



WESTERN AUSTRALIA

Parliamentary Debates

(HANSARD)

THIRTY-FIFTH PARLIAMENT
FIRST SESSION
1998

LEGISLATIVE ASSEMBLY

Wednesday, 10 June 1998

Legislative Assembly

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THE SPEAKER (Mr Strickland) took the Chair at 11.00 am, and read prayers.

CAR REGISTRATION FEES INCREASES

Petition

Dr Gallop (Leader of the Opposition) presented the following petition bearing the signatures of 26 persons -

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 are totally opposed to the state Government's decision to impose a new tax on WA motorists through massive increases in car registration fees. Western Australian motorists already pay directly to the cost of roads through state and federal fuel levies. The revenue received by the state Government from the fuel levy and from the sale of the gas pipeline provides government with the resources to develop an infrastructure into the future needs of our transport system. This new tax is unfair and has a disproportionate impact on pensioners and low income earners.

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

[See petition No 226.]

SWANBOURNE SENIOR HIGH SCHOOL CLOSURE

Petition

Mr Barnett (Minister for Education) presented the following petition bearing the signatures of 2 756 persons -

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

We, the undersigned petitioners call for reconsideration of Education Minister Barnett's preference to close Swanbourne Senior High School. We believe that our children have the right to attend a local public high school. Swanbourne Senior High School is the only one between Fremantle and Shenton Park. Governments come and go, but the decision to close Swanbourne Senior High School will affect this community for decades. We therefore request that the community is consulted far more extensively. To adequately do so would mean that all the data required to make a sound decision is available, for example, accurate demographics, educational and social consequences, as well as direct input from local residents, students and parents. We do not want Swanbourne Senior High School sold for short term profit when no satisfactory plans have been made for its students. Simply upgrading an overcrowded Hollywood Senior High School is not a viable solution. We request that Swanbourne Senior High School is allowed to survive and is upgraded or that a new public high school is constructed in the locality.

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

[See petition No 227.]

GRAND BOULEVARD AND BOAS AVENUE, JOONDALUP TRAFFIC SIGNALS

Petition

Mr Baker presented the following petition bearing the signatures of 230 persons -

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

We, the undersigned hereby request that traffic control signals be installed as a matter of urgency at the intersection of Grand Boulevard and Boas Avenue in Joondalup. This location is extremely hazardous due to the dual lane configuration of Grand Boulevard and the increased use of the intersection by motorists and pedestrians accessing the Central Business District, nearby police station, law courts, Lakeside Joondalup Shopping City, banks, retail outlets, professional suites and government agencies.

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

[See petition No 228.]

PILBARA PETROCHEMICAL PROJECT

Statement by Minister for Resources Development

MR BARNETT (Cottesloe - Minister for Resources Development) [11.06 am]: Today the Government will be announcing that a joint proposal by the Dow Chemical Company and Shell Chemicals Limited has won the right to develop a \$2b world scale petrochemical project in the Pilbara. This announcement follows a co-operative process between the Government and Woodside, on behalf of the North West Shelf joint venture partners, which formally began with the calling for registrations of interest from interested parties nearly 12 months ago.

Following evaluation of the extensive range of responses, both national and international, a short list of six petrochemical project proponents was announced by the Government in December 1997. These proponents were then requested to reconsider and resubmit their proposals to ensure they met the key criteria for optimising value adding to the gas resource.

Dow-Shell have been selected primarily on the unique combination of global market leadership, proven technology, growth potential, financial strength and their commitment to providing the opportunity for the development of "add on" or complementary projects in addition to the core petrochemical project.

While Dow-Shell will now proceed with a feasibility study to determine the final scope of the project, their joint proposal is based on:

- an ethane based ethylene plant with a minimum capacity of 450 000 tonnes per annum,
- a monoethylene glycol plant of 400 000 tonnes per annum,
- a chlor-alkali plant capable of producing 550 000 tonnes of caustic soda per annum, and
- production of 690 000 tonnes of ethylene dichloride per annum for use in the manufacture of plastics.

A memorandum of understanding is to be signed between Dow-Shell and the Government which sets out the process for developing the petrochemical project. The companies will also commence discussions with the Government about land and infrastructure and with the North West Shelf joint venture partners on ethane and fuel gas supply.

The project will operate under a state agreement which will be presented to the Parliament for ratification during 1999. It is expected that construction will begin early in 2000 with production commencing in 2003.

The proposal put forward by Dow-Shell will bring enormous social and economic benefits to the Pilbara region and Western Australia generally. The petrochemical project will provide around 2 000 jobs during construction, several hundred permanent jobs and produce more than \$1b worth of products each year. It will also go a long way to reversing Australia's petrochemicals trade deficit currently estimated at approximately \$5b per year.

Western Australia is currently the world's largest importer of caustic soda for use in the alumina industry and there is also a large potential domestic market for this product. With its abundance of raw materials such as salt and natural gas, the ready availability of industrial land and its close proximity to major markets, the Pilbara provides the ideal location for an integrated petrochemical project. It is expected the project will be developed either on the Burrup Peninsula or at the Maitland Industrial Estate near Karratha.

As development of the project proceeds, the Government may consider contributing to the establishment of common user infrastructure such as service corridors, product storage facilities and cargo berths. This is the proper role of Government. However, an exhaustive process will be undertaken to ensure the maximum possible benefits accrue to the Western Australian economy prior to any financial commitment by the State. Discussions with the Federal Government have already taken place on a possible joint funding of such infrastructure.

One of the major priorities for the Government in this term of office has been to facilitate the development of such a petrochemical project in the Pilbara region of the State. Today's announcement will be a significant milestone for Western Australia and goes a large way towards meeting this commitment. It will also be yet another example of this Government's determination to see value added to our natural resources. The downstream processing of natural gas into petrochemical products multiplies the value of the initial feedstock by around seven times.

In summary, the Pilbara petrochemical project and associated chemical processing projects will provide the State with

significant economic benefits in the form of major employment opportunities, infrastructure development, advancement of technical skills, import replacement and export earnings. I look forward to the successful development of the project.

Government members: Hear, hear!

PINK SNAPPER FISHERY, SHARK BAY

Statement by Minister for Fisheries

MR HOUSE (Stirling - Minister for Fisheries) [11.10 am]: I advise the Parliament of my decision to ban the taking of pink snapper in the eastern gulf of Shark Bay for a period of three years. The impact on other species in the eastern gulf will also be reduced with the introduction of a mixed bag limit of five fish and a boat limit of 10.

These decisions were made after considerable consultation and with my custodial responsibilities for sustainable fish resources firmly in mind. Western Australia has some of the best recreational fishing in the world. More than 600 000 people, or one-third of our population, go fishing each year, with a resulting estimated economic impact of over half a billion dollars a year.

Our commitment is being supported by a number of programs in Fisheries WA which will exceed \$6.5 million for the next financial year. These programs involve the agency working in partnership with the community and industry in the best interests of fisheries management. A priority is the creation of a series of regional management strategies for recreational fisheries, the first of which has now commenced in the Gascoyne region.

There will be continued support for the recreational fishing advisory committee and the network of 10 regional advisory committees. These groups provide essential community based advice to the agency and me on fishery management. A key partnership is the growing volunteer fisheries liaison officer program. Now some 200 strong, these community volunteers spread the ethos of responsible recreational fishing in a program of beachfront patrols and community education clinics across the State.

The Government has also recognised the importance of professional representation for the State's recreational anglers. Funding of \$110 000 per year over the next three years has been provided to the independent representative body known as Recfishwest.

Other key initiatives to raise the quality and diversity of recreational fishing in Western Australia include -

The completion of 21 community based projects to improve facilities for recreational fishing in regional areas at a cost of \$284 000. Examples include a boat ramp at the lower Ord River, a concrete catwalk on Beadon Creek goyne, and a disabled fishing platform at Augusta.

The development of a management framework for the charter tour operators industry.

Enhanced compliance and community education activities in the peak tourism seasons in the Gascoyne, Mandurah and Busselton.

The commitments and initiatives being undertaken will ensure a healthy recreational fishing sector for the future.

REVENUE LAWS AMENDMENT (ASSESSMENT) BILL

Report

Report of Committee adopted.

Third Reading

Bill read a third time, on motion by Mr Barnett (Leader of the House), and transmitted to the Council.

COMMERCIAL TENANCY (RETAIL SHOPS) AGREEMENTS AMENDMENT BILL

Committee

Resumed from 5 May. The Chairman of Committees (Ms McHale) in the Chair; Mr Shave (Minister for Fair Trading) in charge of the Bill.

New clause 6 -

Progress was reported after the new clause had been partly considered.

Mr BROWN: The amendment on the Notice Paper seeks to introduce a provision so that unless the ordinary rent of a retailer is exclusively based on the turnover figure, a lease shall not contain a provision which requires the tenant to produce the turnover figures. On the last occasion this matter was before the Parliament, it was pointed out that a number of leases which provide for a base rent are currently in use. In addition to providing for a base rent, these leases provide that a new rent will be struck in the event of the turnover figure of the business reaching a certain amount. That rent will be a percentage of that turnover figure. Many leases containing such a provision have a turnover figure in the lease which is significantly higher than the current turnover of the business. Many small retailers feel that that provision is included in the lease not for the purpose of rearranging rental payments or the basis upon which rental is charged but for the purpose of having in the lease a provision which purportedly relates rent to turnover. That provision in a lease obliges the tenant to release the turnover figures to the landlord. In many leases it does not have any real effect on the rent. Rather, that provision is included as a ruse to obtain the turnover figures so that those who manage shopping centres can see the turnover of different businesses and judge the rental payments accordingly.

This is an issue of great concern to many small retailers. Many retailers feel extremely angry that this provision is included in leases when the sole purpose of including it is to extract information, not to change the basis upon which rental payments are made. I have spoken to retailers and the Retail Traders Association of WA. They are quite happy with a rental charge which is related to turnover as long as it is exclusively related to turnover. In that case they say that, if the small retailer does extremely well, the landlord does extremely well; if the small retailer does not do well, the landlord does not do well. Both the landlord and retailer are taking the risk, and therefore in those circumstances, it is appropriate for the landlord to participate in any large gains, but equally it is appropriate for the landlord to share any losses that may be incurred. It is considered unreasonable when a base rent is included which can be increased if turnover figures reach a certain amount. Most importantly, many retailers consider this provision is included in their leases not to provide a basis for rental payments, but rather to enable landlords to extract the turnover figures for their own purposes. Accordingly, this amendment would cease that practice.

Mr SHAVE: We have already debated this issue at some length in Committee and I said I would make some inquiries. I was not comfortable with the proposal because it could infringe on a situation in which people are prepared to accept a minimum rent in one instance, then take a chance - this relates to both tenants and landlords - with regard to the business picking up, which could be advantageous to both parties involved. I made an undertaking to check this issue with the various parties. All the amendments proposed to date, with the exception of the one that has just been put in front of me, have been checked.

Mr Brown: That was given to you last time.

Mr SHAVE: Not according to my people.

Mr Brown: I came over to you and spoke to you in your chair.

Mr SHAVE: Is the member talking about this one?

Mr Brown: Yes.

Mr SHAVE: There may be a misunderstanding. It is the first time I have seen it. The member may have mentioned that he intended to move it at the time.

Mr Brown: I gave you a copy of it. I sat beside you and I said I understood what was on the Notice Paper. I understood that if you voted down this proposal, I would be moving this proposal.

Mr SHAVE: A misunderstanding has occurred.

We checked with the various parties. The Retail Traders Association and the WA Council of Retail Associations do not have a problem with members' situations; however, the Real Estate Institute of WA, the Property Council of Australia, and the Law Society of WA are all opposed to it. They came back to the point that it would restrict the capacity of willing parties to enter negotiations which were a combination of both situations. For that reason, we will not accept the amendment.

Mr BROWN: The Government's position with regard to this new clause is interesting. The Minister says that the small business parties to the negotiations, that is, those who represent small business - WACRA and the Retail Traders Association - support this amendment. I make the point that, in the area of commercial tenancy, fundamental differences exist between people in small businesses and people who run large businesses in shopping centres. The Government must decide which one it will support. Today the Minister said that he would not accept the amendment because big business did not agree with it - even though small business did agree. Let us look at the relative powers of large and small businesses. We will deal with this aspect also in other amendments. Who are the people who need the protection of this Act? They are those who operate small businesses. This Act was not introduced because

theoretically someone thought it was appropriate to have an Act which dealt with this matter. This Act was introduced to protect small retailers and to give them an opportunity to trade fairly, bearing in mind their position. I appreciate that some government members think this Bill is a bit of a joke and are having a good laugh about it.

Mr Shave: Why not be more gracious? They might have a right to laugh at you. If you want to behave like a clown, pick on me and leave them alone.

Ms MacTiernan: Dougie is looking after his numbers!

Mr BROWN: The Minister has woken up! Now that the Minister has come to life, let us see if he has some fortitude and is prepared to stand up for small business. In public he blabs that the Government is concerned about small business and will look after it; but many small retailers come to me because they are being absolutely screwed every day of the week.

Mr Shave interjected.

Mr BROWN: The latest small business survey shows a drift away from the Minister's side of politics. Why is that? It is because, when it comes to the interests of small business on one side, and the interests of big business on the other, the Minister gets weak at the knees. He does not even support this issue.

Point of Order

Mr BAKER: The member is not speaking to the clause before the Committee.

The DEPUTY CHAIRMAN (Ms McHale): There is no point of order.

Committee Resumed

Mr BROWN: If the member for Joondalup was listening to the debate rather than having a joke with some of his friends he would be able to follow it. I understand why he made that pointless, inane objection. He thinks this matter is a bit of a joke. The small retailers in his electorate of Joondalup do not think it is a joke. They want this change. I bet he does not have the courage to vote with the Opposition on it. If he has any guts he should stand and talk about this issue. Let us hear his views to see whether he supports the small retailers.

Mr SHAVE: The member for Bassendean's comments are based on the premise that the WA Council of Retail Associations and the Retail Traders Association of WA represent all small business. If he had any knowledge of the small business sector he would understand that small business does not comprise only retailers. Many people who own small shopping centres could be classified as small business people - superannuants who enter into arrangements with tenants on the present basis.

I previously went to great lengths to point out that valid agreements are drawn up based on landlords' accepting low base rents while simultaneously agreeing that if rents increase, the property owner is prepared to take some of that risk. I pointed out that I know WACRA's position. Many things that WACRA would like are not in this Bill. We can make many promises to people when in opposition. When the Labor Party was in power for 10 years it did nothing for small business.

Mr Brown: We introduced this Bill.

Mr SHAVE: Why did the Labor Government not pass it? In 10 years it made promises and did zip. If members opposite want to know what small retailers think they should speak to me because I am one. If they do not believe me they should conduct a poll to see what small business retailers think of the Australian Labor Party. They think it is a big taxing party, full of wind, that makes promises and does not achieve anything for the battlers. Members opposite are run by the union movement at Trades Hall, like my mate opposite, and achieve nothing for the battlers.

Mr BAKER: I can sympathise with the sentiments of the member for Bassendean on the proposed amendment. It is possible for provisions to be inserted in the lease agreement that reflect the intent of his amendment. That can be a matter of negotiations between the landlord and the tenant. Over the years I have drafted a few leases in which such a clause has been inserted. It is commonly known as a first right of refusal. Would it be appropriate for the Parliament to interfere in the contractual relationship through this amendment?

Mr Graham: That is what the Bill is about.

Mr BAKER: To that extent, I wonder whether that could be justified. Could a provision of this kind be said to be an anticompetitive provision which purports to give preference to a class of business entity? The amendment could offend national competition policy.

Mr BROWN: New clause 6 seeks to provide that if a landlord wishes to include in a retail lease a clause that relates

rent to turnover it must be assessed only in relation to turnover. In other words it cannot be a base rent assessed in another way. The matter raised by the member for Joondalup does not appear to deal with the amendment before the Chair.

The Minister's rhetoric about what the Labor Party may or may not have done and how small business may perceive the Labor Party is irrelevant. However, the concerns and views of existing small tenants is relevant. As I said during the second reading debate, in some small centres tenants and landlords have good relationships where everyone works in the best interests of the centre and therefore the best interests of tenants. However, in some centres that is not the case and the perception of small business retailers is that their lease has been drafted to their disadvantage. One reason they feel disadvantaged is that clauses are included which relate rent increases to turnover.

I agree with the member for Joondalup who, in his brief contribution, indicated that clauses in leases can be negotiated. However, the point has been made repeatedly by small business retailers and by senior members of the Liberal Party that the capacity of retailers to obtain a fair agreement depends on their ability to negotiate. Can they negotiate from a fair position? Do they hold equal bargaining power?

A substantive report commissioned by the Howard Government, of which I am sure people are aware, called "The House of Representatives Standing Committee on Industry Science and Technology Report", was brought down last year. The majority of members on the committee were from the coalition. Federal Western Australian coalition members Ricky Johnson and Richard Evans, the Liberal member for Cowan, were on the committee - two federal members from Western Australia. The report acknowledges that in many retail lease negotiations equal bargaining power does not exist. Small retailers are unable to strike a fair bargain as a result of their having unequal bargaining power. It goes on to make very clear recommendations about what should happen because of that unequal bargaining power. I take it that the Minister is simply ignoring the report and the views of members from his side of politics.

Mr RIEBELING: I shall make a quick contribution to the debate on this proposed new clause. The reports are quite clear as to what the Government should be doing -

Mr Shave: Which clause are you talking about? What number is it?

Mr RIEBELING: I am referring to the first amendment on page 10, which is what we have been talking about for the past 20 minutes. Surely the Minister has a grasp of that, but perhaps not! Whether small business has the same bargaining power as landlords is highlighted in the area I come from; that is, Karratha. There is a major shopping centre in the area. When the leases are up for renewal and the like, there is huge pressure on the incumbent tenant because of the infrastructure that must be put in place. For the business to be viable, it must stay in that one location. That financial pressure gives the landlord a massive advantage over the tenant.

The Minister mentioned the leases the shop owners have with these big companies. It may be that the definitions of "large" and "small" business are somewhat blurred; perhaps the Minister considers some of these supermarket owners to be small businesses. However, the impact on what I call small business - the shop owners and shop operators - is quite massive. There is nothing but bitterness for the way in which small business operators in these big shopping centres are treated by the landlord, to the point where goodwill and the ability to sell a business is almost non-existent. A new shop operator merely has to wait for a lease to expire or for another shop to open. The large operators of these places have no compunction about chucking people out if they do not measure up to the guidelines that are put in place. The pressure is on the shop owner to comply because of the large financial commitment made in setting up the premises.

Mr BROWN: I shall make another point about the report "Finding a balance towards fair trading in Australia" to which I referred earlier, produced by the House of Representatives Standing Committee on Industry, Science and Technology. It is not a Labor Party report; it is a report of a committee of the Federal Parliament, which heard extensive evidence about a whole range of issues dealing with small business. It took evidence from around Australia about retail tenancy. The majority of its members are from the coalition. The report is unanimous. There is no minority report. The recommendations in the report were agreed to by all members from both sides of Parliament. I refer to page 1 of the report, which is not very far into the document. Given his view about reading books and reports, even the Minister will get to page 1.

Mr Riebeling: I hope it is not at the bottom of the page.

Mr Shave: You have been listening to Alannah for too long.

Mr BROWN: Paragraph 1.3 gives a common underlying theme of the types of unfair business conduct raised by all areas of small business, including the inequality of power which the complaints cover. The first dot point refers to unfair contract terms arising from the refusal of big business to negotiate terms and conditions of contracts. Paragraph 1.4 states -

These issues bias business dealings in favour of powerful companies with the financial resources to engage in lengthy litigation. The consequence has been that small business in its many dealings with big business often has to accept unfair terms and conditions on a 'take-it-or-leave-it' basis.

Essentially that is the situation in which many retailers find themselves. They are not in a position where they can negotiate. Tenants are presented with a standard lease document used by a landlord. They are told that this is the standard document and if they want a lease, they must sign it; if not, that is it. There is no negotiation. This does not happen in every case, but it does in many. I have spoken to many small retailers, some of whom have been small business operators for many years in a variety of centres and have been quite successful. They have not bombed out and they are not whingeing because they have not been able to run a successful business. Many small retailers who have run very successful businesses are quite happy to pay the market rent for their shops; however, they have an aversion to a situation where they perceive, rightly or wrongly, in a large shopping centre the owner or the manager knows the turnover figures for all shops and negotiations to set a new benchmark take place with the most profitable first. When it is set, others are called in to measure up to the new benchmark. They object to that very strongly indeed.

These people did not get any special deal to come in at a substandard rental. They consider it grossly unfair when demands are made on them to increase their rent by 30 per cent at the same time as inflation is running at 2 or 3 per cent. It is considered by many of those small business operators and their organisations to be a manipulation of the process. They do not have the negotiating power to deal with it. That is why they seek the protection of this legislation.

Mr RIEBELING: The problems faced by small business, as outlined by the member for Bassendean, are accurate throughout the State. Irrespective of whether the Minister agrees with the representative bodies which are speaking to the Labor Party, all he has to do is speak to some of the operators in Melville - there are bound to be shopping centres there -

Mr Shave: There are.

Mr RIEBELING: He should speak to the shop operators in the Melville shopping centre about whether they are happy with the sharing of the balance of power in negotiating with landlords about how much rent they must pay and the increases. About four years ago I started negotiations to renew a lease covering an electorate office in Karratha.

Mr Shave: I pay \$12 500 per annum in rent for my electorate office. This is where things can get out of perspective. The member's former leader, Mr Dowding, said I was paying too much. He then went down the road and rented an office for \$30 000 per annum for Hon John Halden. Rents can be deceptive. That was 100 yards down the road. That shows how bright he was.

Mr RIEBELING: I thought that was a good move. I inherited my office from Pam Buchanan. I thought the rent would go down when the lease came up for renewal because of the drop off in activity in the centre and the number of empty shops. I was told that, because five years had elapsed, the rent had to go up. This Government had to renew the lease at \$1 000 a week. Rental for office space outside that centre was half that amount, so I moved.

Ms MacTiernan: The member was keen to save the Government money. He was being a very diligent and competent member of Parliament.

Mr RIEBELING: Shortly after that, a Minister from another place moved into that space at a higher rent.

Ms MacTiernan: That would have been a coalition member.

Mr RIEBELING: Yes, it was Hon Norman Moore. He was paying far more than I was prepared to pay. Now, because of the advantages of being in the shopping centre, I have been forced back. The market is not fair, even when one is dealing with government agencies. While shopping centres give exceptionally good deals to K-Mart and Woolworths to attract customers, they screw the smaller shops and the Government every chance they get. This Government does not put up too much of a fight, which is demonstrated by that Minister's actions. It is time we had some equity and ability to negotiate, especially when leases are being renewed.

Mr BAKER: I refer to the negotiation process, which takes place before the lease proper is signed. In most cases, the letting agent or real estate agent responsible for locating a commercial tenant for a landlord insists that the prospective tenant sign an offer to lease or an agreement to enter into a lease rather than a lease proper. The member for Bassendean said that the usual practice is for the lease proper to be presented to the prospective commercial tenant and the tenant is then told to take it or leave it. That is not the case in the real world.

It is important for prospective tenants to seek legal advice at all times, even during negotiations leading up to the execution of a lease. The problem with the standard Real Estate Institute of Western Australia offer to lease is that

it contains a clause with words to the effect that the terms and conditions set out in the general offer will apply. However, it also contains a catch-all clause referring to such other terms and conditions as the landlord deems appropriate. It is that clause upon which the landlord later relies to insert myriad complicated clauses possibly detrimental to the interests of the commercial tenant. It is important that the prospective tenant engage a lawyer at all stages, even during the negotiation process. I am sure that the member for Burrup will agree. Any costs incurred in that regard would be tax deductible in the capital gains tax equation if and when the business is sold.

Ms MacTIERNAN: The comments made by the member for Joondalup do not in any way answer the concerns raised by the member for Bassendean. Whether a person is legally represented does not change the balance of power to a great extent. It is largely a seller's market in this regard, particularly when a person is not entering into a lease for the first time. I am referring to a person who has established his business in a shopping centre. He has developed his goodwill in that shopping centre and that is the point at which he is extremely vulnerable. That is the issue about which members on this side are particularly concerned. Whether tenants have a lawyer present will not change to a large extent the circumstances in which they find themselves. They have committed to a lease and, by and large, the large shopping centre proprietors or the agents are not prepared to negotiate on the fundamental clauses. There might be a bit of negotiation on the precise quantum of rent, but there is almost never any negotiation on the fundamental clauses - they are presented as an absolute. That is why it is very important that we include some rebalancing mechanism. The sentiments of the amendments moved by the member for Bassendean must be supported.

The Opposition recognises that the Minister has included provisions that will improve the position of tenants. We now have this long awaited legislation and review of the Act. The Government promised for years that it would introduce this legislation, which is a major revamp of the commercial tenancy law in this State. The Opposition is not saying that the Government has done nothing. However, this legislation has glaring omissions, such as that detailed by the member for Bassendean. We must move forward and incorporate provisions dealing with those issues.

The Minister made some silly comments. This legislation, which was the first commercial tenancy legislation in Australia, was introduced by the Labor Government in 1985; that is, within two years of the Labor Party's taking office. It was reviewed and strengthened during the life of that Government. That stands very favourably in contrast to this Government's performance. This Government tells us that it is interested in small business and during its six years in office it has come up with only one amendment Bill. Comparing those performances, one must acknowledge that the Labor Party has been prepared to stand up to big business and those who fill the Liberal Party's war chest before each election, and that it has protected the interests of small business. Members on this side understand that the major power differential in the marketplace must be addressed with legislative protections.

Mr BROWN: I refer to comments made by the member for Joondalup when I mentioned the concerns raised by small business that contracts were put to them on a take it or leave it basis. Those were not my words. They were contained in a report by the House of Representatives Standing Committee on Industry, Science and Technology. I am sure that members of that standing committee will be pleased to hear that the member for Joondalup says they are wrong.

Does the Minister accept the rationale put forward in the report of the House of Representatives standing committee about inequality of bargaining power in these circumstances? A number of issues hinge on that question. The federal Minister for Small Business, Hon Peter Reith, commissioned a report by the micro business consultative group that is titled "Under the Microscope". A number of people from around Australia with small business interests participated in that report, including a number of Western Australians: Margaret Chih, the Director of International Management Pty Ltd; Graeme Herps, the Director of the Centre for Enterprise Development and Entrepreneurship at Murdoch University; and Oliver Moon of OCM Associates. That report covered micro businesses and their concerns and issues of fair trading. At page 63 of that report the committee states -

However, there is a range of circumstances in which this inequity of power leaves micro businesses at a disadvantage in their commercial dealings with large businesses, and in a position in which harsh and unjust conditions are imposed.

