that need addressing in this country; in particular, many intergovernmental financial issues. However, I want to put absolutely and clearly on the record that the Opposition does not support a goods and services tax. We regard many of the calls for taxation reform as being calls not for

genuine and comprehensive taxation reforms but for a particular measure which some ideologues have been pushing despite the will of the Australian people for years and years.

Amendment put and passed.

Motion, as Amended

MR OMODEI (Warren-Blackwood - Minister for Local Government) [5.54 pm]: In this debate I will focus on a matter mentioned by the Governor in his speech; that is, the untimely death of Senator John Panizza. John Panizza was well known to me. We had a number of interests in common.

Sitting suspended from 5.55 to 7.30 pm

Mr OMODEI: I take this opportunity to congratulate you, Mr Speaker, on your election to the position of Speaker and to welcome new members. I thank the Opposition for its forbearance. It is somewhat unusual for a Minister to speak during the debate on the Address-in-Reply; however, as I was saying before the dinner suspension, I want to refer to the untimely death of Senator John Panizza, not only because he was a very good friend of mine - we had much in common; our families come from similar backgrounds - but also to recognise his great service not just to Western Australia, but to Australia, as a senator, in which position he served with distinction from 1 July 1987.

During the time he was a senator, John served on a number of committees. In his nine and a half years in the Senate he was a serving member of the Senate Economics References Committee, the House Committee, the Privileges Committee and the Selection of Bills Committee, as well as the Joint Committee on Foreign Affairs, Defence and Trade. At the time of his death he was in Cairns travelling with the Privileges Committee. The only blessing was that his wife, Coral, was with him at the time. At that time he was also serving as the Liberal Party Whip. He was very proud of being a senator. It had been his ambition from the age of about 20 years that he would become a senator. In half a dozen days John would have been 66. He was born on 24 March 1931 at Southern Cross and was a very successful farmer and property developer. Immediately before he entered the Senate he had been the shire president of the Shire of Yilgarn between 1982 and 1987, having served as a councillor since 1975.

As I said, John was a very shrewd operator. He was very proud of his Italian heritage. He was successful in what he did. He was involved very heavily with the Western Australian Farmers Federation. He was an expert on issues relating to taxation and agricultural industry matters, particularly grain freight rates, the Australian Wheat Board, wool and income equalisation deposits and many other farming matters. He excelled in his knowledge of those areas.

I looked at his first speech in the Parliament, on 21 October 1987, very early in which he said -

I also believe that a man must show that he can manage his own affairs and preferably risk his own dollar before offering himself for higher office and thereby shaping the future of other people.

He made some other telling comments. The important thing was that on the day he made his maiden speech John wore his college tie. He was very proud to be associated with Aquinas College, which he attended for a number of years. That was a very important time. It was not long after the riots in Kalgoorlie. Coming from the goldfields, John would have been subjected to some kind of discrimination. Because it is relevant to his background, I will once again refer to his maiden speech, in which John said -

My own father came off a ship in South Australia. There were no welcoming committees in those days. There was no one to find work for these people. They relied on the goodness of organisations such as the Salvation Army, which met them and got them jobs in the country. My father finished up in Broken Hill at the 2,600 feet level. After that he went to Queensland and to Western Australia. These people worked to start a new life and to give their children an opportunity to make it in this country - an opportunity they never had in their former countries.

Around Australia are examples of the children of those migrants who have risen to the top. They have reached the top of the professions, business and trades and local government, and some have even come to the Parliament. Those migrants were not always welcome. There was a lot of discrimination and they met with hostility. If the Aboriginal people feel that they are still discriminated against - I know they are - they have my sympathy because I know what it is like.

He went on to say -

As we move to the celebration of Australia's 200th anniversary I express the hope that we can at last be one nation, whether our skin happens to be green, yellow, black or white and whether we are descended from the convicts, the aristocracy, the Aboriginals or European migrants. Hopefully we can be one people under

the same flag which, amongst other things, carries the emblem of the Southern Cross. That is my home town.

John was very proud of Southern Cross and the family farms at Southern Cross and Marvel Lock. In recent times the Panizzas were recognised as being one of the biggest wheat growing families in the country. In more recent times they split the family work load between three brothers: John looked after the wheat; Bob looked after the wool; and Horace looked after the cattle. More recently they extended their enterprise to Williams and also had property holdings in Waroona. John was the head of an extended family.

John always seemed to be a fairly shrewd character. The close connection between John and me was that our families come from the same home town in Italy, a place called Tirano. John's family came from just up the road from where my family lived. In 1994 we were in Tirino, along with John's wife, Coral, and my wife, Ros, for the dedication of the statue of the immigrant. John's first words to me were always, "Come valla paesano?" which means, "How ya goin' mate?" He always had a twinkle in his eye and was always very astute and very much a parochial Western Australian and, as I said, he was very proud to be part of the Senate.

At the time of his death he seemed to be a guy in his prime and was always very active and very inquisitive. He was a man who was highly regarded in his own area. I know that his wife, Coral, and his sons, Frank and Stephen, and his daughters, Janine and Linda, will miss him a great deal, as will his brothers Horace and Bob and his widowed mother, Caterina. He will also be sadly missed by his granddaughter Emily. John was the son of Italian immigrants. As I mentioned, his father came to Australia in the early 1900s. In a similar way, my grandfather came from the same town and went to the goldfields. John was born in Southern Cross and my father was born in Leonora. My grandfather worked for the Sons of Gwalia group and John's father worked in the goldfields. They were similar situations. The Panizzas extended their farming enterprises in the goldfields; my family went to the promised Garden of Eden in the group settlements in the south west, near Pemberton. We have much in common. It is a shame that in 1997 there are few people of Italian origin left in this place. Our two Labor Party compatriots, Nick Catania and Sam Piantadosi, wiped themselves out during the election. With John's passing, few others represent directly the Italian community.

It was heartrending to attend the funeral service at St Mary's Cathedral at which a large number of federal members of Parliament, from both the Government and the Opposition, were present. The eulogy was given by Tom Ivankovich, a former school mate of John's. To have the Prime Minister of the country and the Premier of Western Australia attend the ceremony and be a part of the readings tugged at the heartstrings. The extent of the crowd at the cathedral and later at Karrakatta Cemetery bore testimony to John's standing as a member of Parliament and as a citizen in the community. Some of the tributes to John in the bereavement notices related to his standing in the Yilgarn. As a son of the Yilgarn he was described as a rough diamond, a good bloke, and the mallee bull from Southern Cross. He was regarded as a tough man, blackjack from Southern Cross. He was shrewd, astute, hardworking and generous, but more importantly, he was down to earth and compassionate, and he loved his family.

At school John was one of the top 20 students in the State, which belied some of the comments made about him. The same criticism could be levelled at me; namely, that from time to time we have both massacred the English language. We sometimes referred to matters in the country vernacular; however, we both tended to see things as black and white. From that point of view we had a few things in common.

I take this opportunity to pay tribute to some of John's colleagues, particularly Senator Alston and Senator O'Chee, who helped Coral a great deal on the Gold Coast when John met his early death. John was a remarkable fellow. As far as business is concerned, Southern Cross is pretty harsh country. Growing 14 000 acres of wheat in that kind of climate can either be a raging success or an abysmal failure. The Panizzas succeeded in farming because they stuck at it. After the war when farms were going cheap they bought them up, and in good seasons they invested their money wisely. That is why they had good off-farm investments. John was well versed in the law and in taxation and in all things in sundry relating to the agriculture industry. He was proud of his Italian background. A number of successful business people come from the north of Italy as he did. In the Yilgarn the Panizza, Della Bosca and Patroni families are very strong. A meeting of the branch there, particularly the annual general meeting, was always structured. A number of motions were predetermined and the meetings were quick and efficient. John always had great support there.

In the past couple of years John was instrumental in the reconciliation of Italian internees. Members will recall that during the First World War the Italian Government aligned itself to the Allies, and in the Second World War Mussolini aligned himself to the Axis powers. It was a time of great shame in Western Australia because there were people here, such as my grandfather, who were Australian citizens but who were interned during the war as undesirable aliens. In one instance, these undesirable aliens were lined up at the Dardanup showgrounds where a machine gun was stationed at each quarter. Members must bear in mind that some of the people interned were also prisoners of war. After it rained for a couple of days the town ran out of milk and they had to let the prisoners go

to milk the cows. The situation was compounded further when the prisoners were shifted to South Australia. When the train stopped at Kalgoorlie to feed the prisoners, the sons of those prisoners who had enlisted in the Australian Army had to feed their fathers.

That situation was of great concern to people in the Italian community in Western Australia. John was instrumental in the reconciliation process. Along with other Italian members of Parliament including, I think, Franca Arena and Con Sciacca, he organised a dinner. That dinner was well received by the Italian community all over Australia.

I can tell a number of stories about John. In 1994 I was Minister for Water Resources. I had been to Britain and France to sign agreements and to look at water facilities. We travelled to Italy through the Alps on the Bernina express to my home town, Tirano, where I met John. He was there on business. The next day I had to go to Venice to receive a briefing from the Venice Government on the work it was doing on the canals and the lagoon, where there was a serious pollution problem. People from the University of Western Australia had been working as consultants to the corporation that was involved in the amelioration of the pollution in the lagoon. John could not come with us, and as my Italian was not very good he organised a person to take us to Venice that afternoon. I remember clearly that the man's name was Battista Depiaz. He could not speak a word of English, so it was an interesting trip! John told him in no uncertain terms that I was a Minister of the Government of Western Australia. Battista nodded. John continued and said that it was very important that wherever the Minister wanted to go, he must drive him. At this point Battista was looking a little perplexed and was shrugging his shoulders. John could see that he was not too cooperative so he reiterated that I was a Minister, an important person in Australia, and that he must drive me wherever I wanted to go. In the end Battista threw his arms up in the air and said, "Non posso guidare il ministro a Venezia. Venezia le tutto aqua." That meant: "It is not possible to drive the Minister in Venice because Venice is all water!" That was the only time in my life that I have seen John Panizza take a backwards step.

The dedication of the statue of the immigrant was a very important occasion. Over 15 000 people took part in the march and two bands played. As Frank Morizzi from the Italian Club (WA) would say, we had our own "West Australia contingent"; our own Western Australian flag and a flag of the Italian Club. Both John and I spoke at the dedication. That project was organised over 15 years. People from Argentina, Canada and the United States attended. To our great pride the shire of Tirano later made us citizens of the town. It was a moment of great emotion for all of us and our families. John and I were there side by side, proudly representing our State. Alongside us in that march were our wives, Ros and Coral. It was a moment of great history for the Italian community and also for me as a Minister and for John as a senator.

We were virtually regarded as a very important delegation at that time. More importantly, John's connection to his family and his accomplishments showed other new Australians, or Australians of migrant descent, what could be achieved through dedication. A member of the Senate is unlikely to come from places like Yilgarn or Southern Cross again for a long time. If one takes into account the year in which he was elected as a Senator and his migrant background - bearing in mind that a great deal of turmoil regarding migrant influence arose in the early days in the goldfields - his achievement was great.

He was endorsed by the Liberal Party. I understand that before that endorsement he was involved with the National Party: He stood against a prominent National Party member and almost won a Legislative Council seat, and it was the National Party's loss that he became a member of the Liberal Party. To be elected to the Senate was a great honour for him and his family; an achievement which probably will not be repeated again for some time by someone from that region.

I have been in touch with his family from time to time. It was pleasing to see, when the funeral service was held in St Mary's church, that his family stood very proud and strong, particularly his eldest son Frank; he is a tall fellow and was as proud as anyone could be of a father who made a fine contribution to the State.

Western Australia will be much the poorer for the passing of John Panizza. He was a great voice for country Western Australia, particularly the battlers in rural areas. I know his family is immensely proud of his life and contribution to Western Australia. It is a sad occasion to mark his passing. I realise that I speak slightly after the event, but I wanted to allow new members of Parliament to make their maiden speeches before speaking on this matter in this place.

No opportunity was available to move a condolence motion, but I ask all members to spare a thought for John Panizza, a man of humble beginnings who made a success of his life and left a great legacy for his family.

MS ANWYL (Kalgoorlie) [7.52 pm]: First, I endorse the comments made by the Minister for Local Government. I know that many people on this side of the House were saddened by the passing of Senator John Panizza. I did not have his acquaintance, but I know that he was held in high esteem, and will be missed, in the goldfields.

In speaking to the Address-in-Reply, I firstly thank the electors of Kalgoorlie for my election, especially the 34 per cent of those electors who chose to vote for the National Party first and me second for they are responsible to some degree for my membership of the Chamber. I also thank the many people who supported me throughout the election campaign. Of course, I had to fight two election campaigns last year, which is not a pleasant thing to do in 12 months! I thank all the people who supported me right throughout 1996.

I am a little mystified by the lack of attention in the House since we resumed to the particularly contemptuous way the electors of this State were treated by the coalition in calling for an early election. There seems to have been a dearth of discussion on that break with tradition. We often hear in this place about the importance of tradition. Undoubtedly, an absence of tradition was evident in the departure from the convention of holding an election in February or March.

I congratulate you, Mr Speaker, and your deputy, on your appointments; I wish you all the best in your role. I admit that I am a little disappointed that you have chosen to wear the traditional garb on occasions. It is an improvement on the last Parliament in that you appear to be reserving that garb for the more ceremonial occasions. I personally think you look a lot better without the wig, and I will urge you over the years to reconsider that decision.

Nevertheless, I respect people's decisions regarding tradition and what is appropriate. I was again a little mystified when attending my first opening ceremony of Parliament - I was elected last year after the formal opening - because I had to pinch myself at times during the ceremony as I could not believe that the clothes I saw belonged to the twentieth century; sometimes I wondered whether it was 1997 or 1897 in some of the traditions we followed. At times I felt that some of the dress displayed in the Chamber was more appropriate for the Melbourne Cup than the Parliament.

Mr Pandal: And that was just the blokes!

Ms ANWYL: I thank the member for South Perth.

Although I may not agree with some of the traditions to which I have referred, I certainly respect the tradition as it is seen by some other people. Everybody has the right to an opinion, and that is very important in this place. We must respect each other's decision and opinions. Although I do not share any affinity with the crown on the carpet, which I must look at every day, or the proceedings of the opening ceremony, I acknowledge that some people in this place hold these traditions dear.

I mentioned to a number of members opposite as we were in the procession that I found the ceremony to be a little unusual, and the frequent comment made was that it is tradition and members like it for that reason. Therefore, I return to the absence of tradition in the calling of the early poll. Interestingly, no comment was made about calling an early poll by coalition members who embrace 100 years of tradition with the opening ceremony.

I now briefly pay tribute to some of my former colleagues, particularly my friends Kevin Leahy and Judyth Watson. I was impressed that the member for Ningaloo acknowledged his predecessor in his maiden speech - it was to his credit - and I was saddened that the member for Southern River did not do the same. Every member in this House acknowledges the contribution those two members made. Nick Catania is also no longer a member. It was interesting to hear the Minister acknowledging the contribution made by the Italian fraternity, as the Sicilian is missed by a number of people.

Mr Johnson: The same could apply to the Poms.

Ms ANWYL: Which ones are they?

Mr Johnson: The British community within Australia.

Ms ANWYL: I am talking about former members.

I turn now to the gold royalty. A further development has arisen since last week; finally, we have the Premier and the Minister for Resources Development openly foreshadowing a gold royalty in the next Budget. It has taken some time to move to this position. Although I do not agree that a royalty is appropriate, I congratulate the Premier and the relevant Minister for coming clean on this issue. I have been in this place almost 12 months, and a constant source of debate has been the Government's position on a gold royalty. Members opposite were not clear in that debate about what would occur. We knew it was a matter of timing, and we have been proved right in that regard. Throughout last year the Minister for Resources Development and the Premier said that they were consulting the industry.

I have drawn my disbelief to the attention of the House. If a gold royalty were to be introduced, the detail of the proposal that has been unveiled is pathetic. How marginal producers will be protected is not outlined. The Premier

has repeatedly said in this place that the royalty will not harm small producers or marginal production; however, there is no indication as to how marginal producers are to be protected. There has been talk of a ceiling of 1 000 ounces. That will basically protect small prospectors. Although that will be welcomed by all sectors of the industry, because it is acknowledged that prospectors contribute much to exploration and so forth, there is no likelihood of small producers being covered by it.

The essential point is that we are talking about a production tax and not a profits tax. Throughout my concern has been to see how the Government could impose a royalty and protect marginal productions. As I have said, I have been in this place for about 12 months listening to the nonsense that the royalty was not on the agenda. I spent some time on that question last week and I do not propose to go into its history in great detail. We know that the royalty was on the agenda. It was discussed in the joint party room last September. Following that discussion in the party room, Hon Ross Lightfoot suggested that perhaps we should have a wheat tax. He got some coverage in the media for that comment, as is his wont.

Mr Cowan: It is already taxed.

Ms ANWYL: I do not want to debate the merits of a wheat tax but simply point out that the matter was clearly discussed in the joint party room last September, according to what was suggested by Hon Ross Lightfoot.

Mr Cowan: He will be absolutely delighted to learn that you are using him as a source for quotations.

Ms ANWYL: The Deputy Premier might like to pass that onto him because I will not.

Mr Cowan: He can read them in *Hansard*.

Ms ANWYL: Perhaps the Deputy Premier might keep his comments to himself. The Deputy Premier's performance last week was very unconvincing and totally without conviction. He has given no further explanation for his about-face on this subject. To say that the agenda changed is incorrect nonsense. Now that the prospects of the National Party have been all but ruined in the mining and pastoral regions it will be interesting to see whether there will be any further posturing on the part of the National Party on this issue. I could not rule out an about-face given the National Party's performance to date.

The member for Ningaloo said that his electorate understood the tax to be a *fait accompli*. That is not my information, but I assume he campaigned on that basis because that is what he said in this place. If that is correct, the strategy was clearly different in other seats in the mining and pastoral regions, including mine. The industry is facing a number of issues at the moment. The timing of the imposition of a royalty could not be worse. Clearly the gold price is falling. I am waiting for somebody on the government side to suggest that is not the case because we often debate matters which are very plain. However, there is no doubt that today's price of gold at \$US352 an ounce is significantly lower than it has been for some time. The Australian dollar has firmed slightly.

However, the industry is dependent on forward sales, which is the key here, because although the Government is telling the industry that it will be very kind to it and only impose a royalty based on spot prices, the reality is that constitutionally there cannot be any other type of royalty. Spot prices have to be the determinant. However, despite the dependence of the industry on forward sales, the real concern is that the futures market will not continue to strengthen. Therefore, down the track there will be even more marginal operations because of the inability of major producers to rely on future sales.

The industry is beset by a raft of other problems. One has only to listen to the Premier. He tends to take a posturing position on States' rights on the issues I mentioned, like native title, which was referred to by one leading goldfield's personality as "litigious spaghetti". Certainly if one looks at the overlapping claims around my electorate, that is a pretty good description. The diesel fuel rebate is still not resolved.

Dr Turnbull interjected.

Ms ANWYL: I do not think that members on the side of the member for Collie have an appreciation of what this royalty will impose. It is not a question of talking up trouble.

Dr Turnbull: I can assure you I have a very, very strong appreciation of the problems in the gold mining area.

Ms ANWYL: Which problem; the native title issue?

Dr Turnbull: The native title issue, the gold royalty issue and fuel tax.