On the same page the committee states -

The Micro Business Consultative Group generally supported the report's recommendations.

We can see that not only do politicians - some of whom were members of the federal coalition and of the ALP - accept that the inequality of bargaining power can have deleterious effects on small operators, but also a representative committee commissioned by the coalition's federal Minister for Small Business arrived at that same conclusion. Under the heading "Retail Costs" page 65 of the report states -

Occupancy costs in Australia can be as much as three times those in the USA and have an adverse impact on the retailing sector, particularly small retailers.

This is not a left wing publication produced by an anarchist group. These people were chosen by the federal Minister for Small Business.

Mr SHAVE: I accept that the member for Bassendean wants to understand my position on the report. However, I do not wish to debate that report in this committee, because it is not appropriate to do so. That committee has put forward some good proposals. We are meeting at a federal level on a regular basis. I expect that some changes will come forward on a national level and some, but not all, of the recommendations made in that document will be accepted.

The member for Bassendean asked whether I believed there was an imbalance in favour of the landlord in regard to negotiations in lease arrangements. Unquestionably, there is; however, I would hesitate to say that all arrangements entered into by landlords and tenants are inequitable and unreasonable. I recognise that inequities exist, and I meet with the Federal Government on a regular basis in an endeavour to address many of those issues on a national basis.

Mr BROWN: I am pleased that the Minister acknowledges that, because that is a central thrust of the recommendations. These amendments have been moved now because of the time it takes to bring a Bill of this nature into the Parliament. A number of the retailers to whom I have spoken are concerned that perhaps this will be the only opportunity to amend the Act in this term of government, and any amendments from a round of discussions at the federal level might take two, four or more years to come into this place. I acknowledge that discussions that are taking place at a national level concern some of these issues. The difficulty for organisations of small retailers is that their members are facing these problems every day. I accept that does not mean every member, and I agree with the Minister that in many instances the arrangement between the landlord and tenant is a positive one. Equally, there are a number of areas of concern. This Parliament should address those concerns without unduly interfering in those areas in which there is a good relationship. For example, if the Minister is concerned that this amendment will stop negotiations in which a landlord is prepared to agree to a base rent below the market rent and only charge the market rent when turnover figures reach a certain level, it is possible to include such a proviso as an amendment to this amendment.

That would be assessed at the beginning of the rental period if a lower rent was set due to the newness or riskiness of the business. If that was agreed, turnover figures, and nothing more, could be provided until the market rent was achieved. This amendment will provide a level of protection. If the Minister has concerns about arrangements not sought to be covered by this amendment, the Minister could propose those savings provisions. Although I will talk to people about those savings provisions, it would be hard to argue against a provision in an agreement on a market rental which the landlord could forgo for a lower rent but with an increase after a period of time based on turnover figures.

This amendment will overcome the use of leases that enable rent to be based on turnover. The turnover figure is set at such a high amount that it will never come into operation unless the shop grows to six times its size and the small business operator has a triple windfall. It is inserted in the lease as a device to find out the turnover figures. I seek to overcome that situation with this amendment. With goodwill on the part of the Minister we could find a form of words to accommodate both provisions.

Ms MacTIERNAN: I support the suggestion made by the member for Bassendean. During the previous debate the Minister raised a valid objection to the clause proposed by the member for Bassendean. The Minister argued well his objection to a case where it was in the interests of the landlord and the tenant to strike a low base rate and allow that to be supplemented by a turnover related provision. This would allow a tenant to diminish the risk faced in signing a market based lease when unsure of the success of the operation. However, members know that is not the situation referred to by the member for Bassendean. He was concerned with common situations where a provision is included in the lease for a notional turnover base rent in order to obtain information on turnover when the height of the bar is set so that there is never any prospect of turnover rent being paid.

The member for Bassendean recognised the valid argument of the Minister in relation to this amendment during the last debate. While the member was talking, I was considering how he would deal with the Minister's argument. It is something that should be worked on. We propose a provision in the amendment which would read "subject to paragraph (7)". Proposed new clause 6 would read as is. A provision could be inserted in the Act to allow a base rent to be supplemented by turnover increment provided perhaps that the turnover increment was no more than the market rental. It would not be difficult to insert that provision which would allow the bona fide situation advanced by the Minister in the earlier debate to be taken account of to ensure no undue restriction on flexibility. That would serve the interests of both landlord and tenant and at the same time remedy the existing mischief in many leases pointed out by the member for Bassendean.

The Minister is a highly experienced small business person. He has, as one of his advisers, a property agent of some 20 years' experience who has undoubtedly seen all types of leases. The Minister and his adviser would be familiar with the practice of many property agents who set unachievable turnover figures that trigger rent increments which in turn give complete access to the business information of the tenant - not because the landlord has any prospect of an increment of the rent on that basis but simply wants to have access to information which should be the right of and be privy to only the tenant.

I urge the Minister to look at this issue again, as the member for Bassendean has taken on board his valid concerns and suggested a way around this problem. We are interested to hear the Minister's response. If we can frame an amendment that deals with the Minister's concerns, it is incumbent upon him to explain to us what his outstanding concerns would be.

Mr SHAVE: We will not agree to the amendment as it does not address the problems. However, I have been given advice that people can negotiate a rent and a lease without referring to market rent. There are other methods of determining the rent; for instance, fixed rent reviews or base rates subject to negotiation. People would be in a position, if we accepted the proposal, to negotiate without using the term "market rent" as a means of getting around the suggestion.

The other point is that two parties can agree on a low rent and, if the business is successful, set a ceiling so that the landlord does not enter into a lease losing money in a small shopping centre. I am not talking about these evil, big landowners. I am talking about the little bloke who is prepared to take a chance with a tenant. He says, "I am prepared to take a reduced rent, \$20 000, instead of \$50 000, which should be the market rent per square metre. If I am right, and I am choosing you as being a good operator, you might get a situation where the rent is \$70 000 and a fair rent is \$70 000 because of your entrepreneurial skill." What members opposite are saying is that if we take the rent at \$50 000 - which is the current market rent for the small shopping centre - the owner should not get the benefit of that.

Ms MacTiernan: No, we are not saying that.

Mr SHAVE: If it is stipulated in the lease that the rent is to be a predetermined market rent based on today's values, that is the situation being created. It is not reasonable to ask a landlord to take a discounted rent and not enjoy any future benefits when the business gains.

Ms MacTIERNAN: That formula I suggested may have that effect and, if so, that is not what we desire. What we want to eliminate is the misuse of turnover based rent provisions where there is no real prospect of there ever being a turnover rent payable but it is included in the lease in order to justify obtaining that information from the tenant. What we are concerned about is not the payment of turnover based rents, but an abuse of that system in order to extract, quite unfairly and improperly, that information from the tenants.

Mr SHAVE: We have been on this clause for over an hour. I appreciate that members are trying to resolve their problem, and I am more than happy for members to come up with a recommendation that will be considered when this Bill goes to the other place, but I am not prepared to make amendments on the run without getting proper advice from people.

Ms MacTiernan: I understand that it will not be possible for us to draft an amendment to accommodate this matter now. However, given the delay that has been experienced in getting this Bill to this place, will the Minister be prepared to consider recommitting this clause at a later stage rather than have an amendment go to the other place, which will mean that it will need to come back to this place?

Mr SHAVE: I have explain my preferred position, and that is the position the Government will take.

Mr BROWN: This amendment would enable a rent to be set according to turnover - it might be a very low rent - and if the retailer made a real success of the business, the rent would be increased over time according to that turnover and might go beyond the market rent. The retailers believe that if the rent were set according to turnover and the landlord had agreed to take a punt with the retailer, they would not have a problem if the landlord made a lot more than the market rent, because both they and the landlord would be taking a punt, and if the punt worked out, they would both reap the reward, and if it did not work out, they would both cop the loss. They consider that to be fair in business.

The Minister has said that this amendment would prevent a landlord from saying, "I want the market rent, but because you are a new business, I am prepared to give you a lower rate for a period and to adjust it up over time according to your turnover." I believe that could be achieved by making some amendments to this process. Retailers do not have a problem with both sides taking a risk by setting the rent as a percentage that would move up and down according to the market. This amendment would not prevent that from occurring.

What I have said is not a view that I am trying to superimpose on the industry, with the limited knowledge that I have. I am relying on people who have experience in the industry, some of whom have been in their business for 20 or 30 years, others of whom have operated a range of different businesses. Those retailers are supported by their associations. I accept that not every small business retailer covered by this Act is a member of an association, but I do accept that the associations are reasonably representative bodies, and the Minister obviously accepts that as a well, otherwise he would not negotiate with them.

I understand where the Minister is coming from. It is disappointing that this amendment will not be accepted and that the Minister will not follow the course that is followed by some of his colleagues, not of accepting amendments on the run, because no-one will accept that, but of saying that he understands the argument and thinks it has merit, and that he will be prepared to consider an amendment before the Bill reaches the other place. I am sorry that is not the Minister's position.

New clause put and a division taken with the following result -

Ayes (16)

Mr Brown	Mr Graham	Mr Marlborough	Mr Riebeling
Mr Carpenter	Mr Grill	Mr McGinty	Mr Ripper
Dr Edwards	Mr Kobelke	Mr McGowan	Ms Warnock
Dr Gallop	Ms MacTiernan	Ms McHale	Mr Cunningham (<i>Teller</i>)

Noes (28)

Mr Ainsworth	Mr House	Mr Minson	Mr Trenorden
Mr Barron-Sullivan	Mr Johnson	Mr Nicholls	Mr Tubby
Mr Bloffwitch	Mr Kierath	Mr Omodei	Dr Turnbull
Mr Bradshaw	Mr MacLean	Mrs Parker	Mrs van de Klashorst
Mr Cowan	Mr Marshall	Mr Pental	Mr Wiese
Dr Hames	Mr Masters	Mr Shave	Mr Osborne (<i>Teller</i>)
Mrs Hodson-Thomas	Mr McNee	Mr Strickland	
Mrs Holmes			

Pairs

Mr Thomas	Mr Court
Mrs Roberts	Mrs Edwardes
Ms Anwyl	Mr Day

New clause thus negated.

Mr BROWN: My next amendment was consequential to the previous new clause, which was not passed. Therefore, I do not intend to move that amendment.

Clause put and passed.

Clause 7: Section 11 amended -

Ms MacTIERNAN: I move -

Page 10, after line 4 - To insert the following -

(d) at any time of any review to be made with regard to market rent, the landlord is to provide to the tenant concerned a statement of actual rents paid at that time by all other tenants leasing premises of a comparable size and type in the retail shopping centre in which the tenant concerned is located.

(3) Any provision in a retail shop lease purporting to preclude a tenant from voluntarily disclosing the rent or terms of the lease to which the tenant is a party is void.

Earlier the Minister introduced a provision to restrict landlords from picking and choosing between various rent adjustment formulae at any review. We have supported that provision, because it provides a greater degree of protection to the tenant and stops the landlord choosing between the many options that would unfairly ratchet up the rent. Notwithstanding that, a major issue concerning rent review remains unresolved. Adjustment to market rent is still perhaps the principal formula used in establishing a rent review. I am pleased that the Minister has substantially retained the formula of a market rent in subclause (2)(a) which reads -

that market rent shall, for that purpose, be taken to be the rent obtainable at the time of that review in a free and open market as if, all the relevant factors, matters or variables used in proper land valuation practice having been taken into account, that retail shop were vacant and to let on similar terms as are contained in the current retail shop lease;

The important part is the reference to the variables used in proper land valuation practice being taken into account. Proper land valuation practice relies on the valuer being able to obtain information about what is payable in comparable premises. The only way in which market rents can be determined is by having access to information relating to comparable rents. Unfortunately, currently it is a one-way stream of information. Often tenants have no access to that information or, in some cases, are provided with inaccurate information; for example, they are provided with the list prices - the notional prices that a shopping centre agent might establish for a premises, but which are not the actual rates charged because the landlord has negotiated downwards on many of those rents.

I want the Minister to understand the problem: We are talking about how we might establish market rent as a mechanism. We know that we must go to land valuation practices; we know that proper land valuation practices require an analysis and comparison with existing rents. However, the substantial problem is that a tenant, by and large, does not have access to the information that would enable the tenant, or the valuer acting on behalf of the tenant, to get access to the comparable rent. The landlord is under no obligation to provide the information relating to the centre in which the tenant is located. Therefore, the tenant is flying blind. The other part of that problem is that if information is provided, often it is a list price not the actual price. The actual prices and not notional prices are the prices to be taken into account.

Mr BROWN: The member for Armadale has raised an important technical issue. She has considerable experience in the area. I will leave the merit of the argument to my competent colleague.

Ms MacTIERNAN: The tenant is unable to access information from the landlord. One might ask why tenants do not consult other tenants and acquire that information in establishing a market valuation. The reality is that many leases of other tenants contain confidentiality provisions and the tenants are precluded by the terms of their leases from providing that information to other tenants. It is a real divide and rule by the landlord. The landlord will not give the tenant the information and the landlord has the other tenants locked into leases which preclude them from providing that information to other tenants. This is not simply limited to cases where a restriction is written into the lease. We also find what we might call an extra legal pressure being put on the other tenants. Managing agents often stress to the tenants the need to retain confidentiality of the rates they have negotiated.

This is an important point. This is the first time we have had this argument. I would like the Minister to pay us the courtesy of listening to it.

The tenant knows that if his name appears or his premises is cited in documentation prepared by the renewing tenant's lease valuer, the tenant who has disclosed the information will have a black mark against his name in the eyes of the agent. That sort of pressure is again providing another way of stifling the flow of information to the tenant, so that a proper market rent can be established. Not being able to get information from the agent of that shopping centre, a valuer may go to an equivalent shopping centre and attempt to get the information there. The experience of talking to valuers is that it is very rarely the case that managing agents are prepared to give a tenant's representative that information. However, if the same valuers are acting for the agents, they have no difficulty in going to adjoining centres or similar centres and getting reams and reams of information freely flowing across their desks.

What we are seeing is a monumental imbalance in the flow of information. Just as in the last debate the Minister was keen to preserve the flow of information to the landlord and we were unsuccessful in putting in place an amendment which might in some circumstances stem the flow of tenant information to the landlord, we are now saying in this clause that there must be some balance. Of course the owner knows the prices within his own shopping centre. By virtue of commercial reality and arrangements between agents, the owner has no difficulty in getting information about comparable sites. Contrast that with the situation of the tenant or the valuer acting for the tenant, where there is an absolute paucity of information. In those circumstances, how can we possibly expect that we will get anything that approximates a real market rent? It is not possible for the tenant to get the information together from which to establish it.

The Minister is probably aware the Australian Competition and Consumer Commission has taken on Raine and Horne, the agents for Farrington Fayre Shopping Centre, in precisely a case that involves this, where supposed market rents at the end of the day were found to be well in excess of the real market rents. That is an exceptional case because the agents have been able to get the ACCC to take their case on. This situation has been replicated throughout metropolitan and country areas.

Mr SHAVE: The interesting thing about this proposal is that if one were a small shopkeeper, one would not want

this information disclosed. The member for Armadale is proposing that if I rent a shop in a shopping centre, everyone else in that shopping centre should have the right to know what I pay in rent and that it should be public knowledge. A lot of people who run small businesses do not want their rents to be public knowledge. People might run clothing chains that are in a very competitive environment. If a shopping centre owner is required to disclose to every other tenant or his representative the rent that every tenant pays, then it becomes open knowledge.

Perhaps the member for Armadale and I have our lines crossed. She may differ from me on this view and perhaps my people do not fully understand the view of small retailers and shopping centre tenants on this proposal. However, my understanding is that the Retail Traders Association and the Western Australian Council of Retailers Association do not support this proposed amendment. The member may have spoken to them in recent days and may have a differing view. My people have spoken to them over the past week. They have all categorically said that they do not support this amendment for the reasons I am saying; that if I rent a stall or a shop in a shopping centre, I do not want everyone else to know my rent.

The reason that some tenants may have reservations about it is that it would lead to a lot of squabbling. A shopping centre owner may have given fit-outs to one tenant and not to another or, because of the nature of a business, he may have agreed to give certain rent concessions over a period and all sorts of issues. We would have retailers saying, "She is getting that; he is getting this; I am paying this. I do not think it is fair." For that reason, not because I as a Minister would have severe reservations about my rent being disclosed to other people, the associations on behalf of those people have indicated to us over the past week that they would not support the proposal. Let us forget about the Property Council of Australia, the Real Estate Institute of WA and the shopping centre owners; let us talk only about the tenants at this stage. The advice I have is that the Retail Traders Association and WACRA do not want it in the legislation.

Ms MacTIERNAN: The second part of the amendment provides -

Any provision in a retail shop lease purporting to preclude a tenant from voluntarily disclosing the rent or terms of the lease to which the tenant is a party is void.

I cannot see any objection to that provision, which would do something to free up the flow of information. It is quite unacceptable that tenants are prevented from providing that information. I understand the concerns that the Minister has raised about the earlier provision although there are probably ways around it. However, I wonder whether the Minister could tell us how he and his expert advice propose to deal with this very real problem of how tenants are supposed to determine what is the market rent and how we are to deal with this and prevent the sorts of problems that we saw emerge at the Farrington Fayre Shopping Centre and, as I say, all over the metropolitan area, where people are simply being presented with rents as market rents when they have very little capacity to get information that would enable them to contest or make any independent analysis of the market rent. The Minister is supporting legislation with a notion of market rents and proper land valuation practices. How should tenants go about the process of establishing what is a market rent?

Mr SHAVE: The member for Armadale has put the question to me and she is well aware that the Bill requires valuers to adopt proper land valuation. Tenants, like landlords, have access to valuers who, through various means, have the capacity to determine the current market rent. The valuers know what are the current market rents from the files and the people with whom they deal. If the member is putting the proposition to me that a regular valuer of shopping centres in my electorate does not know the general payment for each per square metre of floor space, I put it to her that they do know.

Ms MacTiernan: This issue has been raised with me by those people who routinely act as valuers for tenants. They say that in circumstances of great volatility in the market, it is very difficult to find any current reliable knowledge about the price people are paying. The valuers are saying it is becoming very difficult. When they act for landlords, there are no problems and complete access to information is available. However, it is very difficult when they act for tenants.

Mr SHAVE: We discussed this issue not only with the tenant associations, the Real Estate Institute of Western Australia and the Law Society, but also the Australian Institute of Valuers, whose view was that we should not support the proposal. However, that may not be the view of all valuers.

Ms MacTiernan: It is not the view of valuers who act for tenants.

Mr SHAVE: I am prepared to accept some justification in what the member says. Subclause (3) as proposed by the member states -

Any provision in a retail shop lease purporting to preclude a tenant from voluntarily disclosing the rent or terms of the lease to which the tenant is a party is void.

I am prepared to take some advice on that point. If the member wants to recommit it, I will have another look at it. I will receive advice during the break.

Ms MacTiernan: I think it is important.

Mr SHAVE: However, that decision is not a precedent for recommitting every other clause. We do not want to have a misunderstanding.

Ms MacTiernan: Absolutely not.

Mr SHAVE: While the Government will not accept the amendment as proposed by the member, it is prepared to consider proposed subclause (3) of that amendment.

Progress reported.

Sitting suspended from 12.56 to 2.00 pm

[Questions without notice taken.]

OLD GROWTH FORESTS

Matter of Public Interest

THE SPEAKER (Mr Strickland): Members, today I received within the prescribed time a letter from the Leader of the Opposition seeking to debate as a matter of public interest the following matter -

That this House recognises strong community support for preservation of the high conservation value old growth forests in the State's south west and further calls upon the Government to:

- (a) end woodchipping and logging in the high conservation value old growth forests; and
- (b) act on community and scientific concerns raised during the regional forest agreement process.

If sufficient members agree to the matter being discussed, I will allow it.

[At least five members rose in their places.]

The SPEAKER: The matter shall proceed on the usual basis, with half an hour allocated to members on my left, half an hour to members on my right, and five minutes to the Independent members, should they seek the call.

DR GALLOP (Victoria Park - Leader of the Opposition) [2.38 pm]: I move the motion.

Mr Speaker, the regional forest agreement process was developed by federal and State Governments in 1992. It was designed to end the long running and debilitating conflict over the use and management of our native forests. It was possible for both the State and Federal Governments to be involved in this process because both of them had responsibilities that came to bear on the issue. On the one hand, the Federal Government's involvement was based upon its constitutional power to issue export licences. On the other hand, the State Government's involvement came from its constitutional power to manage forests.

Since that time there has been much dialogue and much progress made throughout Australia in relation to regional forest agreements. Overall, the process has seen some important new initiatives taken with improved consultation and more sophisticated environmental, social and economic assessments conducted throughout the country. The Australian Labor Party is so impressed with the process as a concept that we have enshrined into our national platform a commitment to the national forest policy statement and the wood and paper industry strategy through regional forest agreements.

It is a tragedy to have to report to this Parliament that the RFA process in Western Australia - which is the product of a Liberal Federal Government and a Liberal State Government - has failed. The whole objective of the RFA process is to consult widely in the community; to incorporate the best available scientific opinion; and to win the confidence of the stakeholders in this debate so that each of them can be given security and certainty in the context of the preservation of our high conservation value old growth forests. The strength of the RFA should be that it recognises the wider range of interests requiring resource security. In other words, it should recognise not just the timber industry but also for example, the important tourism industries that have developed in the south west of our State.

The RFA has also recognised nationally that our forests are part of our heritage, and as such the wider community

has a strong and a legitimate interest in conservation, biodiversity, old growth and wilderness. The issue of our forests is a community issue and not just an industry issue.

When we look at how the aspirations that were developed in putting together the concept of regional forest agreements line up against what has happened in Western Australia, we see that rather than consensus, we have conflict; rather than confidence, we have criticism; and rather than certainty, we have doubt. This is the product of the Liberal version of the original concept. We are seeing in Western Australia the classic failure of defensive and secretive government, wherein the Government's desire to control this process for very narrow objectives has undermined its very essence. It is sad to have to report that to this Parliament, when such high hopes were held when the regional forest agreement process and national forest strategy were put together in 1992 by the Federal and State Governments.

I will back up what I am saying by outlining what people are saying about the regional forest agreement process in Western Australia. On 16 May, a group of interested parties, including local government - rural and metropolitan councils - academics and beekeepers, visited the State Government to lobby it about what was happening with the RFA. They told the Minister for the Environment, the member for Kingsley, who is not in the Parliament today, that they wanted the RFA steering committee to be changed to include more stakeholder groups and to start an independent review of all of the data.

A complaint that has been made consistently is that the real stakeholders have not been involved in the process and, therefore, do not have confidence in the outcomes. That can be contrasted with the situation in New South Wales, where the key stakeholders - the trade union movement, the conservation movement and government - are involved at the highest levels in the development of that process. In Western Australia, only government representatives are involved in the process.

The Noongar Land Council in a media release dated Tuesday, 9 June, headed "Noongar Land Council Withdraws from 'Dishonest' WA Regional Forest Agreement", stated -

"The RFA process is a sham. The Noongar Land Council can have no confidence in this process and its ability to meet Noongar concerns. The RFA has purported to engage the Aboriginal community in a process of open consultation but we see little evidence of this.

That is despite the fact that the scoping agreement that was signed by the two Governments in 1996 said explicitly that such consultation should occur.

I turn now to what has been said by a wide range of stakeholders who are dismayed at what has happened in Western Australia. The Western Australian Farmers Federation beekeepers' section, representatives of local government, the conservation movement and the tourism industry, academics, the Western Australian Forest Alliance, and the Conservation Council of Western Australia, said in a media release dated Friday, 29 May -

Mr Omodei: What does it say about the position of the WA Forest Alliance?

Dr GALLOP: The Australian Labor Party has its own position on this issue, and it is a very good position. The media release states -

Those attending the meeting agreed that the Public Consultation Paper was a product of a deeply flawed and biased process and is completely unacceptable because, among other shortcomings, it:

- . does not include maps,
- . does not name specific forest blocks,
- . gives no indication that any of the options are ecologically sustainable,
- . uses dubious employment figures that exaggerate the importance of extractive industries . . .

That is what people are saying about an agreement that is supposed to win the confidence of stakeholders in our community.

The document claims that the paper does not name specific forest blocks. If we are to have a sensible approach to this issue and if the public is to be asked to support this process, surely the public must know what it is supporting. I heard a representative of local government in Denmark say on the news last night that it is like being told by the maître d' restaurant that he is not sure what is on the menu and what is not on the menu, but he wants us to accept what he is offering.

Mr Omodei: Not one person in the Denmark shire attended the consultation process.

Dr GALLOP: The Minister is not up to date on this issue. The failure to provide maps makes it impossible to respond in a meaningful way to this regional forest agreement. The Minister may be interested to know that

stakeholders in the south west have been told that the reason maps have not been provided is that they will concentrate local concerns. We cannot tell people what will be logged and what will not be logged because they may become concerned! Does the Minister support that proposition?

Mr Omodei: The maps that I have seen with regard to this regional forest agreement process are the most comprehensive that I have seen since I have been involved in public life.

Dr GALLOP: The Minister knows exactly what will go into the reserves and what will not?

Mr Omodei: I have a pretty good idea. Have you seen the maps?

Dr GALLOP: Other people in the community do not regard a pretty good idea as good enough. They want a good idea. They want to know what the facts are, but they are not being given those facts.

I turn now to what the academics are saying. Professor Barbara York Main, a zoologist from the University of Western Australia -

Mr Masters interjected.

Dr GALLOP: She is an adjunct professor at the University of Western Australia. She said -

As an invertebrate biologist I can only disagree with some of the final assessments regarding the value and need for further investigations of relict taxa and sites in the southwest forest region.

I turn now to what local government is saying about the regional forest agreement process. Yesterday, it was agreed at a meeting of shires associated with the WA Municipal Association that the 10 July closing date for public comment on the options paper did not provide enough time for councils to have an input. The Denmark and Bridgetown-Greenbushes Councils have taken a very strong stand on this matter and have been lobbying the Opposition, among others, about the approach that should be taken to the future of our forests.

There is no doubt that this process will have an impact on existing communities, particularly those that depend on the native forestry industry. That is acknowledged in the documents that have been put out as part of the RFA. Indeed, two of the options - options A and B - in all likelihood will have an impact on those involved in the forest industry. Why is the question of economic restructuring and retraining not part and parcel of the RFA process in Western Australia? Clause 16 of the scoping agreement that was put together by the two Governments in 1996 states that the discussion between the Commonwealth and the States should occur in the light of economic and social assessments that have been conducted. The economic restructuring and retraining part of any forest agreement is a crucial issue and should be at the heart of the agreement so that we can win trust between the different players in the process. However, for the Government of Western Australia, it is an optional extra - something that can be done afterwards. In our view, it should be integrated into the very process.