Ms ANWYL: What about future sales, soft gold prices and other issues?

Dr Turnbull: I am aware of those issues as well, and the tax system of the Federal Government.

Ms ANWYL: The member is in favour of a royalty.

The SPEAKER: Order! The member for Kalgoorlie.

Dr Turnbull interjected.

The SPEAKER: Order! The member for Collie.

Ms ANWYL: I am happy to take the interjection, Mr Speaker, because I am curious to know the member for Collie's position on a royalty. Perhaps the member for Collie would tell me.

Dr Turnbull: The Speaker has ruled me out of order.

Ms ANWYL: The member is not in favour of it, as I understand it.

Dr Turnbull: I am prepared to tell you that I am not in favour of a gold tax. I put the case in this Parliament last week in my Address-in-Reply speech. One of the reasons is that a royalty will impact, as you believe, on many of the people with lower grade ore. The difference between us is that I believe in facing reality and getting on with trying to make a situation as liveable as possible. The people operating the Boddington gold mine have to know that if that is the situation, it will be within the life of the proposed expansion, which is 40 years -

Ms ANWYL: It is not 40 years; it is 1 January 1998.

The SPEAKER: Order! Would the member for Kalgoorlie take her seat. The Chair does allow people to interject. It can be very fruitful in furthering the debate. However, the motion before the member is the Address-in-Reply. I will not allow the interjections to continue.

Ms ANWYL: It is important to determine where country members sit on these types of issues. I find it very strange that the member for Collie should accuse me of talking-up the problem when she claims to acknowledge what the problems are. In any event, the prospects are for deterioration of exploration spending. I am not sure whether the member for Collie heard me last week.

Dr Turnbull: I certainly did.

Ms ANWYL: Exploration dollars will be the most crucial factor in the long term for the development of the industry.

Dr Turnbull: Absolutely, that is why you have to have regard -

The SPEAKER: Order! The member for Collie will come to order.

Ms ANWYL: It may be that I do talk about the problems but it is in an effort to make members on the other side have some appreciation of the ramifications of the imposition of a royalty at this time.

I spoke last week in this place about exploration. I was therefore gratified to see that one of the key gold mining personalities, Ron Manners, had addressed a Canadian conference, at which no doubt there would have been a huge number of potential investors. I will quote from the *Kalgoorlie Miner* of 14 March -

Mr Manners said it was estimated that up to 62 per cent of Australia's exploration funds could be diverted overseas this year.

For the year to June 1996, 43 per cent of Australian exploration spending went overseas.

Mr Prince: Does he say why?

Ms ANWYL: He does, and if the Minister will allow me to continue, I will come to that. He continues -

"This doesn't make sense when Australia has large tracts of relatively unexplored exciting geology and large areas that are responding favourably to modern techniques," Mr Manners said. "We are simply being driven out of our own country by bad policy, perhaps some of it being generated by well-meaning people who have no idea of the damage they are doing. Intentionally -

Perhaps that should say unintentionally-

they are the enemies of development."

Mr Manners said the "enemies of industry" included those promoting government regulation, high taxation and "many special interest groups . . .

"In our industry, before any new project is contemplated we need to conduct a Government Penalty Impact Study," he said.

I am happy to make this article available to anybody who would like it. The article concludes -

Mr Manners said that in addition to taxes, a gold royalty being proposed by the WA State Government could also cripple the industry.

"Tax the industry and entrepreneurs beyond the point of endurance and gold and other minerals stay in the ground and jobs leave on the next flight," he said.

The principal issue discussed in that article is the long-term effect on exploration dollars. It is self-evident that if exploration dollars are not spent in this State, there will be less development because fewer resources will be found. The other aspect is that mining operations will not proceed in the short-term; that is, ore bodies that have been proved up will not proceed.

I fail to see in the Government's foreshadowed limit of 1 000 ounces, which is somewhat minimal, what will happen to marginal and low grade operations. The Government has also demonstrated a lack of understanding of the marginal nature of many of the larger operations. The Kalgoorlie Consolidated Gold Mines Pty Ltd super pit in my electorate is a low grade operation, and although huge amounts of ore are being processed, the return is quite minimal.

Mr Prince: Are you talking about a small volume or a low grade exercise?

Ms ANWYL: One does not necessarily follow the other. Of course it is a huge operation, and the marginal nature is offset by that to some degree, but the reality is that many operations which are way above the 1 000 ounce ceiling which has been talked about may have a margin of, for example, \$A30 an ounce. When we talk about a royalty of between 1 and 2.5 per cent, we are talking not about a tax on that profit but about a further tax on production that will eat into that \$A30 an ounce margin. The obvious result of jobs leaving on the next plane, as Mr Manners said, is a downturn in employment.

Another crucial factor is that research indicates that the mining industry has a higher multiplier effect than is the case in many other industries; that is, large numbers of other jobs are dependent on mining industry jobs. The goldfields is an example of that.

Mr Cowan: You would have greater credibility if you were arguing for the abolition of royalties on other minerals. When will you start that debate?

Ms ANWYL: That is not on the agenda.

Mr Cowan: When will you start that debate? Give yourself a bit of credibility and put it on the agenda.

Ms ANWYL: It is a bit rich for the Minister to talk to me about credibility. Why does he not put it on the agenda?

Several members interjected.

The SPEAKER: Order! We are now having interjections from both sides of the Chamber, which to some extent are cutting across the member for Kalgoorlie. Although the member is sometimes inviting interjections, this is her opportunity to make her Address-in-Reply speech, and we cannot have a lot of cross-Chamber debate.

Ms ANWYL: Thank you, Mr Speaker. I have identified what I consider to be the flippant attitude taken by the coalition to this issue, and the ramifications of this proposal as I see them. I congratulate the Minister for Resources Development and the Premier for finally putting this matter fairly and squarely before the industry so that at least there can be proper debate about it. The current proposals, which I admit are for consultation and consideration, do not address the specific issues that have been acknowledged by the Premier in this place time and time again; that is, protection of small producers, and marginal operations. We are talking about some \$19m for 1998. The Association of Mining and Exploration Companies Inc and the Chamber of Minerals and Energy of Western Australia Inc are commissioning some economic material about what will be the true cost to the State.

Assuming the royalty is inevitable, as we have been told by some parts of the Government since the election, the issue will be where those dollars will be spent, because, rightly or wrongly, there is a perception in the bush - we know politics is about perception - that the only reason this levy will be imposed is to pay for pork barrelling in certain electorates. The northern suburbs were identified -

Several members interjected.

Ms ANWYL: Members are acknowledging the pork barrelling, presumably. That is the perception in the bush. I do not imagine any concession will be made towards directing some of those dollars back to regional Western Australia. The schools in my electorate are a glaring example of the needs which are associated with the expansion of the mining industry. I do not have time to develop the other areas where there are real needs, but I acknowledge

that they exist in probably every electorate. South Kalgoorlie Primary School is the largest primary school in the State outside Perth. I spent about an hour and a half at that school the other day and was quite amazed at the lack of buildings, given the number of students. Eastern Goldfields Senior High School is the largest high school outside the metropolitan area. I understand that the Minister for Education has some good intentions for that high school, and I hope the issues at that school are addressed in a bipartisan fashion so that something constructive is done, because it has been a source of great concern to me that in excess of 1 350 students are essentially being deprived of adequate classroom space. I was very shocked that it was not possible to even attract further transportables to the school at the close of the last school year. Both schools are of a high standard and receive a great deal of community support. Despite the lack of infrastructure, a great deal of dedication and motivation has been displayed by the principals and their staff. I urge the Government to give some consideration to where the royalty dollars will be spent if they are levied.

Amendment to Motion, as Amended

Ms ANWYL: I move -

That the following words be added to the motion, as amended -

but we advise Your Excellency that the Government's post-election decision to close the life skills centre at Whatley House in Bayswater is short-sighted and will leave 70 mental illness sufferers without the support necessary to maintain themselves.

Further, the decision is a repudiation of the recommendations of the Government's own Task Force on Mental Health and will result in an increased death rate, increased hospitalisation and increased mental illness. The decision to close this facility should be reversed forthwith.

MR MCGINTY (Fremantle) [8.21 pm]: I second the amendment. Towards the end of last year I thought most people who were in need of psychiatric services in this State probably felt a sense of relief that a new era was approaching in the way in which the State dealt with them. Firstly, we had the passage through Parliament late last year of the Mental Health Act, which was an enormous step forward for mental health in Western Australia. Secondly, we had the report of the ministerial Mental Health Taskforce which set out a number of recommendations. Generally, the community expected that those recommendations would be embraced by the Government, and that they would see a new emphasis on funding and a whole new approach to the provision of mental health services. People thought that in a very short time we would move from a statutory framework which belonged to the nineteenth century to a statutory arrangement and funding scheme appropriate for the twenty-first century. It is against that backdrop that people associated with mental health will be appalled by what the Government has done with Whatley House in Bayswater.

I will describe the situation in a broad sense, and then deal with the exact circumstances at Whatley. Through the Mental Health Taskforce the Government placed enormous emphasis on the provision of community services not only to de-institutionalise psychiatric patients or people suffering from a mental illness - that has been occurring for the past 15 years - but also to provide the services necessary to support people who have the misfortune to suffer from mental illness. Page after page of the report of the Mental Health Taskforce is dedicated to platitudes and pious statements and to support for that very notion, yet not long after the state election one of the successful community-based psychiatric care initiatives has been shut down by the Government. That will leave about 70 people suffering from serious mental illnesses without any recourse or service to which they can turn. That makes an absolute mockery of the Government's stated intention of providing community-based services to keep people out of hospital. The inevitable consequence of the Minister's decision to shut Whatley House will be a greater degree of hospitalisation of the 70 people who used the facility, and a greater degree of mental illness among them.

When I spoke to those people today several of them said that they were beginning to feel the onset of their condition again, because of the stress of the closure of the facility which was a lifebelt which had been thrown to them. They felt that it had been taken away; therefore, the direct consequence was that these people felt the onset of their illnesses again. We will witness an increase in the incidence of mental illness and hospitalisation. In case members think that I am overstating the situation, I will outline what I was told by other mental illness sufferers who use the Whatley service. They said that the service has kept them alive. Without it, it is likely they would be dead today. When they get depressed or when they suffer an onset of their disease they know that they can go to the centre, rather than suffer the full brunt of their condition in isolation with the possible effect in the long term of becoming suicidal and perhaps implementing that end result. This is what the beneficiaries of this very good and effective service have told me about what goes on.

I will describe briefly the situation at Whatley House. It is a non-residential facility which provides a service for high functioning people who have a serious mental illness such as schizophrenia, manic depression, or a personality

disorder. The service is for people who are living independently in the community, and functioning at a very high level. These people can turn to the centre when necessary. It is not a place to which most people go all day, every day. People can drop into the centre for a few days at a time when necessary. Most people attend the centre a couple of times a week for a half day, a full day or whatever. It is the only service of its kind in Western Australia which provides a lifeline for the 70 mental illness sufferers to whom I have referred. They have described to me the life skills provided by Whatley House. It is not a mental health hostel which looks after people suffering from serious mental illness or who have been consumed by illnesses to the extent that they can no longer function in society. These people can and do function in society but they need support.

The facility is relatively inexpensive. I am told that the building is rented from the St Vincent de Paul Society for the modest amount of \$100 a week. The centre currently employs three staff members, but normally it employs four. It employs two psychiatric nurses and one craft teacher. The services are much needed and valued by the people who use Whatley House. I have been told that the centre keeps people out of hospital; that it keeps them alive. It provides the necessary support to enable people to continue to live independently. It gives people skills and provides rehabilitation. It also assists people to overcome the despair and loneliness that many who suffer these sorts of mental illnesses endure on a frequent basis. It also gives a sense of belonging and support to people who may have no family and often live alone.

Therefore, the effect of the closure of Whatley House cannot be overestimated. It will have dire consequences. I thought the Minister might have expressed the same measure of sympathy for these people that he expressed for the 40 000 people he is now denying dental services as a result of the announcement today that the Government would not fund the services currently offered to the needy in this State for adequate dental care.

I thought we might have heard a statement from the Minister that Whatley House was to close. We have not heard that. Its closure had to be discovered via the backdoor. Surely on a matter of this magnitude, which flies so much in the face of the recommendations of the Mental Health Taskforce, we should have heard a ministerial announcement. We also might have heard a word of sympathy for the people who will be jeopardised by this decision. We have not heard any of those things. Today we heard misleading statements that alternative services will be provided to the 70 clients of Whatley House. That is not true; it is grossly deceptive and misleading. I can only assume that the Minister has either had a bad dose of "Yes Minister" and has been misled or he is being mischievous. No replacement is being offered by his department to those people.

Mr Prince: I thought better of you.

Mr McGINTY: The Minister said today that the Whatley House residents can go to Tranby House for rehabilitation for their life skills. Tranby House offers nothing like what is available at Whatley. I expected the Minister to have greater integrity than to try to mislead the public over such an important issue. He has either deliberately misled people or he is ignorant of the facts. I suspect he has not been to Whatley House and does not know what happens there. I suggest that before he buys into this sort of argument he check his facts. He is horribly wrong on this occasion and guilty of significantly misleading people.

Mr Prince: This issue will come back to bite you.

Mr McGINTY: Has the Minister ever been to Whatley House or Tranby House? I suspect he has not been to either. He should not lecture people about things of which he is ignorant. What he said today was highly misleading. I refer to the recommendations in the Report of the Ministerial Taskforce on Mental Health. It spelt out a number of issues relevant to this debate. Under the task force findings was, first, the need for a substantially greater level of resources to be allocated to mental health. Nowhere in this document is the faintest suggestion that existing facilities should be closed, as is to happen at Whatley House on 1 April, in two weeks, "In order to provide resources primarily to those needy people who are hostel bound and who need basic social training such as those provided at Tranby House for low functioning, mental health patients in Western Australia." That is where the Minister has his public comments of today all wrong. This is not an example of a great infusion of additional resources as recommended by the task force in its report. In order to cut costs, a much needed service valued by its 70 clients is being shut down to meet another area of glaring need in mental health services.

The second of the principal findings of the task force was "the need for an identifiable, stable, mental health structure within the Western Australian health system". Shutting down establishments such as Whatley House does not add to the stability of mental health services in Western Australia.

Another finding by the task force relates to consultation. Recommendation 23 at page 33 of the mental health task force report reads -

... that the Health Department develop a consumer participation plan for Mental Health services throughout the State together with guidelines for the services on promoting consumer participation at all levels of decision-making.

How was that recommendation implemented by this Minister? Last August the St Vincent De Paul Society advised the Minister's department that it wished to terminate the lease on Whatley House in Bayswater. Members may recall that was some months before a state election was due. Did the Minister consult, or get his department to consult the clients at Whatley House? No. The matter was very secretive. He did not want word to get out that he intended to close Whatley House. We should remember that two and a half years ago the Minister for Health was forced to do an almighty backflip when he tried to close Whatley House and deprive its clients of the service they value so much. The Government took a bashing in the media and backed off and said it would keep Whatley House open. However, in August last year the Government was aware that the lease was due to be renewed. Its cynical ploy was to keep it quiet until after the election.

Not long after the election, the Minister did not have the decency to consult anyone about the proposed closure or alternative service or tell people it was closing on 1 April and that he intended to take their service away from them. He should have done the right thing and complied with the mental health task force recommendation, which received glowing praise from the Government when it was completed. When it comes to implementation of its policies, it is thrown to one side and no consultation whatsoever takes place, as was the case at Whatley House, where the clients are very angry.

Earlier today they were in the Public Gallery in large numbers to make sure that the Minister was accountable for what he has done to them. Their anger will continue as this matter continues because he did not have the decency to consult them.

Throughout this report are recommendations to the Government on the need to boost community care services in mental health. We do not see a new service being created, but an existing, effective and much valued service being closed. The principal finding of the mental health task force is the need for a substantially greater level of resources to be allocated to mental health. The report states -

While an estimated three per cent of the population at any one time experiences a significant mental disorder that would benefit from treatment by specialised mental health services, services are provided to less than half of this group. The Taskforce was made aware of a lack of even basic services in a number of areas and of the frustration of family members in trying to obtain needed assistance for their family member with mental disorder.

Throughout this document are constant references to the need for resources for community services. Whatley House is an example of a successful resource which is being closed.

This Government spoke much during the election campaign and immediately after about the social dividend that will be paid to the citizens of this State as a result of returning the coalition Government to power. What occurred today as a result of the social dividend that the people of this State can expect at the hands of this Minister? Firstly, hospitals are facing a funding crisis requiring millions of dollars to be pumped into them. The Minister corrected a statement he made in this House and told the Press that \$1.7m was pumped in to bale out Bunbury Regional Hospital. The same pressures will occur in other hospitals, as they did this time last year when \$81m was necessary to bale out the State's hospitals. We can hardly say that the people who rely on our hospitals to receive their part of the social dividend are getting a good deal.

Secondly, 40 000 Western Australians are to be told they must put up with bad teeth as they will not be able to obtain dental care. They are battlers, underprivileged people, who rely on the State Government's dental health scheme to provide them with basic dental care. Is that the social dividend that people can expect from the Minister and this Government? Forty-thousand people were told, "Sorry, put up with rotting teeth."

I now refer to those people who have the misfortune to suffer a mental illness, the 70 people at Whatley House whose mental health has improved and whose quality of life has risen immeasurably as a result of this service. It has now been closed and there is nothing there for them any more. Those are not my words; that is what those people are saying about the service provided which has now been taken from them.

Those people who are old, have bad teeth, have mental illness or need the public health system should not look forward with any glee to a social dividend because it will be a kick in the teeth for them. That is the clear message from announcements from this Minister for Health, today alone. I dread to think what will happen over the course of the next few weeks and months in Western Australia, and I pity people who suffer any illness, whether it be mental or dental, and those who require hospital treatment. If this is an indication of what lies ahead, the Minister will

become known as the Minister for very bad news delivering an unsociable dividend to those people in the State who need help most.

DR EDWARDS (Maylands) [8.41 pm]: I support this amendment and will comment on it because Whatley House is in my electorate of Maylands. I was pleased in July 1993 to be invited to the opening of Whatley House. I found the invitation among my files today. It was a successful function at which people were full of hope because a much needed service was to be provided in the heart of my electorate, not only for people in my electorate but also for those in surrounding suburbs.

In October 1994 we were faced with the threat of closure of this service. On that occasion it seemed a decision had been made. It was not communicated to the people who used the service or to the Health Department. A number of people at senior levels in the Health Department were embarrassed when they learnt a decision had been made at the lower level. Unfortunately, in the post-election climate we are going through the same process again. It is disturbing to people who use the facility and to those such as me who know of the real need for accessible, responsive and locally based facilities.

I shall comment on the nature of mental health problems. They are very different from other health problems, certainly from those problems people face when they are injured. Such people know they will get better from an injury or accident and each day they can measure their progress. Even if it is a serious accident people generally recover quickly. They receive medication, pain killers and perhaps physiotherapy and they get better. Mental health problems are not quite the same. Firstly, they are not visible, and there is a big taboo about saying one has a mental health problem or admitting a person in one's family has such a problem. Despite being in the 1990s, following decades of openness, shame is still attached to mental illness. It is hard for these people to get support. Many of the people who use the facilities at Whatley House say it is difficult to go there at first but, after they have broken through and made the first visit, they find it extremely valuable and worthwhile.

Mental health problems impact on all parts of people's lives. They can affect their ability to work, to access education and to be involved in the normal social relations we all enjoy. People with mental health problems have a profound impact on their families. It was touching today to speak to people who attend Whatley House and to hear about the effect on their relatives and how strongly they are committed to its continuing to provide the level of support to the whole family.

It is estimated that in Western Australia at any one time 60 000 people will have a mental health problem. That figure can be equated to the number of people in two city electorates and a country electorate. It is a significant group in the community. However, only half those people receive treatment. About half the people who commit suicide are known to have had serious mental health problems. The other half have not been reported as having such problems. Much work has been done in Western Australia with the Mental Health Taskforce and the plan. This has spelt out the need for more services to be available and for all the taboos to be removed so that people access proper services at earlier stages in their illness. That is why facilities are needed in the community. It is estimated that 20 per cent of the population will have a mental health problem or disorder at some time during their lives. It is a high figure of one in five of the Australian population. Again, it is an indication that more services are needed. Women are more likely to have mental health problems than men. It is said that men get angry and women get depressed. There is a cultural element in that. The problem is also more prevalent among people in lower socioeconomic groups and, as with all health problems, they show up more in this stratum.

Knowing there is a problem does not reflect the morbidity in the community. If a family member has a mental health problem, it shatters the whole family for a period and often there is a longer legacy. Recently there has been more openness about confronting all these problems, and associated with it a call for appropriate services at the community level. I was interested a couple of weeks ago to read comments by the first professor of mental health nursing in Western Australia. He wants all the taboos shattered, and believes the stigma of mental illness can be removed to a great extent by caring for people in the community. He supports the move away from institutions. Although Professor Shanley applauded the efforts in this State recently, he said there was a tremendous need for further change. We are talking about that tonight in this Chamber. Professor Shanley also pointed out that moving people with mental health problems into the community not only benefits the patients, but also benefits the professionals providing the service. In his experience, the staff at Graylands become institutionalised and it is beneficial for staff to go to community services.

Whatley House was described in the mental health plan for Western Australia under the services available for the East Metropolitan Region of the Health Department, and is referred to as the Whatley House rehabilitation centre - a specialised community mental health rehabilitation service for adults with long term mental illness and disability. That description makes little of the work that goes on. People who attend that centre say their quality of life has improved and they are costing taxpayers less. They argue that the support in the community at Whatley House means fewer episodes of hospitalisation. They fear that when the service goes they will lose that level of support. One

person feels he is already deteriorating with the stress about what will happen when this service goes on 1 April. The Minister for Health said the service is moving, but that is not good enough. People want to use the service locally. They want to go to this quiet facility which is unassuming and does not look like an institution. It is particularly important to my electorate. Many groups, such as the Maylands interagency group, report an increase in the number of people with mental health problems needing services such as St Vincent de Paul and Family and Children's Services, which provide safety net services. I have heard similar comments from the local police and I know from my work in my electorate that more people appear to be living in the community with mental health problems. There is a very real need in my electorate for this type of facility. To say that people can catch the bus or train to town to access services is not good enough. The explanation for the decision-making process given to those involved does not encourage them to see this as a comparable service but, rather, as a big step backwards. These people have tried to help themselves and they are now faced with a retrograde step.

The Taskforce on Mental Health report contained some very valuable comments. It pointed out that the need for comprehensive community services was probably the most important issue raised by people talking about the quality of services available to them. It stated that we need sufficient quality, community-based services, and that the establishment of those services impacts on the admission rate for people with mental health problems. It also highlighted the need for continuity of this care, that it be readily accessible and that resources be poured into the area to make it available. Although we have heard the Government comment on its goodwill towards and commitment to this issue, we are yet to see these services on the ground in my electorate; indeed, we are witnessing a step backwards.

The task force also made specific recommendations, some of which have been alluded to by the member for Fremantle. However, there were many recommendations in relation to community mental health services. It was pointed out that we should move towards a catchment-based model incorporating multidisciplinary teams. I am sure all members would agree with that.

The task force also referred to the need for a broader range of services beyond the traditional treatment and counselling services. Those additional services would include accommodation support and employment and recreation services. Having spoken to the people who use Whatley House, it is apparent to me that when they are together there is a real networking of ideas, a swapping of what has worked for one or the other and a feeling that this support enables them to go out into the community more effectively and to get the additional support they need.

The Taskforce on Mental Health report outlined very clearly the need to increase the involvement of consumers and their families in the decision-making process. One of the major criticisms of this decision to close Whatley House on 1 April was the lack of consultation with and input from the people involved.

Unfortunately, it seems that the task force's very fine recommendations and all the commitments made in the mental health plan have been overlooked. The mental health plan stated that mental health services across all age groups, but particularly in the community mental health area, are underresourced. I am extremely concerned that what has been a very valuable service since 1993 in my electorate is to be closed and that it will not be adequately replaced.

The mental health plan also spelt out very clearly that there is a relationship between the use of inpatient beds and care in the community. It made a very strong statement that with a poor level and range of community services there is a much greater use of inpatient beds. The people who use Whatley House have made the same comment. What really concerns me is that the mental health plan made much of establishing a new organisational model for the provision of services - this was needed to put mental health firmly on the agenda. The keystone was a partnership between the mental health providers and the people using the services. Part of that partnership was the need for consultation and communication in the decision-making process. Quite clearly, that has not happened. There appears to have been a major communication breakdown.

I am pleased to have been associated with Whatley House for three and a half years. I am also pleased to have been involved in and to have won the battle in 1994. However, I am very concerned with what is happening now. I urge the Minister to put his money where his rhetoric is, to improve community facilities and to stand by these people. He made strong promises in the mental health plan and very fine statements in the report of the Mental Health Taskforce. However, if this is not translated into action for the people in my electorate who need the services, it all becomes meaningless.

MS McHALE (Thornlie) [8.59 pm]: I support this amendment for two reasons. Firstly, I attended a meeting in my electorate yesterday to celebrate the work of chaplains in three high schools in the area. The very clear message from that meeting was the importance of community support mechanisms for adolescents with a range of social problems. If we do not address issues at the adolescent level, there will be real problems for the young adults they become. The amendment we have before us reminded me of the issues raised yesterday.

The second reason for my support of this amendment is that while on my way home tonight during the dinner break I heard the Minister for Health accusing my colleague the member for Fremantle of indulging in nothing more than rank politicking. To say the least, I was incensed. The Minister's statement suggested a complete disregard for the issue or, at the very least, he is ill-informed on the topic. If it was not disregard, and I am sure the Minister will say that he is not ill-informed, I want to know why we are now debating the closure of Whatley House.

It is important to look at the definition of "mental disorder", and I will use that term rather than "mental illness". I defer to the Mental Health Taskforce for the distinction between "disorder" and "illness". The definition of a mental disorder is very broad. I remind members that the task force report states that mental disorder can be characterised as -

Any psychiatric disorder that has seriously interfered with one or more aspects of a person's life, such as employment, accommodation, stability, physical health, emotional well-being or interpersonal relationships.

The definition refers to disorders with psychotic symptoms, such as schizophrenia, as well as depression, anxiety disorders, eating disorders, personality disorders and adjustment reactions such as post-traumatic stress. It is important that members be aware of the extent of mental illness.

It is probably fair to say that many of us will have had experience with disorders such as anorexia with adolescent daughters, post-natal depression and psychogeriatric disorders with the elderly. It is interesting to note that one in five of us at some stage will suffer some form of mental illness. There are about 26 members present, and I wonder who the five will be.

Submissions to the Mental Health Taskforce consistently raised the difficulties that people have experienced in obtaining the mental health care they require. It is extraordinary that we are debating the closure of a community facility which, from what we have heard tonight, meets the needs of people who are suffering some form of mental disorder! That report also identified the gaps in services being faced by the community. Those gaps in community services relate to services like respite care, emergency or after hours services; services for people with mental disorders and alcohol or drug problems. If they are the gaps in our mental health system, why are we facing the closure of Whatley House? It does not make sense. It is extraordinary that, on the one hand, we have an acknowledgement from the Mental Health Taskforce that there are major systemic problems in the delivery of our mental health services and, on the other hand, Whatley House is closing. What is happening?

Another issue touched upon by the Mental Health Taskforce was the needs of the consumer. I also referred to that in my maiden speech. I focused on the importance of accountability, which means listening to what the community wants. One of the sentiments of the task force was that mental health care must be driven by a consumer based model; the consumers of mental health demand a far better mental health service than is currently offered. The needs of the consumers of mental health, those who are using Whatley House, are being met by that service. Yet, the Government is proposing its closure. It does not make sense. The move contradicts the findings of the Government's task force and is patently wrong.

Submissions to the task force and the task force report, both volumes 1 and 2, are littered with very clear directions on where our mental health services should be going. The Government's proposal flies in the face of all the recommendations and the direction for the future of our mental health services.

I will finish by highlighting further comments from the report, which focuses on the continuity of quality care that is available locally and readily accessible. It states -

A wide range of services is required to enable people with mental disorders to remain in the community.

They should not be hospitalised and cost the community more. It continues -

Such services include housing, employment, respite care, recreational services and others. It is the responsibility of the mental health system to coordinate services, affording consumers maximum opportunity to manage their disorder in the community.

If the focus is about managing mental disorders in the community, why is the Government closing Whatley House? If it were not closing Whatley House, it could be closing services in my electorate. Why, in the face of the task force recommending services to manage disorders in the community, is Whatley House facing closure?

MR PRINCE (Albany - Minister for Health) [9.04 pm]: I oppose the amendment because it is fundamentally miscast. I am obliged to the member for Thornlie for her exposition on the Mental Health Taskforce and mental health plan, which I was pleased to launch last year, and which was commissioned by the former Minister for Health, the member for Riverton, on his own initiative the year before. It arose as a result of the total and complete neglect of mental health services in this State under Labor, and, particularly in the mid-1980s, a gradual degradation of

mental health services within the health system. Enormous numbers of people were involved in giving submissions and sitting on subcommittees and so on, one of whom was the former Labor Health Minister, Hon Keith Wilson. The result is a document in two volumes that has been applauded around the country as one of the seminal works on mental health today with a blueprint for tomorrow.

The mental health plan, which was prepared at approximately the same time in consultation with the task force by officers in the department and others, is also extremely widely regarded, so much so that the Government, recognising its value, committed not only \$126m per year to mental health, but also an extra \$40m to fund the initiatives that are provided for in the plan and recommended by the task force. That money has been not only committed, but also it is in the process of being spent. These matters take some time.

The member for Thornlie may not be aware, but others have heard me say before, that there is a limited number of psychiatrists around. Unfortunately, that is a problem peculiar not only to this State, but also to the whole of Australia and most countries of the western world with which the qualifications required by this State are comparable. We have been successful in recruiting a significant number from the Eastern States and from overseas, so much so that we have increased the numbers of psychiatrists from approximately 90 to close to 130 in the last 18 months.

We have also been able to attract as the Chief Psychiatrist, the person who runs the mental health division of the Health Department, Professor George Lipton, President of the Royal Australian and New Zealand College of Psychiatry, who has spent his life in mental health. His home was in Melbourne. However, he pulled up stakes and moved across the country at a senior stage in his life - he is the pre-eminent person in this field - and has come to this State because we have the best plan in Australia and it is funded. He arrived towards the end of last year and has spent his time putting in place new contracts and services with community consultation. I met with him in the last two or three weeks. He and a group of people are forming a peak body for consultation with providers, particularly with community groups as opposed to the professional providers, with a view to expanding a community network to put into effect recommendations of the task force and the provisions of the plan which say that for as long as we can identify people early and treat them in the community, preferably in community based groups so that it is accepted that mental disability or illness is a part of life and should be treated that way, we will reduce the degree of seriousness of the mental disorders, but in passing we will also hopefully reduce the degree of admittance to hospitals that deal with the more serious cases. Everyone agrees that this is the way to go.

It is being implemented carefully because it takes time to put those networks into place. A number of contracts have already been let with community groups. A significant number of expressions of interest in subsequent contractual arrangements have been negotiated with groups in, not only the metropolitan area, but also country areas. There has been a growth of that which the mental health plan said there should be; namely, a community based continuum of care. There have been no cutbacks or any suggestion of cutbacks.

I come now to the question of Whatley House. I have been to many institutions which deliver health services in this State, but not to Whatley House, but I will visit it. I understand it is not owned by the Health Department but by somebody else who has given notice that the lease runs out on 1 April. The service which is delivered from Whatley House will cease to be delivered from those premises on 1 April. However, the service will not cease; it will continue. The problem is that the member for Fremantle has gone off half cocked without finding out the full story. He is guilty of cheap politicking with the lives of people who are least capable of defending themselves. He has brought this issue into this House and has made a personal attack on me.

This afternoon the Director of Psychiatric Services at Royal Perth Hospital, Dr Tony Manda, who is the person who has carriage for and oversight of the Inner City Community Mental Health Services, which encompasses the services in Whatley House and elsewhere, was moved to go on radio to contradict everything the member for Fremantle said. The member is totally incorrect. In fact, the people concerned have been consulted by Dr Manda. There will be more consultation with the people concerned and plans are in hand to enhance the services they need. In other words, the services will be improved and there will be more of them because there are more resources and the need is evident. I am talking about a group of people who are relatively high functioning and, with help, this group can survive quite adequately in society. Therefore, they should be resourced, which they are, and they will continue to be resourced in the future. That is the commitment of the health service, Dr Manda and Professor Lipton. From where that service will be delivered is a matter for them, not me, to work out. The physical place will change through circumstances over which nobody has control. The services which are provided will continue to be provided and they will be enhanced.

There is talk about a better program to help the people manage themselves even more than they have in the past, which is surely an improvement to the treatment of their condition. From where that will take place is something for Dr Manda and the department. It is all very well for members opposite to ask from where the service will be delivered, but it is a matter for the people who are involved in the preparation of the programs and the delivery of the services to determine.

Mr Carpenter: What about the people who receive the service? Do they have a right to know?

Mr PRINCE: They are involved in the program planning right now. There will be a further meeting at six o'clock tomorrow evening at which people from the Mental Health Services, particularly the Inner City Community Mental Health Services who work with these people, will be present. They will assist the clients in dealing with from where the services will be delivered, how they will be delivered and what they will ultimately achieve.

Several members interjected.

Mr PRINCE: I advise the member for Maylands that it is not a retrograde step. It is to the contrary.

Dr Edwards: It is how they view it.

Mr PRINCE: I appreciate that is how they view it and it causes me considerable disquiet. Today I have taken steps to ensure that Professor Lipton, Dr Manda and others move immediately to lay to rest the concerns of the people with whom I also spoke today. The fact that they are disturbed about what is happening is understandable, but it must be dealt with immediately. This sort of uncertainty, while in a sense inevitable because the premises are no longer available, must be minimised as far as possible so that the people concerned regain their equilibrium. It is something to which I am committed and I am sure it is something to which the people involved in providing these services are also committed. There is no want of resource in this area. Under Labor, there certainly was, but that is not the case now.

The member for Maylands referred to partnerships. I have already said that partnerships are being built between a number of community organisations involved in mental health and provider groups. Recently a peak body was set up.

With respect to the question of hospital funding in Bunbury I am pleased to have this opportunity to correct what I said in question time this afternoon. I have been subsequently informed that the amount of money which has been set aside for Bunbury Regional Hospital is approximately \$2m - \$1.7m for specific works and \$300 000 to deal with the waiting lists. This funding is in recognition of the extraordinarily high demand in Bunbury compared with elsewhere. The negotiation between the Health Department and the Bunbury Health Service has been ongoing for some time. There was no intent on my part to mislead the House when I quoted the figure of \$400 000 in question time. That has been made clearer during the afternoon.

The dental program is funded to the tune of \$16.1m by the State. It is an excellent program which has been in existence for a long time. I pay tribute to the previous Government because the program was in existence under its administration. It provided an excellent service to a limited group of clients - people who had been unemployed for more than six months; a number of other criteria relate to eligibility for that program. It was the former Labor Federal Government which introduced a commonwealth program in addition to the state program. Some States did not have a dental program for disadvantaged people. The commonwealth program, which amounted to in excess of \$9m for this State, gave people who met certain criteria the opportunity to attend either a private dentist or Perth Dental Hospital and have part of the work subsidised. Approximately \$2m was for emergency treatment and the balance was for general oral health work.

The Commonwealth in its Budget unilaterally cut the funding for the program and said it would cease on 30 June 1997. It was done without any consultation or forewarning. I suppose it expected the States to pick up the cost of the program. This State is simply not in a position to do that. After spending time calculating how many people would be affected it was agreed that the right thing to do was to inform the 40 000 people who will be adversely affected. I did that today and I regret that is the case. The state dental health program will continue through clinics and the Perth Dental Hospital. Emergency work will obviously be done. Those people who have work to be done which can wait will obviously have to wait longer. It is a fact of life because the State does not have the \$6m to \$9m to replace the funding which has been withdrawn by the Commonwealth.

I have dealt with all the issues which have been raised. I reiterate that the programs which are run from Whatley House for the high functioning group of 70 people will continue. In fact, they will be enhanced and these people will be helped to set up their own board of management. Dr Manda and others will be involved in setting up new programs. It will become part of the Inner City Community Mental Health Services scheme. I take a personal interest in these matters and I would not tolerate the closure of a mental health service which is doing a good job. It flies in the face of both the mental health plan and the Mental Health Taskforce. The member for Fremantle has raised this issue in the public mind because he seeks to make cheap political gain from it at the expense of people who are mentally ill. I had thought better of him. This amendment has no validity, basis or weight and should be rejected.

DR GALLOP (Victoria Park - Leader of the Opposition) [9.20 pm]: I support the amendment moved by the member for Kalgoorlie, and point out that the Minister's responses have indicated his failure as the Minister for Health. A decision was made within the bureaucracy of the Health Department to close a service located at Whatley House. That service was real. One could look at it, and talk to the people who used that service. The services that were offered could be described and their performance monitored. All in all, we could reach the conclusion that the service was successful. For reasons that might become more obvious later the Health Department decided that that service, which we can see, which we know, which we can monitor, and which has serviced people well over a number of years, will close.

At the point when the Minister heard of this, he should have asked two questions: First, was a similar service being offered to the people who used that service; and, second, what will be the particulars of that service? The answers to those questions would have led the Minister to confidently conclude that the outcomes would be as good as those which were provided.

We heard tonight that the Minister does not know what service will be offered, and he does not know where it will be offered. In other words, the Minister has admitted to this Parliament that he has accepted the bureaucratic decision to close down Whatley House, and he did not use his ministerial position to ensure that those people will be looked after in the future with the important rehabilitation services that were offered at Whatley House. The Minister cannot come into Parliament and say, "Well, they will have a service and it will be provided" unless he can give us the detail. The only detail that the Minister provided was that the department would discuss these matters with those people who use the service. They currently enjoy a good service at an appropriate location.

I have visited Whatley House. It is near the railway line; it is easy to access. I know there may be a difficulty with the lease; however, there are plenty of buildings in that area that are close to the railway line or other public transport that could be used for that purpose - or, if not that area, other areas. A decision has been made to close Whatley House, and the Minister cannot give those people any certainty where they will be in a few weeks' time. That is the issue the member for Fremantle raised.

I would have thought, on the basis of the evidence that is now before this Parliament, that the Minister was not in a position to say confidently that the Government's mental health plan is being carried out properly, that those people are being consulted about their future. Their future is in limbo; in a state of uncertainty. Given the nature of the illness we are talking about that can be serious.