That can be contrasted with New South Wales, which has a high degree of direct government assistance to deal with change in our forest industry. The New South Wales forest industry structural adjustment package - a \$120m package over five years - has been put in place as part of the consultation between the Federal and State Governments. On Tuesday 2 June the *Sydney Morning Herald* ran a very good article on how that package works for the workers in New South Wales. The article relates to a sawmiller, Les Knight, who has been retrained as part of the package and now has secure employment in a different occupation. Where is the concern from this Government for the implications of change in the south west of Western Australia? Those issues should be part of the resource agreement process, not just an optional extra.

This situation is a typical example of a Liberal Government. A good idea was put together by Labor State Governments in the early 1990s. When it was taken over by Liberal Governments post-1996 they messed it up completely. The Government is biased in the way it proceeds; it has a very narrow conception of what it wants. It does not genuinely consult with people so that they feel part of the process. It has not taken into account the wide ranging scientific opinion that should be taken into account on such an issue. As a result, there is no confidence in the results of the process. At the same time, we have witnessed the real and important concerns of those involved in the south west timber industry who will be dislocated by the changes in society due to the change in the value the community places on conservation, which is regarded by the Government as an optional extra and has not been included at the heart of the process. The entire process has been handled badly. From the beginning the key stakeholders were kept out of the key decision making groups. That was the beginning of the problem, and from that point the Government has not been able to rescue the regional forest agreement from the troubles it has faced. Rather than produce consensus, rather than produce a common ground and a genuine desire on the part of communities to work together to solve the problems, we are left with no trust, no consensus and no solution that will stick. We have a complete disaster instead of arriving at an historical reconciliation in our south west forests.

DR EDWARDS (Maylands) [2.52 pm]: Exactly one week ago I had the privilege of following the footsteps of Mick Malthouse. I am sure it is the only time in my life it will happen. I visited Northcliffe and surrounding areas exactly 24 hours after Mick Malthouse. Like him, I was taken to various forest blocks and coupes and saw what was going on in that section of the south west. The statement by Mick Malthouse has crystallised in the minds of the community: We are logging our old growth forests without regard for their value; woodchipping is driving this industry, and we are taking an excessive amount of timber from those areas. I congratulate Mick Malthouse. He has stuck his neck out and has done both the community and politics a service by shaking people from their lethargy.

Turning to the issue, I want to talk about what Labor believes should happen. Labor is very clear about this. We believe that old growth forests that have been independently assessed and found to have high conservation value should be placed in reserves for posterity. I reiterate that point: Old growth forest will disappear if we continue to log it. It must be preserved if we want it to remain for our children, our grandchildren and future generations.

Mr House: When did that become a Labor policy? It was not the policy when Labor was last in government.

Dr EDWARDS: It became our policy in 1995, when I issued a discussion paper, the basis of which I am outlining now. It was reiterated at our conference. It is consistent policy. Old growth forest should be independently assessed and that which has high conservation value should be placed in reserves; it should be preserved for posterity. It is possible to have industry in native forest but it must be sustainably managed. It must not be driven by woodchipping. In addition, the change towards what we want should be managed appropriately without job losses. We believe it is possible to have both conservation and increased employment.

One need only visit the south west and stay, as I did, at a small bed and breakfast establishment in a small town, to see that jobs are being created. There are job possibilities in those areas. We have a commitment to everyone involved. It is disappointing that some people - the beekeepers and others - feel that they are being cut out in the process.

Turning to what is happening in our forest, I want to talk about Giblett block. Giblett block has been independently assessed by the Department of Conservation and Land Management and the Australian Heritage Council. It has been found to have high conservation value, and has been placed on the interim register of the National Estate. However, this Government has plans to log the block. It has been the subject of temporary control areas and injunctions; and, recently, there has been renewed talk in the south west that Giblett will be logged. It is of grave concern to me that in the past few days the police have been contacting groups asking about the groups' plans for Giblett in August. That indicates to me that when the RFA is signed, the loggers will be working, CALM will be busy and Giblett block will disappear. That will be a shame. When questions are asked about the future of Giblett, while the RFA process is going on, no wonder people are cynical.

I turn now to Hilliger block near Nannup. Late last year I received calls and letters from local people about the fate of Hilliger. People were worried that the block was about to be logged. I have had great difficulty finding any information about the block. It was not covered by the previous AHC study. Because I could not get the information and because the Minister had instructed me to write to her for information to get the information from CALM, I put my concerns in letter form on 11 December. After one month, we regularly phoned the Minister's office to find out when I could expect to receive a reply. We were told, first, it was being worked on, and then that the forestry department was delaying it - I thought the forestry department disappeared a decade ago; then the Minister was on holidays, overseas, sick, and, finally, the cheque was in the mail! I received a letter on 29 April. By then, Hilliger block had been logged. It is interesting that in the same interim I had a briefing from CALM -

Mr Omodei: How much of it was logged? Giblett block will never disappear, nor will Hilliger. Sections of Hilliger are being logged.

Dr EDWARDS: We should put that on the record! If the Government did not know about the value of Hilliger, why did it take almost five months to reply to my letter, after weekly phone calls asking when I would receive that correspondence? If CALM cannot provide that information, it should not be involved in the process; it should not make decisions on whether this forest block should be logged. I am not about to suggest that the Minister was sitting on the reply so that I could not get the information! Surely, that was not the case! If I, as shadow Minister for the Environment, cannot get information for almost five months about a block that is about to be logged, what hope does the average member of the public have to get information? What faith, what trust will people have in this process being run by CALM?

I noted with interest a document from Environment Australia which pointed out that the CRA assessment regarded Hilliger block as having high conservation value. During the briefing from CALM on the CRA documents, I saw the map of old growth forest, I pointed to Hilliger block but I was told that it was a mistake. I was told that Hilliger was included, but when they did the ground truthing it was discovered that it was so full of dieback that they had to

log it. What sort of forest management is that? What sort of trust can we have in the regional forest agreement when the commonwealth department involved has completely different information from that held by CALM, and the result is that a valuable forest block is logged in the interim?

I turn now to Dombakup 24 block near Northcliffe. Again, this block has been independently assessed and placed on the interim list of the register of the National Estate. I have visited that block and heard complaints from local landowners about what was going on.

Mr Omodei: How many did you talk to?

Dr EDWARDS: I meet a group of about 12, only half of whom had received letters from CALM. The others did not know what was going on until they heard the chainsaws. It is a disgrace that they did not know what was happening until the roading had commenced. It shows us that the Department of Conservation and Land Management is not serious about consultation and the policies and processes it is meant to abide by. We saw in today's *The West Australian* that in preparing the roads for Dombakup D24, CALM has apparently put a road through an Aboriginal site. I have raised three sites that could be regarded as icons. We must remember that while we concentrate on these three sites, at any stage 15 to 20 crews are logging other parts of the forest. If we cannot get the information - I had difficulty with information on Hilliger - heaven knows what is going on in the rest of the forest.

I turn to the RFA process. As the Leader of the Opposition said, this process was initiated by the Keating Government. In theory it should be a good process. For a period of 20 years the process is designed to bring security and certainty to both conservation and industry in our forest areas. As the Leader of the Opposition said, this has gone dramatically off the rails in Western Australia. On page 29 of the public consultation paper great importance is placed on having three consultative reference groups which have been asked about their particular needs and concerns. Apparently they have had ready access to information and been given the opportunity to provide input to the process. That just has not happened. I have correspondence from a member of the stakeholder reference group, which is one of the groups referred to on page 29, which says that the group has been unable properly to address its point of reference because it has been cut out of the process. In fact, only once has the steering committee sought advice from that group. What sorts of opportunities for input have those people had?

The feeling of the member who wrote to me is that the advice they have given has been regarded as irrelevant. I was surprised last night to hear that the Noongar Land Council has withdrawn from the process, describing it as a sham; yet the Noongar action group, including the Noongar Land Council, is in this document as one of those agencies that has had ready access to information and a valuable input. When we have groups saying that the process is a sham, it should ring alarm bells for the Government. How on earth can we use that process to have 20 years of stability and security and 20 years of protection of the conservation estate, if its whole basis is so flawed?

The comprehensive regional assessment report is the compilation of 38 consultancies and processes of information gathering that underpin the RFA. Many of the consultancies were rushed. Consultants were given a month to undertake quite detailed studies. Concern is now starting to filter out from the companies and people involved that they did not have enough time to undertake their tasks properly.

Mr Masters: Consultants never have enough time. You should know that by now.

Dr EDWARDS: I would think that, as a consultant, the member would believe that it would take more than a month to undertake a very detailed study. Many of the consultants had a timetable of only one month. If the member wishes to see the list, he should refer to the question that I have asked.

The CRA document contains a chapter on wilderness, which members might think is very good, but anyone who has visited Walpole will know that presumably we have wilderness in our State. What do we have? We have one page on wilderness. The explanation is that in the south west region there is no wilderness. One has to be a little cynical about the values that are being used. Do members know why we have no wilderness? We have no wilderness because, where we have wilderness and it triggers all the criteria, CALM has put through so many roads that the distance criterion has not been met. The Denmark Shire Council has complained about the CRA document. It has listed 20 faults in the document. That council knows its area and what should be on the maps. If it can find 20 faults, what would a person find if he went through it with a fine tooth comb?

Similarly the public consultation document with the RFA contains faults; for example, we have no maps. As the Minister said, CALM has some of the best mapping ability in the world. We have very good, comprehensive maps with the CRA document but no maps at all with the RFA discussion paper. That is a disgrace. I am appalled by the comment of the Leader of the Opposition previously that the reason given in Pemberton for there being no maps was that maps would concentrate community concern. Community concern should be concentrated. If this is a consultative process to get an agreement which will last 20 years, we need everything to be put on the table and teased out; we need people working together to come to a better conclusion.

I will conclude on this note: We now have an increasingly diverse number of groups literally coming out of the woodwork, so to speak, with their concerns about the RFA process and what is going on in our forests. The Government can no longer sit on its hands but must become involved and sort out what is going on in the forest and put the RFA process back on track.

MR OMODEI (Warren-Blackwood - Minister for Local Government) [3.05 pm]: I welcome the opportunity to make some comments on the motion put forward by the Opposition. The Minister is today attending an Australian and New Zealand Environment Conservation Council meeting in Melbourne. The Opposition was advised of that yesterday well and truly in advance of its putting forward this motion. One would have to wonder why the Opposition chose to bring forward the motion when the Minister was not here to respond. However, I am quite happy to respond on her behalf.

One of the few things the Opposition has said which has some validity is that the RFA process came out of the National Forest Policy Statement, which was put in place during the Keating Government and signed by Carmen Lawrence, the then Premier of Western Australia. The process provides for a 20 year plan to be reviewed every five years. More than 500 experts from a range of disciplines, including forest ecology, soil science, geomorphology, hydrology, archaeology, botany, zoology, geography, economics, social science and geology have been involved in the Western Australian RFA process to date. The process began in Western Australia two years ago and is run by a commonwealth-state joint steering committee backed by a panel of independent scientists and experts. The steering committee receives advice from a stakeholder reference group with representatives from 60 organisations, including conservation groups, industry bodies, unions, agricultural interests, and tourism and heritage groups. There is also consultation with an Aboriginal action group and a state agreement Acts committee. Community consultation over the past two years has involved public meetings and workshops in country centres and in Perth. Twenty-three RFA information centres have been set up throughout the RFA region, as well as a 24-hour RFA information line. There are also fortnightly updates in state and regional newspapers and two Internet sites with the latest information.

The base scientific document for the RFA is the comprehensive regional assessment report. It analyses forest biodiversity, old growth, wilderness, heritage, national estate, social, economic and resource uses and values. As part of the CRA more than 200 experts were involved in reviewing existing research and carrying out new assessment projects ranging from aerial mapping and floral and fauna field studies to heritage workshops and economic modelling. The database built to access south west fauna was the first of its kind ever compiled in Western Australia. It captured more than 76 000 records of mammals, birds, frogs, reptiles, molluscs, spiders, fish and insects across 796 species.

Ms MacTiernan: You are not addressing the comments that have been made.

Mr OMODEI: I will get to them in a minute.

The SPEAKER: Order, the member for Armadale!

Ms MacTiernan: I am just trying to assist.

The SPEAKER: Order, the member for Armadale!

Mr OMODEI: The CRA also mapped 27 ecosystems within the region, including detailed mapping of 300 vegetation complexes. Stakeholders and local community groups have made significant contributions to RFA studies, including those focusing on forest heritage values and the way forests are used and valued by families and communities.

The comment by the Leader of the Opposition that it has drifted dramatically from the original proposal is not true. The RFA options paper was released on 25 May 1998 for public consultation until 10 July. Public consultation has been facilitated by open field days at the following places: Denmark, 2 June; Manjimup, 3 June; Pemberton, 4 June; Nannup, 5 June; Perth at the Alexander Library, 6 June; Margaret River, 9 June; Bunbury, 10 June; Waroona, 11 June; and, 12 June at Mundaring. Written submissions may be made. This has been advertised in every Western Australian newspaper I have read in the past two or three weeks.

All the local authorities in the region have been included in the stakeholder process and the extent to which they participate is a matter for individual shires. The Western Australian Municipal Association decided it was beyond its brief and it delegated to the South West Local Government Association the responsibility to attend those steering committees. When WAMA was contacted by the RFA coordinator in September, it was agreed that would be the process. Eight shires within the South West Local Government Association initially expressed interest in the process, and they were invited to the six stakeholder reference group meetings. Only three of those shires attended meetings; that is, Manjimup Shire Council attended six, Bridgetown-Greenbushes Shire Council attended four, and Nannup Shire Council attended one. Denmark Shire Council sent its apologies for all six meetings, but in the meantime has said that it has not been consulted. I question its concern. The South West Local Government Association

representative attended the first four meetings, but when he no longer held that position he did not attend further meetings. The South West Local Government Association did not replace those nominees. Certainly, local government has been consulted. I question some of the comments made about the meeting held yesterday.

Dr Gallop: Why do you question them? That is the first time WAMA has taken a position.

Mr OMODEI: WAMA facilitated the meeting and it is saying there has not been enough consultation. If it studies the facts and looks at the reference group, it will find there was adequate opportunity at the steering committee level and there is still the public consultation process and the Internet.

Dr Gallop: Do not listen to the messenger, put up the barriers.

Mr OMODEI: Talk about gross hypocrisy. When I was involved in local government in Manjimup, the then Labor Government proposed all these areas. Under its proposal, Giblett block was to be logged. Now, because it is convenient, the Labor Party chooses to oppose that. I will respond to some of the specific concerns raised.

Mr Carpenter: What was your objection to the Shannon River basin becoming a national park?

Mr OMODEI: I agreed that the management priority area of the Shannon River basin should become a national park, and that the other half should be managed for multiple purposes. This Government has problems today with forest management because of the previous decision made for political purposes by the Labor Party.

Mr Carpenter: You have a long memory.

Mr OMODEI: I have a long memory. One of the reasons I am a member of this Parliament today is the Labor Government's decision on the Shannon River basin, because it deserted the people who traditionally supported the Labor Party in Western Australia.

Mr Carpenter: You just want to build chalets down there.

Dr Edwards: Maybe Mick Malthouse could take you there.

Mr OMODEI: If the member for Willagee wants to move a motion about chalets, he should get up and do so. In relation to the specific issues raised by the Leader of the Opposition, about the maps and specific blocks identified on those maps, the forest ecosystems are crucial as a biological unit for scientific analysis. Those maps were made available in the comprehensive regional assessment document, which was released months ago. Those issues should be raised during the public meetings. Has the member for Maylands attended any of those meetings?

Dr Edwards: No, not yet.

Mr OMODEI: Perhaps she should and she might learn something. The Government welcomes community input on how it thinks each of these ecosystems would be best addressed. However, it is important that each of the ecosystems be conserved in a permanent reserve system in perpetuity. Nobody disagrees with that. The statement by the member for Maylands that old growth forest will not be there in the future is not true, and she knows that. All those areas currently reserved in permanent reserves, whether in the Shannon River basin, the Warren National Park or Beedelup, are secure. That is old growth forest.

Dr Edwards: No. In here it mentions going into reserves and putting them in the logging program.

Mr OMODEI: The same argument happens with regard to Giblett block; members opposite give the impression that the whole block will disappear, as well as Hilliger block. The only areas of Hilliger block that have been logged so far are those affected by dieback. As far as the social and economic assessment is concerned, the Leader of the Opposition assumes that timber workers will lose their jobs, as though it is a fait accompli.

Dr Gallop: No, your report does.

Mr OMODEI: The Leader of the Opposition wants the Government to develop a package before the end of the public consultation process. He wants to pre-empt the conservation outcomes. Five hundred scientists were involved in that process. The Leader of the Opposition is telling the workers involved, many of whom still support the Labor Party, that they do not have a job before the process is even finished.

Dr Gallop: What have you done about economic restructuring down there as a Government? Nothing at all.

Mr OMODEI: The Leader of the Opposition does not know. When was the last time the Leader of the Opposition went to Manjimup?

Dr Gallop: Last year.

Mr OMODEI: Did the Leader of the Opposition stay in one of the chalets?

Dr GALLOP: One of the chalets you built?

Several members interjected.

The SPEAKER: Order! Some people are so engrossed in their conversations that they have not realised where they are and what is going on. I cannot allow interjections at that level from all over the House at once.

Mr OMODEI: The only people excluded from the process to date were the extreme conservationist groups who decided they did not want to be part of the RFA process. They refused to be part of it right from the start. Members must ask themselves why they did so. It is because at the end of this process there will be an agreement on how to manage the forests in perpetuity, and the extremist conservation people do not want that.

In relation to the comment by the member for Maylands about Mick Malthouse, I rang the Football Commission to get in touch with him and the Minister's office also suggested that he should be briefed on the matter. I wanted to discuss it with him, as the local member, and I wanted him to keep an open mind on the issue. He had obviously made up his mind about what he would say. His proposal would cost 3 000 jobs and would devastate the economy of the Manjimup and Pemberton district.

Dr Gallop: Show us your analysis.

Mr OMODEI: Sixty per cent of old growth forest will be reserved, and all the old growth forest which has been independently assessed and which has high conservation value is in reserves or proposed reserves already.

Mr McGinty: That is not true.

Mr OMODEI: I presume the member has evidence, and he will bring it to the consultation process. He should produce it so that the assessment process can consider it.

Dr Edwards: It is patently untrue.

Mr OMODEI: Which block is the member talking about?

Dr Edwards: I will give the Minister a whole list. I will go to the library and obtain that information.

Mr OMODEI: The member should raise it in the agreement process. If there are, by chance, ecosystems which are not represented, we will take steps to make ensure they are represented. However, I doubt whether the comments of the member for Maylands are correct. I challenge the member to make those comments to the relevant parties, and I will ensure she is heard.

Giblett block was required to be reserved and could be logged under the proposals by Labor when it was in government. Only part of the dieback area has been logged in Hilliger. The commonwealth department has apologised for the incorrect statements made on Hilliger. CALM has consulted with all neighbours regarding Dombakup. I spoke to the Manjimup Aboriginal Corporation representatives today, who said they had excellent consultation with CALM over the road which was the subject of the article in today's newspaper. They said that the information provided was incorrect.

Wilderness is defined in national criteria agreed to by the previous Labor Government, and this relates to the objective process. No area of Western Australia meets that national criterion, even though some areas are referred to as wilderness areas. For example, Point Nuyts is often referred to a wilderness area, but it does not meet that national criterion.

I asked the Leader of the Opposition whether he agreed to the stance of the Western Australian Forest Alliance. It is important that the Labor Party make its position clear. I refer to the Western Australian Forest Alliance publication *Forest Times*, and the economic and social impact on the industry which will result from the alliance's proposal. The area of proposed new reserves is 615 500 hectares, among which 470 000 ha, or 41 per cent, of forest available for timber production would be reserved. The yield of karri logs would be reduced by 150 000 cubic metres under this proposal, and jarrah saw logs reduced by 200 000 m³, or 41 per cent.

The loss of gross value of wood products measured at the mill gate would be \$127m annually, which would be a 53 per cent reduction. That is \$2 540m over the 20 year life of the RFA. Employment in the timber industry as a result of the Forest Alliance proposal would be reduced by 1 813 direct jobs, and 2 176 indirect jobs, a total of 3 989 jobs.

The impact on populations, mostly in rural locations, from this proposal, would be a reduction of about 9 975 people. This analysis does not include the impact of other Forest Alliance proposals, such as no woodchipping, no charcoal logging, no clear felling in state forest and the requirement for long rotation log cycles in all timber production areas.

The impact of these constraints on timber availability would be as much as another 50 per cent production reduction in the jarrah forest, and even greater in the karri forest.

This is where the Leader of the Opposition needs to make his position clear. He spoke about the union being involved in the process in New South Wales. Maybe he should talk to the Australian Workers Union, because a seat called Brand focuses on the mining industry in WA.

Dr Gallop: You are pathetic!

Mr OMODEI: Does the Leader of the Opposition agree with the Forest Alliance proposal, or not? Why does he not say so?

Dr Gallop: I agree with the ALP platform.

Mr OMODEI: We will see what the Leader of the Opposition will do.

There will be a significant consequences on the mining industry in the south west if the reserve proposal is implemented. If a genuine conservation reserve were to exclude mining, it would mean that 150 000 ha of Alcoa's lease and 86 000 ha of Worsley Alumina's lease would not be available for bauxite mining. Worsley Alumina's operation would cease and compensation from the State to the companies would be astronomical. The value of bauxite ore reserves forgone by Alcoa if the Wafa proposal were implemented would be \$300b. The Wafa proposal also intersects with another 164 000 ha of mining leases and tenements outside the state agreement Act companies' leases.

Also, 460 000 ha of land with high mineral potential with vanadium, titanium, tin, tantalum, gold, coal, bauxite, alumina and heavy mineral sands would be forgone under the Forest Alliance proposal. The exclusion of mining activity in these areas would result in massive compensation claims against the State. In relation to the effectiveness of the proposal in addressing the national forest reserves criteria, known as JANIS, despite the large area proposed under the reserve system, it fails to address many of the significant conservation issues.

We need to know whether the Labor Party agrees with the Forest Alliance proposal. I can tell members what will happen. The Australian Workers Union is watching members opposite closely. When was the last time the Leader of the Opposition spoke to the AWU about this issue?

Dr Gallop: I am happy with my position.

Mr OMODEI: No answer to that question from the Leader of the Opposition. The Labor Party is showing a level of gross hypocrisy and treachery. It is deserting old timber families who were the basis of the Labor Party - it was the working man's party, not that of the airy fairy academic. Not too many timber workers down south identify with the Rhodes scholar and the airy fairy groups with which the Leader of the Opposition mixes.

Amendment to Motion

Mr OMODEI: I move -

To delete all words after "House" and substitute the following -

- (1) Recognises that the public consultation program in relation to the regional forest agreement is currently under way and will continue until 10 July 1998 and supports and encourages community input to this important process for consideration by both the State and Commonwealth Governments prior to entering into a regional forest agreement.
- (2) Endorses the Government's action in ensuring a balanced outcome for environmental, heritage, social and economic values in our forests.
- (3) Supports the right of worker in our timber industries to secure employment based on an environmentally sustainable timber industry.

MR MASTERS (Vasse) [3.27 pm]: I thank the Minister for Local Government for giving me so much time to respond to a very complex issue. We have much for which to thank the environmental movement. Globally, issues such as greenhouse gas emissions, ozone depletion, forest destruction in developing nations, and developments following Rachel Carson's Silent Spring statement in relation to biocides, has made this planet a far safer place on which to live.

Locally, concerns of the environmental movement about issues such as forestry have led to a reduction in coupe sizes; the implementation of more autumn burnings; habitat tree retention; stream reserves being created; chip logs being made available for logging; and greater reservation of important forest areas. However, the environmental

movement's criticism of the regional forest agreement process is largely based on half-truths, misinformation and distortions. Although protection of the environment is touted as justification for what the movement is saying, it is political ideology which is pushing most of the high profile leaders of the anti-RFA brigade.

I now briefly put three myths to bed. Myth No 1: This is a CALM-driven and controlled process. The back of the comprehensive regional assessment report lists five and a half pages of references; namely, 143, mostly scientific, research papers and reports which form the basis of the comprehensive regional assessment, CSA, document. Of these, only 39 are CALM or CALM-controlled documents. The remainder are prepared by the Commonwealth Scientific and Industrial Research Organisation, private expert consultants, other government agencies, university research and university academics. Anyone who seriously criticises the data on which the RFA and this document are based not only disputes the scientific expertise of CALM, but also essentially criticises almost the entire public and private research capability of the Australian scientific community. If members want to do that, so be it.

Myth No 2: Logging practices are threatening our unique flora and fauna. Many hundreds of plant species in Western Australia are endangered or contained on the Department of Conservation and Land Management's priority lists. Most of them occur on the Swan coastal plain and in the wheatbelt. Only 36 endangered species are listed as occurring in the regional forest agreement area and many do not even occur within forested or wooded vegetation. At the same time, 20 mammals and 28 birds are listed as vulnerable under state or commonwealth legislation. However, the overwhelming majority are not forest-dependent species, but live in habitats adjoining forests or within the RFA area other than forests.

Myth No 3: Forestry practices destroy forests. For the past 20 years, I have been the president of the Busselton Naturalist Club which is the largest rural-based conservation group in Western Australia. On two occasions, we have visited the state forests and have asked both the environmental movement and staff from CALM to show us around. On both occasions, about 40 people looked at both sides of the argument and made their own judgments based on the evidence. On both occasions, we came to the conclusion that CALM was doing a good job of managing our forest resources. That is not to say that the Busselton Naturalist Club is totally happy with the situation which is occurring in our forests - there is wastage of timber, more tree hollows and habitat trees need to be protected, concerns exist about the price of timber products, not enough market forces are used to encourage people to go to plantations and a more logical use of fire for ecological management is needed. The club has twice concluded that all of our forest resources are, in general terms, well managed. Therefore, I challenge Perth residents, including football coaches, to do the south west communities who are dependent on logging for their economic and social survival the courtesy of visiting our jarrah and karri forests and seeing both sides of the argument.

A woman telephoned ABC talkback radio last week and said that she had visited an area of forest next to Beedelup National Park 10 years ago just after it was logged and it was devastated. I ask her to provide the people of that area with the courtesy of revisiting that area to have another look, because she will see a healthy thriving forest with all of the forest values coming back in time. Another woman telephoned the same radio station last week about her and her husband's visit to the Valley of the Giants forest. She hoped it would never be logged. I ask her to read the public consultation paper. She will see there are 7 500 square kilometres of formal reserves, mostly old growth forests and protected in perpetuity. It is folly of the environmental movement to expect this or any other government to implement revolutionary, rather than evolutionary, change in our forest. Whether 6 000 or 20 000 people are employed in the timber industry in the south west, no government - and here I challenge the ALP - would be so irresponsible as to throw whole towns and communities out onto the economic and social scrapheap.