This is our second run at this issue. In 1994, the issue was not the lease. There was an attempt within the Health Department to close down Whatley House and to shift the resources to an inner city clinic. That is not putting too fine a point on what was going on in 1994. There was a campaign at the time, organised by the clients of that service and supported by the Opposition, that resulted in a reversal of the decision that was made, and that service continued, albeit with a few minor changes. The same basic process that went on then is going on now. However, the difference now is the lease. That is the excuse. The bureaucrats can finally dissipate this service, which they do not believe in anyway, and they can get more resources for what they think should be done.

These things do happen in the Health Department from time to time. However, the Minister has a responsibility to obtain an assurance from the department that something would replace it. He needs to be assured of two things: Where the replacement service will be located and how it will operate; and whether it will have the same social activities, self-awareness, art and craft, independent living skills and life skills programs that were being provided. The Minister has said to this House that he is confident everything will work out okay. I was in the health field long enough to know that one never accepts that will be the conclusion.

The Government tried it with Mt Henry Hospital. It got away with it at Sunset Hospital. One day someone will write the history of Mt Henry Hospital from the point of view of the people involved. The Government said it would close down Mt Henry and the people would fit here and there. We will probably never know the degree of trauma that resulted for individuals. I am not talking about statistics, but real people. The stress of the threat of translocation on those people impacted on their conditions. In this situation the stress of uncertainty is in the same order.

The Minister let the side down. He should have taken a much tougher attitude with the department on this and insisted on guarantees that a real, functioning service would replace Whatley; it would have definition, shape, and a location. When all of those things were available the Minister could have gone to the people and said, "We are not continuing the service at Whatley but all of the things you are doing now will be done in the future." I do not think that will be the case, Minister. It is the way of health services that whenever one service closes down, we never get exactly what we had before, and resources get shifted elsewhere. That is probably what is going on in this case. The response of the Minister does not satisfy me. I stand by the amendment moved by the member for Kalgoorlie.

Amendment put and a division taken with the following result -

Ayes (16)

Ms Anwyl
Mr Brown
Mr Carpenter
Dr Edwards
Dr Gallop
Ms MacTiernan

Mr Marlborough
Mr McGinty
Mr McGowan
Ms McHale
Mr Riebeling

Mr Ripper
Mrs Roberts
Mr Thomas
Ms Warnock
Mr Cunningham (*Teller*)

Noes (30)

Mr Ainsworth
Mr Baker
Mr Barnett
Mr Board
Mr Court
Mr Cowan
Mr Day
Mrs Edwardes
Dr Hames
Mrs Hodson-Thomas

Mrs Holmes
Mr House
Mr Johnson
Mr Kierath
Mr MacLean
Mr Marshall
Mr Masters
Mr McNee
Mr Minson
Mr Omodei

Mr Pental
Mr Prince
Mr Shave
Mr Sullivan
Mr Sweetman
Mr Tubby
Dr Turnbull
Mrs van de Klashorst
Mr Wiese
Mr Bloffwitch (*Teller*)

Pairs

Mr Kobelke
Mr Grill
Mr Graham

Mr Bradshaw
Mr Nicholls
Mr Trenorden

Amendment thus negated.

Debate (on motion, as amended) Resumed

MR MINSON (Greenough) [9.31 pm]: I take this opportunity, although the Speaker is not in the Chair, to express my congratulations on his appointment to that position. I know he had aspirations to fill that position in the previous Parliament. We all knew from his performance as Deputy Speaker that he would do a good job when he got to the Chair. Having observed him over the past week or so, and having listened to comments of people in the House, I believe we have a good Speaker.

This is the first opportunity I have had to deliver a speech during the debate on the Address-in-Reply as a backbencher. Even in opposition I went on the front bench four days after becoming a member of Parliament. Sixteen months later I became Deputy Leader of the Opposition and then became a Minister. In a way this is the first speech I have given from the backbench, so to that extent it is a maiden speech.

I will cover a number of issues, not specifically to do with my electorate because I have covered those in previous speeches. Although many things can be said, I have recently had time to reflect on my experience as a Minister, and I will cover three areas in particular: One is to do with prison industries; the second relates to disability services in Western Australia and Australia; and the last relates to some statements about ethics in the media earlier in the year which were sparked by the Governor, who called for ethics to be taught in our schools.

I had the good fortune about three and a half weeks ago to go to the United States and attend a mayor's conference in Indianapolis to do with youth justice. I went on from there to Oregon, where I visited a penitentiary in Pendleton. It is not a particularly large town, but it has a large penitentiary. From the trip I picked up quite a bit of material, which I would like to lay before the House tonight. I will tie it in with some things that have been happening in Western Australia. When I was a Minister assisting the Minister for Justice and had carriage of the Prisons Act, I was always impressed that we had a lot of potential in our prison system to produce quite a bit of manufactured material; yet many of the facilities in this State either lie idle or are used to only a very low percentage of their capacity.

Those who have been to the main prison at Canning Vale, not the C.W. Campbell Remand Centre, will know it was set up as an industrial prison. In fact, it has a metal shop, a panel beating shop as well as furniture making facilities and various other trades areas. The new maximum security institution, Casuarina Prison - so quickly do these issues slide behind us that I almost forgot its name - similarly houses very good facilities. I do not want to leave the impression that nothing is being done in this area in Western Australia, because it is. The idea I am expounding tonight is not new for Western Australia, otherwise these facilities would not have been built in the first place.

These facilities make clothing for use in the prison system. Most of the food for consumption within the prison system is grown in these institutions. We have a large butchering facility and vegetable growing at Karnet Prison Farm and, as the Acting Speaker (Mr Osborne) will know, also at Bunbury Regional Prison. People can order first-class furniture which is manufactured at Casuarina Prison. The question that must be asked is this: Why do we not capitalise more on the facilities we have? It is being done in other parts of the world. When I was the Minister two things became obvious. When we are in government we come under the influence of business people and those in commerce who believe prisons would compete with them for business and perhaps there would be unfair competition since we would not necessarily be paying prison labour the same rates as business does.

When I inquired into this issue, as a Minister, I found the sentiment during the Labor years - this is not a criticism; it is a comment - tended to be that if prisons went into any wholesale manufacturing process, they would take jobs away from union members. Things have changed in Western Australia. I asked for a committee to be set up to look at this issue. About four or five months later, as often happens with Ministers - a scroll does not always go across a screen to remind us of instructions given - it occurred to me that I had not heard anything from the committee. I asked my policy officer what had happened in this matter. He went off and checked and reported back saying that nothing much at all had happened. As the Minister assisting the Minister for Justice one of the things that frustrated me was that sometimes the Ministry of Justice appeared to go along its own course and did not respond to the Government of the day.

Early in the piece I thought I should seek to move for the appointment of a select committee to look at this issue of prison industries. However, I know that when I put a rocket into the Ministry of Justice it started to do something about the matter, and I was pleased about that. There has since been a transfer of the ministry back under a single Minister rather than its being split between a Minister and a Minister assisting. Probably most importantly, a new director general has been appointed. We should wait to see the outcome of those things before moving on a select committee.

In many areas at the moment the manufacturing base in Western Australia is non-existent. There are many areas in which the prison system could capitalise on import replacements and manufacture. In other fields there are new niches. I was approached by a man from Dongara who makes what he calls environmental earth bricks. Most people have heard of rammed earth houses: This man was making rammed earth bricks so that people could have all the advantages of rammed earth without the walls having to be constructed on-site. He also made paving bricks and so on. He was not competing with anyone else because nobody was making a product like that. He offered to put his equipment into the prison system - I was interested in seeing it go into Greenough Regional Prison - and to act as the agent. He wanted to buy the product and resell it. In other words, he wanted to market the product he had invented. It was a labour intensive product. It was not a particularly skilled job, but it required some skills.

Prison industries provide an opportunity for a number of things. First, they provide training; second, they can provide an income for the prison and the prisoners; and third, they can provide the opportunity for people, many of whom have never worked, to develop a work ethic, which is very much a part of their training. Our prisons offer those who are lucky enough to be employed, or to be able to go to school, an arrangement with TAFE under which they can commence an apprenticeship and come out with two or so years of apprenticeship behind them. It is fully accredited by TAFE and they can pick up the strings on the outside.

I refer particularly to my visit to the Pendleton institution in Oregon. Some members may have heard of the Prison Blues product. Prison Blues is a line of clothing manufactured by prisoners for sale outside the prisons. Prisoners are paid a salary that is equivalent to the industry rate. They are also paid piece rates, so that if there is a higher productivity from a prisoner, he will get extra. He is allocated a computer number and stickers and he attaches a sticker to every 10 jeans, or whatever, that he makes. It goes through the computer so that he receives his base salary plus a little extra. Out of that salary he must pay tax, like any other employee. He also must pay upkeep to his family. If ordered by the courts to pay restitution, that is deducted from his salary on a monthly basis and paid to his victims. An amount is compulsorily put into a savings account each month. If anything is left over he must also contribute to his board and lodging. The point is that he receives a skill in manufacturing. He also contributes to his upkeep and he learns a work ethic. I have a few examples of the Prison Blues clothing in which members might be interested. I have counted them, so members should not pinch them; I intend to take them home again! I have an example of a work shirt that is manufactured in that prison.

Mr House: Show us the number on the back.

Mr MINSON: It is written on some of the clothing, "Made on the inside to be worn on the outside". It is retailed through 600 shops throughout Europe and the United States. I have here some work jeans, a typical American hat with "Prison Blues" written on the front, and a T-shirt.

[The articles were tabled for the information of members.]

Mr MINSON: Quite a few other garments are made; however, unfortunately I could not get examples. The main line of clothing is work clothing. It is heavy duty denim. It is manufactured partly as a work item, but also as a fashion item.

Mrs van de Klashorst: At what price do they sell?

Mr MINSON: The jeans wholesale from the prison at \$US14 each and they retail in the shops for \$US25 to \$US28. There is a good mark-up in it for the shopkeeper.

That is an example of what can be done. It is interesting that Levi-Strauss supports this project because no matter how much the prisons make, they estimate that they will not exceed 1 per cent of the entire jeans market in the United States. Levi-Strauss and the other big manufacturer of jeans are supportive of this process. It is time that we in Western Australia stop cringing about prison industries and realise the positive side of them. I mentioned that if people know exactly what they want in the line of furniture, they can go to Casuarina Prison with a draftsman's drawing or photograph of the piece of furniture and it will be made for them at market value. Unfortunately our prison system cannot advertise. That is silly. It is time that we look at least at items that are not made in Western Australia or that are being imported so that we can start to offset some of the huge costs of supporting prisoners.

We support not only prisoners, but also their families. The prisons turn out people who do not have a work ethic: They are lazier when they come out of prison than when they went in. Here is an opportunity to give them some skills and a work ethic. It is time that we resolved that issue. If in a couple of months the Ministry of Justice has not made progress on this issue of prison industries, I will move in this House for a select committee to be established to look into the issue and to resolve specifically some of the prejudices and arguments that have been going on for a long time. In particular, they relate to areas outside politics while the coalition has been in government and the fact that businesses say that prisoners will compete with them on an unreasonable basis. I have just explained that wages must be paid; therefore, it is not an unreasonable competition. Similarly, when the other side of politics is in power it is silly of the union movement to say that the prisoners are pinching jobs, particularly when many things could be done that would not interrupt industry of any sort in Australia.

Mrs van de Klashorst: The prisoners are looking for something to do.

Mr MINSON: That is right. Once they get used to doing a decent day's work, they look forward to work, and when they come out they want to do some work. Because the United States pays the recognised wage for the industry, plus piece rates, it is not breaking any United Nations or international convention. Some political problems exist in Oregon at the moment with its Federal Government and a few of the other States. It was debated in Oregon while I was there, but I do not know the outcome. They believe that because they were paying proper rates, they will be able to overcome those political problems. I sincerely hope so. At the moment they are turning over \$2m a year and their original plan could be put back on track; namely, to turn over \$26m wholesale per annum out of the Oregon state prison by the year 2000.

It is pretty ambitious with a State population of 2.8m people, which is roughly twice that of Western Australia. As they throw people into gaol in the US with the slightest provocation, they tend to have large gaol populations. It is double or treble the rate per 100 000 people in Western Australia. Nevertheless, it is an example of what can be done in the field of prison industries.

Also, while I was in the States, I attended the mayors conference in Indianapolis. I was interested in this, as those who know anything about the United States system will understand, because local government has quite a lot to do with justice in the States; it runs local and city police forces and many programs for young criminals. I was very impressed by what I heard, and I tie in what I heard with the comments made by the Governor at the beginning of this year when he urged that ethics be taught in our schools.

This conference was organised by the Institute of Basic Life Principles, which is centred in Chicago, and was held at a large training institution in Indianapolis. Delegates spoke about not ethics, but character. Speaker after speaker referred to the "character first" program. In one case, it was operating in the Police Force, and in another case which sticks in my mind, a State put a character first program into schools. A chief executive officer of a large private company with a huge turnover, certainly by our standards, put in place a character first program in his company with good results.

I now quote some statistics from that company: Tom Hill, the CEO, spoke about statistics relating to his company, which were pretty much the same as those found in most companies of that size in the United States. Thirty per cent of the employees were pilfering to some degree from their employers, and 2 per cent of the cost of the company funded absenteeism. When the company advertised and interviewed people, they were warned that they could be expected to undertake drug tests; however, even when employees were warned of the time and day of the drug test, 50 per cent of workers failed the test!

It was outlined at the conference that a survey of 3 000 top high school students was conducted in the US, and 79 per cent of the students admitted to cheating in examinations and 89 per cent admitted that they knew it went on. That probably meant that 10 per cent of students told a fib! Ten per cent of students said they did not cheat, but knew that others were cheating. I do not know how that transposes to Western Australia, but it is probably not that far from our situation.

Tom Hill applied the character first program in his company in hiring, promotion and rewarding people. People were actually trained in character in the organisation. A company came in and spoke about character and why it is so important. One of the results - time will escape me for other examples - was in the area of workers' compensation. Across the United States, this company being representative of others, 6 per cent of workers' compensation claims were due to unsafe work conditions and therefore were the responsibility of the employer; 2 per cent were so-called acts of God and were true accidents, if there are such things; and 92 per cent were due to negligence by the employee, were fraudulent or were inflated. After the character first program had operated for one year, an 80 per cent decrease in workers' compensation claims resulted. This was achieved by concentrating on character first in all that was done. After two years, the decrease was 90 per cent.

That speaks for itself. It was interesting that Tom Hill said that when it advertised for personnel, the company made it clear that it would hire on good character, not just on a person's qualifications. When somebody was rewarded, the company did not reward the outcome, but tended to laud the character attributes which led to the outcome. That has had a terrific effect in the company in raising morale. They even found that marriages had healed. The teaching of character - or ethics, if members like - spilled over into family life, and marriages improved and healed; those headed for the rocks were put back together. A lot can be learnt from that program.

Another example of the character first program was described in a very interesting talk given by someone from the children's division of the institute. The institute has been invited by Oklahoma State to deliver a block of nine lessons on character to all primary schools in that State. I will be interested in following the result of that program over time. The Institute of Basic Life Principles is providing 40 teachers for that purpose.

The final person I shall mention in respect of the character first program is Ray Nash, the Sheriff of Dorchester County, South Carolina. As members will know, a sheriff in the US is highly regarded and is an elected person. Ray Nash made no bones about it: He has released a standards manual which lists character qualities. It sets down a code of ethics which he expects the members of his force to live by. He refers in particular to character and makes no apology for talking about the moral values he expects his policemen to follow. So far it has borne considerable fruit. For members' interest I table this standards manual.

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

Mr MINSON: We should consider the question of character, and we should be teaching it in our schools without apology. The Governor of Western Australia called it ethics. The United States has already discovered positive influences from such a scheme. It is high time we considered concentrating on teaching our children right from wrong, and considered programs put in place in the US. I do not suggest that everything done in the US is good - it is certainly not. However, we need not reinvent the wheel.

Before I complete my Address-in-Reply speech, I allude to disability services, an area into which I put a lot of effort before the 1993 election which brought us to government as I was responsible for drawing up the policy at that time. It was the only area where I drew up a policy and where subsequently I had the opportunity to put it in place. I am able to look back with some pride at what was achieved. I have said publicly and to the media several times that what we did in disability services was to look after the critical need; in other words, the most critical need. We did not to any extent cater for the underlying need. Many people still have a great need. We as a society have not catered for those people. Although Cabinet is well aware of that need and will address it, if it can, I am particularly disappointed with Federal Governments, both Labor and coalition, because they have not faced up to their responsibility in the area of disability services. I wrote to, and met with, the previous Minister, who was a former Premier of this State, Carmen Lawrence, and tried to invoke a clause which would be for growth, which would be binding on the Commonwealth and ourselves. I was not given even the courtesy of a reply. I say to the present state Minister that when the Commonwealth and States' disability agreement falls due in a few months' time, he should refuse to sign a new one unless we get a reasonable deal in this State. Furthermore, unless there is a clause which is legally binding on the Commonwealth, such that when an unmet need is found the clause can be activated by the State and will be legally binding on the Commonwealth, I call upon the Minister not to sign it. Instead he should say, "We will say that we will do for disability what we used to do and the Commonwealth can take back what it used to do." When the Commonwealth had control the service was expensive and it made a total hash of it. I believe that it is incumbent on us as a State to stick it out and get out of the Commonwealth a decent deal for people with disabilities. The previous Government did not do a good job and the current Federal Government must hang its head

in shame because it has not paid the attention that is due to this area, despite the fact that when it was in opposition and afterwards it received warnings from me.

DR EDWARDS (Maylands) [10.12 pm]: I will open my speech on the Address-in-Reply by making a few comments about something we do not talk too often about in here, and that is the future. As everyone knows, we have a new Parliament with new members. It has been very refreshing to hear some of the first speeches made here. We get an idea of the contribution the new members will be making to this Parliament. This is a particularly important Parliament because during the next four years in the life of this Parliament we will not only enter into a new century but also see the changing of the millennium. Not many people get to live through both those events, and certainly not very many members of Parliament. There is a duty upon us to think about those sorts of issues and to be driving in the community a sense that this is an opportunity to look back, to evaluate how things are for us in society in general at the moment, and to start talking to the community about the type of future we want to have for Australia, and Western Australia and what we want in our electorates. During the election campaign not a lot was said about the future. The comment that sticks in my mind is that of the Premier when he launched the Liberal youth policy and described it as "wicked". Parliament as an institution must take the impending change into account and pay it more attention. What prevails at the moment may be described as individualism and linked to it is a fair degree of materialism. With it comes a feeling that there is no need to act as a group or in the broader terms of society in general. It creates the one major challenge: We as a Parliament, putting aside political differences, must show leadership. One of the obvious challenges we face is that we live in a global world. Australia has come of age and we are a participant in the world. The deputy leader of the National Party knows only too well that we live in a global marketplace, which has implications for people here, for farmers, his constituents, the State and the nation. Pressures go with that. It is sometimes suggested that nothing matters too much locally and that we should play in the global marketplace. If we were to do that, a lot of our people would suffer; so that creates a pressure. The marketplace is one example of the challenges we face.

No doubt the currency of the moment and of the future will be information, which will be about communication and knowledge. As members of Parliament we are already disadvantaged. For example, when I talk to my colleagues, I do not have e-mail. Although that is no big matter, it means I do not have the computing ability to access the information available out there, if I care to look for it. Being in opposition, it is a particular problem. I am sure that those who have been in opposition will know that essentially the hallmark of being in opposition is that one feels starved of information. I entered Parliament as a government backbencher. When people said that to me, I did not really believe them. However, having been in opposition for four years, I well and truly believe it. If members of Parliament were more in the modern age of computers and linked to e-mail and the Internet, I feel I could do my job better. However, with that would come the challenge of handling all of the information to which one would have access. I hope that when we have future discussions about parliamentary reforms and doing something about the facilities of this building, we also look at improving services, including information technology and members' access to it. I look forward to sitting with other members in computing courses. The mind boggles!

Mr House: For those people in the country who service rural electorates, the point being made is even more valid. Being able to communicate with our constituents is even more difficult.

Dr EDWARDS: I was horrified to be told by a man, I think from the deputy leader's electorate, that he could get only one telephone line, so that when the son leaves to live in another house on the farm, they will still have only one telephone. To get another telephone line is incredibly expensive.

Mr House: Let alone e-mail; it is also a problem for farmers wanting to install a fax machine on the same line.

Dr EDWARDS: That is right. Given our geography we must look at these challenges. In the sense of the whole of Parliament governing the State rather the Government, we also have the increased social pressures to which we need to listen and respond. There is pressure now like never before to ensure that in our environment we have clean air, pure water and protected ground water sources, and to ensure that our land is not degraded and we have clean oceans. The challenge is to provide all those things and at the same time to provide people with a lifestyle and means of earning a living. They are really large challenges.

Another challenge is to provide adequate health care, which will be critical in the future. We have an increasing population, by however much we can debate, but there is no debating that people are living longer. In addition, people have better knowledge about what is available when they are ill. The huge increase in demand will probably continue to escalate.

We also have the constraint that we need to provide expensive health services. It is now recognised that virtually all the budget cakes are limited and services must be provided more efficiently. Another constraint is that as people know more about new technologies, they naturally want to use them. The best yardstick for examining that matter is one's own family. If people in my immediate family needed health care, I would want the best for them and I would

want to know that they could benefit from all the modern technology that I know about and would not have to wait an inordinate time or be denied it.

In this area, as in other areas, people's decisions about what they want from government are not always rational because they involve a personal element, but that is the same for us all, and we must take that into account when we make decisions about the levels and types of services that will be provided. Similar arguments can be mounted for education, housing and transport, just to name a few.

Another big issue is the challenge of looking at what is meant by quality of life. Recently I listened to an ABC Radio program about work, which pointed out that a significant part of the population is unemployed, a part has never been employed, and a part has few prospects of future employment because it has been long term unemployed. At the same time, about 15 per cent of the population is in employment and, contrary to some of the things that are said, is working long hours and harder than ever, and is receiving a good income, but believe that their quality of life is suffering. The classic comment of those people is that they are working extremely hard and are doing very well, but they are not seeing enough of their families and children. We need to balance these competing needs and ensure that people are getting the quality of life that they want and the quality of life that we assume goes with being Australian.

We must recognise that our values will influence what quality of life we think is important. Recently, I read a study in *The Medical Journal of Australia* of doctors' views of the quality of life of some of their patients, and I was alarmed to see that the doctors' view of quality of life was very different from that of their patients. Doctors predicted a poor quality of life for a certain group of people with disabilities, but the group of people who were living with the disability rated their quality of life much higher. The challenge is to be aware of our own values and also to talk to the people who are affected to know what they want and value.

Parliament is an extremely valuable institution to take a leadership role in this issue and to say to the community, "This is the sort of future that we can all forge together." The Address-in-Reply debate has been very constructive. For example, the member for Greenough tabled jeans and clothes made in prisons, and other members raised things that are equally interesting and stimulating and lead us into the next century. I hope that as a Parliament we will work together through the change of the century and the millennium and be in a leadership role for the remainder of the State.

I will now highlight briefly some matters of environmental concern. The first issue is the annual report of the Environmental Protection Authority, which was tabled last week. My first comment is about the time it has taken for this document to be tabled in Parliament. Under the Environmental Protection Act, the EPA must report by 31 October. This report was signed off on 31 October. The Minister then has nine sitting days in which to table the report. I am disappointed that although the Minister knew that the former Minister for the Environment had received this report in November of last year, a decision was made not to table it until March this year. It could have been tabled at any stage before then, but it was not.

Mr Thomas: I wonder why!

Dr EDWARDS: I think we all wonder why. Unfortunately, it fits into the category of suppression of the document.

The EPA said some alarming things in the report about environmental management in this State. I was a little amused to see under the heading "How the EPA Works" on page seven of the report a graphic description of how the EPA is not working at all. The report makes some comments that need to be raised in the Parliament, because they are matters of some concern. The first is that the EPA believes that it does not know what the Government expects of it. The Chairman of the EPA said that the EPA is signalling that it does not know its role and is not clear about the Government's environmental policies. I urge the Minister to talk to the EPA to make clear its policies, and to spell out where it thinks there are deficiencies.

The annual report states that there is great confusion about the Environmental Protection Authority and the Department of Environmental Protection. There is no doubt that there is some confusion in the community. The report states that the EPA cannot control the activities of the DEP and there is a real possibility of different views coming from the two organisations. The tenor of the report is that the gulf between the EPA and the Department of Environmental Protection is now huge, and, reading between the lines, the split of the EPA and the DEP is not working. I hope the Minister will take action to resolve that matter as quickly as possible.

A deficiency that is identified by the EPA is that the 1992 Ramsay review of the Environmental Protection Act has not been implemented fully. That is a serious issue. Ramsay reviewed the Environmental Protection Act five years after it was proclaimed. That Act is now 10 years old, yet the EPA is still saying that a review that was done over four years ago has not been implemented fully. It is signalling that our Act is not in touch with the environmental expectations of the community. Sadly, the EPA also echoed some of the calls that it had made in the report the previous year. For example, it pointed out that there is still a need for a hazardous waste facility for material from

contaminated sites. I am sorry to observe that little progress appears to have been made on that issue since it was raised in the last report nearly 15 months ago.

The EPA continues to say, as it said both last year and the previous year, that it has inadequate funding to carry out its work. The increase in funding between this annual report and the previous annual report was only \$6 000. In the context of the EPA's overall budget and the demands that it has put to the Minister previously, that amount is very small. It also commented that it was somewhat dismayed not to be involved in the state salinity plan. I hope that matter has been rectified, because the EPA has an important role to play in that plan.

It is little wonder the EPA is dissatisfied, although, perhaps as a result of this report, what I am about to say is an effect rather than a cause. The terms of certain members of the EPA expired on 31 December last year. In August of that year, an advertisement called for expressions of interest for the position of chairperson and two other positions. A number of people who applied for those positions did not hear from the department about what was happening. The terms of three members of the EPA expired on 31 December, and for a number of weeks earlier this year, legally and technically we did not have an EPA because under the Act the two serving members did not constitute a quorum, and during that period no bulletins were published, no decisions were made, and our No 1 watchdog did not exist legally. Fortunately this situation has been rectified but it is still unclear who the new appointees are. It has been rectified only to the extent that the Environmental Protection Authority has a quorum and can continue to function with three members. I am concerned about reports in the media that these three members are threatening to resign if they do not get what they want. That is a serious situation, and one which the Minister must tackle. We must remember that the EPA's annual report is only a report of the EPA. There is another side to the story, and that is how the department sees the gulf being described in the report.

I was a little amused to see the EPA's solution to its current dilemma, which basically was to take it back to what it had before; that is, to make the EPA an implementing board and to have the department become a corporation. Essentially the solution is to give all the money, the corporate responsibility and the policy decision making to the EPA, and to have the department directly servicing it. At the moment that is not the case, because the finances reside with the department. It is clear from hearing one side of the story that there are serious problems in the environmental administration and management in this State. I urge the Minister to move as quickly as she can to rectify the situation and to reassure the public that the process is working and that people can have confidence in environmental management.

It is only fair to the Department of Environmental Protection to say that the EPA is not without its faults. A couple of weeks ago a decision was made by the EPA not to advertise planning schemes that it does not assess. Members will recall debate about the Planning Bill, and that the EPA now assesses planning schemes. However, the EPA, which historically has advertised its decisions, and which has been one of the entities within government which has been most open and accountable, has decided not to advertise what it is not assessing. One could argue that if it is not to advertise, perhaps it would be better not to advertise what it is assessing, because at least that is getting some environmental assessment, whereas the public will not know what is not being assessed. I hope that the EPA will move to address the situation.

I said previously that I felt the EPA annual report had been suppressed. I turn now to four other reports which came out of the department and the EPA with great reluctance and after many questions had been asked. The first is the Perth haze study, which was commissioned by the member for Greenough when he was the Minister for the Environment in 1993. The Government sat on the report and used euphemisms, such as it was under peer review, for an incredible time. The report was finally released on the day that David Dicks returned to the State. It was released very quietly by the chief executive officer of the department, a most unusual way to release a report.

The second report released was again one commissioned in 1993 and not released until 1996. I refer here to the southern metropolitan coastal waters study. The excuse was that it needed to be internationally peer reviewed. Heaven knows why that was necessary when all the data had been published in the annual reports of the Department of Environmental Protection in the two preceding years. However, the report was released on Christmas Eve - when people would really notice the report - just as *The West Australian* was about to receive a reply to its freedom of information request.

The third report, which we are yet to see, is the state of the environment report which was to be released in the middle of last year, then in the spring, and then during the election campaign. The latest date for release is April. A lot of money has gone into preparing that report, so I hope we see it soon.

The report on the management of the karst environment of the Cape Range peninsular has not been released yet although it has been leaked to the media. As well, the report of the dieback panel, about which I have asked questions for two years in this place, was released at the end of last year. The department and the EPA have been sitting on

a lot of information, and for the sake of openness and accountability I ask the Government to release the reports to the public because we all want to know what is going on.

My final remarks relate to an electorate matter. I refer to a crosswalk in my electorate. In some ways it seems strange to use Parliament to talk about a crosswalk but I have been complaining to the relevant departments and local government authorities regarding this crosswalk since July 1995. I am becoming very frustrated about their lack of action.

Mr Bloffwitch: Is it a school crossing?

Dr EDWARDS: It is used by school children, but it is a general crosswalk as well. It is located in Beaufort Street on the corner of Crawford Road. It is near a bend, as one drives west, and when one is heading east it is just around the corner. Therefore, the crosswalk is not very visible. It is used by students at Inglewood Primary School. At one stage I thought the best solution might be to take away the crosswalk. It is very close to my office, and virtually every day we hear the screech of brakes, and we have seen a number of accidents on the crosswalk. We have received many complaints from people about the crosswalk, including those from people who have had accidents at the site and from other people who have witnessed pedestrians being injured on the site. Late last year, as a result of my agitating to the Minister for Transport, and Main Roads, a video survey was undertaken at the crosswalk. It was used by Channel 7 to show how bad are some crosswalks and how drivers will drive through while people are on the crosswalk. Despite recognition of the situation, nothing has been done to rectify it. There has been some talk about moving the crosswalk, but moving it so far away from the current site that I fear the schoolchildren will not use it because it is too far out of their way.

I raise the matter in Parliament to emphasise this extremely serious situation. Unless something is done regarding the crosswalk I believe there will be a death. Twice I have almost been cleaned up when using the crosswalk. When I walk across the road to get my lunch, I walk down the street. I do not use the crosswalk but an island a long way down in the other direction.

Mr Bloffwitch: Where are they moving it to?

Dr EDWARDS: They are talking about moving it west, more towards the bend, about 20 metres further on. The City of Stirling has been very good and has done what it can, but ultimately it depends on Main Roads making a final decision, after consultation with all of us.

Amendment to Motion, as Amended

Dr EDWARDS: I move -

That the following words be added to the motion -

but regrets to inform His Excellency that the Minister for Energy has failed to observe the standards of accountability recommended by the Royal Commission into Commercial Activities of Government and Other Matters and prescribed by Statute, in relation to a bid by AlintaGas to participate in the supply of gas to the Kingstream project.

MR THOMAS (Cockburn) [10.28 pm]: I am pleased to note that the Minister for Energy is in the Chamber. I hope that he will participate in debate or respond to the points made. For the benefit of members I will refer to the verbiage of the amendment, because it makes serious statements. It might be thought to be just hyperbole put forward by the Opposition as an amendment to the Address-in-Reply, when in fact it contains serious statements and warrants at least a considered response from the Minister. With this amendment we seek to inform the Governor that the Minister for Energy has failed to observe the standards of accountability recommended by the Royal Commission into Commercial Activities of Government and Other Matters and prescribed by Statute - the Gas Corporation Act - in relation to a bid by AlintaGas to participate in the supply of gas to the Kingstream project. They are serious assertions and they are not made lightly.

This matter has fallen into the public domain in recent weeks because of a number of articles appearing in *The West Australian*, written by the financial journalist, Mr John McGlue. In one of the first articles on the subject it was stated that advice had been given to the Government from the Under Treasurer, Mr Langoulant, that a bid submitted by AlintaGas was not a wise one and was not prudent. The article stated that the bid submitted by AlintaGas in conjunction with Epic Energy would have obliged AlintaGas to provide an additional 170 terajoules a day of gas over and above that which was envisaged in the first stage of the bid. That would have left it exposed to obligations that it might not have been able to meet after the reciprocal obligations from the purchasers. That is my understanding of the articles; I have not seen the documents about which John McGlue was writing. That is a fairly serious assertion, given that it was not made by just anyone in the street or by an opposition member, but rather the Under Treasurer. This is the most senior adviser in this State to the Government on its financial matters.

That rang alarm bells with us. We thought if advice by the Under Treasurer about a major financial undertaking by a government instrumentality, behind which stands the Crown and the taxpayers of this State, is not followed - that is, if the Government adopts the Minister's view or someone else's - surely the Government should be concerned enough to require the various safeguards and requirements of accountability to be invoked to ensure full accountability in that decision making.

We asked questions in this House last week and the answers we got, such as they were, suggest that those standards of accountability have not been followed. The first issue referred to in this amendment is that recommendations of the Royal Commission into Commercial Activities of Government and Other Matters relating to accountability have not been followed. I refer to part 2 of its report which deals with Cabinet decision making. The report also dealt with the fact that a number of decisions, in the royal commission's view, were improper, were not wise and, in some cases, were more seriously incorrect than that and were also at fault because they had not been referred to Cabinet. The royal commission said that presumably had the matters been referred to Cabinet, the decisions might not have been made. Ministers acting on their own, without referring matters to Cabinet, had made decisions that were, at best, unwise, and, at worst, highly improper. I do not think any of the decisions were found to be criminal. The royal commission said that such major decisions should be referred to Cabinet, and not made by Ministers on their own, much less by officers.

We read this article in the newspaper about Mr Langoulant's advice and assumed the matter would be referred to Cabinet. A question was asked of the Premier last week who said that because of family connections he is not participating in any deliberations relating to the Kingstream project. The question was then asked of the Deputy Premier, who said that the matter had never been to Cabinet. He was asked another question on that matter and he said quite unequivocally that the question of the AlintaGas bid to participate in the supply of gas to the Kingstream project had not been to Cabinet.

For the purposes of my argument let us assume that the newspaper reports in this article are correct and that the Minister for Energy, when asked, said that we could read *The West Australian* if we wanted to know what was the advice about the matter. Let us also assume that the statements that the State is exposed to a potential financial implication of a ballpark figure of \$500m are correct. It would therefore seem that a decision has been made to submit a bid that will expose the State to the extent of \$500m without its going to Cabinet. I find that absolutely amazing. I hope I am wrong. I hope it has gone to Cabinet and that, in some sense, we have misconstrued what the Deputy Premier said last week. I look forward to a response in this debate either by him or by the Minister for Energy about the decision making in this matter.

It is a very serious situation indeed if such an attempt to make this bid to expose the State has occurred - it exposes a government instrumentality, behind which stands the Crown and the people of Western Australia - without its going to Cabinet, in complete contradiction to the recommendations and findings that flowed from the activities in late 1982 and referred to in part 2 of the royal commission report. Those standards of accountability relate to Cabinet procedures.

As we know, Cabinet does not exist in Statute or the Constitution and its procedures are conventions and arrangements that exist between Ministers and the Premier. Standards of accountability are prescribed by Statute. In this case it is the Gas Corporation Act which was brought into this Parliament in 1994. The current Minister for Energy introduced it and at the time it was hailed as being a model piece of legislation for setting up a utility which observed all these standards of accountability for public bodies which had learned the lessons of the 1980s. Part 4 of the legislation is headed "Provisions as to Accountability" and contains provisions for accountability to the Parliament and the public by a major organisation which has a turnover of hundreds of millions of dollars and Crown debts in excess of \$1b.

In the performance of this Minister we have seen that some of those provisions of accountability are more honoured in the breach than in the observance. Those of us who have been in the Parliament during the past couple of years know that the statement of corporate intent and the other documents, which form key parts of the accountability mechanisms of this organisation which has debts in excess of \$1b, debts for which the public of Western Australia ultimately is responsible, were not presented in this place within the time prescribed in the legislation. Months went past before the documents which form an important part of the provisions of accountability were tabled in the Parliament. The record of this Minister in relation to accountability is in question. Although the legislation he introduced into this Parliament prescribes certain measures, the Minister's record in this matter is not good. Indeed, it appears to be a very sorry tale.

I refer the House and the Minister, in particular, to two sections in the Gas Corporation Act: The first is section 34 which deals with transactions which require ministerial approval; the second is section 36 relating to the Minister being consulted on major initiatives. Section 36 casts an onus, a responsibility, on AlintaGas to consult with the

Minister about certain matters and section 34 casts an onus, a responsibility, on the Minister to approve certain transactions. Section 36 of the Act reads -

. . . the corporation must consult the Minister before it enters upon a course of action that in its opinion -

- (a) amounts to a major initiative; or
- (b) is likely to be of significant public interest.

It is very difficult to think of a matter which could more clearly fit into the category of a major initiative or be likely to be of significant public interest than a bid to enter into a venture with a private utility firm to supply to a major project energy amounting to 107 TJ or possibly 340 TJ a day, if it reaches its projected size, and which could expose the State to a debt of \$500m.

An essential part of consulting with the Minister would be to inform him that Treasury does not think it is a good idea. We learnt from questions answered last week that the advice from the Under Treasurer, Mr Langoulant, that he did not think the bid submitted by AlintaGas in conjunction with Epic Energy was prudent, was not Cabinet advice but a letter from the Under Treasurer to Mr Harvey, Chief Executive Officer of AlintaGas, advising that he did not think it was a wise move. I hope the Minister is listening.

Surely if AlintaGas were properly carrying out its responsibilities and obligations under this legislation by consulting with the Minister, it would inform him not only that it intends to submit a price and other details of the project but also that the Treasury does not think the bid is a prudent move. If AlintaGas is advising the Minister that it is submitting a bid which it believes is a beneficial move for the corporation and State, but has advice from the Treasury that it is not a good move, in complying properly with section 36, it should inform the Minister that the Treasury thinks otherwise.

I am looking forward to the Minister's response to see whether he received that advice from Treasury, pursuant to section 36 of the Gas Corporation Act, as we are told in the newspapers and confirmed by the Minister.