Dr Gallop: That is not what the motion is about.

Mr MASTERS: Change will occur only when all Western Australians understand the truth of what is occurring in our forests, work together to achieve positive long term goals and become involved in the RFA process.

MR PENDAL (South Perth) [3.35 pm]: I intend to support the amendment. I refer to the original motion which suggested that there is strong community support for preservation of high conservation value old growth native forests. That is probably correct. It is also correct to say that there is probably a fair degree of public support for Pauline Hanson. That is not something that I necessarily approve of or agree with. Consequently, having that high level of public support for something, whatever the issue, does not necessarily make informed support. The member for Maylands twice referred to the fact that people, in debates such as this, feel somewhat cynical at times. That reminded me of the position of the Opposition.

Dr Gallop: It is a very petty comment you are making. Let us talk about 1998. You do not want to talk about 1998.

The SPEAKER: Members, let the member for South Perth make his contribution.

Mr PENDAL: In previous Governments there were three Labor Ministers for the environment; Mr Hodge, Mr Pearce and Mr McGinty. By all accounts they were good ministers for the environment. If they were in government today,

or if the Leader of the Opposition were Premier today, they would be negotiating the RFA with the Commonwealth Government substantially along the lines that are now being negotiated.

Dr Gallop: Not true at all. Have you seen what is going on in New South Wales? It is a Labor Government. Have a look at what it is doing. That is exactly what we will be doing.

Mr PENDAL: That Government has not actually signed an RFA.

Dr Gallop: Because it is actually doing it.

Mr PENDAL: The New South Wales Government has not signed one.

The SPEAKER: Order!

Mr PENDAL: The challenge that faces everyone in this Chamber, outside the Chamber and right around Western Australia is to find ways, sooner rather than later, to reduce our reliance on logging in native forests. Similarly, there is an obligation - a challenge - on the part of everyone to find ways in which we can more quickly learn to rely on plantation timber. We can do that tomorrow and bring it all to an abrupt and violent halt within a month. We can do that by gutting a major industry in the south west of Western Australia. That was not done by previous Labor Governments. There was no abrupt or violent movement, although people say that what happened early in the Labor Government's time in office regarding the Shannon basin was abrupt and violent.

Those three Governments, and the one that followed it, have been confronted with a very serious problem; that is, how to reduce the cut without putting whole communities out of work? One has only to listen to the remarks made by Peter Walsh at the time the Federal Government did that in Tasmania. In the program "Labor in Power", Peter Walsh poured out his venom and anger on his Labor colleagues in Canberra because of what they did to the blue collar workers in that part of Tasmania. That is why it makes hollow the promise of retraining, which sounds good. A further reliance on ecotourism also sounds good, but to a large extent it is pie in the sky - insufficient income will result from ecotourism. It will be possible to retrain a lot of people. However, many are not capable of being retrained in real jobs in that part of the State that relies on them.

If this had been an easy matter to deal with, it would have been solved 10 years ago when the Labor Government was in office. If it were an easy matter to deal with, it would have been solved four years ago by the then Liberal Minister for the Environment. There is no lack of goodwill on the part of anyone I know to reduce our reliance on logging in native forests. People object to this short cut notion of a magical solution and that will never occur.

MR COWAN (Merredin - Deputy Premier) [3.38 pm]: One of the most pleasing things about living in today's environment is that for the first time a great deal of attention is paid to natural resource management. The first requirement of that is to identify the maximum sustainable yield or the yield of that renewable resource. It is complicated in the forestry industry by firstly, determining what part of the forest area will be exploited and what part will be set aside for conservation.

I, like a number of other members in this place, happened to be present when the Parliament took what the member for South Perth regarded as shock treatment and identified the Shannon basin as an area which needed to set aside for the conservation estate.

Mr Thomas: The coalition did not do that, we did.

Mr COWAN: Labor did not do it without our support. The member for Cockburn should have a look at the *Hansard*. In addition, the Mt Lesueur park area was surrounded by a degree of controversy. The member for South Perth in some respects acknowledges that there has been a move. He and every member would have to acknowledge that there has been a move over time for the contribution of a greater area of forest to the conservation estate. I do not think anybody disputes that that should be the case. Another issue that is not in dispute is that we have to move towards plantation forestry and draw resources for the timber industry from that source rather than from the state forest, irrespective of how one defines old growth forest. That in itself will be a very considerable debate but it is not really part of this debate.

The first point of this debate is that we should contribute significantly to the area set aside for the conservation estate. That should be done in this agreement. Secondly, we should make sure that we are sustaining a timber industry by transferring that industry across to plantation forestry as rapidly as is practicable. Having set those priorities, an issue that needs to be addressed in the final month, and which is addressed in this amendment, is the issue of public consultation. In that sense this issue of regional forestry agreements or assessments has been an ongoing program for a long time but we are now coming to the end period.

We now have to involve the broad community as much as possible. As has been said today, I do not think anyone

can claim with any accuracy that people have been denied the right to comment about the regional forestry agreement process. They have been able to make some comment but now it is time for them to be involved in a formal way in this agreement.

In that sense, the first part of this motion is very important because there has to be a degree of community ownership of this issue. It is not something that is the sole prerogative of the Department of Conservation and Land Management, nor is it something that is the prerogative of the Government or the Opposition. We support very strongly the transition from exploitation of the state forest to exploitation of plantations but we seek a practical achievement of that transition.

MR MCGINTY (Fremantle) [3.43 pm]: The contribution from the Leader of the National Party was disappointing. The key element in this debate is contained in the first point in the matter of public importance. We call upon the Government to -

. . . end woodchipping and logging in the high conservation value old growth forests . . .

The National Party has been in the community advocating that but it will not support that stance today. Let everyone know that when it comes to the crunch, the National Party is not prepared to support its rhetoric in a vote in this Parliament.

Today our high conservation old growth native forests are being logged by this Government. Already, between January and April this year, the Hilliger block was logged and it is recognised as high conservation value. I ask the Minister whether the Government will log Giblett block. It is on the program to be logged and it is high conservation value old growth forest. Dombakup is being roaded this week ready for logging; it is high conservation value old growth native forest. These are perfect examples of the duplicity of this Government which is prepared to sacrifice the old growth native forests of high conservation value.

The policy of the Labor Party has been advocated here today. The members of the Government are the loggers; they are the people who want to destroy our high conservation old growth native forests because they want to avoid voting on the real issue today. The Government should put its money where its mouth is and support the preservation of our high value old growth native forests. If the members of the Government are not prepared to do it, they are hypocrites. I support the motion.

Opposition members: Hear, hear!

Amendment put and a division taken with the following result -

Ayes (32)

Mr Ainsworth	Mr Cowan	Mr Marshall	Mr Shave
Mr Baker	Dr Hames	Mr Masters	Mr Sweetman
Mr Barnett	Mrs Hodson-Thomas	Mr McNee	Mr Trenorden
Mr Barron-Sullivan	Mrs Holmes	Mr Minson	Mr Tubby
Mr Board	Mr House	Mr Nicholls	Dr Turnbull
Mr Bradshaw	Mr Johnson	Mr Omodei	Mrs van de Klashorst
Dr Constable	Mr Kierath	Mrs Parker	Mr Wiese
Mr Court	Mr MacLean	Mr Pental	Mr Osborne (<i>Teller</i>)

Noes (16)

Ms Anwyl	Dr Gallop	Ms MacTiernan	Mr Riebeling
Mr Brown	Mr Graham	Mr McGinty	Mr Ripper
Mr Carpenter	Mr Grill	Mr McGowan	Mr Thomas
Dr Edwards	Mr Kobelke	Ms McHale	Mr Cunningham (<i>Teller</i>)

Pairs

Mrs Edwardes	Mrs Roberts
Mr Day	Mr Marlborough
Mr Prince	Ms Warnock

Amendment thus passed.

Motion, as Amended

Question put and passed.

COMMERCIAL TENANCY (RETAIL SHOPS) AGREEMENTS AMENDMENT BILL*Committee*

Resumed from an earlier stage of the sitting. The Chairman of Committees (Mr Bloffwitch) in the Chair; Mr Shave (Minister for Fair Trading) in charge of the Bill.

Clause 7: Section 11 amended -

Progress was reported after the member for Armadale had moved the following amendment -

Page 10, after line 4 - To insert the following -

- (d) at any time of any review to be made with regard to market rent, the landlord is to provide to the tenant concerned a statement of actual rents paid at that time by all other tenants leasing premises of a comparable size and type in the retail shopping centre in which the tenant concerned is located.

(3) Any provision in a retail shop lease purporting to preclude a tenant from voluntarily disclosing the rent or terms of the lease to which the tenant is a party is void.

Amendment, by leave, withdrawn.

Ms MacTIERNAN: I move -

Page 10, after line 4 - To insert the following -

- (2a) A provision in a retail shop lease purporting to preclude the tenant from voluntarily disclosing the rent under the lease is void.

The Minister indicated during the break that he would support the clause only in this form. It is in a more limited form than I previously moved. The Minister indicated that he was prepared only to support a disclosure provision which was confined to disclosing rent, and not one that was in the original formulation which was to disclose rent and all other terms of the lease agreement. I agreed to this even though I recognise that the amendment in its current form is of limited value, because there is no doubt that to determine the real value of a rent, one needs to know the whole package, including issues such as fit outs, review provisions, and a range of measures that will be contained in a lease agreement that would cause one to qualify the real value of that rent.

I will set out the reasons that I decided to move this amendment. I decided there is some merit in going through with this clause, albeit in a muted form. It begins to enshrine the notion that disclosure of information is imperative if we are to give any meaning to market rent. It establishes an important precedent that brings into central focus the absolute need for information if a tenant is in a position to ensure that the rent being sought by the landlord is market rent.

Secondly, I have been persuaded by the Minister's advisers that the clause before us - not the amendment, but the clause that I am seeking to amend - will include some provisions of value to assist a tenant. I am looking at the part of the clause that allows the registrar to require parties to furnish to the registrar such valuation documents or other information as the registrar sees fit and the parties shall comply with any requirement. As I understand this clause, if the tenant wishes to contest the assessment of market rent that has been proposed by the landlord, the tenant can go to the registrar, and the registrar, in order to make a determination upon that claim by the tenant, can summon the landlord to provide documentation to allow the registrar to properly assess the claims of the landlord. Will the Minister clarify the Government's intention in that regard? The clause says that the registrar has the power to require such valuation documents and other information as the registrar sees fit and the parties shall comply with any such requirement. I hope that will allow the registrar to have access to materials to establish the rents that are being paid, and the packages that are being paid by other tenants within that shopping centre. As we know, list rents are very different from actual rents. Is this proposed subsection drawn very broadly and will it allow the registrar to access that information?

During the lunch break I checked with a few people, including the Retail Traders Association of WA which was very supportive of tenants having the right to disclose rents and other conditions of their lease. The association considered that to be very important. I was interested to learn that the RTA had raised concerns with the Minister and his predecessors identical to the concerns I have raised in this Parliament. The RTA is deeply concerned about the lack of information available to tenants and the problems that generates in establishing a market rent.

It agreed to withdraw on this issue on an understanding given by the previous Minister for Fair Trading that the Australian Institute of Valuers and Land Economists would establish a code of practice within which this could be

dealt. The RTA is concerned that that document has not been forthcoming. I understand that was raised with the Minister's staff recently. Will the Minister provide more information on the matter?

Mr SHAVE: Proposed new section 11(7) provides for the registrar to have certain powers. I confirm that the Government supports the registrar obtaining whatever documents he needs to make a determination. That is the intent of this clause.

Ms MacTiernan: Do you see that provision including whatever information is needed on actual rents and conditions?

Mr SHAVE: The Government does not have a problem with the registrar having access to that information because the registrar would be acting as an impartial party, not one involved in contracts. We expect the registrar to examine matters to make a determination rather than disclose to other parties the content of agreements between parties.

The Bill will be amended; however, I am reluctant to encourage a situation whereby tenants or landlords reveal all the details of commercial tenancy leasing contracts. Problems can arise when a rent holiday has been provided to one tenant and not another; when one tenant has negotiated fit-outs as part of an agreement and another has not. The member for Armadale may call that healthy competition. However, it is a contract between two parties. If a tenant is not happy the registrar can analyse the contract.

If I were running a shoe shop and paying \$20 000 rent and I was aware that the shopping centre over the road or further down the street was charging rent of \$30 000 or \$40 000, I would be reluctant to disclose my rent.

Ms MacTiernan: You would not have to. Nothing in this Bill requires that.

Mr SHAVE: I know information can be disclosed voluntarily. However, if I were to disclose my rental of \$20 000 to another retailer and he felt aggrieved, he could go to the registrar. If he felt really strongly, he could go to the landlord and complain that I was paying \$20 000 and he was paying \$40 000. The landlord may decide that I have been getting my shop on the cheap and that he has a problem because the other tenant is dissatisfied with that; therefore I must also pay \$40 000.

Many small retailers have a rough idea of the rents other tenants pay. They will not disclose their rent to other parties because they see that information as personal. To open the way for tenants to reveal all the other issues in the contract would broaden the scope too much. I am comfortable people will be able to disclose rents if necessary. However, a decision based on the facts should be made by someone appropriately qualified, and the registrar falls into that category.

Ms MacTIERNAN: I thank the Minister for that clarification. Valuers will tell the Minister that landlords willingly and readily disclose that information to each other. Valuers' ability to get information depends on whom they are acting for. If they are acting for the landlord the other agents have no difficulty whatsoever providing massive amounts of information. At the heart of what we are saying is the huge imbalance between landlords and retailers. It is easy by virtue of their position and the cooperation of the landlords for people acting for the landlords to get objective data. It is almost impossible, particularly under the current regime, for valuers acting for tenants to get equivalent information. That is unfair.

I agree that this Bill will allow the registrar to obtain information, and that is a positive move. Now that we have a clause, albeit a bit of a Mickey Mouse clause, that gives some protection of disclosure to tenants, we are moving in the right direction. However, the Minister should not underestimate the imbalance.

He talked about valuers being worth their salt. Many of the people to whom he speaks will tell him that to get information, many valuers acting for tenants must engage in what could be called industrial espionage. A statutory system that relies on people engaging in industrial espionage to protect the interests of tenants is not acceptable.

The other issue raised with the Minister concerns the report supposedly being prepared by the Australian Institute of Valuers and Land Economists. As I understand it from the Retail Traders Association, when it was negotiating during the consultative phase with the Minister's predecessor, the present Minister for the Environment, it was told only a certain bundle of rights would be addressed in this legislation. It had high hopes they would have been implemented some years ago. Some of the other issues were consequently left aside. One of those issues was the one I raised here today in almost identical terms to those of the RTA. The RTA's concerns were over the capacity to give effect to the term "the proper land valuation practices", given the current unavailability of data to tenants.

It was said that the institute was asked to prepare a code of practice or a general agreement on what would constitute good land valuation practice. That was before the Minister took responsibility for this portfolio area, so it was at least 18 months ago. The association has still not seen a working document addressing this issue. It said that in the past couple of weeks it had raised the matter with the Minister's officers again seeking further information on its availability.

The Australian Institute of Valuers was very much an organisation for professional and licensed valuers. It has become a very broad based organisation and it has been suggested that its membership is now predominantly property managers. Of course their interests are different from those of professional valuers.

Mr SHAVE: I understand that the AIVLE has produced a code of practice, but it has not provided the Government with a copy. The legal issues associated with proper land valuation practice are now being addressed.

Ms MacTiernan: So, it has been prepared but it has not been provided.

Mr SHAVE: That is correct. I am told that the publication of the code of practice is imminent, so the member should not get cross with me.

Ms MacTiernan: The implication in the Minister's response to my amendment in the first instance was that I had plucked this issue out of the air. Does the Minister recognise that this concept of the unavailability of data on which to make such an assessment is a matter of concern that has been raised by the various retail associations?

Mr SHAVE: I take everything the member raises very seriously.

Ms MacTiernan: But do you acknowledge that this has been raised with you previously?

Mr SHAVE: It may have been mentioned in a meeting. I am not brushing it off, but I have no direct recollection of when it was raised or whether it was raised. I will accept in good faith that the member has been given that advice and that that occurred.

Amendment put and passed.

Clause, as amended, put and passed.

Clause 8 put and passed.

Clause 9: Sections 12A, 12B and 12C inserted -

Mr BROWN: Subclause (1) provides -

A provision in a retail shop lease which requires a tenant to open the retail shop the subject of the lease at specified hours or specified times is void.

That is very clear and I understand the nature of that provision.

Subclause (2) provides that where -

- (a) a landlord has refused to renew a retail shop lease; and
- (b) the tenant under the retail shop lease believes that the refusal was because the tenant did not open the retail shop the subject of the lease at specified hours or specified times,

the tenant may apply in writing to the Tribunal . . .

How will this provision operate in respect of existing leases that come up for renewal? I understand that this subclause will not apply to an existing lease; it will apply only to a new lease. If that is correct, one could have an existing lease with provisions specifying opening hours, and in those circumstances tenants could not open and close a shop when they wished.

Mr Shave: With the same tenant?

Mr BROWN: Yes. The new lease contains paragraph (a), but the landlord may have made the desired operating hours clear without putting them in the lease, or may well be aware of the tenant's views on the operating hours, which may be in conflict with those of the landlord. In those circumstances, there is no remedy for the tenant if the lease is not renewed. The remedy is available where a landlord refuses to renew a retail shop lease and the tenant believes that the refusal is because he or she did not open the retail shop subject to the lease. I emphasise the words "did not open". It is not "will not"; that is, it is referring to past actions. How does that place a tenant who has been working under an existing lease and the shop must be open? This provision does not come into play. This relates to a renewal or a new lease. The landlord might know the tenant's views and the tenant might not have been able to enforce those views previously. However, because the landlord knows them, he or she might decide not to renew that lease. In that case there appears to be no protection. This is not a question of the landlord believing that the tenant will not open at the specified times or hours. The clause indicates that the tenant "did not open" at those specified times or hours. It is an objective test as to what occurred, as opposed to a subjective test as to what may occur. There is no protection in that clause for tenants in that situation.

Ms MacTiernan: The member for Bassendean has raised an excellent point. However, under those transitional provisions, is the renewal not a new lease?

Mr BROWN: That is what I am talking about, a new lease.

Ms MacTiernan: After this legislation comes into operation protection will not be available for any lease that comes up for renewal. Is that what the member for Bassendean is referring to?

Mr BROWN: Yes.

Ms MacTiernan: Yes, because of the conduct of the tenant during the period of the old lease.

Mr BROWN: It is not an easy point. There is added complexity because proposed new section 12C will not take effect immediately. It will affect only new leases. It will not apply to existing leases. Let us take an existing lease that says that Shave Electronics must open from 9.00 am to 9.00 pm five days a week and all day Saturday. The landlord knows that the proprietor is a pretty keen football follower and would prefer to attend the football on Saturday afternoons. However the terms of the lease say he must open; and because it is a one man band, he has to be there. That lease then expires.

Mr Shave: Yes.

Mr BROWN: A new lease comes up and that new lease would contain a new provision that the landlord cannot tell the tenant when to open and close.

Mr Shave: Correct.

Mr BROWN: However, the landlord knows what the proprietor of that business thinks about opening on Saturday afternoons. He knows on Saturday afternoons there will be a closed sign on the door after that new lease is entered into. The landlord may want the shop open for the broader use of the centre, however it may not be viable for this business. The landlord knows that if he grants this new lease to the existing tenant the tenant will close the business on Saturday afternoons, therefore the landlord will not renew the lease.

If one looks at the tests that apply, one sees that proposed new section 12C(2)(b) says that the tenant under the retail shop lease believes that the refusal was because the tenant did not open the retail shop. That is, the tenant did not open the shop at the time the landlord wanted the shop open. However, that situation has not occurred yet. Under the pre-existing lease, the owner has to open because the existing lease continues to operate under the old Act which allows the landlord to stipulate opening and closing times. When the new lease comes into operation two things will occur: There will be a new lease and new provisions will apply under the Act as a result of the amendments in this Bill. What happens where a tenant says he will not open during the hours required under the old lease and, as soon as the new lease takes effect, the tenant operates during the hours that suit him?

Ms MacTiernan: Could this be dealt with by an amendment which states that the refusal is because the tenant did not or is unlikely to open the retail shop? In other words, you allow for consideration of prospective behaviour.

Mr BROWN: That amendment may be necessary. First of all, I want the Minister to state the intent in relation to this transitional change, because at the date of the next lease agreement two things will happen at the same time which makes the issue complex. There will be a new lease, and a new lease under a new Act; as opposed to a new lease under an existing Act. One will have moved from a lease under an old Act to a new lease under a new Act. How do those things sit together? Does this clause provide protection for the tenant in those situations? As I read it, it does not.

Mr SHAVE: The issue the member for Bassendean has presented is difficult. We all recognise that, including the member for Armadale. At the end of the day, if someone decides not to renew a lease, then the renewal of the lease should not be superimposed on them. The Act clearly states that it is the intention of the Government that people should not have their leases cancelled or be denied a lease renewal because they do not want to open under certain conditions or during certain trading hours imposed by the landlord. If a new lease contained a provision that they must open, then it would be contrary to the legislation, illegal and null and void.

Mr Brown: That is right.

Mr SHAVE: The Government's intent is that it is unfair and unreasonable for a landlord to refuse a person a renewal of a lease on the basis that he will not give an undertaking verbally, or off the record, to open under certain conditions and during certain trading times. In drafting this clause, the intent was to ensure that the tenant may apply in writing to the Tribunal for an order that the landlord pay compensation to the tenant in respect of pecuniary loss suffered by the tenant as a result of the failure to renew the retail shop lease.

I am not a lawyer, and I have three lawyers here. However, as a layman, I read that as meaning if the tenant can go to the tribunal and say that the landlord is not prepared to renew his lease and establishes that the reason for that is because the landlord is concerned that the tenant wants to shut down for half the week, I do not know that I, as a Minister or legislator, can resolve that problem. It is very difficult. If I can give the member for Bassendean some comfort, section 16 of the Retail Trading Hours Act prevents tenants from being forced to open at any time. This Act applies to current and future leases.

Ms MacTiernan: What is the penalty?

Mr SHAVE: I do not have the penalty in front of me. We will be happy to look at the penalties. However, it is an offence under the Act. We will ascertain the penalties and when the debate resumes I will provide that information. That question will be difficult to resolve. It will be difficult to prove that was the reason the landlord would not renew the lease. If the clause said that he will have to justify this or that, he would give another reason for not renewing the lease.

Ms MacTiernan: That applies in any event.

Mr SHAVE: We will consider the question. However, it will be difficult to cover the possibility of a landlord deciding at the end of the lease he does not want to renew it or wants another tenant. It will be difficult to stop him anyhow.

Progress reported.

NORTHBRIDGE TUNNEL, DAMAGE TO PROPERTIES

Grievance

MS WARNOCK (Perth) [4.32 pm]: My grievance is to the Minister representing the Minister for Transport. Several residents who live in historical houses in Northbridge, near the Northbridge tunnel and the construction site, believe that their homes have been damaged by the construction, and want compensation.

The Tunnel Damage Compensation Group has called for an inquiry to establish the degree of the builder's liability. Members of the group are angry because until now they believe their concerns have been ignored by the Minister, by Main Roads and by the construction company, Baulderstone Clough Joint Venture. They are angry because they believe that the giant cracks in their houses have been caused by the dewatering process from tunnel construction and because an independent consultant's report, which confirms the probable cause of the cracking, has been rejected entirely by the construction company. The report was commissioned and paid for by Baulderstone Clough.

This is not a new issue for anyone who has been associated with the tunnel construction as long as I have. Residents have been coming to my office, and we have been writing many letters to the Minister for some time. In September 1996 the Minister sent a reply to a constituent of mine basically admitting that the Government and the company were aware of concerns about the properties and they would be inspected if they were within 100 metres of the tunnel. That letter reads -

The drawdown on the water table beyond 100 metres will depend on the time of year and will be greatest in the winter months when vegetation is least susceptible. The evidence is that there will be no detrimental effects on structures, vegetation or bores beyond the 100 metre perimeter because the drawdown falls within the normal seasonal fluctuation of the water table of about 1-2 metres.

However, the contractor has recognised the concerns of individuals farther afield and is registering requests for later assessments on a case by case basis.

. . . The contract includes provision for repair works to be carried out for any damage that can be attributed directly to construction. It should be noted that property owners without a pre-construction survey are not precluded from making a compensation claim at a later date if they believe that structural damage has been caused by construction activity.

The letter talks about permanent impact on the water table, and further states -

As I have also mentioned, the effects of a change of this nature will be insignificant.

In 1995 the Minister was asked a question in this House about the impact of the construction on groundwater flows. The reply states -

Any contractor submitting a proposal having significant adverse impact on the groundwater levels will not be accepted. All tenderers are aware of this.

In submitting proposals, each tenderer will need to demonstrate that its proposal meets Main Roads' and EPA stringent groundwater requirements.

Should Main Roads consider an independent investigation is required, this will be done.

Now, in June 1998, the independent report states -

The extent of the damage would appear to have been greater as a result of dewatering operations impacting on the area than would have been the case if the dewatering operation had been entirely absent.

That is the current situation. These people are extremely angry because they believe their genuine grievances have been neglected. They feel that they have been completely neglected by the Minister. They have submitted a very interesting report to me. They have provided a great deal of detailed information, because this matter has been of great concern to them for a long time. Having sent in the detailed information about the problem they believe they have made the point that substantially - they do not claim it is entirely - their problems relate to the dewatering process as a result of the tunnel. They have sent in a great deal of information and they have asked me to take up the matter in this place, on their behalf.

In June 1998, the independent report substantially claims that the dewatering as a result of the tunnel process has had a very strong effect because enormous cracks have appeared in the houses. They are very much aware - as I am - that the area in Northbridge around Brookman and Moir Streets, has suffered for some time from water table problems. They do not suggest that the question is simple. However, they want an answer from the Minister about the issue, and they have asked me to take up the matter in Parliament.

On behalf of those residents, I ask the Government to take seriously the independent report. I remind the House again that the report was commissioned and paid for by the construction company, Boulderstone Clough. However, the report has been entirely rejected by the construction company. On behalf of those residents, I ask the Government to take seriously the independent report. I demand that the contractors fulfil their obligations to the affected residents. I demand also that Main Roads undertake a proper and full investigation of all groundwater matters concerning the tunnel. Until the contractors admit at least partial liability for the tunnel's effects on Northbridge houses - which are extremely obvious - the Government should withhold the next instalment of payment for the tunnel construction work.