Section 34 is "where the buck stops", as Harry Truman used to say - with the Minister. He is required to approve certain undertakings which will involve AlintaGas in commitments exceeding 1 per cent of the written-down value of the corporation's consolidated fixed assets, or the sum of \$15m, whichever is the greater. As a back-of-the-bus-ticket calculation the commitment amounts to about \$15m. We are now aware that this venture could expose AlintaGas to a commitment of \$500m; therefore we can safely deduce that we are well over the threshold. The Minister must approve submission of that bid. I assume - I will be contradicted if I am wrong - that the Minister has approved this proposed transaction. Presumably AlintaGas is submitting a bid that is conditional upon the Minister's subsequent approval under section 34 of the Gas Corporation Act.

The Minister cannot responsibly commit an authority of the Crown behind which stand the taxpayers to the extent of approximately \$500m without informing himself of the various views within government before he makes a decision. When we asked the Minister last week about the Treasury document he said he had not read it.

Mr Barnett: I had not seen it.

Mr THOMAS: That is bizarre. A utility seeks to commit the State to \$500m, contrary to the advice of the Under Treasurer, and the Minister glibly says he has not seen it. If the Minister committed the State to such a massive sum of money knowing the Under Treasurer thought the transaction was not prudent he is being either totally irresponsible - he has certain qualifications in economics; ultimately he does not have to accept the Under Treasurer's advice - or he has been kept in the dark. AlintaGas submitted a bid it thought the Minister may not approve so AlintaGas thought it had better not tell him what Treasury said. We know that the Premier, who is also the Treasurer, is not participating in these deliberations; therefore Treasury is unable to advise him, thereby bypassing a safeguard by which this advice would get to Cabinet. The only way that advice could reach that Minister and other Ministers would be via the Minister for Energy, the Minister responsible for AlintaGas.

If the Minister has been kept in the dark about such a major proposal by a public authority he should dismiss the officers responsible at AlintaGas who have kept him in the dark in such significant and serious circumstances. Their jobs should be on the line because it is their role to keep the Minister informed.

MR BARNETT (Cottesloe - Minister for Energy) [10.48 pm]: The member for Cockburn has tried to paint an interesting scenario. He referred to two possibilities, but there are far more than that. One of the other possibilities is the truth. I will be brief because tomorrow I will present to Parliament the Kingstream Agreement Act which will publicly detail the arrangements for the gas supply to the project. I will not comment on those to any great extent beforehand.

Under the agreement Act Kingstream will have an obligation in the first instance to negotiate with AlintaGas for the supply of gas. If it fails to reach agreement with AlintaGas it can seek proposals from anyone, including AlintaGas, for the supply of gas to the project whatever the ultimate volume. In doing that, Kingstream has received proposals from all sorts of people. It was not within AlintaGas' capacity to raise large amounts of money to expand a pipeline to meet the needs of that project. Even if it were within its capacity, it was not something the AlintaGas board wished to do. It would have substantially increased debt. It also is not something the Government wants to see AlintaGas do. It was suggested to me by some people that AlintaGas should have stayed out of the process.

I find that unusual. As it was, Epic Energy, formerly Tenneco Energy, approached AlintaGas and had discussions with the board and senior management. It was Epic that submitted the bid to Kingstream to supply gas to the Kingstream project. Epic's proposal was that Epic would be the transporter of gas and that it would do it by Epic's funding an expansion of the AlintaGas pipeline. The extra expenditure on expanding the pipeline - a couple of hundred million dollars, or whatever it might have been - would have been Epic's expenditure, not AlintaGas'. However, AlintaGas would have owned the existing pipeline, plus the expanding loop sections. AlintaGas at all stages would own the asset; Epic would raise the money and have the right to carry gas through the expanded pipeline to the extent of that expansion in capacity. That scenario has no risk to taxpayers and to other gas customers, but an opportunity for AlintaGas to stay in the marketplace.

People suggested to me that AlintaGas-Epic should not have been able to bid for the Kingstream business; that somehow that was improper. At the same time, people accused me of stopping competition and new pipelines. I put it to the House that had I in any way restricted AlintaGas-Epic from making a bid, I would have prevented them from competing. AlintaGas should be able to compete, whether it is privately or publicly owned. I want it to compete; it is meant to be a commercial organisation. More importantly, by doing that I would have denied Kingstream the opportunity to have as many competitive bids as possible. I would have taken one source of competition - an important source; the existing pipeline - out of the marketplace. I want to see AlintaGas-Epic able to compete, and I want to see Kingstream have the benefit of as many competitive bids as possible so that the lowest priced gas can be delivered; therefore, the economics of the project will be stronger and the probability of the project proceeding will be enhanced.

The negotiations between AlintaGas and Epic were conducted by the board and senior management. When they got to the proposal - it was Epic, not AlintaGas, that made the bid - they advised me they were about to make a proposal and asked whether I agreed for them to do that. I did. Without knowing the full details of the proposal I said that in principle I agreed for them to put forward a proposal. That proposal is all that it is. It is not a commitment; it is a proposal. In other words, it is the start of a negotiating process. If - it is an "if" - Kingstream were to select AlintaGas-Epic, the process of negotiating a contract, and an enhancement of the pipeline, privately funded, would get under way. If that progressed, under the Act, as the member opposite rightly states, ministerial approval would be required, which would require Cabinet approval. We have not reached anywhere near that stage. At that stage I would take it to Cabinet and it would be subject to a fully formal Cabinet process in line with the undertakings under sections 34 and 36 of the Gas Corporation Act. All I have agreed to do is allow AlintaGas to be in the game; to say that it is here, too, and that it also wants to be considered in any proposal to supply gas to the Kingstream project.

I happened to be in Taiwan, visiting the An Feng (Australia) Pty Ltd steel mills, when I was faxed a copy of the article, which I think appeared on the front page of the country edition of *The West Australian*, saying that the Under Treasurer had advised the steering committee handling the pipeline sale that in his view this was high risk - I am not sure of the exact terms he used - and that it would put taxpayers' funds at risk. I do not agree with the Under Treasurer. He is wrong: It is not taxpayers' money; it is Epic's money and the proposal is nowhere near contract stage. I do not agree with his advice. That advice was to the steering committee. Presumably someone gave that to the media and it appeared in the newspaper. The first I knew of the Under Treasurer's views was when I read a faxed copy of the article in *The West Australian* in my hotel room in Taipei. Whether he sent copies of that to my office, I do not know. I will have that checked if the member for Cockburn is interested. However, that was correspondence between him and other members of the steering committee. As a member of the steering committee he was entitled to express that view. However, I am disappointed that if he had that view that he had not spoken to me in person about that. I think the view is wrong.

AlintaGas then raised the issue with me. As far as I was concerned it was only at the stage of submitting a broad proposal to try to get into the position of negotiating. I said, "Carry on fellas; just keep going." To my knowledge Kingstream has made no indication, either privately or publicly, whether it will start negotiating with AlintaGas-Epic or whether it will deal with PGT Australia Pty Ltd or Australian Gas Line, or anyone else. The only thing I have done is allow AlintaGas-Epic to stay in the race to secure the Kingstream business. I have not agreed to any terms and conditions. Indeed, AlintaGas has not come to me with any contract proposals or any proposal to expand the pipeline on that basis. The proposal is too embryonic for that; it is nowhere near that stage yet. It will depend ultimately on the Kingstream project going ahead, and in the first instance on Kingstream making a decision on whom it wants to

deal with in negotiating a gas supply and transport contract arrangements. The argument the member for Cockburn makes would be okay had the decision process gone way beyond where it is at the moment.

Mr Thomas: There must be some degree of commitment.

Mr BARNETT: No.

Mr Thomas: In the preselection of tenderers you should satisfy yourself.

Mr BARNETT: That is not my choice. Kingstream is a private company and it will select whom it wants to deal with. All I have allowed is for AlintaGas-Epic to be in there bidding. Even the association between Epic and AlintaGas is something discussed at the board level in AlintaGas. Even that, if it were to come to fruition in any form, would require Cabinet approval and Cabinet decision making. It does not give Epic an ownership of the pipeline. It would give it a right to capacity. Epic would be in a position similar to Alcoa of Australia Ltd: Effectively it would contribute capital to an enhancement of the pipeline, which would give it an extra 170 terajoules of capacity, for example. Epic in return would have the right to transport gas to the volume of 170 TJ. All Epic would be doing is funding an expansion of pipeline capacity for its use - just as Alcoa does. That would occur also if a project in the south west needed another 35 TJ and an obligation existed to expand capacity. It would not own the pipeline or the enhancement of the pipeline, but a right to transport.

Mr Thomas: There is an obligation for the second 170 TJ that would reside on the pipeline owner.

Mr BARNETT: For various timing reasons, AlintaGas proceeded on the second proposal. Again, it is only a broad proposal and no commitment has been made. However, if that second stage were to proceed, it would be on the same basis - privately funded, effectively buying transport capacity.

Mr Thomas: The way these things operate, if AlintaGas-Epic submit a bid, which has a price within certain parameters, and they go back to you and it turns out that the Under Treasurer is right and you are wrong, or AlintaGas is wrong, and they cannot do it within those parameters, they are liable to sue.

Mr BARNETT: No.

Mr Thomas: They invariably are.

Mr BARNETT: Everyone is aware of the Gas Corporation Act and the fact that I have rights and responsibilities as the Minister, as do Cabinet and the Parliament. Great care has been taken to ensure there is no obligation as the member imagines. If they come back and say they have a fantastic deal, and I say, "Sorry; we will not do it," that is the end of it. There is no right of redress. That has been covered. The matter has been handled carefully. AlintaGas is a sophisticated organisation in its legal behaviour. I will candidly admit that I was a little disturbed that the relationship between Epic and AlintaGas had gone a long way before they formally told me about that. I then had to make a decision whether to stop it or to allow them to submit a broad proposal so that they were at least in the game. The member can criticise me on this if he wants to: I made the decision for them to proceed on the understanding that there was no offer to contract and that any decision would require board and Cabinet approval.

Mr Thomas: And Cabinet

Mr BARNETT: There is nothing to take to Cabinet yet, but it would go to Cabinet if anything happened out of that early negotiation. This is like expressions of interest stuff.

Mr Thomas: It is more than that.

Mr BARNETT: Hang on. I will finish now. This is virtually in the nature of expressions of interest. Kingstream has gone out saying it wants somebody to supply it with gas. It wants somebody to sell it gas, to expand the pipeline, to build a new pipeline, and to present other proposals to look at developing new oil and gas fields and to build power stations to give it electricity, not gas. The whole thing is big ballpark stuff. The best analogy is that it is an expression of interest, not an offer and acceptance in terms of contract at all. We have not reached that stage. The AlintaGas Board is not entitled under its Act to do that, and as Minister I have not given it approval to do so.

Mr Thomas: Will you make available the documents AlintaGas has made available to Kingstream?

Mr BARNETT: I will not, because I do not have them. That is something to do with the AlintaGas Board.

Mr Thomas: Will you oppose us in our FOI application to get hold of them?

Mr BARNETT: No. The member is entitled to do that. However, if he wants to take that action, he will nobble the chances of AlintaGas competing with private sector companies.

Mr Thomas: I want to know how firm the offer is because I suspect that it is firmer than you are suggesting.

Mr BARNETT: I will take better legal advice than the member will ever give me. The member can make that assumption. By going down this little path, the member will scare off the proponent, Kingstream, from dealing with AlintaGas, and cut it out of the market for no good reason.

Mr Thomas interjected.

Mr BARNETT: The member has had his go. He will play his little game in here, and will cut the government-owned utility out of being in a fair, competitive position because he thinks he will score some petty little point against me - he will not. We have stuck to the Gas Corporation Act scrupulously, and the board has conducted its affair scrupulously. I have absolute confidence in the AlintaGas Board.

Mr Thomas: What about the comments in "Time On" in *The West Australian*?

Mr BARNETT: The Under Treasurer did not choose to give his opinion to me. He was a member of a steering committee.

Mr Thomas: You were kept in the dark.

Mr BARNETT: He was a member of a steering committee, so he expressed his views to his fellow members of that committee and they rejected his view.

Mr Thomas: Why did Mr Harvey not tell you?

Mr BARNETT: I am not responsible for what Mr Harvey does.

Mr Thomas: You are the responsible Minister.

Mr BARNETT: Hang on. The member does not understand. I am going to sit down as this man is driving me mad!

I will explain it one more time: The Under Treasurer is a member of a steering committee. He had a view which he expressed in writing to the steering committee. The other members of the steering committee, who, with due respect to the Under Treasurer, are far more informed on the commercial dealings of AlintaGas than he - this matter was tangential to the steering committee work - rejected his view. I rejected it. He spoke of taxpayers' money being at risk, but no taxpayers' dollars are involved in an expansion of the pipeline funded by Epic to supply Kingstream. It is exactly the same as the Alcoa-type arrangements.

Mr Thomas interjected.

Mr BARNETT: The member can pick it up and destroy some commercial undertakings of government. It was done pretty well by members opposite in the 1980s, and they will continue that action in opposition. The Government rejects the amendment.

Amendment put and a division taken with the following result -

Ayes (16)

Ms Anwyl	Mr Marlborough	Mr Ripper
Mr Brown	Mr McGinty	Mrs Roberts
Mr Carpenter	Mr McGowan	Mr Thomas
Dr Edwards	Ms McHale	Ms Warnock
Mr Graham	Mr Riebeling	Mr Cunningham (<i>Teller</i>)
Ms MacTiernan		

Noes (29)

Mr Ainsworth	Mr House	Mr Prince
Mr Barnett	Mr Johnson	Mr Shave
Mr Board	Mr Kierath	Mr Sullivan
Mr Court	Mr MacLean	Mr Sweetman
Mr Cowan	Mr Marshall	Mr Tubby
Mr Day	Mr Masters	Dr Turnbull
Mrs Edwardes	Mr McNee	Mrs van de Klashorst
Dr Hames	Mr Minson	Mr Wiese
Mrs Hodson-Thomas	Mr Omodei	Mr Bloffwitch (<i>Teller</i>)
Mrs Holmes	Mr Osborne	

Pairs

Dr Gallop
Mr Grill
Mr Kobelke

Mrs Parker
Mr Nicholls
Mr Bradshaw

Amendment thus negatived

Motion, as Amended, Resumed

Debate adjourned, on motion by Mr Bloffwitch.

COMMITTEES FOR THE SESSION*Council Personnel*

Message from the Council received and read notifying the personnel of sessional committees appointed by that House.

House adjourned at 11.10 pm

QUESTIONS ON NOTICE

COURT BUILDINGS - HERITAGE REGISTER

8. Mr PENDAL to the Minister for Heritage:

- (1) Are the buildings occupied by the Francis Burt Law Education Centre at Perth and Fremantle - namely, the original court building in Supreme Court Gardens and the chaplain's residence adjacent to the old Fremantle Prison - on the permanent Heritage Register?
- (2) If so, do these buildings qualify for heritage grants?

Mr KIERATH replied:

- (1) The buildings are entered on the register on an interim basis.
- (2) This would be considered under the Conservation Incentive Program if work was of an urgent nature and could not be funded by normal agency appropriations. It could also be considered under the Lotteries Program if the entity were to enter into a long term lease for the properties and they took over responsibility for the maintenance of the places.

STRATA TITLE ACT AMENDMENT - IMPLEMENTATION COSTS

11. Dr CONSTABLE to the Minister for Lands:

What is the total cost to date of the implementation and promotion of the most recent changes to the Strata Title Act 1985, including advertising costs and the cost of publishing and distributing information brochures?

Mr SHAVE replied:

\$501 099.

GOVERNMENT PROPERTY - SALE

49. Dr CONSTABLE to the Deputy Premier; Minister for Commerce and Trade; Regional Development; Small Business:

- (1) In relation to all real estate (land and buildings) sold within the Minister's portfolios in the 1995-96 and 1996-97 financial years -
 - (a) where was the real estate situated (giving the actual address of the land and building);
 - (b) for what amount was the real estate sold;
 - (c) when, if ever, was the most recent valuation of the real estate conducted; and
 - (d) what was the value of the real estate according to the valuation?
- (2) What real estate within the Minister's portfolios is currently for sale or in the process of being sold?

Mr COWAN replied:

Commerce and Trade:

- (1) (a) Financial year 1995-96
 - (i) Lot 30 corner Sarich Way and Parker Place
Technology Park, Bentley.Financial year 1996-97
 - (ii) Lot 201 Watts Place
Technology Park, Bentley
 - (iii) Lot 106 Watts Place
Technology Park, Bentley
 - (iv) Lot 62 De Laeter Way
Technology Park, Bentley
- (b) Financial year 1995-96
 - (i) \$355 000

Financial year 1996-97

- (ii) \$162 600
- (iii) \$215 000
- (iv) \$200 000

(c) The most recent valuation of the real estate was conducted in July 1996. A review in July of each year is conducted on land at Technology Park by the property managers, Chesterton International. In accordance with State Government policy on land disposal, market value is reviewed on any asset prior to disposal.

- (d) (i) \$375 000
- (ii) \$130 000
- (iii) \$204 000
- (iv) \$200 000

- (2) Lot 104 Turner Avenue, Technology Park, Bentley
 Lot 107 Watts Place, Technology Park, Bentley
 Lots 71-72 Parker Place, Technology Park, Bentley
 Lot 24 Parker Place, Technology Park, Bentley
 Lot 21 cnr Sarich Way and Brodie Hall Drive, Technology Park, Bentley
 Lot 22 cnr Parker Place and Sarich Way, Technology Park, Bentley
 Lot 64 Parker Place, Technology Park, Bentley
 Lot 61 Brodie Hall Drive, Technology Park, Bentley

For the Small Business Development Corporation the answers are as follows -

- (1) Not applicable.
- (2) Nil.

South West Development Commission:

- (1) 1995-96
 The South West Development Commission did not sell any real estate.

1996-97

Between 1.7.96 and 10.3.97, the South West Development Commission sold the following four lots -

- (a) Lot 26 Wetherly Drive, Picton (City of Bunbury)
- (b) \$225 000
- (c) 2 April 1996
- (d) \$220 000-230 000

- (a) Lots 806, 807, 813 and 814 Marlston Hill, Bunbury
- (b) \$1 026 875
- (c) 26 June 1997
- (d) \$950 000-\$1 000 000

- (a) Lot 25 Wetherly Drive, Picton (City of Bunbury)
- (b) Nil - land was transferred as part of Heads of Agreement to relocate oil companies from Marlston Hill to Picton
- (c) 2 January 1997
- (d) \$230 000

- (a) Lot 24 Wetherly Drive, Picton (City of Bunbury)
- (b) Nil - land was transferred as part of Heads of Agreement to relocate oil companies from Marlston Hill to Picton
- (c) 3 April 1996
- (d) \$250 000

- (2) Lot 749 Koombana Drive, Bunbury

ELECTORAL - ELECTION CAMPAIGN 1996

Complaints

72. Dr CONSTABLE to the Minister for Parliamentary and Electoral Affairs:

- (1) How many complaints were made to the Electoral Commissioner regarding conduct during the December 1996 election campaign?
- (2) In respect of each complaint -

- (a) under what section or sections of the Electoral Act 1907 were the complaints made;
- (b) who made each complaint, and
- (c) who was the subject of the complaint?