MR OMODEI (Warren-Blackwood - Minister for Local Government) [4.40 pm]: The Minister for Transport has provided some notes to assist me in this debate. I looked for him earlier today and I thought he had already gone to the area, but I think he intends to do so later.

It is the tunnel contractor's obligation to avoid damage to surrounding buildings or vegetation caused by changes to the ground water flow or water table height, both during construction and during the operation of the facility. Furthermore, the tunnel contractor is obliged to rectify any damage caused by de-watering and/or changes to the underground flow.

The tunnel contractor must de-water the tunnel corridor in order to complete internal excavation, and floor and internal wall construction. The de-watering wells are installed in front of the excavation and then withdrawn following completion of the internal walls. This usually involves a length of around 300 metres. Currently de-watering is in progress between Lake and William Streets and at the eastern approach, east of Lord Street. The contractor will continue this de-watering program until approximately March 1999.

Cracking in a house in Moir Street was first assessed in August 1997 in relation to activity on the Graham Farmer Freeway. The resident indicated that cracking had commenced approximately three to four months earlier. An investigation by an independent consultant indicated that the de-watering was highly unlikely to be the mechanism, and the claim for damage was rejected by the tunnel contractor.

In early March 1998 a number of residents of Moir and Brookman Streets advised the tunnel contractor of damage to their housing, which they considered to be related to the construction of the tunnel. The residents indicated that cracking had commenced around December 1997, and had accelerated during February. At this stage, tunnel de-watering was continuing in the area of Palmerston Street, approximately 400 metres from the residences, and around the tunnel entrance east of Lord Street, approximately 1 100 metres from the residences. The tunnel contractor declined responsibility based on the earlier structural engineer's report that the area had a long history of damage caused by minor soil movement, resulting from seasonal fluctuations in ground water levels, and the fact that the past year had been the third driest on record.

In late March, following further representations from residents of the Highgate heritage area, the tunnel contractor agreed to an independent investigation into the cause of the problem. An independent consultant was commissioned by the tunnel contractor's loss adjusters to undertake this study. The study was completed early this month. A copy was forwarded to Mr Jim Richards, the spokesperson for the residents of Moir and Brookman Streets, on 5 June

1998. The tunnel contractor has not fully accepted the report and has queried the relevance of some of the data. Main Roads has agreed to undertake an independent review and has commissioned a consultant.

Ms MacTiernan: You had a report.

Mr OMODEI: One report has already been made. That was the engineer's report.

Ms MacTiernan: You had two. You had the first one and said it was okay because it said the damage was not caused by the tunnel. You accepted that one.

Mr OMODEI: The tunnel contractor has full responsibility for these issues. Another report was completed and delivered to Mr Richards on 5 June. The tunnel contractor has not fully accepted the report and has queried the relevance of some of the data. The current situation is that Main Roads has agreed to undertake an independent review, and has commissioned a consultant. It is anticipated that the report will be completed in approximately one month. Input to the review will be invited from Mr Jim Richards, the spokesperson for the residents of Moir and Brookman Streets. Consultation is taking place between the tunnel contractor and the residents, and the Minister for Transport and the Commissioner of Main Roads have given a commitment to visit the area shortly to inspect the houses and discuss the matter with residents.

Ms MacTiernan: Who is the independent consultant for Main Roads?

Mr OMODEI: I do not have that information.

Ms MacTiernan: Will you get it?

Mr OMODEI: Certainly.

SCHOOL NURSES

Grievance

MR BLOFFWITCH (Geraldton) [4.44 pm]: My grievance is to the Minister for Education and it relates to school nurses. They certainly do a very important job in many of the high schools and primary schools in Geraldton. They act as counsellors, health monitors and educators. Some concern has been expressed to me, through parents and citizens associations which have learnt through the State School Teachers' Union that pressure has been placed on the schools to no longer employ school nurses. It is feared that they will be replaced by first aid workers.

With schools moving more and more into the devolution mode, under which school boards will be responsible for the funding and budgeting of these services, more pressure will be placed on these people. The support these nurses have within the schools for the services they provide in and around Geraldton leaves me in no doubt about their competency and their value to the school system. I do not believe a deliberate attempt has been made by the Education Department to get rid of school nurses. However, as schools are given more autonomy through the devolution process, more pressure will be placed on school boards to save money where they can. An education process is needed, not only for parents but for everyone involved, about the role a registered nurse can play in the school system. I have heard of the inspections and counselling they carry out, and at the P & C association meetings I attend in my electorate I am always made aware of the great job these nurses do in schools.

I understand that this pressure has been felt in other States and that many schools have moved to employ first aid workers. However, the policy in the Education Department is to encourage the employment of a registered nurse rather than a first aid worker. I am not criticising the Minister in any way; I am asking him to comment on the queries I have received from P & C associations and to confirm that it is not a deliberate attempt by the Education Department to replace these nurses with first aid workers. The P & C associations want to know that it is not a deliberate attempt by school principals to take this action, and they want confirmation that the Education Department recognises the value of the services being provided to the schools by school nurses.

Geraldton has a population of 31 000, of whom approximately 6 000 are Aborigines. Schools such as Rangeway Primary School have a high percentage of Aboriginal students, and the school nurses provide a first-class service in teaching students about hygiene matters and how to respect their bodies and themselves. It is a valuable service.

In general, I want to ensure that this service continues to be provided, and I seek confirmation that a deliberate attempt is not being made, through the budget or through a change of policy, to change the current situation. The P & C associations somehow have obtained a copy of a minute from the union that indicates this was a discussion point within the Education Department with regard to schools reducing their costs by employing an enrolled nurse instead of a registered nurse, and then moving to a first aid worker. I have no evidence that it was discussed. It is part of the normal scuttlebutt that goes around, but these rumours and innuendos have created some concern among parents and the community that they may lose something of value to them. If the Minister has knowledge of any

discussion along this line he should let us know. If he does not, we should reassure the parents in Geraldton that we are solidly behind the school nurses and affirm that they have the support of this Government and the Education Department.

MR BARNETT (Cottesloe - Minister for Education) [4.50 pm]: I thank the member for Geraldton for drawing this issue to my attention. I am aware that concerns have been expressed in some schools, and perhaps in Geraldton, that Education Department funding for the school nurse program might cease at the end of the financial year. I will provide a little background information for the interest of members. The Education Department contributes \$3.8m each year to the operation of the school based nursing scheme. The nurses are employed by the Health Department and the Health Department provides a similar level of funding to the scheme. The policy is that school nurses are based in senior high schools with student populations of 500 or more. They spend three and a half days per week at those senior high schools and the remaining one and a half days in the week at local primary schools. Some issues are raised with respect to the school nurse scheme. Equity issues have been raised in some schools, for example, in district high schools. That is why they receive some nursing provision. It is fair to say that the role of the school nurse has changed quite significantly. Their time increasingly is spent on matters relating to counselling, sex education, and a whole range of health issues. The role of the nurse is changing and we should recognise that.

It is true that earlier this year the senior executive of the Education Department began a process of looking at school nurse services at a district level. The objective was to better identify the needs and to recognise that perhaps the needs of the service vary from one area to another. The member mentioned the relatively high proportion of Aboriginal students in Geraldton. That may well be why that nursing service is more important than in some other communities. We must recognise that needs vary. Some ongoing discussion has taken place about the service. I assure the member that the Education Department is committed to continue funding, at least for an amount of \$3.8m a year for the service, and there will be no stoppage of that funding. If changes occur in the way in which school nursing operates, it would be very much progressive; there would be no sudden change without consultation. The member can reassure the schools in his area that there will be no sudden or unexpected changes to school nursing.

It is an interesting issue; other grievances have been raised on similar health issues in schools. It has not been so much a concern, but an observation over the past three years that a variety of professional health services are delivered into schools - school nursing, assistance for children with hearing or speech impediments and dental services - and a variety of different government agencies are involved in the delivery of those services. In a sense, the Health Department and the Education Department play coordinating roles. I am not critical of the value of those services or the way in which they work at a school level. However, I cannot help thinking a better way is available to organise and manage those services. Certainly, in some cases, instances of duplication arise. Probably more importantly, cases of complete omission occur where some schools or areas are neglected. There are always further issues to consider. The manner in which a range of health and support services are delivered into schools should be subject to an objective review. We are spending significant amounts of money across a number of agencies, and I do not see it as an exercise in saving money, but in providing a better and a more equitably provided service. I thank the member for the grievance. It is a significant issue. I reassure him that there will be no sudden or unexpected changes in his area or other areas of the State.

CARBON MONOXIDE POISONING

Grievance

MR KOBELKE (Nollamara) [4.54 pm]: My grievance is to the Minister for Labour Relations. It is an individual case involving Mr John Margio, but it very clearly illustrates the failure of WorkSafe to effectively and properly fulfil its legal obligations. WorkSafe has many good officers and I do not believe that anything I say can be construed as an attack on them. It is the interference of the Minister for Labour Relations and the policies under which they must work which create the problems and the ineffectiveness of WorkSafe.

Mr John Margio is in the Public Gallery today and I wish to acknowledge his determination and the tremendous amount of work he has done, first to resolve what was initially a scientific problem, and then to pursue his case and uphold his rights. Mr Margio was driving a MetroBus bus in February 1995 when he collapsed in Fremantle and was diagnosed as having suffered carbon monoxide poisoning. This poisoning could have occurred only through his occupation as a MetroBus driver. He was driving bus number 509 on route number 102 on that day. He suffered permanent neurological damage as a result of carbon monoxide poisoning. That resulted in his no longer being able to work as a bus driver. Mr Margio has been very determined in trying to establish the exact cause of his carbon monoxide poisoning, and of course that is also in his interest in ensuring that he can make a successful workers' compensation claim.

However, that is not the basis of my grievance today. It is the obstacles that have been put in his way by WorkSafe, which should be about protecting the interests of workers. What happened to Mr Margio could be happening to other

bus drivers. We must ensure that bus drivers do not suffer carbon monoxide poisoning from driving buses. Mr Margio has done an excellent job in establishing the facts in an area where a great number of complexities exist. I do not have time today to go into that. I simply wish to take up the aspect which relates to WorkSafe and its unwillingness to address the issues he raised.

An Improvement Notice was issued by WorkSafe to MetroBus and I will refer to the key elements of that. I know that I am paraphrasing it in part. It states -

1. In relation to carbon monoxide exposure in buses at various location during driving ... you are contravening ... of the Occupational Health, Safety and Welfare Act 1984 because during rare occasions (bumper to bumper traffic and the correct wind conditions) bus drivers are exposed to a hazard being carbon monoxide above the short term exposure level of 200 ppm (STEL) over 15 minutes when the foot vent is open.

2. You are directed to take the following measures: -

Ensure that in peak traffic conditions the foot vent in all buses are closed if the buses are expected to be within 1 metre of the front vehicle.

That is the end of the quote. The Improvement Notice was issued on 28 September 1995. An assessment report dated 3 October 1995 similarly concluded that bus drivers were in danger of suffering carbon monoxide poisoning when driving through the streets of Perth. I find that difficult to believe. I understand that it could happen in a very extreme situation such as a traffic jam, but I find it difficult to believe that carbon monoxide poisoning to the extent suffered by Mr Margio was possible. Mr Margio looked into the matter very carefully and found that the scientific data in that report did not stack up. He looked around for other causes. He found other drivers who had been affected.

I received an answer from the Minister for Labour Relations in reply to a question on notice on 19 June 1997 that clearly indicated that two other drivers of that same bus, number 509, experienced symptoms very similar to those which affected Mr Margio, and who quite likely, if not definitely, also suffered carbon monoxide poisoning. WorkSafe did not want to recognise that. It was simply not willing to face up to the issues because this Minister would not let it. I followed the many attempts by Mr Margio by writing to WorkSafe myself on 10 July 1997. I quote part of my letter -

I would appreciate if you would give Mr Margio and myself the opportunity to speak with you and if necessary any officers with relevant technical expertise to discuss the factors which may have contributed to Mr Margio's carbon monoxide poisoning.

I would appreciate if you would provide this opportunity for Mr Margio to present his evidence with respect to his case so that the expertise available from WorkSafe can be used to assess the accuracy of the conclusions drawn based on the scientific evidence available.

I did not receive a reply from WorkSafe; I received one from the Minister for Labour Relations. His letter stated -

I do not see any need for further meetings with WorkSafe Western Australia officers on this matter.

I wrote again on 15 August pleading with the Minister to have the matter reassessed because the facts did not stack up. The Minister replied on 1 September. He said -

There has been extensive research nationally and internationally into carbon monoxide and I do not believe there is a need for any further work to be carried out by WorkSafe Western Australia staff.

The Minister was stopping WorkSafe from looking into the issue. I now find that that report has been put aside and the findings have been changed. They now state that the cause of Mr Margio's poisoning is indeterminate. WorkSafe does not want to face the issue. This Minister is preventing it from facing up to what is a very important matter. It is important for Mr Margio, who should have the right at law for WorkSafe to look after his interests, and also because of the implications for bus drivers and passengers. If some defect in one vehicle or certain models causes carbon monoxide to reach an unsafe level within the bus, it must be addressed. WorkSafe has refused to meet with Mr Margio and myself to properly assess the scientific information and make any necessary changes. It appears that WorkSafe is trying to cut off any legal liability to MetroBus and the Government.

In this instance, WorkSafe is clearly failing to uphold its legislative responsibilities to ensure that the matter is properly investigated and that the appropriate action is taken to ensure that we do not have a continuation of carbon monoxide poisoning on our metropolitan buses. However, this Minister has denied WorkSafe the right to sit down and review the scientific information and make a well-founded judgment on this case.

MR KIERATH (Riverton - Minister for Labour Relations) [5.01 pm]: Perhaps all I should answer is the last part. I have not refused the man any opportunity whatsoever to meet with WorkSafe.

Mr Kobelke: The Minister for Labour Relations has in two of his letters.

Mr KIERATH: I listened to the member for Nollamara in silence and I hope he will return the courtesy. I have not refused anything. WorkSafe has refused to meet him because it feels it has gone as far as it can go. This is not about me interfering. When the member for Nollamara, as Opposition spokesman for a certain area, writes, often the response to his requests comes to the Minister to be signed as a matter of protocol. The member for Nollamara knows that.

Mr Kobelke: Not with other ministers.

Mr KIERATH: I have never given any direction in that area whatsoever. I give that undertaking. I made no direction at all.

Mr Kobelke: They are the Minister's letters; he signed them.

Mr KIERATH: I have not given WorkSafe any instruction about whether it should meet with anybody.

Mr Kobelke: The Minister just signed the letters.

Mr KIERATH: No. What happened is the letters come through as a matter of protocol. WorkSafe sent the letter to the member for Nollamara to me to sign so that I would be aware of the approaches that he has made. That is extremely proper in ministerial terms. It is the proper protocol.

Mr Kobelke: The Minister signed it regardless of the content.

Mr KIERATH: No, I asked to be briefed on the matter. I want to answer the allegations that the member for Nollamara made at the end of his speech that I am interfering with WorkSafe. I have not done that at all. I have not given WorkSafe any such instruction.

Mr Kobelke: The Minister signed two letters.

Mr KIERATH: The member for Nollamara does not understand how government works. I suppose he has never been in government. I understand that.

Mr Kobelke: I understand how government should work.

Mr KIERATH: Who does the member for Nollamara think drafts the Minister's letters?

Mr Kobelke: A decent Minister sends them back for redrafting.

Mr KIERATH: Yes, that is true, but I did not send the letter back for redrafting because I was happy with the contents. WorkSafe's officers have met with the person.

Mr Kobelke: They have not met to discuss this issue.

Mr KIERATH: That is different. The member for Nollamara is trying to put a different spin on this matter. Let me go through the facts of the case. My understanding is that Mr Margio has had meetings with WorkSafe Western Australia inspectors and the hygienist who investigated the matter. He was advised to obtain the services of a consultant to assist him and his claim for workers' compensation. The inspectors have met with him. The bus has been tested. WorkSafe and the Chemistry Centre of Western Australia have conducted tests.

Mr Kobelke: They were totally inadequate. His report shows they were inadequate.

Mr KIERATH: The point is that WorkSafe has honoured its obligations under the Act. Independent tests have been conducted. One of the problems is that WorkSafe were not notified for some five months. The incident occurred on 24 February 1995. WorkSafe only became aware of the incident when Mr Margio complained on 28 July, some five months later.

Mr Kobelke: The report had not been made.

Mr KIERATH: Some five months later the complaint was made. It was not possible to prove or disprove what had happened to Mr Margio but the issue of whether carbon monoxide from congested traffic was entering his cab through a foot vent was examined. Monitoring failed to identify any high levels of carbon monoxide or to prove or disprove the cause of the poisoning. However, to try to help the person out, MetroBus was issued with an improvement notice from which the member for Nollamara has quoted. No evidence was found but, to err on the side of the employee, an improvement notice was issued.

MetroBus was issued with an improvement notice stating that the vents in all buses should be kept closed when they are being driven in congested traffic as the member for Nollamara suggested. The report was subsequently used by MetroBus and its insurers to reject Mr Margio's worker's compensation claim. He has had meetings with the WorkSafe inspectors and the hygienist who investigated the matter and was advised to obtain the services of a consultant. WorkSafe considers that it has completed its investigation and it is not interested in any further meetings because it feels these meetings were only devised to gain the support of WorkSafe for the legal action Mr Margio is considering taking. WorkSafe advised me, and I indicated on 1 September, that there was no need for research and discussions about carbon monoxide as extensive research has been undertaken in Australia and elsewhere on the matter.

The Ombudsman has been involved. WorkSafe's response to that was that it had investigated the matter in accordance with the Act. Its report described air monitoring results which did not show high levels of carbon monoxide. The department also pointed out to the Ombudsman that the Chemistry Centre of Western Australia conducted air monitoring of the bus implicated in the suspected carbon monoxide poisoning at the request of the Department of Transport on two occasions in February 1995 - which was a couple of days after the incident - and again on 9 and 10 May in 1995. Both these tests were conducted prior to WorkSafe's involvement. The Chemistry Centre did not detect high levels of carbon monoxide.

The investigations conducted by both government bodies, WorkSafe and the Chemistry Centre, did not detect levels of carbon monoxide in excess of exposure standards for atmospheric contaminants even though the two scientific tests performed air monitoring that was seen to represent a worst case scenario. Even in those worst case circumstances they could not exceed the appropriate levels.

Mr Kobelke: Why have the report findings been changed after all this time?

Mr KIERATH: The investigation by WorkSafe was carried out under the provisions of the Act and it was simply not possible for it to either substantiate or refute the claims made by Mr John Margio especially when the incident occurred some five months earlier. WorkSafe has done all it can to investigate this incident. I am satisfied that it has bent over backwards to accommodate this person. I understand the consultant has made some recommendations and other people may judge those. From my point of view there has been no interference in the operations of WorkSafe. I believe that the inspectors and the hygienist have met with Mr Margio. The reports have been scientifically investigated by both WorkSafe and the Chemistry Centre and there is nothing more that I can do under the terms of the Act.

MULLALOO BEACH PRIMARY SCHOOL

Grievance

MR BAKER (Joondalup) [5.09 pm]: My grievance is to the Minister for Education and is made on behalf of the P & C association of the Mullaloo Beach Primary School. It relates to the apparent policy of the Department of Education to redeploy cleaners previously employed by the Department of Education to work as teachers aides or as trainee teachers aides in schools in my electorate, particularly the Mullaloo Beach Primary School.

The Public Sector Management Act governs the redeployment of public sector employees and certain obligations are placed upon the Education Department about how its former employees, working in this capacity, must be dealt in the event of their services being made redundant. One criterion to be taken into account when determining how to redeploy these former employees is the suitability of the proposed position, having regard to the respective responsibilities attached to the office, post, position or employment occupied or held by the employees when the offer of redeployment is made, and the experience, qualifications and competence of the employee.

This case deals with a person who has been employed as a teacher's aide in the Mullaloo Beach Primary School preprimary class for a couple of months. I understand the position is not permanent at this stage; perhaps the Minister will clarify that. The grievance is best summarised in a letter I received from the President of the Mullaloo Beach Primary School P & C Association dated 22 May 1998. I have written to the Minister for Education about this grievance. The letter summarises the issues quite well and states -

It has recently come to the attention of the parents in our school community that re-deployed cleaners are being positioned in our Pre-Primary Centres as potential full time aides.

Not surprisingly, parents are extremely concerned that these people repositioned by the Education Department are NOT the most suitable persons for these very valuable positions.

I accept that that is a generalised statement and it would have been preferable had the letter read "may not be", rather than "are not" the most suitable persons for these very valuable positions. It goes on -

Currently in our school an untrained, re-deployed cleaner has been placed in our Pre-Primary classroom for an indefinite period of time, and it is expected our current highly trained, experienced Pre-Primary teacher and aide, take the valuable time away from teaching our students to train this person.

This situation we find totally unacceptable for the reasons outlined below:

1. Pre-primary teachers and aides are very specialised people.

No-one in this Chamber will take any issue with that assertion. The attitude of the P & C association is that not everyone is suited to this role. The letter continues -

Pre-Primary is the first experience our children have of full time school. **Young, impressionable children model themselves constantly on their first teachers**, and it is vital they are surrounded by patient, organised, educated, professionals who are trained to communicate with children of this specific age group.

2. Training by current pre-primary staff.

Pre-Primary aides usually choose their profession and in order to be employed are extensively trained in their own time, at their own expense for a minimum period of approximately one year. Professional teachers have to date trained our Pre-Primary staff. The Education Department are now expecting our **current pre-primary teachers and aides to successfully train cleaners who have no experience and possibly little suitability**. It seems unreasonable to expect our current staff to become effective trainers, when they are not qualified to do so.

More importantly, it considerably reduces the time they have to devote to effectively teaching the children in their care, which is their key responsibility.

The third point highlights the fact that choosing the most suitable applicant for the job has become almost impossible. The letter goes on to state that in the past, school selection panels have had the opportunity of interviewing qualified applicants who have a strong desire to work with preschool children. It states that this policy may give the out of work cleaners a job, but ultimately it will result in a qualified, talented potential preprimary aide having no possible future job prospects. The letter also goes on to refer to safety considerations.

School teachers and parents are very concerned about issues relating to the character and fitness of the people who work with young children. I understand the current policy of the department is that all new teachers be thoroughly vetted, in terms of their antecedents, to ensure they do not have a relevant criminal history which may impact on their capacity to acquit their duties as a teacher satisfactorily. That is another consideration which has been raised.

In summary, it is accepted by the P & C association that it is wrong to assume that all former cleaners are totally unsuitable to be working with children. It is also wrong to assume that, just because a person was once a cleaner, that person cannot have a change in vocation and pursue another career path. The concern is the perception that cleaners generally might be unsuitable to work as teachers' aides, particularly in preprimary schools. The association is also concerned that these cleaners are properly vetted to ensure they have some sort of a vocation in the teaching area, rather than their simply being offered this alternative employment, regardless of the special needs of the position.

Section 94 of the Public Sector Management Act gives a set of criteria to which the department should have regard when determining which position would best suit a soon to be redeployed person. In this case, we are dealing with a cleaner. I seek the Minister's advice on the department's policy for the redeployment of former school cleaners and also particulars of the other criteria applied by the department internally when assessing whether school cleaners are suitable to be employed or trained as teachers aids, particularly in preprimary schools.

MR BARNETT (Cottesloe - Minister for Education) [5.15 pm]: I thank the member for raising this issue. I know he shares my view that this is a sensitive and potentially quite difficult issue to deal with. The issue raised referred to the Mullaloo Beach Primary School and the views of that parents and citizens' association. They have also written to me directly on the issue.

As I understand it, the school - this view may be held by other school communities, and so I will speak in a more general sense - believes not all cleaners are necessarily suitable to work with young children; that on the job training may detract from the duties the staff would otherwise have; that staff may not be qualified to provide that on the job training; that placing redeployed cleaners into those positions may limit the choice of potential other applicants; that redeployed cleaners may not be aware of safety prevention techniques; and they would not be obliged to obtain a police clearance prior to working with children. Some valid issues are raised. I very much emphasise that in no way should this issue reflect on individuals or the profession of cleaners.

I will comment on a few of the legal and policy issues. First, the Education Department is legally obliged to observe

the provisions of the Western Australian Government/Australian Liquor, Hospitality and Miscellaneous Workers Union (ALHMU) Redeployment, Retraining and Redundancy (Interim) Award 1994. This is a federal award, which overrides state industrial awards and legislation. Under the award, the department is required to find suitable alternative employment for surplus staff as soon as practically possible. The Education Department has attempted to achieve that. It is expected that of the 153 ex-cleaners who have nominated for redeployment, 70 may become teachers aides. Other redeployment options include home economics assistants and gardeners, although fewer of those positions tend to be available.

The role of a teacher's aide is varied, but it is to support the classroom teacher. I emphasise that at all times the teacher is responsible for the educational development of children and carries the responsibility of duty of care. The aide's duties are not directly related to teaching. They may relate to preparing morning tea, preparation of materials, cleaning up after activities and the like. Nevertheless the aide is in contact with children in a classroom environment. Redeployees are placed in positions on a probationary basis and are assessed as to their suitability. They are also subject to performance management and a periodic review. Principals are consulted about the placement of a redeployee, but the final decision lies with central office. The Education Department is required to try to find positions for former cleaners who have elected to seek redeployment. Again, we cannot generalise. I imagine that, amongst those redundant people, a significant number are suitable and able to be trained to perform adequately the responsibilities of a teacher's aide.

One of the matters raised by the member for Joondalup is of particular concern to me, and I thank him for drawing it to my attention. It is a policy that all new employees of the Education Department who are in contact with children must obtain a police clearance. That policy has been adopted throughout Australia. However, under the rules cleaners who are already employed are not required to seek a police clearance. Because the position of a school cleaner is generally out of hours and not in direct contact with children, that is an anomaly and perhaps the member for Joondalup agrees. However, those people will now be in direct contact with children. Therefore, my preference is that the current policy should apply to anyone who is brought into contact with children whether they are new employees or employees who have been moved into new positions. I am not sure of the industrial implications of that. The member for Joondalup would probably know the answer to that better than I. I will take up that issue and perhaps initiate discussion with the union.

That rule applies to all teaching staff and appointments. It is a universal policy. If someone is brought into close contact with children, whether a person is currently employed or not, they should be subject to that police clearance requirement. That is part of our responsibility to protect the safety of children. In no way should that be interpreted as a reflection on those people; it applies to all people working with children in the education system. I undertake to look at that sensitive issue. However, we would be irresponsible if we walked away from it. I thank the member for raising the issue in the Parliament and I would appreciate his further assistance and comments.

The ACTING SPEAKER (Mr Sweetman) Grievances noted.