Mr SHAVE replied:

- (1) Ten complaints have been lodged about various matters which arose during the 1996 state general election.
- (2)(a)-(c) The complaints involve consideration of the following sections of the Electoral Act -
Sections 129, 183, 184, 187, 189 and 191A.
Because of the nature of the complaints, it is inappropriate to reveal either the details of the complaints or their subjects.

STRATA TITLES ACT - AMENDMENT

Green Titles

96. Mr RIPPER to the Minister for Lands:

When will the Government act on its promise to introduce legislation making it easier for strata title holders to obtain green titles for their dwellings?

Mr SHAVE replied:

Drafting of legislation has commenced. Due to the complex issues involved, discussions between the Department of Land Administration and relevant departments and utility services are necessary on an ongoing basis as the draft legislation is developed. It is anticipated that a Bill will be introduced into Parliament later this year.

WORKERS' COMPENSATION AND REHABILITATION ACT - SECTION 93D

Changes

98. Mr GRILL to the Minister for Labour Relations:

- (1) Does the Minister intend to make any changes to Section 93D of the Workers' Compensation and Rehabilitation Act 1981 this year?
- (2) If so, what is the nature of those changes?

Mr KIERATH replied:

- (1) Yes.
- (2) While the final nature of any changes to legislation is a matter for the Government to determine, an amendment to this section was included in the Workers' Compensation and Rehabilitation Amendment Bill 1996.

EDUCATION - TERTIARY ENTRANCE EXAMINATION

Languages

117. Ms WARNOCK to the Minister for Education:

- (1) Has Modern Greek been included as a Tertiary Entrance Examination scoring subject for 1997?
- (2) If not, when will it be included as a Tertiary Entrance Examination scoring subject?
- (3) Has Vietnamese been included as a Tertiary Entrance Examination scoring subject for 1997?
- (4) If not, when will it be included as a Tertiary Entrance Examination scoring subject?

Mr BARNETT replied:

- (1) Yes.
- (2) Not applicable.
- (3) No.

- (4) In 1997 only one school is offering Vietnamese in Year 11. No schools are offering Vietnamese in Year 12. No consideration is being given to its inclusion as a tertiary entrance scoring subject.

EDUCATION - TERTIARY ENTRANCE EXAMINATION

Languages - Weighting

119. Ms WARNOCK to the Minister for Education:

Will the Minister instruct the Secondary Education Authority to redefine the weightings of Tertiary Entrance Examination scoring subjects so that the weightings are more evenly balanced to encourage Year 11 and 12 students to study a language other than English at TEE level?

Mr BARNETT replied:

The Tertiary Entrance Examination subjects all have equal weightings. In the general discussion of TEE options which occurred during 1996 there was no suggestion that the weightings should be changed. There is a perception that languages other than English are disadvantaged by the scaling procedures used in calculating tertiary entrance scores. A study is currently under way to see whether an alternative method of scaling based on the system used in New South Wales would be preferable to using the Australian Scaling Test. Scaling is a joint responsibility of the Secondary Education Authority and the Tertiary Institutions Service Centre. Any changes to scaling in Western Australia would need to be agreed to by both TISC and the Secondary Education Authority.

WORKPLACE LIAISON SERVICE - ESTABLISHMENT

Objectives

134. Mr KOBELKE to the Minister for Labour Relations:

- (1) When was the Workplace Liaison Service established?
- (2) What suburbs or areas are currently covered by the Workplace Liaison Service?
- (3) How many officers and how many full time equivalents are currently committed to the Workplace Liaison Service?
- (4) If the Workplace Liaison Service is to be expanded to cover the whole State then what is the anticipated date for its expansion and what will then be the number of full time equivalent employees working for the Workplace Liaison Service?
- (5) What are the objectives of the Workplace Liaison Service?

Mr KIERATH replied:

- (1) November 1996.
- (2) Metropolitan area, Mandurah and Rockingham.
- (3) Five FTEs are allocated to the Workplace Liaison Service, with three positions currently filled.
- (4) No decision has been made about the Workplace Liaison Service being extended to the remainder of the State.
- (5) To support business in making informed choices towards achieving their workplace objectives and fulfilling their legal obligations under awards, agreements and employment legislation.

"THINKSAFE" CAMPAIGN - EXPENDITURE

Sponsorship

135. Mr KOBELKE to the Minister for Labour Relations:

- (1) When was the "ThinkSafe" campaign launched by the State Government?
- (2) What has been the total expenditure on this campaign to date?
- (3) How much of this expenditure has been from the Consolidated Revenue Fund?
- (4) How much of the "ThinkSafe" campaign costs have been met by sponsorship?

- (5) Which companies have provided sponsorship to the "ThinkSafe" campaign and how much has been the contribution from each company?
- (6) What is the estimated budget for the 1996-97 year for the "ThinkSafe" campaign?
- (7) What is the estimate of expenditure for 1996-97 from the Consolidated Revenue Fund for the "ThinkSafe" campaign?

Mr KIERATH replied:

- (1) The "ThinkSafe" campaign was launched on 18 January 1996.
- (2) Expenditure to date on the campaign has been \$650 179. This includes the contributions of WorkSafe Western Australia, the Workers' Compensation and Rehabilitation Commission and the State Government Insurance Commission. As part of its road safety and accident prevention initiatives, the State Government Insurance Commission has embraced the ThinkSafe philosophy by supporting certain aspects of the ThinkSafe campaign.
- (3) \$98 282 has been from the Consolidated Revenue Fund.
- (4)-(5) To date, sponsorship of the ThinkSafe campaign has been limited to the donation of goods and services, by seven companies, as prizes for a ThinkSafe poster design and colouring competition in schools; total value less than \$1 000.
- (6) \$495 000.
- (7) \$130 000.

HOMESWEST - TENANTS

Public Housing Assistance

136. Mr BROWN to the Minister for Housing:

- (1) Did the Minister for Housing write to Homeswest tenants on 4 December 1996, or thereabouts, concerning correspondence tenants may have received about proposed changes to public housing assistance?
- (2) Was the letter sent out by -
 - (a) Homeswest;
 - (b) the Minister's office; or
 - (c) other (please specify)?
- (3) Were the postage/delivery costs paid by -
 - (a) Homeswest;
 - (b) the Minister's office; or
 - (c) other (please specify)?
- (4) Did the Minister's office obtain from Homeswest details of the residential addresses of Homeswest tenants?

Dr HAMES replied:

- (1) Yes.
- (2) Homeswest on behalf of the then Minister.
- (3) Homeswest.
- (4) No.

ELECTION - QUIRKS CLEANING SERVICES

Campaign Assistance

137. Mr BROWN to the Minister for Labour Relations:

- (1) Is the Government contemplating introducing legislation that would make it an offence for employees to be pressured to campaign for candidates for political office and/or political parties nominated by the employer?

- (2) Is the Minister aware that some employees of Quirks Cleaning Services received a note from the company prior to the State Election in the following terms -

If you are interested in the outcome of the State Election on the 14 of December and are available for a couple of hours on that day and if you live in the northern suburbs, please let Stan Lauder know. The Liberal candidate in this constituency, Katie Hodson-Thomas, needs assistance at the polling booths handing out "how to vote" cards. Phone 481 0999 if you can help.

- (3) Is the Minister aware the telephone number given in the memo is that of the company?
 (4) What action does the State Government intend to take on this matter?

Mr KIERATH replied:

- (1)-(3) No.
 (4) None.

SEWERAGE - BASSENDEAN ELECTORATE

Provision

140. Mr BROWN to the Minister for Water Resources:

- (1) How many streets in the Bassendean electorate are yet to be provided with deep sewerage?
 (2) When will each street in the Bassendean electorate be provided with deep sewerage?
 (3) How many streets in the Bassendean electorate have been provided with deep sewerage since February 1993?
 (4) How many houses in the Bassendean electorate have been provided with deep sewerage since February 1993?
 (5) How many houses provided with deep sewerage since February 1993 in the Bassendean electorate have had the main sewerage connected to their homes?

Dr HAMES replied:

- (1) Approximately 103 residential streets and 37 commercial and industrial streets are yet to be provided with deep sewerage in the Bassendean electorate.
 (2) It is anticipated that eligible unsewered standard sized residential lots will be provided with a sewerage service by 2003-04. Industrial and commercial properties are not being targeted by the infill sewerage program at this stage. [See paper No 288.]
 (3) Approximately 98 streets have been provided with deep sewerage under the infill sewerage program.
 (4) Approximately 1 450 properties have been provided with a sewerage service under the infill sewerage program.
 (5) Approximately 720 properties, sewerage under the infill sewerage program, have been connected to available sewers.

EDUCATION - SCHOOLS

Cadet Training Scheme - Crime Prevention

147. Mr BROWN to the Minister for Youth:

- (1) Is the cadet training scheme in schools a crime prevention scheme?
 (2) If so, in what ways does the scheme prevent crime?
 (3) Does the cadet scheme in schools have an element of crime prevention?
 (4) If so, what is that element?
 (5) Does the Government intend to introduce a youth leadership training program or similar program?
 (6) If so, exactly what will that program involve?

(7) When will the program be introduced?

Mr BOARD replied:

Please refer to question 148.

RACING AND GAMING - COMMITTEES AND BOARDS

Membership

222. Dr CONSTABLE to the Minister representing the Minister for Racing and Gaming:

(1) With reference to the Minister's answer to question on notice No 40 of 1997, who are the current members and chairpersons of the following committees and boards -

- (a) Lotteries Commission Board;
- (b) Betting Control Board;
- (c) Gaming Commission of Western Australia;
- (d) Liquor Licensing Court;
- (e) Racecourse Development Trust;
- (f) Racing Penalties Appeal Tribunal;
- (g) Totalisator Agency Board;
- (h) Western Australian Greyhound Racing Association Committee; and
- (i) Charitable Collections Advisory Committee?

(2) When was each member appointed and for what period of time?

(3) How much remuneration is each member paid?

Mr COWAN replied:

The Minister for Racing and Gaming has provided the following reply -

Lotteries Commission:

(1) The board of the Lotteries Commission consists of the following members -

Chairman	Mr Lloyd Stewart
Commissioner	Mr Frank Montgomery
Commissioner	Mrs Anne Griffiths
Commissioner	Mrs Jennifer Rogers
Commissioner	Mr Geoffrey Harris
Commissioner	Mrs Deborah McGeoch

- (2)
- | | |
|---------------------|---|
| Mr Lloyd Stewart | Appointed 25.3.94 for a three year period.
Reappointed 25.3.97 for a three year period.
Expiry 25.3.2000. |
| Mr Frank Montgomery | Appointed 25.3.94 for a three year period.
Reappointed 25.3.97 for a three year period.
Expiry 25.3.2000. |
| Mrs Anne Griffiths | Appointed 25.3.94 for a three year period.
Reappointed 25.3.97 for a three year period.
Expiry 25.3.2000. |
| Mrs Jennifer Rogers | Appointed 25.3.94 for a three year period.
Reappointed 25.3.97 for a three year period.
Expiry 25.3.2000. |
| Mr Geoffrey Harris | Appointed 1.8.94 for a three year period.
Expiry 1.8.97. |
| Mrs Deborah McGeoch | Appointed 21.11.94 for a three year period.
Expiry 21.11.97. |

- (3) Mr Lloyd Stewart \$21 500 per annum - plus use of vehicle.
 Mr Frank Montgomery \$8 800 per annum.
 Mrs Anne Griffiths \$8 800 per annum.
 Mrs Jennifer Rogers \$8 800 per annum.
 Mr Geoffrey Harris \$8 800 per annum.
 Mrs Deborah McGeoch \$8 800 per annum.

Office of Racing, Gaming and Liquor:

[See paper No 290]

COMMITTEES AND BOARDS - MEMBERSHIP

229. Dr CONSTABLE to the Minister for Works:

- (1) With reference to the Minister's answer to question on notice No. 39 of 1997, who are the current members and chairpersons of the following committees and boards -
- (a) the Architects Board of Western Australia;
- (b) the Building and Construction Advisory Council; and
- (c) the Fremantle Prison Trust?
- (2) When was each member appointed and for what period of time?
- (3) How much remuneration is each member paid?

Mr BOARD replied:

- (1) (a) The current chairperson of the Architects Board of Western Australia is Mr J. Koivisto. Current membership of the board is as follows -
- Mr F. McCardell, Mr G. Banham, Dr J. Bollig, Mr R. Mollett, Mr B. Wright, Ms D. Brown, Mr J. Coleman, Ms C. Marshall.
- (b) The current chairperson of the Building and Construction Advisory Committee is Hon M. Board, MLA. Current membership of the committee is as follows -
- Mr G. Boyd, Mr P. Bruechle, Mr S. Deykin, Mr H. Pierce, Mr M. Rivett, Mr A. Piper, Dr P. Schapper, Mr T. De Barro.
- (c) The current chairperson of the Fremantle Prison Trust is Ms M. Wallace. Current membership of the trust is as follows -
- Mr H. Farrar, Mr P. Griffiths, Mr N. Harris, Mr R. Davidson, Ms E. Harvey, Mr G. Sherwin, Mr S. Carrick, Mr C. Nelthorpe.
- (2) The following table details the current appointments and terms for members on the Architects Board of Western Australia and the Fremantle Prison Trust. Members of the Building and Construction Advisory Committee were appointed when the committee was established in 1995 and have no set period for membership. Hon M. Board, MLA assumed the chair in 1997 from his predecessor, Hon K. Minson, MLA

Architects Board of WA	Fremantle Prison Trust
Mr J. Koivisto (Chair)	Ms M. Wallace (Chair)
March 1997 - March 1998	January 1996 - January 1999
February 1996 - January 1999 (Member)	
Mr F. McCardell	Mr H. Farrar
February 1997 - January 2000	February 1996 - February 1999
Mr G. Banham	Mr P Griffiths
February 1997 - January 2000	June 1992 - January 1997
Dr J. Bollig	Mr N. Harris
July 1996 - January 1998	July 1994 - July 1997
Mr R. Mollett	Mr R. Davidson
February 1995 - January 1998	July 1994 - July 1997
Mr B. Wright	Ms E. Harvey
February 1996 - January 1999	June 1992 - January 1997
Ms D. Brown	Mr G. Sherwin
February 1997 - January 1998	July 1996 - July 1999
Mr J. Coleman	Mr S. Carrick
February 1995 - January 1998	January 1996 - January 1999
Ms C. Marshall	Mr D. Tyler

February 1996 - January 1999

June 1992 - January 1997

Mr C. Nelthorpe

October 1995 - October 1996.

- (3) No remuneration is paid to members of the Architects Board of Western Australia or to members of the Building and Construction Advisory Committee.

The chairperson of the Fremantle Prison Trust receives \$4 500 per annum plus \$600 for expenses.

Trust members receive \$73 per trust meeting attended with the exception of State Government representatives who do not receive remuneration.

STATE SUPPLY COMMISSION - BOARD

Membership

231. Dr CONSTABLE to the Minister for Services:

- (1) With reference to the Minister's answer to question on notice No 39 of 1997, who are the current members and chairperson of the State Supply Commission Board?
- (2) When was each member appointed and for what period of time?
- (3) How much remuneration is each member paid?

Mr BOARD replied:

- (1)-(3) See paper No 289.

QUESTIONS WITHOUT NOTICE

GLOBAL DANCE FOUNDATION - BROCHURES

Misleading Information

50. Dr GALLOP to the Premier:

- (1) Will the Premier confirm that the proposed World Dance Congress will not take place this year?
- (2) If that is the case -
- (a) is the Premier aware that the Global Dance Foundation is distributing glossy, full colour brochures containing an endorsement by the Premier and stating the congress will take place in August 1997;
- (b) is the Premier also aware that the brochures solicit money for conference registration, accommodation, performance tickets and membership of the foundation;
- (c) will the Premier inform the House what payments the foundation, its organisers or the State Government have received from individuals or groups in relation to these solicitations; and
- (d) does the Premier agree that this promotion, which also includes a web site and home page on the Internet with similar information and solicitations, is misleading and could deceive the public that this congress is occurring when in fact it is not?

Mr COURT replied:

- (1)-(2) I am certainly aware that a brochure was originally sent out. I am not aware that the same brochure is still being used. That certainly should not be happening. I will inform the Tourism Commission of that. It is overseeing the events for this project. As to registrations, etc, I will get the information to the Leader of the Opposition. Last week he asked me questions about correspondence, etc. He has a freedom of information request which will provide all that information. It is probably better if he receives that information.

Dr Gallop: Can you guarantee it will be delivered on time?

Mr COURT: It has to be.

Dr Gallop: Sometimes we on this side of the House are informed that another week or two is needed.

Mr COURT: I will follow through the question of the brochure this afternoon.

POLICE

Budget Cut

51. Mr BAKER to the Treasurer:

Is it correct that the forward estimates show a real reduction in funding of \$123.8m for the Western Australia Police Service over the next four years?

Mr COURT replied:

Last week a series of questions was asked about the forward estimates. I commented that members opposite do not seem to understand how forward estimates operate. The forward estimates provide a snapshot of the expenditure at a particular point in time based on the state of the economy and also estimates.

Mr Ripper: Did you describe them as your Government's four year financial plan?

Mr COURT: I will explain where the member has got it wrong. I will use the police as an example. Assumptions carried out in relation to the estimates use a current deflator to calculate the real terms movements. In 1997-98 it is calculated to be 2.75 per cent. Last year it was calculated at 3.75 per cent. The claim made about the police was that there was a real terms reduction of \$123.8m over the four-year estimates. After allowing for the Commonwealth's gun buy-back scheme, and the global provisions for wage and cost increases which are incorporated in the miscellaneous services division separately, and based on the November forward estimates, the reduction would have been less than \$15m over that forward estimates period. Using the current deflator, it would be less than \$10m. Therefore, there is a big difference between \$123m and a real terms reduction of \$10m.

In the second part of the equation, the Opposition is assuming that if there is a real terms reduction, there must be a cut in the service being delivered. If the Government took that attitude, it would never be able to deliver the balanced Budgets it is delivering. If, as the Opposition believes, expenditures must always remain at a certain level and the Government cannot bring about improvements in the efficiency of government, we would go backwards.

Mr Ripper: A real cut is still a real cut in funding.

Mr COURT: I am saying that there is a big difference between \$123m and \$10m.

EDUCATION - SCHOOLS

Bullying

52. Mr RIPPER to the Minister for Education:

I refer to recent incidents of violence and bullying at South Fremantle Senior High School and the findings of the child health survey on the mental health problems of students, and ask -

- (1) Why are government programs failing to manage the problems of bullying, fighting, drug abuse, stealing, vandalism, and alcohol consumption reported to be affecting up to 25 per cent of students in our schools?
- (2) Why is the Government allowing the number of school support personnel, such as school psychologists, to decline in proportion to school populations?

Mr BARNETT replied:

- (1) I will not comment on the situation at South Fremantle Senior High School.

Mr Ripper: I am asking about the general issue.

Mr BARNETT: I know. However, I will not comment on that matter other than to say that it is being attended to. It is a difficult situation for the students involved and the teachers.

I do not accept that programs are failing. The education system recognises that bullying and other unacceptable behaviour in schools is more widely recognised and there are stronger demands to attend to that by parents, students, and teachers.

Mrs Roberts: Is it on the increase or not?

Mr BARNETT: I do not believe it is. I believe when incidents occur they get far more publicity than they did previously. There is no doubt that there is a propensity for some teachers, students and parents to try to make a media

issue out of some incidents. I am not saying that we should hide problems. However, sometimes they get a far higher profile than they may have in the past.

Drug abuse, vandalism, and the like, are problems in schools. However, they are also problems in the community. As I have said before, while schools have a critical role to play in addressing the problems of young people, it is unrealistic, and probably not even correct, to expect schools to solve society's problems. Many of the programs being carried out in schools are working well. They have been tailored for individual schools and I have confidence in them.

- (2) I will get some figures for the member. There may be a trend for school psychologists as suggested by the member. However, there may be a trend at other schools for an increase in the number of chaplains. I do not accept that support staff in schools - chaplains, police officers, and school psychologists - is declining. I am prepared, however, to consider the member's suggestion. One category of professional care not being as great as it was does not necessarily suggest that care within school communities is diminishing. I suggest it is going the other way.

EDUCATION - SCHOOLS

Bullying

53. Mr RIPPER to the Minister for Education:

With regard to the Minister's comment about the critical role of schools, will the Government fund joint programs involving schools and government agencies such as the Department of Family and Children's Services and the Ministry of Justice to address these problems as recommended by the child health survey report?

Mr BARNETT replied:

With respect, that was a general question. The Government is sponsoring all sorts of joint programs.

Mr Ripper: Additional programs?

Mr BARNETT: It depends on the merit of the program. That is exactly what the justices coordinating committee is trying to put in place. The survey by the Institute of Child Health Research is important and it is recognised that it has renewed debate on these issues. The Government is doing a lot and I do not for a moment deny that more could be done. There is a cross-government attempt, through the Family and Children's Services, Justice, Police, Education and Health portfolios, to do that. The Government recognises the problem and I have confidence in what has been done. However, like every member in this place, I would like to see more done.

HOSPITALS - SWAN DISTRICT

Alternative Birthing Centre

54. Mrs van de KLASHORST to the Minister for Health:

In Swan Hills the reports in the local newspaper indicate a danger of the closure of the alternative birthing centre at the Swan District Hospital. Will the Minister please advise the current situation and assure the parents in the Swan District Hospital catchment area that they will continue to have access to this facility, and thus ensure freedom of choice of birthing methods for mothers?

Mr PRINCE replied:

I thank the member for some notice of this question. The alternative birthing centre at the Swan District Hospital is one of a number in various hospitals around the State. King Edward Memorial Hospital for Women has the largest and most extensive alternative birthing centre in this State. I have had the opportunity to visit several alternative birthing centres including those at King Edward, the Swan District Hospital, which I visited last year, and Rockingham, which I visited recently. The centres I have seen have excellent facilities. These centres have been funded under the national alternative birthing centres program, which is a commonwealth program. This program is in its second and final four year phase. It is being considered for broadbanding into commonwealth-state financial relations. It would be a good idea, but the negotiations and discussions are centring on the question of whether there should be broadbanding and what programs should be involved.

The information I received from the federal Minister, which is about two weeks old, was that no firm commitment would be in place after 1 July this year. I am sure the Health Ministers around Australia, women's groups and anyone who has knowledge of these facilities would want the centres to continue, not because they provide a choice, but because the result is usually a birth with a lower trauma and intervention rate. In that sense, it is cost effective and it provides a much better result for both the mother and the child.

Mrs Roberts: Are you saying that all these centres are in jeopardy, not only the one at Swan District Hospital?

Mr PRINCE: The national alternative birthing services program is 100 per cent commonwealth funded and the funding runs out at 30 June this year. There is talk of the facilities being broadbanded, but there is no commitment to further funding from 1 July. I think there should be and my view is shared fairly widely among those who know anything about this subject. It is certainly the view I am taking to ministerial meetings.

HOSPITALS - BUNBURY REGIONAL

Funding Shortfall

55. Mr McGINTY to the Minister for Health:

- (1) Will the Minister confirm that the Bunbury Regional Hospital will overspend its 1996-97 budget allocation if the current operational level is maintained?
- (2) If yes, to what extent is the hospital operating over its budget?
- (3) Will he provide additional funds to meet the expected shortfall?
- (4) Is he aware that doctors at the hospital fear that services will have to be cut?
- (5) What assurance will he give the people of Bunbury about maintaining the service?

Mr PRINCE replied:

I thank the member for the question.

- (1)-(5) There are concerns at Bunbury Regional Hospital, as there are at many other hospitals, about the level of demand, hence the level of service, which is provided by the hospital to the people who come to it. The assurance I have given on a priority basis is that all emergency cases will be treated first and if there are to be any delays, it will be in elective surgery. Recently various figures have been bandied around in respect of Bunbury Regional Hospital. The most recent figure which comes to my mind, arising out of discussions with the Commissioner for Health, is in the vicinity of \$400 000. I appreciate that it might not be as high as the figures some people have put forward. As recently as last week I had discussions with local members of Parliament and I have also had discussions with the Commissioner for Health. The commissioner has visited the hospital and has spoken not only to the executives who run it, but also to the members of the board and the doctors. The health system is doing everything it possibly can to ensure that if additional money is found, it will be equitably shared around the hospitals and Bunbury Regional Hospital will get its share. Any reduction in service will not be at the emergency end of the scale and any reduction in funding that may be required from increased demand will be kept to the absolute minimum. It is a matter of being able to cope with the demand, which has been 11.8 per cent in the past three years and is growing by 3 per cent per annum, in a budget which has a finite amount of money, and with the Commonwealth's having refused two weeks ago to pay for the extra load that is being placed on the public system as a result of the more than 2 per cent drop out rate of private health insurance. So long as the Commonwealth maintains that stance, which it has done now three times, the public hospital system will come under increasing pressure and we will have to make the sorts of decisions about which I am talking.

HOSPITALS - BUNBURY REGIONAL

Funding Shortfall

56. Mr McGINTY to the Minister for Health:

I glean from the Minister's answer that other hospitals have also reported to him that they are overspending their budgets.

- (1) Which hospitals are they, and what is the extent of the overspending?
- (2) Will the Minister now answer my question about whether additional funding will be provided to Bunbury Regional Hospital and the other hospitals? I am not overly interested in an "if" situation.

Mr PRINCE replied:

- (1)-(2) I cannot tell the member how much will be provided to Bunbury Hospital because that is still being worked out, and it will depend upon what can be found. The four major teaching hospitals - Royal Perth Hospital, Sir Charles Gairdner Hospital, King Edward Memorial Hospital for Women-Princess Margaret Hospital for Children, which are one unit, and Fremantle Hospital - take about three-quarters of the total hospital

budget. Those hospitals have such huge budgets that they are able to make a lot of arrangements internally, which the smaller hospitals cannot make. All of the hospitals are under pressure in some form as a result of demand, and I am informed by the major teaching hospitals in particular that they expect to come in on budget. Royal Perth Hospital has a budget of around \$280m, which is the budget the Police Force had three years ago, and it employs approximately 4 000 people, which is about what the Police Force had three or four years ago, so it is hardly surprising that it can make arrangements. However, smaller hospitals have difficulties, and it is to small hospitals, particularly those in the country, that I am directing my attention to ensure that services are maintained, as far as they can be within the Budget of this State.

Mr McGinty: Have other hospitals reported to you that they have been overspending?

Mr PRINCE: Not recently, as I recall.

EDUCATION - LITERACY TESTING

Cost, and Additional Resources

57. Dr CONSTABLE to the Minister for Education:

I refer to the Education Ministers' announcement a few days ago about annual literacy testing of students in years 3 and 5 and ask -

- (1) Will the results of these tests be used to identify individual children at risk of educational failure?
- (2) What is the estimated cost of the yearly testing program?
- (3) Does the Government intend to set aside extra resources for remedial programs, extra teachers and smaller classes to provide for the needs of children identified by the testing program? If yes, what will be the extent of those extra resources for the coming financial year?

Mr BARNETT replied:

I thank the member for Churchlands for the question.

- (1)-(3) As members are aware, this State has had a sample program called Monitoring Standards in Education, which has tested years 3, 7 and 10 not only in literacy but also in maths, arts, science and other disciplines. The decision by the Education Ministers last Friday was to get greater uniformity across Australia and move towards literacy testing in years 3 and 5. That will mean adjusting our monitoring standards sample by increasing it to a full census of students. It is intended that results be given to parents on the performance of their children from year to year, and comparative information will also be available. That will clearly assist - it will not be the sole technique - in identifying children at risk and will set the scene for special support and remedial action. The cost is not known at this stage. The final details of the census method are intended to be resolved by the next meeting of Education Ministers in July, for several reasons: Firstly, work has not been completed on determining the benchmarks.

The benchmarks are largely developed in the areas of reading, writing and spelling. It is also proposed that benchmarks will cover oral literary and vision. Obviously there is less certainty about how that will be done, and that work must be completed first. Literacy tests must be developed, and then we will be in a position to cost it properly. There will be some debate about whether the Commonwealth Government will share some of the cost. It says that it will not, but ultimately we must spend more in that area. That will mean a re-ordering of priorities. New South Wales, Victoria and South Australia at least have universal testing of students and provide feedback at various levels to parents.

Dr Constable: What is the cost per student?

Mr BARNETT: I cannot answer.

We intend to provide extra resources. During the last election campaign we announced a literacy net program designed to pick up children who have not gained literacy skills in the first couple of years of their education. The reading recovery program is popular. I concede that although on a comparative basis between States Western Australia is probably the best performing State on literacy standards, in some other States more is being planned in the literacy area. New South Wales has a program of employing 100 extra reading recovery teachers each year. In due course, and I hope sooner rather than later, we will reallocate resources and match that type of development. From some personal experience I can say that children who get assistance early in their education will do better and will be less likely to become dysfunctional as young adults or as adults.

HEALTH - ROSS RIVER VIRUS

*Peel Region***58. Mr MARSHALL to the Minister for Health:**

Due to increased tides caused by the Dawesville Channel, mosquito breeding has increased immeasurably in the Peel region. Although larvae spraying has gone from four to 18 commitments in the past two years, the incidence of Ross River fever has increased. Is the Minister aware of this increased health risk and what extra action is planned to control the situation?

Mr PRINCE replied:

I am aware of the increased health risk in the Peel area. I have been informed that from October 1996 to 12 March this year, 67 cases of Ross River virus and five cases of the Barmah Forest virus have been identified in the area. A number of strategies have been put in place. The best and perhaps the one to which the member refers is the contiguous local authority group, which involves the local authorities and the Health Department working together to try to control the mosquito infestation. This is done by larval spray rather than by the spraying of adult mosquitoes. A series of sprays have occurred. Currently, the arrangement is that the Government pays for the aerial spraying, and local government officers provide larvicide manually using ground based equipment. Of course, a series of warnings are given and education campaigns promoted to prevent people being bitten by mosquitoes and consequently contracting the virus. Funds have been provided on a 50:50 basis. However, extra funds were committed around this time last year which took the proportion to 80 per cent State Government and 20 per cent local authorities, and that ratio is being continued. The next amount of \$50 000 is being drawn in cheque form now to go to the CLAG authorities. I am informed that the last spraying took place on 24 February and that the next will occur on 20 March - just before Easter.

The larvicide being used has been effective, but new ones are being trialled which will have the effect of inhibiting the growth of the mosquito at the pupae stage. The hope is that the pupae will not hatch into an adult mosquito, and that may have a better effect than the larvicides used previously. Other campaigns are being run and a good deal of work is being undertaken by entomologists and others within the Health Department and at the university, where there is considerable expertise, to try to work out and develop improved plans. It is not a problem related to Peel only. It is also found in the Bunbury-Harvey area, in the Kimberley and, to a lesser extent, in the Pilbara. It is a statewide problem.

UNEMPLOYMENT - RURAL

*National Party Influence***59. Dr GALLOP to the Minister for Regional Development:**

- (1) Is the Minister aware of the recently released regional unemployment figures which show that Western Australia's rural unemployment rate has risen sharply in the past 12 months to push past Perth's falling unemployment rate?
- (2) If yes, is this a reflection of the National Party's failure to exercise influence in the coalition Government and to properly represent rural Western Australians?

Mr COWAN replied:

- (1)-(2) I regret to inform the Leader of the Opposition that I have not seen that data. If he puts that question on notice, I will provide an answer.

INDUSTRIAL RELATIONS - UNREST

*Union Predictions***60. Mr JOHNSON to the Minister for Labour Relations:**

Now that the Government has almost completed the industrial relations agenda that it took to the 1993 and 1996 state elections, could the Minister advise how many of the predictions made in 1992 by the union movement and the Opposition about industrial relations have come true?

Mr KIERATH replied:

At last count none of the 17 predictions of doom and gloom has eventuated. I will touch on three or four of them. Members will recall that the union movement and the Opposition predicted that in the coalition's first four years of

Government it would cut wages by 25 per cent. In fact, the growth in wages in this State peaked in 1995, when Western Australia had the highest growth in real wages of any State. They predicted that workers would have to sign the contract or resign. Our legislation made that illegal. The only sign or resign incident occurred under federal labour legislation, where workers who refused to become union members were sacked. The union movement and the Opposition predicted that state awards would be abolished. I have not found one state award that has been abolished in the past four years. They predicted there would be no minimum standards, and all employment conditions would come up for negotiation. The Government introduced the Minimum Conditions of Employment Act, which extended a protective net to every man and woman in this State. Now all workers are protected, not only those affiliated with the Australian Labor Party. They predicted that workers would have to bargain for sick leave. The Government enshrined sick leave entitlements in the Minimum Conditions of Employment Act. In fact, some of Western Australia's minimum conditions are more generous than the federal awards that members opposite have been proudly proclaiming. They also predicted that the Industrial Relations Commission would be abolished. It still exists.

Ms MacTiernan: When did they say all that?

Mr KIERATH: Next week I might table 17 of the Opposition's major predictions, none of which have come true. The difficulty for the Labor Opposition is that not a single prediction has eventuated. It is about time the Opposition was honest with the people it claims to represent.

Mr Court: They have been instructed not to interject when you are on your feet, but the member for Armadale keeps interjecting.

Mr KIERATH: The other place told me the member for Armadale would be a difficult customer to control.

The bottom line is that for cheap political gain the Opposition tried to frighten people into not voting for the coalition. The fact is that the coalition has delivered far better benefits to the people of Western Australia than the Labor Party did in 10 years of Government.

MINING - GOLD ROYALTY

Reduced Government Spending

61. Mr GRILL to the Premier:

- (1) What is the Government's reason for breaking yet another promise and outlining proposals for a gold royalty to raise \$19m in the first financial year, and increasing to \$35m in the second?
- (2) Is the Premier aware that cutting spending by 10 per cent on corporate services would raise \$39m a year? That is \$4m more than a gold royalty.
- (3) Would it not be fairer on regional Western Australians to reduce spending on public sector fat cats rather than simply tax marginal gold producers, who provide much needed regional employment?

Mr COURT replied:

- (1)-(3) The member talks about the alternative means of raising money. Those on his side of politics have been criticising us for four years for cutting back on expenditure in government - in corporate services and many other areas. Now he is saying that it is okay to cut back further. If the Opposition can identify areas where we can bring about further efficiencies, we will willingly do that.

Mr Grill: You will get the results by reducing consultancies.

Mr COURT: Those opposite cannot have it both ways: They cannot spend four years saying that we have been mean, cutting back in areas of public expenditure, and then when it suits them -

Dr Gallop: You are distorting the facts.

Mr COURT: The member for Eyre talked about consultancies. We estimate that by using them we have saved \$300m. We must look at the bottom line. If we deliver a balanced Budget within the guidelines we have set, and if debt is reduced, we are getting runs on the board. As I was saying, those opposite cannot have it both ways: They cannot now run around saying that we should find further efficiencies in government when for four years they have criticised us for cutting back public expenditure. I will take those opposite up on their offer: If they can find further efficiencies, we will introduce them.

In the lead-up to the 1993 election we were asked specifically whether we would rule out a gold royalty. I said yes, and I gave that commitment in writing before that election campaign. Before the most recent election we quite

deliberately left open all the options in relation to not only gold royalties, but all royalties. We were keen to get more action in one area; that is, to provide incentives for some of the mineral producers to move more into downstream processing, using royalties as a means of providing that incentive. Yes, we have had discussions with the industry about the possible introduction of a royalty. Yes, the figures the member for Eyre quoted are approximately the estimates on the proposals we have put to the industry. We will have negotiations with those in the industry about options for phasing in a gold royalty and the way in which it would be structured, etc. We have been up front. We have explained to them what we want to try to achieve. No doubt they will come back with a range of options, the first on their list being that they do not want a royalty.

Mr Grill: You weren't up front last year, just three months ago.

Mr COURT: I have said that before the 1993 election campaign I signed a piece of paper saying that there would be no royalty. I would not do that before the recent campaign because we wanted to keep open those options. The meetings we are having with those in industry are being held in a constructive way. The industry people realise that royalties are a fact of mining life around the world, not just in this country.

Mr Grill: What has changed since three months ago?

Mr COURT: I remind the member of the comment of his former leader that the lack of a gold tax is an historic anomaly and that there is no reason the industry should not be subjected to the same taxes as are other industries.

Mr Grill: What has changed since three months ago?

Mr COURT: In answer to the member, in preparing the next Budget we are operating in a very difficult budgetary climate and we have been forced to look at a wide range of revenue options.

Dr Gallop: You didn't tell us that when Parliament came back last week. You have changed your mind this week. You said that forward estimates were all on track.

Mr COURT: Governments are judged on their performance. We have always been prepared to, and can, deliver on the financial targets we have set ourselves, and it is our intention to continue to do that for the next four years.

MINING - GOLD ROYALTY

Grants Commission

62. Mr GRILL to the Treasurer:

Is it not true that the attempts of the Deputy Premier to blame the Grants Commission for the gold royalty is a nonsense, given that -

- (1) The commission has proposed a reduction of Western Australia's share by \$35m because this State's economy is growing relatively faster than that of other States?
- (2) The commission has factored into its calculations the potential of a gold royalty for a number of years, not just this year?
- (3) The commission does not exert or seek to impose any gold royalty on Western Australia and that this is a decision left purely to each State?

The SPEAKER: I must circulate members with something on supplementary questions. It was originally intended that they be follow-up questions related closely to the substance in the original question rather than a series of questions. The difficulty is that members are taking a very broad view. On the gold tax, for example, members are asking follow-up questions which cover a range of issues. I will allow the question, but members should tighten up supplementary questions somewhat.

Mr COURT replied:

- (1) No.
- (2)-(3) Yes; for some years the Grants Commission has taken into account our royalty raising potential.

Mr Grill: That is right, but it is not what your deputy said.

Mr COURT: The commission works on the assumption that we are raising the \$70m a year in gold royalties. It is the State Government's choice to decide whether it raises that revenue.

One of the few increases this Government has implemented is the tobacco tax, which was doubled and which now raises approximately \$300m. The total royalties from oil, gas and mining amount to just over \$600m. Western Australia is no different from the other States. It has become increasingly dependent on a narrow revenue base. How far can we go in raising sin taxes - alcohol, tobacco and gambling taxes? The Victorian Government now raises 15 per cent of its revenues through gambling taxes. The States have been forced to use those narrow revenue raising bases.

Mr Grill: That is true, but you knew that three months ago.

Mr COURT: We have limited options available to us. Grants Commission cuts are now in excess of \$500m.

Mr Grill: Why were you not straight with the gold industry before the election?

Mr COURT: I have always been direct with the gold industry and explained the position, and I will continue to do so.