GOODS AND SERVICES TAX

Motion

DR GALLOP (Victoria Park - Leader of the Opposition) [5.24 pm]: I move -

That this House calls on the Premier to reveal the position the State Government is adopting in relation to the imposition of a goods and services tax and the implications of this tax for Western Australians by tabling -

- (a) the State Government's submission to the Federal Government on this issue; and
- (b) the analysis undertaken by Treasury and other agencies to assess the implications of a GST for Western Australia.

I can reveal that 50 per cent of what the Opposition called for in this motion was provided within 24 hours of notice of this motion being given in this place. The Western Australian submission on national tax reform and reform of commonwealth-state financial relations has been tabled in the Parliament. However, the Premier has yet to table the information from within Government which assesses the impact of a GST on Western Australia. It was revealed at question time today that Ministers in the coalition Government were not in a position to indicate the implications of this measure in their respective portfolios. That shows either their complete lack of interest in this issue or that they have not been diligent in their duties.

The GST is a major issue and we need to know what the implications will be. The one Minister who did show some interest was the Deputy Premier who said that he would commission a report from the Small Business Development Corporation.

Mr Cowan: It has already been done.

Dr GALLOP: In that case we will see what the implications will be. The Opposition has finally received the Western Australian Government's submission on national tax reform. I am reminded of that famous episode in "Fawlty Towers" when Basil Fawlty was confronted with a German citizen in his guest house. He explained to all of his staff that whatever they did they must not mention the war. That was a no go area for that guest. The Western Australian submission reminds me of that episode of "Fawlty Towers" because nowhere in the submission's 13 pages is there any reference to a GST, a VAT or a consumption tax.

This tax, which the Deputy Leader of the Liberal Party told us today would be so wonderful for the people of Western Australia, and which is the central point of a major debate in Australian politics today, is not mentioned. Like Basil Fawlty's "Do not mention the war!" from this Government it is, "Do not mention the GST!" The Premier and his Government are trying to distance themselves from a key plank in John Howard's taxation policy; that is, the GST. They do not want to talk about it. However, like the Second World War it will not go away. It is implicit in this document. It is in between the paragraphs and it is floating around in the different phrases that are used in this submission. It is there, and the people of Western Australia will recognise that when they assess the Government's position.

The main plank of the Premier's submission is the requirement that the States would have a guaranteed share of income tax. We have substantial agreement on that position with the Premier. At the National Conference of the Labor Party earlier this year the ALP incorporated that in its platform. The concept in the Premier's submission is that the States will gain access to a fixed proportion, one-third of each of the Commonwealth's current marginal tax rates and that will raise \$23b for the States. The Premier indicates that after a period the States will be able to vary their rates. That proposal was put forward in 1992 as part of the then commonwealth-state reform process. It is also similar to a proposal that I put forward in this Parliament last September. It could be said that the Premier has taken on board the ideas from 1992 and the ideas that we debated in this Parliament last year and has included them in his own submission to the Commonwealth.

It is very important to note that this submission would not easily allow the federal coalition Government to offer personal income tax cuts to voters while at the same time surrendering one-third of income tax revenues to the States. This means that the Premier's tax reform submission does not allow for tax cuts for Western Australian voters. Of course, that is not the Premier's problem; that is the Prime Minister's problem and he will try to solve that with a GST.

What is more, if the Commonwealth were to surrender part of the income tax arena to the States and offer income tax cuts to voters, it would need to increase substantially the rate of a GST. The coalition is talking currently about a rate of 10 per cent. To illustrate this point I refer to the work of Professor Freebairn in his paper titled "Taxation Reform Issues" which estimates that a GST rate of around 14 per cent would be necessary to replace the wholesale sales tax, stamp duties, FID and commonwealth excise and franchise fees including what is now collected on behalf of the States. Do members opposite recall payroll tax, and the commitment they made prior to the 1993 election?

Mr Bloffwitch: Yes.

Dr GALLOP: If we include payroll tax in the equation the rate would be close to 17 per cent. This may explain why abolishing payroll tax is no longer a priority for this Government. We will discuss that issue on another occasion. The submission put forward by the Premier proposes that commonwealth grants be reduced by \$12b. The Commonwealth would collect an additional \$11b through "indirect tax reform". That is perhaps an indirect reference in this paper to the unmentionable - the GST. The Premier's submission states that this will allow the States to abolish debits tax and FID, business related stamp duties and the safety net provisions which have replaced alcohol, tobacco and fuel franchise fees. It is important to note that under this submission, stamp duties on non-business transactions would still remain; for example, stamp duty on insurance for housing.

I return to the payroll tax reference. We have seen a significant turnaround in the Premier's position on this matter. The abolition of payroll tax is now considered desirable but not essential. In other words, it was clearly one of those non-core promises. This contrasts with the state coalition's position in its 1993 manifesto Fightback WA, which promised to abolish payroll tax in one term if a federal coalition was elected, and in two terms if it was not elected. The submission states also that payroll tax is no more a tax on employment than is income tax. Again, this is a significant change in position by the Government of Western Australia.

Therefore, within 24 hours of our putting forward this motion, the Premier has agreed to 50 per cent of it. He has put on the Table of the Parliament his submission on national tax reform. I remind all members in the Parliament today of the three implications that we can draw from this document. The first implication is that the Premier is trying to hide from a GST by omitting any reference to it in his submission. He is running scared from an unpopular tax, yet a tax which is Liberal Party policy. I bet he is saying to the coalition room, "Do not mention the GST. You

can talk about income tax, you can talk about improving the position of the States in the Federation, but do not talk about the GST." The only trouble is that the policy of his own federal colleagues is to implement a GST if they are elected at the next federal election.

Mr Bloffwitch: When we see their proposal, we will know exactly what is involved.

Dr GALLOP: Does the member for Geraldton think the Prime Minister is backing off? Does the full package at the moment not involve a GST?

Mr Baker: I am sure that is one element of it. What does the rest of it say?

Dr GALLOP: The member for Joondalup is right when he says he is sure that is one element of it.

The second implication is that the Premier's submission implicitly advocates no income tax cuts and a GST of at least 10 per cent. If income tax cuts were offered to voters, Mr Court would have them pay an even higher GST rate. We are now starting to get out of this Government its real thinking on these issues. If the Prime Minister were to offer any income tax cuts as part of his program, the GST rate would need to be higher than 10 per cent.

Finally, the income tax sharing proposal as a means of partially addressing vertical fiscal imbalance is very similar to the 1992 proposals and what the Opposition was putting forward in this Parliament as part of the debate last year.

That is the position of the Government of Western Australia - a position which, according to the deputy leader of the Liberal Party, should proclaim from the highest mountain that a GST is a wonderful thing, but which is not mentioned at all in the proposal that has been put to the Federal Government. If that does not indicate a Government that is becoming lukewarm about one of the major issues for debate in Australia today, I certainly have not been watching politics in recent years.

Mr Court: What is the difference between a GST, a VAT and a retail sales tax?

Dr GALLOP: They are all subtly different, but they are all based on the proposition that we tax consumption.

Mr Court: We tax it now.

Dr GALLOP: Of course we do. If the Premier got up and advocated a GST, as he has not done in this document, we would be only too happy to debate him.

Mr Court: If you talk about a broad based indirect tax, does it need to be a goods and services tax?

Dr GALLOP: We have wholesale sales tax, and aspects of that system need to be reformed, but we do not need a new tax that will be imposed upon all goods and services throughout our country. I will remind people of why we are opposed to this new tax and will advocate strongly against it.

Mr Court: It is because you want working people to pay income tax at 50¢ in the dollar.

Dr GALLOP: Do we? Let us see. The first reason is that a GST is levied according to level of spending rather than ability to pay. A tax on spending such as a GST favours high income earners at the expense of low income earners. The reason is simple: People on lower incomes spend a greater proportion of their income, so a tax on spending would hit them relatively harder. That is a truism from which the Premier and the Prime Minister cannot escape. It is a fact of life, and it is understood by the people of Australia. That is why the Premier does not want to talk about a GST, and that is why his Government and his members are very nervous about a GST, with the exception, it seems, of the deputy leader of the Liberal Party and the member for Joondalup.

We have had a debate in Australia about the GST. It is interesting that during that debate, the Prime Minister gave a rock solid commitment that once a GST had been introduced, the rate would not increase. I can imagine the reaction of the Australian people to that commitment. It was exactly the same as the rock solid commitment that he gave that we would not have a GST under a Liberal Government in the future after the debacle of 1993.

Several members interjected.

Dr GALLOP: It is interesting to see the excitement that is being generated on the back benches about a tax that those members do not see fit to even mention in the coalition Government's submission to the Federal Government!

Let us look at the Prime Minister's commitment that a GST will not increase in the future. Twenty-three of the 26 industrialised countries that have a value added tax such as a GST have increased the level of that tax since it was introduced. New Zealand increased its GST rate from 10 per cent to 12.5 per cent, Great Britain increased it from 10 per cent to 17.5 per cent, and Denmark increased it from 10 per cent to 25 per cent. From Australia's point of view, the increase that occurred in Japan last year was more significant, because in one hit it knocked the stuffing

right out of what had been a tentative recovery in the Japanese economy following the financial difficulties that it had experienced with its banking and financial systems, and the Japanese economy has been struggling to get back onto the path of growth since that time. That is probably the most interesting and important example that we have seen in recent years.

The Premier said that we already have consumption taxes. That is true, because about 30 per cent of tax revenue in Australia is collected from consumption taxes. We have a mixture of income and consumption taxes. However, the conservatives in Australia want to take some of the worst parts of our current tax system and make them the tax system.

In 1993-94, Professor Freebairn studied the subject of what the current mix of taxes means for Australian families. He demonstrated the vertical effects of selective Australian taxes; in other words, taxes as a share of gross income for different household groups. Households with gross income in the lowest 20 per cent category pay 1.4 per cent of their gross income in income tax; and that is because the tax rates are such that people on lower incomes are not impacted upon so heavily. However, they pay 19.1 per cent of their gross income in consumption taxes. That is why the State Opposition has told the Government that it should have some strategy for dealing with its own taxes and charges, which are, by and large, indirect and regressive, and impact more substantially on lower income earners. Households with gross income in the highest 20 per cent category pay 25.7 per cent of their gross income in income tax and 6 per cent of their gross income in consumption taxes. The reasoning of the Government about this issue is shown clearly by that study.

We already have an imbalance in our tax system, which the conservatives want to make worse. That is exactly why we will oppose a goods and services tax. Even under our current taxation system, low income earners pay 19 per cent of their income on consumption taxes and high income earners pay 6 per cent. This happens under the current wholesale tax system which is multi-rated and exempts such necessities as food, clothing and housing. They will not be exempted under a goods and services tax which will be applied across the board. What is currently working against working people and low and middle income people in Australia under the conservatives' regime will be worse. The information in the table reinforces the fact that the current income tax system, although not perfect, is more progressive than any system which will be produced by the conservatives in this country.

Mr Bloffwitch: The current wholesale tax is a hidden tax. You like hiding it.

Dr GALLOP: I do not think it is all that hidden.

Several members interjected.

The ACTING SPEAKER (Mr Sweetman): Order!

Dr GALLOP: Most Australian families understand only too well that under our current system, food, clothing and housing are not subject to wholesale sales tax but they do know that they will be subject to the goods and services tax.

The Premier often asks what is the Labor Party's attitude on taxation.

Several members interjected.

Dr GALLOP: It is good to see so many backbenchers in such good cheer tonight.

Several members interjected.

The ACTING SPEAKER: Order!

Dr GALLOP: Our current income tax system in Australia is a guarantee of a progressive system of tax. We need to preserve that.

Mr Omodei interjected.

The ACTING SPEAKER: Order! It is highly disorderly for the Minister to interject when out of his seat.

Dr GALLOP: The strength and fairness of the system is constantly under challenge by practices which enable people to avoid paying their fair share. The first interesting debate we will have in the federal election campaign will be when the Labor Opposition puts forward its ideas, as it has been in recent days, about how it will make the income tax system fairer by cutting out tax avoidance. We will see then how excited members of the Government will become when that debate starts off. The Labor Party is committed to ensure that everyone pays his or her fair share of taxes. It will announce its plans to crack down on trusts to minimise tax. That debate will be interesting when it is up and running in Australia. We also have a problem in our current tax system that fails those who want to leave the social security system and enter paid employment. To help those people, Labor has announced that it will deliver

substantial tax cuts to low and middle income working families by introducing a tax credit for those who work or want to work but face higher tax bills and the loss of support payments because they do. We are very happy to go into this election campaign supporting our federal colleagues, a fairer income tax system and cutting out tax avoidance and also giving tax credits to help low and middle income Australians. I will be very happy to debate those issues during the federal election campaign.

Several members interjected.

The ACTING SPEAKER: Order!

Dr GALLOP: Those who advocate a broad based goods and services tax acknowledge in their general discussion on it that they need to offset the unfair elements of it by compensating low income earners in some manner. I can see the Prime Minister saying with compassion and I can see the Treasurer saying with that wonderful smirk of his which implies that we cannot trust anything he says that the Government will compensate low income earners in some manner. Everyone knows that designing an effective compensation package to ensure that no low or middle income people are made worse off is an impossible task. It is also undesirable to try to achieve equity through compensation packages as they can be withdrawn at any time. The people of Australia understand that. They might get a little bit of compensation today but what about tomorrow? Any compensation methods that will be offered during the election campaign will be treated for what they are - election gimmicks.

What will a goods and services tax mean for the people of Australia? A study undertaken by the Australian Consumers Association shows which goods and services would become dearer or cheaper under a GST. This is a very interesting study. Let us assume that we have a GST of about 10 per cent, which is a fair assumption, to replace the current wholesale sales tax system. Members of Parliament should note with interest that the prices of the following goods and services would increase: All services, education, holidays, plumbing, hairdressing and sport. A GST of 10 per cent would mean increased prices for food, clothing, housing and books. An increase in the price of books would not worry government members too much. Books do not feature in a significant way in the annual budget of coalition members. They are not all that keen on books, particularly the member for Warren-Blackwood. The price of magazines will go up too.

Several members interjected.

The ACTING SPEAKER: Order! Members are interjecting far too much. There is a difference between an interjection and a running commentary. If the members for Joondalup and Wanneroo persist, I must call them to order.

Dr GALLOP: The effect of the price of magazines might impact. I hope that members opposite will take account of the fact that the price of their daily consumption of magazines will go up. The price of building materials and medicines will go up. The cost of these goods will go down under a 10 per cent GST: Household appliances, motor vehicles, computers, jewellery, watches, televisions, videos and hi-fi systems. The coalition may find it comforting that the cost of necessities such as food and clothing will increase while jewellery and luxury cars will become cheaper. That is what people would get if we had a 10 per cent goods and services tax.

Mr Johnson: Who said that?

Dr GALLOP: The Australian Consumers Association. Let us go to an issue that does not depend on the form of the package.

Several members interjected.

The ACTING SPEAKER: Order!

Dr GALLOP: Let us go to an issue that we can argue about without any question, whatever the particular package, and that is the compliance cost of a GST. This will interest the small business people in this Parliament. Every person running a business will become an unpaid tax collector for the Government.

Mr McNee: What do you think they are now?

Dr GALLOP: Not all of them are.

Mr McNee: Which ones are not?

Dr GALLOP: Let us go through this. It is estimated that approximately one million small businesses in Australia will become tax collectors for the Government. Business owners will have to incur the cost of hiring extra staff to deal with the new and exceedingly complex accounting procedure; to change computing software; to upgrade cash registers and so on. The member for Geraldton is locking in and starting to listen to the argument.

International evidence also demonstrates that the introduction of a GST does not reduce compliance costs. In an article in the summer edition of the *Policy* publication written by Chris Evans and Michael Walpole, a study in New Zealand found that total compliance cost of a GST was 7.3 per cent of the net revenue of the GST. This did not include the administrative cost for the businesses concerned. The article also highlighted the regressive nature of the compliance cost. It states that compliance costs are regressive as they fall with disproportionate severity on smaller firms.

A Canadian study was released. They should know all about it in Canada, where the one thing a GST did was to encourage all Canadians to shop in the United States of America! The Canadian study found that compliance cost as a percentage of business turnover and taxes remitted decreased with the size of the business; that is, the smaller the business, the greater the relative cost. Here we have it. The party which purports to support small business advocates extra compliance costs and tax collection for the Government. That proposal will act against the interests of small businesses in Australia.

Regarding the current wholesale sales tax system, and its possible replacement with a GST, the article stated -

. . . it must be noted that there is a real risk that the compliance costs of a GST would be higher - and significantly higher - than those related to the WST. And importantly, the risk also exists that compliance costs of a GST will prove to be just as regressive, if not more regressive, than the WST compliance cost, with the result that the burden will continue to fall inordinately on the small business sector.

Here is the list of people to be disadvantaged: Low income earners will be worse off as a result of the GST, certainly relative to high income earners. Also, evidence indicates that over time, these people will be worse off in absolute terms as well. Small business will be worse off, certainly in relative terms and over time in absolute terms.

Mr McNee: There will be no Labor seats at all in the Federal Parliament, and we will all be better off!

Dr GALLOP: Interestingly, the member for Moore is clear that the GST will mean that Labor will win no seats in the federal election. If that is the case, why is there no mention of a GST in the Government's submission?

Let us look at the black economy. The suggestion is made that a GST will get rid of the black economy.

Mr Bloffwitch: It does not get rid of it, but certainly it goes a long way to solving many of the problems.

Dr GALLOP: A study conducted by KPMG in Canada found that despite some proponents' claims, "the GST is not self-enforcing". A study by John Piggot on value added tax broadening, self-supply and the informal sector, showed an increase in the size of the Canadian underground economy was attributable to the GST.

There is such a thing as contradiction in our society. Sometimes, one might believe that one is achieving some objective, yet is really achieving the opposite. That happened in Canada. We heard it all. We will get rid of the black economy. Studies show that the black economy grew under a GST, and I heard an academic confirm that point on "AM" this morning. A GST will not get rid of tax evasion, but it will impact upon low income Australians and small businesses. Why are members opposite advocating this tax? It will redistribute the taxation burden more onto those in the community members opposite do not support. That is true. That is probably the ultimate reason.

I move now to the very important question which is yet to be answered by the Premier. We acknowledge that he has tabled the document for which I asked when I moved the motion yesterday. It was interesting that the Premier did not follow the advice of the Minister for Finance, who was quoted on television on Sunday night saying that people did not need to know the Government's submission. He said some things need not be made available for public consideration. Fortunately, the Premier did not follow his advice.

Therefore, 50 per cent of this motion has been achieved, but what about the other 50 per cent asking the Government of Western Australia to reveal to the people through Parliament the implications of a GST for Western Australia? Let us consider a few facts: Fact number one - the probability is high that the Liberal Government will be putting forward a GST as a central plank of its election platform. Fact number two - significant debate has ensued in the community about a GST. Would it not follow that a Government interested in, and responsible to, its taxpayers and citizens would conduct some analysis on what this policy would mean to the State? We asked a series of questions of Government Ministers this afternoon, and they said they would wait until the proposal arrived from the Federal Government. We need to know now. What is the position of this Government on a GST regarding Ministers' portfolios? It is good enough for the Australian Consumers Association, the Business Council and all the organisations which represent different interest groups in our community to conduct analyses, so why is it not good enough for the Government of Western Australia and its Ministers to do the same?

Mr McGowan: Because they are morons!

Dr GALLOP: That is one interpretation.

Ministers are not up to date and not performing their jobs on behalf of the people they represent. As part of the debate we need to know what analysis within government shows. It must be a macro and micro-economic analysis.

Mr Baker: We are yet to see your package.

Dr GALLOP: It is coming out day by day.

Mr Carpenter: Here comes into the Chamber the refugee from the VAT.

Mr Johnson: Do you realise that this is the only country in the western world which does not have a GST?

Dr GALLOP: I like many things about Australia. I like free access to our beaches, but members opposite want to take that off us by allowing the Cottesloe Town Council to impose a charge for beach parking. I also like compulsory voting; namely, the right and responsibility to vote. I like that Australia probably has the best electoral system in the world in organising elections and allowing people to vote. The longer we keep it that way, the better. Another interesting feature of Australia's political culture and practice is our egalitarian culture. We have a fair day's pay, for a fair day's work; and we have proper protection of wages and working standards in our community. Also, when it comes to taxation, we have a progressive tax system.

What the member for Hillarys said is perfectly true. In the Australian tax system, the balance between indirect and direct tax is much more biased towards the direct tax than the indirect tax. These are the features of the Australian way of life that we want to preserve. Therefore, we will oppose the GST at the federal election because of its regressive impact on the Australian people.

A GST would have wide ranging implications for the business and community sectors in Western Australia. The Opposition has asked the Premier whether his Government has undertaken an analysis of the expected impact of the GST on Western Australians and Western Australian public sector finances. We have also asked that any analysis undertaken by other agencies in government be made available for public comment and debate. So far, the Premier has provided nothing. The Premier says, "We must have an open and mature debate, only I will not give you all the information I have which is pertinent to that debate." What sort of an open and mature debate can we have when the Government of Western Australia will not disclose all the information?

Sitting suspended from 6.01 to 7.30 pm

Dr GALLOP: Before the suspension I was referring to the Government's submission to the Federal Government on tax reform in Western Australia and noted that no reference was made to a goods and services tax. It was certainly in between the lines and the paragraphs but no upfront statement was made by the Government. The Government is becoming somewhat lukewarm about this issue.

I moved on to talk about a necessary analysis relevant to Western Australia. The Opposition calls on the Government to release all the information it has gathered from within Treasury and other agencies to assess the macro and micro economic implications of a GST for Western Australia. What issues would need to be examined if this State were to seriously contemplate this matter?

Pensioners, families and sole parents would be an important constituency in this analysis. A study undertaken by the Australian Consumers Association confirms that income tax cuts in exchange for a GST would leave battling families, poor single parents and the elderly worse off. Under a GST rate of 8.7 per cent with a 20 per cent income tax cut the following groups would be the big losers: A one parent average income household with dependent children would pay an extra \$782 per annum. A one parent low income household with dependent children would pay an extra \$857. A couple on a low income with dependent children would pay an extra \$1 194. A household with government pension and allowances as a principal source of income would pay an extra \$734. A couple over 65 years would pay an extra \$529. The winners are the high income earners. The losers are the low income earners and those who struggle from week to week. That is exactly what will occur if this Government introduces a GST.

It would make it more difficult for people on low incomes and easier for people on high incomes. That is what consumption taxes are all about. Irrespective of which way we look at it, even with so-called compensation built into the equation, without doubt the low income earners will be the losers.

We, on this side of the House, are concerned because our economy is so strongly based on the small business sector. We must be especially careful that any new tax regime does not impact negatively on small businesses. They are big employers and play a dynamic role in our community. The Western Australian Retailers Association has reported that British economic consultant Graham Bannock, estimated the administration costs of a GST to small business

would be 2 to 3 per cent of turnover. That means that the average annual cost of compliance for a small business owner with a turnover of less than \$100 000 will be \$1 235.

Mr McNee interjected.

Dr GALLOP: If the member for Moore wants to introduce a value added tax, a retail turnover tax, a consumption tax or a GST he should go ahead and tell the community why.

Is that what the Government is going to do?

Mr McNee: Yes.

Dr GALLOP: If that is the case why was no mention made of it in its submission to the Federal Government?

It is reminiscent of Basil Fawly's advice to his staff when he said, "Don't mention the war" during the visit of a German to Fawly Towers. It is now a case of "Don't mention the GST because it might frighten the horses in the paddock."

We must have an analysis of how a GST would impact on different sectors of the economy. The housing industry has already expressed its concern on the implications of the GST. That was a significant development in Australian politics today when the Housing Industry Association consulted its members.

Mr Johnson interjected.

Dr GALLOP: Tomorrow the member for Hillarys should bring to me an economic analysis that unambiguously shows a GST will be good for the Australian economy.

Mr Johnson interjected.

Dr GALLOP: No analysis has been done. An article by David Clark in *The Australian Financial Review* last week indicated that no unqualified economic argument has been produced by any academic or economist to support the benefits of a GST. Yet members opposite want us to accept their argument because they think it is a good idea. No economic evidence indicates it will be beneficial. A GST will impact negatively on low income earners and members opposite want us to adopt it.

The SPEAKER: Order! I know the Leader of the Opposition is soliciting interjections but there are far too many of them; they are a disgrace.

Dr GALLOP: This Government wants to use the Australian people as guinea pigs in its big economic experiment. I remind members that when this issue first re-emerged into politics last year, early in the year there was to be no GST - the Liberal party learned its lesson in 1993. Suddenly it had a few problems in Parliament with some of its members and it needed a hand to break out of its ghetto so John Howard popped up with tax reform. He did not introduce the subject of a GST and tax reform because he was convinced of its merits; he had to pluck it out of the pack because he was in political difficulty.

Yesterday the housing industry opposed a GST without specific exemptions for the industry. All industries are saying the same. Other industries could also suffer under a GST. Overseas experience demonstrates that increasing the cost of hospitality services such as eating out decreases the demand for those services. In a study Piggot found that after the introduction of a GST in Canada, the percentage of food dollars spent on restaurant meals compared with home prepared meals fell from 42 per cent to 35 per cent.

Mr Court interjected.

Dr GALLOP: The Premier is a great believer in the hospitality industry. He should tell its members he will support a tax which will take away income from that industry. There is no doubt about it. That is what happens when these taxes are introduced. The associated employment and economic effects of such changes in consumption behaviour are too staggering to even contemplate.

Mr Johnson interjected.

Dr GALLOP: In some respects Australia is ahead of the rest of the world.

The Premier has demonstrated his negligence by avoiding answering a fundamental question: What is the impact of a GST on the State's finances? We can look at this issue from a number of different angles. The State Government provides a number of grants to a variety of community, sporting and business groups. Will it increase its grants to those groups to compensate for the additional costs that those bodies will incur as part of their ordinary business? Will the State Government in turn be compensated by the Federal Government for any increase in state grants?

Another problem is the possible implications for direct government expenditure. The Government spends about 30 per cent of its budget on consumable items. Will the Commonwealth compensate the State for the \$210m that it would pay if a GST of 10 per cent were introduced? If the Premier thinks we have problems in the health system now, what will he do when the income that could be benefiting the people of Western Australia must go to Canberra as a result of a GST? Will state government charges be -

Mr Bloffwitch: Will it be imposed on health services? Are you sure about that?

Dr GALLOP: Where in this document is the Premier taking up these issues with the Prime Minister and saying that he wants to defend Western Australia if the Federal Government intends to introduce a GST?

Mr Bloffwitch: You tell me who said we will introduce it.

Dr GALLOP: Members opposite are backing away from the GST.

The SPEAKER: The Leader of the Opposition is trying to make his speech and 10 other members are indicating that they also want to make a speech. They will get their chance. The interjection level is far too high. I do not want to call members to order formally, but, if necessary, I will.

Dr GALLOP: The third important issue in respect of public sector finances is whether state government charges will be subject to a GST. The range of charges includes Homeswest rents, electricity, gas and water rates. In fact, the Government of Western Australia pays for hospital services at Joondalup and Mandurah. Will a GST be imposed on those services? There will be implications for state charges and they will particularly affect pensioners and other fixed income earners.

This is not the simple debate that the Government seems to think it is. It is a very complex issue that will impact in a very serious way on many sectors of our economy. However, most importantly, it will impact on the State Government of Western Australia and the way it collects revenue.

The Premier has stated that one of the options his Government has put forward is the abolition of state indirect taxes which will be replaced by a commonwealth consumption tax. What will that do? Where will all the economic power reside in our federation? Will it be in the hands of the State of Western Australia or is the Premier handballing that financial power to the Commonwealth? The Fightback package presented in 1993 was the most centralist package ever proposed in Australian politics.

They are some of the issues the Opposition believes must be addressed. We must consider low income earners, the State Budget, small business and the hospitality and other service industries in our State. I raised other general national economic issues in the earlier part of my speech. We need a careful analysis of the inflationary impact and expectations. At the moment, with the dollar going down and the cost of living in Australia going up as a result, we must examine any inflationary implications. We should also consider what this would mean for consumer expectations and demand, at least in the short to medium term.

These are all important questions. All the Government of Western Australia has given to us is its submission on national tax reform to the Commonwealth. If there is to be an open and frank debate on this issue, we need more than that. We have called on the Premier to release both his submission on tax reform, which he has done, and the Treasury's analysis of the implications of the GST. We have seen some glossy brochures with some pretty graphs, but we now want the details. The Premier must come clean with the people of Western Australia. What has Treasury determined as a result of its studies? What has the Small Business Development Corporation determined as a result of its studies? What has the Office of Seniors Interests, the Department of Local Government -

Mr Baker: What about the CCI?

Dr GALLOP: It has been much quicker than the Government; it has released its submission and it has stated that it is in favour of a GST. The Chamber of Commerce and Industry and the Business Council of Australia are in favour of a GST. There is no question about that. They are "big business". They think it is a great idea because it will help them out as individuals - they will get extra income - but they are also working under the illusion that it will help the economy.

Members can reach a number of conclusions from what we have heard today. First, the Premier of Western Australia has gone somewhat lukewarm on the GST if his submission to the Commonwealth is anything to go by. The message is between the lines; it is not up front and clear. We need more information from the Premier on precisely what type of GST he would be willing to support. More importantly, the Premier is still less than frank and open with the Parliament and the people about the implications of these options for the State of Western Australia. It is not good enough for him to say that he wants an open and mature debate then not provide the information to allow that debate to go ahead, particularly in respect of what will happen to the people of this State.

The State Opposition is crystal clear that it is opposed to a GST. It has stated a clear position on state-commonwealth financial relations. Unlike the Premier, members on this side have stated a clear preferred approach to these issues. We believe that income tax revenue should be shared between the Commonwealth and the State. That would involve the Commonwealth's forgoing a portion of its current tax revenue. However, the Opposition does not support the imposition of a regressive tax. Why would anyone want to introduce a new tax when many avenues are already available to the Commonwealth to improve the current income tax and wholesale sales tax systems in Australia? The Opposition is clear on this issue and is happy to debate it. Members on this side want it to be in an open and mature debate. For that to happen, I call on the Premier to release all the information gathered within government.

MR MCGOWAN (Rockingham) [7.49 pm]: I am fundamentally opposed to the introduction of a goods and services tax in Australia, as is the Opposition. Members on this side have adopted this position because we support a reasonable taxation system that does not adversely affect middle and low income earners. That is a fundamental principle of the Labor Party, not the Liberal Party. We do not think those at the bottom should pay a disproportionate share of taxes. We do not want to hurt those people. The Government wants to hit them with the GST, a regressive flat tax.

Mr Court: Is the member not a working person on an average income paying 50 cents in the dollar?

Dr Gallop: Come on, the Government wants to increase the imposition on that.

Mr MCGOWAN: A lot of lies have been circulated in this country by conservative forces in relation to a goods and services tax. It is time that those lies were nailed once and for all. I want to nail those lies tonight. I want to examine every one of those lies that have been put about by the Prime Minister of this nation on this tax. The biggest lie of the Prime Minister was when he said in October 1995 that the GST was dead. I quote another example of the broken promises of the Prime Minister of Australia. This is another example of his non-core promises. This is what John Howard said in May 1995 -

There is no way that a GST will ever be part of our policy, never ever. It is dead. It was killed off by the voters at the last election.

Several members interjected.

The SPEAKER: Order! The member for Burrup was interjecting, as are several other members. I do not know whether he is helping or hindering the member for Rockingham.

Mr MCGOWAN: Thank you, Mr Speaker. I am sure the member for Burrup was trying to help me at the time. The Prime Minister made a direct statement that the GST was dead. Now it has risen from the dead. Perhaps we should have another dictionary in this country. We have the Collins, Macquarie and Oxford dictionaries. However, "never ever" means one term of Parliament to this Prime Minister. Perhaps we should have the Howard dictionary.

Mr McNee: The member for Rockingham is in industry; he should know.

Mr MCGOWAN: Another example of the Prime Minister misleading the public of Australia occurred a few weeks ago when he said that the GST would never increase. How can that Prime Minister have any credibility in the light of what he has said?

Let us look at the GST situation overseas. In Britain GST was introduced in 1973 at 10 per cent. It is now 17.5 per cent. The rates in Sweden and Denmark have increased from 10 per cent to 25 per cent. In New Zealand initially the rate was 10 per cent and it has now increased to 12.4 per cent. Virtually every country that has introduced a GST has found that the rate has increased. When the Prime Minister says it will never ever go up, that is just another example of his misleading the public of Australia. Additionally, we are now in the absolutely outrageous situation where the Prime Minister has committed \$10m of public funds in a public election campaign on his unfair tax, one month before the federal election.

Mr McNee: Does the member for Rockingham call sales tax a fair tax? Does he call the tax position that we have currently, with taxes being sneaked onto items, fair? That is what his Government did continually. The old pig farmer was an expert at it.

Mr MCGOWAN: It is always nice to hear from the brains trust of the Liberal Party - but not too often. The next big lie on the GST relates to small business people. There are a great number of small business people in my electorate. What the Prime Minister and the conservative forces put about is that we would be better off with a GST. They suggest that wholesale sales tax and payroll tax are much more damaging than a GST would be. Statistics show that only businesses of over 20 employees pay payroll tax. In percentage terms that is a very small proportion of small businesses. Secondly, wholesale sales tax is paid in Australia by only 50 000 businesses in total. Under a goods and services tax -

Mr Cowan: Where did the member for Rockingham get those figures from?

Mr McGOWAN: I am glad the Minister asked that. I got the figures from the National Tax Accountants Association - hardly a Labor Party front.

Mr Cowan: It does not make a difference whether it is a Labor Party front or not; the figures are inaccurate.

Mr McGOWAN: One of the Premier's front groups! Also, a goods and services tax will apply to a million businesses in Australia. At the moment only 50 000 small businesses pay wholesale sales tax.

Mr Cowan: That is nonsense.

Mr McGOWAN: It is not nonsense. The Government is going to increase the tax base twenty times. It is supposedly the party of small business. We also find huge costs in setting up GST. I came from a small business; my family run a small business.

Mr Court: You are a lawyer. Is the Navy a small business?

Mr McGOWAN: I was not always in the Navy. I grew up in a small business, Premier. Do members know what the costs will be? It is estimated by the National Tax Accountants Association that setting up costs for computer systems, software, accounting practice and the like will be \$5 000. Every year it will cost every small business in Australia \$7 000 in administration and accountants' fees to operate a goods and services tax. That is a total of \$12 000 in the first year of its operation, and \$7 000 every year after that.

Mr Cowan: Did the member look at the paper that that group put out and did it tell him what is the cost of compliance? The average cost of compliance for a small business is on the tax review -

Mr McGOWAN: This is on top.

Mr Cowan: No. One works out the average cost of compliance now.

Mr McGOWAN: No, this is on top. The Minister is saying he wants them to pay more. That is great to hear. The Minister is a great Minister for Small Business.

Several members interjected.

The SPEAKER: Order! Members, we have a situation where the member for Rockingham accepted an interjection, one that had everything to do with the debate, and we have three other backbenchers on my right also wanting to put their interjection in at the same time.

Mr Cunningham interjected.

The SPEAKER: I formally call the member for Girrawheen to order for the first time. It is highly disorderly to interject when I am on my feet.

Mr Cunningham: I am sorry, Sir.

The SPEAKER: He nearly copped a second one.

Mr McGOWAN: The Minister for Small Business is obviously out of touch with his own constituency. He is prepared to impose an establishment cost of \$12 000 in the first year of operation of the GST.

Mr Cowan: I extend to the member for Rockingham a personal invitation to open the small business conference this summer and then he will no longer be able to say that we are out of touch.

Mr McGOWAN: I would like to come along and speak to them to point out these mistakes.

Mr Cowan: No, the member for Rockingham will not be invited to speak. They do not ask fools to speak. They expect people to have some knowledge of the industry.

Mr McGOWAN: Is that like the example of the Liberal Party using the Olympic athletes in Canberra? Is the Minister for Small Business formally inviting me? I will come along.

Mr Cowan: I will formally invite you.

Mr McGOWAN: I will come along. Actually, we will all come. Can we all come?

Mr Cowan: Mr Speaker, I think they should; it would be an education for them.

Mr McGOWAN: Will the Minister invite us all?

Mr Cowan: Of course all members can come if they want to.

Mr McGOWAN: The Minister for Small Business will invite all of us?

Mr Cowan: Yes. All members can come along as observers. They might learn something.

Mr McGOWAN: No, the Minister said he would formally invite us.

Mr Marlborough: Mind the day, it is rushing away from the Minister.

Mr Cowan: I do not think so.

Mr Marlborough: The only thing the Minister for Small Business has going for him at the moment is sheep.

Mr Cowan: No, I do not think so.

Mr McGOWAN: Mr Speaker, they are referring to the member for Moore!

The SPEAKER: Order! I indicate to people in the gallery that we like to see people here from time to time; however they must be very quiet and not interfere in any way with the debate here. That is just a little reminder. The member for Rockingham's speech is being hijacked. He should continue.

Mr McGOWAN: The next big lie that I expose is the allegation that a GST will clamp down on avoidance. They are not prepared to take on the difficult issue of family trusts because that is so much an element of their overall philosophy with many of their members. Everyone has heard of Senator Warwick Parer. However, they are not prepared to attack that issue.

Mr Court: Do any of your members have family trusts?

Mr McGOWAN: A lot fewer than yours.

Mr Court: How do you know that?

Mr McGOWAN: Does the Premier have one?

Mr Court: I do not have a family trust. I am asking which members on that side have one. I come from a working family. I cannot afford that sort of thing.

Mr McGOWAN: The Premier comes from a working family in Nedlands!

I turn now to a paper produced by KPMG relating to Canadian tax reform, which reads -

Some observers have suggested that these costs, together with the strong political reaction against the imposition of this "new" tax by an unpopular government in difficult economic times, resulted in a substantial increase in tax evasion and the "underground" economy.

That finding has some resonance in this country: An unpopular Government in difficult economic times! That is the Howard Federal Government to a tee.

Anyone who has travelled to a country in which a GST has been imposed will know that the tax has not clamped down on the cash economy. How can a GST catch anyone who mows a lawn? How will anyone performing a service at a household be caught by a GST? Those people will not be caught. A GST will promote more evasion because people hate a tax which is imposed on everything they do - paying rates, registering a dog, buying a service at a car wash, or anything else. Tax avoidance has increased in Canada, which is probably the society most similar to Australian society.

Liberal Governments imply that somehow a wholesale sales tax will gather something near the amount a GST will collect. However, the difference between a wholesale sales tax and a goods and services tax is that the former tax has some element of progressiveness; a GST is regressive and a wholesale sales tax can be, in general, progressive. I am aware that there can be some anomalies but, in general, a wholesale sales tax is progressive. As an example, there is no wholesale sales tax on bread, milk, potatoes, meat, Vegemite, toothbrushes and other basic commodities. However, the wholesale sales tax is levied at 45 per cent on luxury vehicles. The price of a Ferrari will come down and the price of bread and milk will increase.

This State Government promoted a proposal to fix state-commonwealth financial relations. That is very good! However, the Commonwealth Government - particularly the Prime Minister, the former Treasurer in the Fraser Government - has never shown any inclination to fix the disparity in taxation and financial matters between the States and the Commonwealth.

Mr Court: Tell us what Keating did!

Mr McGOWAN: He did not cut billions of dollars from state financial assistance grants. Prime Minister Howard has never shown any inclination to fix the state-commonwealth financial relationship. However, somehow this State Government will back a GST without receiving anything in return. Howard will never give anything in return. He does not listen to this State Government. He takes no notice of it, and he rarely visits this State. He intends to visit Western Australia this week, which is a big surprise, but he rarely shows any interest in this State.

This State Government will put its eggs in the Commonwealth Government's basket, and we will receive nothing in return.

Mr Court: Keating was a regular visitor! He came once a year!

Mr McGOWAN: I read a recent article in *The Australian* which said that the Premier and the former Prime Minister got on very well - far better than the Premier gets on with the current Prime Minister.

The Federal Government also promotes the idea that a GST is not a complex system to put in place. It will operate in this way: A number of inputs are made to a house when it is built - those inputs will be taxed by a GST. When the house is sold, the GST will be applied to that sale. Then, the builder will need to seek a rebate on the GST paid on the inputs. It will be an accountant's dream, trying to work out how it will fit together. If exemptions are granted, or we have zero rating from the tax, we will return to the John Hewson situation in 1993.

There will need to be a balance between different goods. The classic example from 1993 relates to pies: Hot pies will be hit by the GST, but cold pies will not. If Howard introduces exemptions, that will be the system. It will be an accountant's dream. This is the system that this Government wants to foist upon us.

I turn now to the last lie - and this will create some uproar from the government benches. The Government has claimed that there was no taxation reform during the 13 years Labor was in government. I agree we must have further taxation reform. I agree that the top marginal tax rate cuts in at too low a proportion of taxable income -

Mr Trenorden: You do not want to tax the rich!

Mr McGOWAN: Of course I do. Members opposite want to tax the poor.

When the Federal Labor Government came to power in 1983, the top marginal tax rate was 60¢ in the dollar. It is now 47¢ in the dollar. Was that not a reform? The bottom marginal rate at that time was 30¢ in the dollar; it is now 20¢ in the dollar.

Mr Baker interjected.

Mr McGOWAN: I will talk about that. During those 13 years, six overall tax cuts were introduced. When Howard was Treasurer in the Fraser Government, cuts were made prior to an election and taken back afterwards. We introduced six tax cuts: The top marginal rate fell from 60¢ to 47¢ in the dollar, and the bottom marginal rate fell from 30¢ to 20¢ in the dollar. We also introduced dividend imputation.

Mr Baker: What were the interest rates doing?

Mr McGOWAN: Since the Second World War, under a Liberal Government, company dividends were taxed twice. The Hawke-Keating Government introduced full dividend imputation, which had an enormous impact on investment by companies in this country. Members opposite could never do that.

We introduced the tax file numbering system, which was a huge reform. It reduced the amount of avoidance and welfare fraud. We also introduced the fringe benefits tax and the capital gains tax. Liberal Governments since then have not withdrawn those taxes. The member for Joondalup wants people to be paid in benefits, such as cars and holidays, and not pay a tax. That is hardly fair! Fringe benefits tax was a great reform; capital gains tax was another. Those taxes are not applied to a family residence. It was introduced in Australia, just as it was introduced virtually in every other similar nation. Before the introduction of those taxes it was possible for property speculators to evade tax. Members opposite support that. That was the last big lie that we had to nail.

A goods and services tax will be very bad for this nation. The Australian people recognise that fact; it is about time the Government recognised it. The Labor Party will oppose a GST.

MR COURT (Nedlands - Premier) [8.10 pm]: One of the sad things that has occurred today is that it has become obvious there will not be a rational and responsible debate on taxation reform in this country. The Labor Party has made it clear that it will rerun its 1993 campaign. About the only thing the Labor Party can do is run a scare campaign. It is disappointing that we shall not have a sensible debate. However, one side of the argument will put forward rational proposals for change. There is very good reason for change in this country. I have no difficulty

saying that it is necessary to place a heavier emphasis on indirect taxes and less emphasis on direct taxes. I have no difficulty supporting that proposal. The Leader of the Opposition has asked what is my position on a goods and services tax. He asked me that question days before the last state election. I said I had no difficulty with a GST if it were part of a taxation reform package that would provide benefits to taxpayers and to this State. Members opposite can run their scare campaign, and at the same time this Government has a responsibility to put forward rational arguments about the need for change.

I will talk about the income tax rates for people on average earnings.

Dr Gallop: The only person talking about that in Australia is Kim Beazley.

Mr COURT: The only tax package that Kim Beazley can talk about is one that provides tax cuts funded by a government surplus created by the coalition Government. That is his only contribution.

I will tell members how dishonest the Labor Party is about indirect taxes. It discussed this matter when it came to government, and came to the conclusion that it had to introduce a broad based indirect tax, GST or whatever.

Dr Gallop: No it did not.

Mr COURT: Yes it did. It did not keep it under wraps. Paul Keating, in his capacity as Treasurer, came to Western Australia, went to the Labor Party headquarters, and told Labor Party members they must accept taxation reform and a GST. They faithfully listened to him, moved a motion and supported it.

Dr Gallop: No they did not. You were not there. They voted it down.

Mr COURT: That is the credibility of members opposite. When it suits them, they say that taxation reform is needed and this is the path they will go down. I am the first to say it is nonsense to suggest there can be genuine taxation reform if it involves only the introduction of a GST. I would not support that. The taxation mix in this country is complex, and the States have been forced to apply a number of taxes which are inappropriate and inefficient. With simplification of and changes to the system, those taxes could be abolished.

Mr Grill: What is Howard proposing with respect to the fiscal imbalance between the States and the Federal Government?

Mr COURT: The Federal Government has not presented its taxation package so I cannot comment. I can put forward what I believe should be the case. If this Government had not tabled the document at question time today, the Leader of the Opposition would have nothing to talk about apart from his scare campaign.

On the question of income tax, in 1954 the average wage earner paid 17.5 per cent taxation on additional earnings. By next year, the average wage earner will pay 43 per cent of each additional dollar in tax. In 1954 a taxpayer had to earn 19 times the average earnings before paying the highest tax rates. By 2000, a taxpayer will have to earn 1.2 times average earnings to pay the top rate. By 2000, 36 per cent of taxpayers will face a tax rate higher than 40 per cent, compared with 9 per cent of taxpayers in 1970. Every year more and more Australians are forced into paying the top marginal rate of income tax. By 2000, almost 20 per cent of taxpayers will face the top marginal rate compared with less than 1 per cent in 1970. An example of that taxpayer is a person who is prepared to work hard and gain a few skills; he is basically an average income earner.

Dr Gallop interjected.

Mr COURT: Will the Leader of the Opposition be quiet.

The SPEAKER: Order! I have allowed the Leader of the Opposition to make a number of interjections, and from time to time the Premier has taken those interjections. That is fine. However, he has now asked for the opportunity to make a point, and he will get it.

Mr COURT: The Leader of the Opposition asked me to put forward a position and I will do so. Before dinner I brought my three year old daughter into the Parliament. It is the first time she has had dinner with me in Parliament House, and I brought her into the Chamber to listen to the Leader of the Opposition because I told her he is a nice man. Afterwards she asked me why he was saying all those nasty things about me, and I had to take her out of the Chamber.

The point I make with regard to income tax is that people who are on average incomes and who are prepared to work hard should not move into a higher tax bracket.

The next issue is the complexity of the current taxation system. Members opposite fail to understand the wide variety of taxes and the compliance that small businesses are expected to handle today. Last year a small business person, the proprietor of a fishing tackle shop, rang radio station 6PR.

Dr Gallop: It was Doug.

Mr COURT: Yes, it was Doug. He gave some details about the rates of sales tax on various items sold in his shop. For example, the sales tax on fishing knives is 12.5 per cent. Life jackets, wet suits and weight belts for diving are not liable to sales tax because they are classified as clothing. There is no sales tax on flippers. However, there is 22 per cent sales tax on the emergency position indicating radio beacon, which could save a person's life. That rate of tax is also applicable to compasses, flares and fire extinguishers. The list goes on to provide the varying rates of tax that apply in one small business. That demonstrates the complexity of the system. There is no sense in that complexity, and it presents a paper nightmare for the person trying to comply with those rates.

This motion asks the Government to table two documents. The first is the State Government's submission to the Federal Government on this issue, and that has been tabled. The Government is also asked to table the analysis undertaken by Treasury and other agencies to assess the implications of a GST for Western Australia. As I have already said publicly, a detailed analysis has not been carried out. How could it be, when the details of the GST have not yet been released?

The Leader of the Opposition quoted papers, studies, and the like on taxation. I could do the same and provide thousands of papers that showed the effects of GSTs, VATs, and retail sales taxes in different countries. I would not have Treasury waste its time doing an analysis of something when no-one has the slightest idea what it will be. From the State's point of view we put forward a submission on what we would like to see occur. As I have said on many occasions, we have no difficulty with a shift towards more reliance upon indirect taxes and less reliance on direct taxes. We believe that the States could have consistent rates for, say, five years and then have varying rates. Restrictions could be imposed as to how much they can vary, but competition between the States should be allowed. That would enable a large part of the grants to be abolished. We support some grants being retained because some States will always require additional assistance.

We would like to see financial transaction taxes abolished; that is, FID, BAD and stamp duty on certain transactions, but of course there must be something to replace them. If a broad based indirect tax were introduced and if it were part of a sensible package, we would not oppose it. We believe the State should have a share of the revenue that would enable some of those state taxes to go. Meaningful change will not occur in this country if every time the issue of tax reform comes up, the Labor Party runs a scare campaign against what it might do. It is easy to do that. It is the old story; when people are in doubt, they tend to say no. I know the politics of that. We worked hard in 1993 in Western Australia to sell the benefits of the Fightback package and I believe that the Liberal Party was by and large successful in doing that. In this State it picked up some seats at a time when the taxation issue was seen as a major negative. We have a responsibility not to walk away from some of the harder issues.

Mr McGowan: Should local government get a share of commonwealth revenues if the State gets a set share?

Mr COURT: No, I believe that local government has its own tax base. It has the ability to raise certain funds. What does the member think?

Mr McGowan: I am asking you, you are the Premier.

Mr COURT: No, I said I do not think there should be a sharing. What base is the member referring to?

Mr McGowan: You said that there should be a state share both of consumption tax revenue and income tax. Should local government also receive such a share, not to the same level, so it can move forward on a guaranteed basis?

Mr COURT: It has its own funding base and it has its own form of revenue from the Grants Commission.

I shall make some comments with regard to the whole question of a broad based indirect tax, GST, VAT, or whatever format one wants to introduce it as. The States cannot introduce such a tax because of constitutional issues. In an ideal world, I would like to see the Constitution changed so that the States levied those taxes, which would certainly have solved the problem we had with tobacco.

Mr Grill: Have you thought about taking back income tax?

Mr COURT: That is in the submission. As I said, one does not need a constitutional change for that. We can already do that. As I understand, the Leader of the Opposition also supports that proposal.

Mr McGowan: You can do it without the Commonwealth's agreement.

Mr COURT: No, we cannot. The State Government must have its approval to pull out of an area.

Mr McGowan: The State handed over taxing powers in 1942. It can take them back if it wants to.

Mr COURT: Ask Mr Wran about the politics of suggesting an income tax in addition to the existing income tax.

Under the Constitution, the States cannot apply that form of indirect tax. That is why I believe it would be appropriate in that case for the States to have a share of what would be a major source of growth revenue. If the system shifts to greater dependence on indirect taxes, it is appropriate that the States have a share of that component. Many articles have been written with regard to this matter. I hope that, when the initial scare campaign dies down, we get back to seriously looking at the options. It worries me that, when this scare campaign runs, it makes it difficult for any political party to be bold enough to bring about the genuine reform that this country needs. What members opposite want is to retain the status quo, let us be honest about it.

Dr Gallop: No, that is not true. The Labor Party will propose changes.

Mr COURT: It had 13 years to do it and it made up its mind.

Mr Bloffwitch: It did try to do it.

Mr COURT: It did not try to do it. It wanted to introduce a GST and it got rolled on the issue.

A recent article by Alan Wood in *The Australian* stated that the States should be given back a share of their income tax power, not just a share of revenue. Some people, particularly Labor Party members, are saying the States should just be given a share of revenue. The States should be able to collect a specific tax which does not result in additional taxation being imposed on taxpayers. This would mean the Federal Government surrendering that tax and would simply replace a component of the grants with that tax.

I turn now to the issue of how we handle the sharing of a broad based indirect tax. Again, if the Federal Government is genuine about giving the States more financial autonomy, it must bite the bullet and accept that at the end of the day it would have less control of the funds, but the States would have a more direct course to the revenue that they require.

I refer to a quote by Alfred Deakin who was a founding father and Australia's second Prime Minister. It states -

As the power of the purse in Great Britain established by degrees the authority of the Commons, it will ultimately establish in Australia the authority of the Commonwealth.

The rights of self government of the States have been supposed to be safeguarded by the Constitution. It left them legally free, but financially bound to the chariot wheels of the central government.

Their need will be its opportunity. The less populous will first succumb; those smitten by drought of similar misfortunes will follow; and, finally, even the greatest and most prosperous will, however reluctantly, be brought to heel. Our Constitution may remain unaltered, but a vital change will have taken place in the relations between the States and the Commonwealth. The Commonwealth will have acquired a general control over the States, while every extension of political power will be made by its means and go to increase its relative superiority.

Unfortunately that prediction at the turn of the century has come true and is exactly what has happened. One hundred years down the track the States now find themselves in a situation where they do not have access to the growth revenues that are required. We do not raise the revenues needed for the provision of services. In most federations around the world, it is the States within those federations which have the ability to raise the revenues that they need.

We are trying to have a rational tax debate to address all of these issues and it includes a shift towards putting a strong emphasis on indirect taxes. Members opposite have seen fit simply to run a scare campaign on one component of taxation reform. That will not do this nation any good, and I believe that eventually they will be exposed on this issue.

We oppose this motion even though we have already tabled what the Opposition asked for in the first part, and the second part refers to something that does not exist. We oppose this motion and I hope that in the weeks ahead members opposite realise that they will do this country a service if they play a positive role, not a spoiling role, in the debate that we need to have to strengthen the federation and get back a better financial deal for the States.

MR JOHNSON (Hillarys) [8.29 pm]: I want to dispel the fear campaign that the Labor Party, at both the state and federal levels, has put around about a goods and services tax or a value added tax or any sales tax.

Mr Marlborough: The member for Hillarys will not do it; I can tell him.

Mr JOHNSON: Before I emigrated to this wonderful country and superb State my friends in the United Kingdom told me I was going to the most over governed and overtaxed country in the world. I told them I knew that but I was still going. I was still going because they needed me in Western Australia! I have been a small business person for most of my working life.

Mr Carpenter interjected.

The SPEAKER: Order, member for Willagee!

Mr JOHNSON: I saw the introduction of the VAT in the UK and as a small business person I welcomed it. A fear campaign was put about at the time and people were nervous that they would pay more tax, but it did not happen.

Ms Anwyl: What about the poll tax?

Mr JOHNSON: The poll tax is terrible; I agree. I did not support the poll tax. That is why Margaret Thatcher lost government. A sales tax, a VAT, a GST or a basic retail sales tax is a good thing provided the tax system is completely overhauled. I am not a whingeing pom; all my friends know that.

Several members interjected.

Mr JOHNSON: This is the most fantastic country in the world, but our taxation system is archaic. In a previous debate, I listed the number of taxes we have in Australia. It is an enormous number with income tax - everybody pays income tax - wholesale sales tax, fringe benefits tax, financial institutions duty, bank account debit tax - all sorts of taxes. As some people know, my family business is in the computer industry. One of the most horrendous tasks in that business is complying with the wholesale sales tax regulations. We do it rigorously and honestly. Some people do not. I know that the Australian Taxation Office is looking at some computer companies.

Mr Thomas: Yours?

Mr JOHNSON: No, not mine.

The SPEAKER: Order!

Mr JOHNSON: There are many rorts in the wholesale sales tax system. They are not just in the computer industry; they are in lots of industries. If a person goes to a wholesaler and says he has a tax exemption and quotes a number, the wholesaler will give him a tax exemption on whatever he buys. People do not have to follow any statutory obligations such as having to sight a certificate or ring the tax office or anything. I am told this happens predominantly in the eastern States.

The Labor Party says prices will go up with the introduction of a GST or a VAT. If nothing else happened, of course they would. However, that will not be the case.

Mr Riebeling: Be like Canada; be brave; go for it.

Mr JOHNSON: No, Canada is okay now. There has to be a complete tax package with an overhaul of the whole process. It needs to be made simpler for people in business. Working a VAT system is easy; one has input tax and output tax. I promise members that there are fewer chances of rorts because of the sequential flow of cash transactions all along the line. Tax exempt entities like hospitals, schools or government organisations pay the tax and then claim the tax back. It will cut out 95 per cent of the rorts. There will be some rorts. However, even the people who want a black economy, those people who do a job for somebody without charging tax, will get caught. For example, the window cleaner who does not charge a VAT or GST and takes the cash will have to spend that cash at some stage on clothing, a television set or a car. At some stage that tax gets paid. The wholesale sales tax is not as simple as that.

In the perfect world, if I were the Treasurer of Australia, I would introduce a GST or a VAT. I would reduce income tax so that at the end of the working week people would have more money in their pockets. They would then have the choice of spending their money on a colour television -

Mr McGowan: On something to eat.

Mr JOHNSON: I have not finished yet; I will come to food. I have some strong feelings on the food issue. Buying a colour television set will be cheaper with a GST than it is at the moment because it currently attracts a 32 per cent wholesale sales tax. People will spend their money buying that television set and they will pay a bit less for it. If I were the federal Treasurer, I would allow certain exemptions.

Mr Riebeling: The member for Hillarys should run for federal Parliament.

Mr JOHNSON: I would exempt children's clothing. My colleagues who were in the UK at that time know that happened. Children's clothing is exempt and families are not hit. In fact, families are better off. Working parents come home from work with more money in their pockets and purses because income tax has been reduced. Their children's clothing is cheaper because there is no VAT or wholesale sales tax on it.

Mr Riebeling: What did it start at over there?

Several members interjected.

Mr JOHNSON: Twelve and a half per cent. It was 15 per cent. It went up to 17.5 per cent under the directives of the European Community.

Mr Riebeling: They made you do it!

Mr JOHNSON: Not me. It made the UK Government do it. It was 15 per cent and had to be raised to 17.5 per cent.

Several members interjected.

Mr JOHNSON: That is why many English people are against the European Community. Everything has gone up under the Common Market. The VAT did not apply originally to energy. It did not apply to electricity, water, gas, or to council rates and so forth. It did not apply to essentials. The average family - the low income family in particular - and senior citizens were better off. Basic foods were also exempt so that pensioners' food bills did not go up.

The Labor Party says that VAT or GST will be charged on secondhand cars. This gives the impression that 10, 12.5 or 15 per cent will be added to the price of a secondhand car. That is not the way it works. The United Kingdom imposed a 12.5 per cent tax on the profits that secondhand car dealers made. In the overall price of things, it involved a very small increase in the price of cars. However, it brought in revenue and it worked very well.

Mr Riebeling interjected.

Mr JOHNSON: Initially not very good but it is working very well in Canada now and they would not be without it. What has happened in New Zealand? It is working a treat in New Zealand. Why do we think that Australia is the only one in step? Why is this the only major western country that does not have a GST, a VAT or a retail sales tax? Does the Opposition think that it may be wrong in this instance? Would it not be better for people to have more money in their pockets, which they can spend on the goods they want or save? We should be encouraging people to save more. However, the present system does not do that because people's savings are taxed. From a businessman's point of view, we need to simplify things and create more jobs, not more bureaucracy for the businessman to have to deal with.

Mr Marlborough: The Government introduced a GST in England, raised all this revenue, made it easier to raise revenue and lo and behold, the Government decided it still did not have enough money and so it increased the GST. It made it easier for everybody to pay and have more money in their pockets. On top of that the British Government said in 1989 that even though it had had a GST for 14 years, it needed to introduce a poll tax as well.

Mr JOHNSON: The member for Peel is throwing in a red herring. The idea was that the poll tax would be collected through local government authorities, although it was a federal government policy. Let us give the example of a little old lady who did not work and who owned a house identical to the one next door in which lived a family with four or five grown up children who earned money. The amount of the rates levied on her property was the same as that for the family next door with an income six or seven times that of the little old lady. On an equity basis, those opposite should support the poll tax concept because they are supposed to look after the underdog - in this case, the little, old lady. I accept that it did not work.

The scare campaign is not working in the general community. Members of the community have realised that they will be better off, that they will get a reduction in their income tax. They like the idea of having extra money in their pockets every week, of paying less for some of the articles they buy.

Mr Riebeling: I hope you espouse that in your electorate.

Mr JOHNSON: I do. The last Fightback package put forward by John Hewson contained no exemptions, and that frightened people. There were no exemptions on basic food items or children's clothing. Those are the most important things for families and senior citizens who are on a pension. We must look after those people. We must look after low income families. Members of the general public have worked out that the fear campaign run by the Labor Party for a long time is nothing but a ruse. Those opposite are frightened of tax reform. We all know Paul Keating wanted to introduce a goods and services tax, but he was rolled by the then leader. Paul Keating was a pretty cute fellow. He knew the right way to go. As we go into the next century we must reform our tax system. It is archaic. If we do not do it now, it will never be done. The Labor Party said it would never do it. It takes a Government with courage and compassion - as we have at the moment - to implement a major tax reform.

The SPEAKER: Order! I call the member for Mitchell.

Mr Bloffwitch: Oh, dear!

Mr Barron-Sullivan: Members should not sound so disappointed.

The SPEAKER: Order! Before the member for Mitchell starts his speech, I just say that I know the member for Geraldton is disappointed that he did not get the call. However, he should be in my position witnessing his performance.

Mr Carpenter interjected.

The SPEAKER: Order! I formally call the member for Willagee to order for the first time.

MR BARRON-SULLIVAN (Mitchell) [8.43 pm]: I trust my colleagues are disappointed that they did not get the call, and not so much that I did. I completely endorse the comments of my colleague, the member for Hillarys. He concluded his speech by talking about the absolutely crucial necessity of taxation reform in this country. Tonight, in question time today and on previous occasions, we have seen the rather feeble attempt of the Opposition to make some sort of an inroad into the Government's position on a mythical tax. Members of the Labor Opposition are concentrating on one part of an overall jigsaw. If they are not doing this for blatantly political reasons, and I am not so cynical as to suggest that, it indicates they have completely lost the plot. This issue is not about a value added, broad based, indirect tax, whether it be a goods and services tax, a value added tax or a Canadian GST or a New Zealand GST, or whatever; this is about taxation reform, about a whole range of issues in relation to taxation and financial management across the nation.

A broad based, indirect tax - we can call it a GST, or a VAT, or whatever - must be defined if we are to go down that path. We must specify the sort of tax we are talking about. To start asking questions about a GST without any detail and no proposal in front of us is wasting the time of this Parliament. However, a constructive approach to this issue is to look at the requirements of taxation reform and, in particular, how this State could benefit from a genuine process of reform at the national level. Obviously that is what the State's submission covering taxation reform is all about. It is carrying forward a responsibility on behalf of the people of Western Australia and avoiding political scaremongering. It is looking at separate components of reform and whether there should be a GST, and, if so, at what level it might be.

The Opposition is now locked in to a hollow argument against a tax that at this stage has not been proposed or detailed, to a debate about something it cannot see, and it is involved in a very elaborate process of shadow-boxing to try to undermine a complete taxation package before it is released.

Ms Anwyl: Do you know about the package?

Mr BARRON-SULLIVAN: I do know about what happened in 1993. I remember the scaremongering that went on then. Those in the Labor Party did their best to engage in a scaremongering campaign, rather than undertake a genuine process of debate over taxation reforms. The end result was that scaremongering by members of the Labor Party, both at the federal and state levels, put in people's minds the wrong impression of what taxation reform could achieve for this nation.

I will take a slightly different outlook on this matter - the Opposition's approach. As my colleagues are aware, the State Government has put in a very detailed submission on this matter. To date we have not seen one from our opposition colleagues.

Mr MacLean: You will not see a detailed anything from them.

Mr BARRON-SULLIVAN: As the member for Wanneroo says, quite frankly, those opposite have not put forward any explanation as to what their approach will be.

Mr Trenorden: They want to tax only the rich.

Mr BARRON-SULLIVAN: They do not want to tax the rich. It makes me wonder whom they want to tax. Those opposite do not want a broad based, indirect tax. They say they do not want a GST. They want to place us on the same path as Botswana, Swaziland and Pakistan. Next they will want underground nuclear explosions! They say they want an egalitarian taxation system and that, in some respects, Australia's taxation system is ahead of those in the rest of the world. The people who say that could get a job as an economic adviser in Botswana or Swaziland, which are about the only places that will accept them with that sort of advice.

I liked the comment from the Leader of the Opposition earlier in this debate, indicating that there had been no studies showing that a broad based, indirect tax was worthwhile. I do not want to get hung up on the GST issue, and I will touch on the issue of taxation reform in a moment. However, the Leader of the Opposition indicated that a broad based, indirect tax is only for the benefit of big business. In one fell swoop he destroyed his credibility. Studies have

shown that the existing taxation system - the Deputy Premier referred to this earlier - involves compliance costs for small businesses of anything up to one-third of their taxation liability. That is astronomical. I reiterate: That compliance cost is one-third of what small business is paying in tax. I realise very few members of the Opposition have run a small business directly. They might say that they have grown up in one or something like that, but I do not think too many of them have run a small business.

Mr Marlborough: Have you?

Mr BARRON-SULLIVAN: I have; I have run three small businesses. I would love to know whether the member for Kalgoorlie has run a small business required to pay wholesale sales tax.

Ms Anwyl: I have worked in small business. You make a statement without knowing the facts.

Mr BARRON-SULLIVAN: The member for Kalgoorlie has not answered my question. I gave the member for Kalgoorlie the opportunity to explain. The simple fact is that members opposite are out of touch with small business.

Mr Marlborough: The simple fact is that you have this elite approach to who can debate tax.

Mr BARRON-SULLIVAN: Now we have someone with a strong union background who claims to know how to run small business.

Mr Marlborough: It is the born to rule approach that the only people who can debate tax are those people who run small business. Unfortunately, my friend, the majority of people who go to the ballot box are in my category. They do not run a small business, but they know your game.

Mr BARRON-SULLIVAN: Those are precisely the same arguments that are put forward in Botswana.

Mr Marlborough interjected.

The SPEAKER: Order! I formally call the member for Peel to order for the first time. The member for Mitchell took an interjection, but that was followed by two or three on top of it. I indicated earlier today that some people on my left were slow on the uptake. It now appears that applies to some people on my right and that is not a nice thing to say about members. We must learn and progress.

Mr BARRON-SULLIVAN: Mr Speaker, you are right, I am a reasonable person and I will take sensible interjections.

Now that we can get some commonsense back into this debate I want to point out that some of the evidence to which the Opposition has referred tonight is interesting, because it looks at only half the story. The Housing Industry Association's point of view on a broad based indirect tax is topical. An article from one of today's newspapers states that the HIA is not happy with Labor's tax reform plan either. If the Opposition tells both sides of the story we could have a detailed and sensible debate on the matter.

I want to concentrate on the Opposition's position. How would members of the Opposition get rid of inefficient taxes, stamp duties and payroll tax and reduce the burden of FID, debit tax or whatever? We do not have a detailed submission from the Opposition, so we can judge only by its comments so far. We know that members opposite oppose a broad based indirect tax. I suspect that they might favour the extension of the wholesale sales tax. The member for Rockingham seemed keen to avoid interjections on this matter earlier. When one considers Labor's history in this area one finds that it has a warm feeling for wholesale sales tax. I thought it would be an interesting exercise to look at federal Budgets.

In 1993 the most influential member in the Federal Government was Mr Keating, who a number of people have said was a marvellous Prime Minister and Treasurer. In 1993 he extended the wholesale sales tax base. He taxed more items and increased the rate of tax. As a result, today we have seven different rates of wholesale sales tax.

Let us look at the Labor approach to taxation reform. From 1993-94 to 1995-96 - that was how long it took for these initiatives to take effect - the increase in wholesale sales tax revenue was 36 per cent or \$3.75b. The people who pay for that are those who buy toothpaste and televisions. They are the same people who the Opposition is saying could be affected by a comprehensive taxation reform package. However, in 1984-85 - which was not quite the beginning of the Labor era, but that is as far back as this document goes and tells enough of the story - the revenue from sales tax increased from \$4.9b to more than \$14b. That represents an increase of 285 per cent or more than \$9b. That is Labor's approach to taxation reform. It is interesting that we have not heard too much opposition to the idea of extending the wholesale sales tax base. Sometimes silence can be more revealing than interjections.

Another comment that was made related to income tax. A cursory glance at the federal budget papers indicates precisely what occurred to income tax during the 1980s under the previous federal Labor Administration. The Labor

Party is shying away from any comprehensive taxation reform and is content to rely on an inefficient taxation base. Perhaps the Opposition might comment on what it thinks of the other States' excessive reliance on gambling taxes. Perhaps they think we need a casino led recovery.

We have heard comment about a hidden agenda. The Government has prepared its submission, and provided its input for taxation reform. The Opposition has not provided any indication of how it would go about taxation reform. We must put the pieces of the jigsaw together to establish the Opposition's position. We heard earlier a comment that we should rely on the Commonwealth through revenue sharing. We heard that the Leader of the Opposition is keen to have a relationship with the Commonwealth in which the States receive a defined share of revenue.

I remind members opposite that we tried that in 1976 and 1982. What did the Commonwealth Governments of the day do? When revenue started to increase they did not want the States to be part of the action.

Mr Ripper: They were Liberal Governments.

Mr BARRON-SULLIVAN: When the 1982 agreement broke down the infamous Mr Keating was the Treasurer. Mr Keating said, "We don't want this process." That has led to the shambles that is the current commonwealth-state relationship. I firmly believe that Western Australians deserve to know what both ends of the political spectrum have in mind for taxation reform. At the state level the Opposition is doing a disservice to the community of this State by not saying what its position will be and how it will tackle the fundamental problems at the state level.

I will put something to members who are here. It is unfortunate that the Leader of the Opposition, who moved this motion, is not here if he considers the matter is so important. He is probably working out his numbers.

Mr Ripper: Is the Premier or the Deputy Premier here?

Mr BARRON-SULLIVAN: I do not think that the Premier moved this motion.

Mr Ripper: The Premier is not here to respond to it.

Mr BARRON-SULLIVAN: The Premier did not move the motion.

Members opposite have said tonight that the Government's submission does not make any mention of a GST. Therefore, the one issue to do with taxation reform that we know that the Opposition does not like is not in this document; so I ask members opposite whether they will support this document. Do they support the need for the State to get rid of these inefficient taxes? Do they support the need to improve the vertical imbalance between the Commonwealth and the States? If they do and there is no mention of a GST in this document, there is no reason that the Opposition should not fully endorse this document.

I intend to use more of my time tonight, because I agree with members opposite that this is a very important debate. The nation's taxation system is totally outdated. Our import duties were introduced in the 1800s, and sales tax was introduced in 1930 at 2.5 per cent and now tops 45 per cent with tax on televisions at 32 per cent. We have seen how the former Treasurer and Prime Minister Mr Keating increased wholesale sales tax dramatically in 1993. We have got to the stage now where one-third of all taxation revenue comes in an indirect form to both the state and commonwealth coffers and amounts to \$60b annually. We already have indirect taxation.

At the state level, unfortunately the only tax that might be considered to be broad based is payroll tax. All of our other state taxes are indirect taxes and are of an extremely inefficient nature. That is one of the major reasons that we need reform at the national level. The States levy half of the indirect taxes that are in place at the moment. Many people do not realise that State Governments are involved in levying indirect taxes; and until the recent High Court decision, they were involved even more extensively.

I encourage opposition members to examine the Government's submission in some detail and to look at the comments about the need to address the issue of vertical imbalance, where over 10 years commonwealth outlays have increased by some 22 per cent in real terms, while grants to the State have decreased by 6.5 per cent. We all know that we now have an excessive reliance on tied grants, which reduces our flexibility at the state level. As I have said a number of times, we all know that we have an inefficient tax structure. Essentially, I would not say that the State's tax system is falling apart, but it is not standing us in good stead to take us into the new millennium.

The State's submission contains some fairly powerful points. The fact that the States should receive a share of income tax and not be so reliant on the Commonwealth for a share of revenue is undoubtedly the most fundamental recommendation in this report. It is not just a question of saying to the Commonwealth that we want a share of income tax, but of saying we would like the power to be involved in the collection of taxation revenue. I am not talking about physically collecting it, because that can still be done through the Australian Taxation Office for reasons of simplicity and to keep down the cost of tax collection. Such a process has taken place in Canada and the United

States, and although the systems are different in those countries, it demonstrates that we can have such a mix at the federal level, and that it works extremely well. Very importantly, this whole process can be amended and improved without increasing the overall taxation burden.

Mr Riebeling: How can you rate Canada as a success when almost the entire population voted against the Government that introduced the GST?

Mr BARRON-SULLIVAN: There is a lot more detail behind the issue in Canada than the member for Burrup's brief interjection can cover. It is correct that there were concerns about the system in Canada, as there have been concerns in a number of countries. However, as I mentioned earlier, there are GSTs and GSTs, and there is tax reform and tax reform, and until we see the details of any taxation structure, I do not believe we can comment.

Mr Riebeling: You just said it was a major success in Canada.

Mr BARRON-SULLIVAN: When it was introduced, it certainly was a success, and it was quite a potent -

Mr Riebeling: When it was introduced it was absolutely not a success, because the Government was chucked out.

Mr BARRON-SULLIVAN: The member for Burrup views everything in terms of political success. He is opposed to taxation reform for political reasons, not for reasons relating to the good of the community. The problem is that there is a total paucity of genuine interest in the need for taxation reform and in what is in the best interests of Western Australians and Australians.

Mr Riebeling: That is what I call arrogance, when you do not care what people want.

Mr BARRON-SULLIVAN: That describes the Opposition's position quite well.

At the moment, our tax system relies excessively on wholesale sales tax. Over the years, the revenue from income tax has increased dramatically through bracket creep and through an increase in rates, and people are being crippled by that income tax system and are being deprived of incentive. The average PAYE taxpayer pays tax at the rate of 43¢ in the dollar, and that is projected to increase to 47¢ in the dollar by 2000 if there are no changes. That does not allow for people who work overtime. I have heard people say many times that there is no point in working overtime.

Mr Johnson: That is because they pay half their salaries in tax.

Mr BARRON-SULLIVAN: Precisely. It takes away their incentive. Jobs is one of the things that tax reform is all about. As the Government's submission indicates, it would be an ideal objective if part of the taxation reform process included the abolition of payroll tax, which is a direct tax on jobs. That matter is dealt with in some detail in the submission, and I urge opposition members to read it, because I would be surprised if there was any opposition to such a principle.

Taxation reform is a very broad issue and covers many different areas. I touched a moment ago on job creation. I would like to hear whether the Opposition supports a taxation reform process that will make our exports more competitive, perhaps by reducing the input costs on our exports so that we can compete more effectively on world markets. That objective can be achieved by reducing the burden of payroll tax, and also by a comprehensive taxation reform process.

Members of the Opposition have been kind enough to be silent for the past two minutes, and I thank them for that. I repeat what I said earlier: If, as the Leader of the Opposition has said, opposition members are quite convinced that the Government's submission on taxation reform does not mention a GST, and that is the one thing with which the Opposition has no truck and for which it has no time, there is no reason that they should not support that submission, and I urge the Opposition to do so.

MR RIPPER (Belmont - Deputy Leader of the Opposition) [9.06 pm]: Let us get one thing clear in this debate. When a conservative says tax reform, a conservative means a goods and services tax. I do not think any member on the other side should come the raw prawn with us. We all know that when members opposite talk about tax reform, the centrepiece is a goods and services tax. Let us also get another thing clear: Members opposite are arguing, and in particular the Premier is arguing, that when the conservatives talk about the positives of a goods and services tax, that is a rational debate, but when the Labor Party talks about the negatives of a goods and services tax, that is a scare campaign. That is not a fair and accurate description of the sort of debate that members opposite say they want to have. Members opposite cannot say that their contributions are contributions to a rational debate on tax reform, and our contributions, which point out the down sides for our constituency, the people whom we represent, of a goods and services tax, are somehow part of an illegitimate scare campaign.

The Liberal Party is very nervous about a goods and services tax, and with good reason, because when the Liberal Party ran for election on a goods and services tax, it lost an election that most members thought was unlosable. The

Liberal Party has already suffered one defeat on a goods and services tax. The next time the Liberal Party ran for election, we were given the "never, ever" promise from the then Leader of the Opposition, the now Prime Minister - Mr McGowan: The Howard dictionary!

Mr RIPPER: Yes, the Howard dictionary promise - the "never, ever" promise. The Liberal Party has already suffered one defeat and one retreat in its long campaign for a goods and services tax. I believe the Liberal Party is facing another defeat. An article at page 44 of the *Business Review Weekly* of 18 May 1998 states under the heading "Tax Reform Comes Under Friendly Fire" that -

Liberal Party research shows that in 27 countries out of 29, a government that has implemented a GST has lost office at the next election.

It is no wonder that members opposite are a bit nervous - one defeat, one retreat, and research that tells them they will suffer another defeat if they proceed with a GST. The Liberals are pretty ideological about this whole issue of a GST, so still they come back for more and try to persuade the Australian people that they made a mistake the last time a GST was put forward. They are adopting an arrogant approach to the Australian people.

Mr Cowan: How many successive Governments have removed the GST?

Mr RIPPER: That is the problem, is it not? Once it is in place the population are stuck with it, so they have one chance. When this Howard Government comes up with a GST package, that will be the last chance for the Australian people to avoid a GST. They will have to turf the Government out because a GST is very hard to get rid of once it is in. I am convinced that in the Liberal Party the ideologues are preparing a GST package but they are very nervous about it. I wonder whether the state Liberals have the full courage of the convictions of the federal Liberals. When the submission from Western Australia on National Tax Reform and Reform of Commonwealth/State Financial Relations was tabled in the House, I was eager to read it. I grabbed a copy and started to look for GST. I found a G at the head of Government, an S at the head of the word State and a T at the head of Taxation, but I saw no reference to a goods and services tax. I thought that was remarkable from a State Government which knows that its federal Liberal counterpart is preparing to foist a GST package on the Australian public. One would think that in the Government's submission it would at least acknowledge that reality. The member for Mitchell mentioned a GST.

Several members interjected.

The ACTING SPEAKER: Order!

Mr RIPPER: The member for Mitchell asked, "If GST is not in the submission, why does the Opposition not support it?" The reason a GST is not mentioned in the submission is that the Liberal Party is nervous about it on the basis of its internal research. However, the GST is implicit in everything in the submission. I will give a couple of quotes to demonstrate it. Page 8 of the submission states -

The worst State taxes to be abolished would be incorporated into indirect tax reform at the Commonwealth level . . .

That is a GST. The following statement appears at page 2 -

This submission does not address all the reform options being canvassed at the national level . . .

Further on it states -

This is not intended to diminish Western Australia's overall support for tax reform that would broaden the tax base and provide reductions in personal income tax to improve the incentives to work, save and invest.

When a conservative says that, a conservative means a goods and services tax. The Government is a bit nervous. It is not explicit, but when we read between the lines and the fine print we find a goods and services tax. That is why this Opposition will not be supporting the submission from the State Government to the Federal Government.

It is interesting to think about some of the problems that the advocates of a GST must work through before they can come up with a package. Problem one is that most people fear a frighteningly high tax. Problem two is that lots of things are currently taxed at low levels or not taxed, which goods people do not want to have exposed to a GST. People do not want to have the essentials of life, housing and food, private schools, private health insurance contributions and local government rates subject to a GST. That second dilemma for the designers of a goods and services tax is what will they do about all those nice things that people do not want to be subject to additional federal taxation. If they exclude those good things in the community which they do not really want taxed, then the GST rate must be even more frighteningly high to accommodate the things that have been excluded from the base.

Problem three is how to provide for the cost of all the bells and whistles that people want to put on tax reform to try

to make it a more attractive package. There is typically a couple of bells and whistles in the Government's submission. The prospects of income tax cuts are being held out to people and the prospects of replacing various state taxes and charges are being canvassed. If the cost of raising the revenue to provide for the replacement of that forgone revenue is included, the rate of a GST will be even more frighteningly high. On the one hand, there is a need politically to keep the proposed GST rate down and, on the other hand, there is a need politically to exempt certain things from the GST and to provide some benefits to compensate people for some of the nasties of the GST. Both those two requirements drive the GST rate up ever higher.

It is no wonder that state and federal Liberals do not want to talk about the detail. If they talk about the detail they must deal with those problems. They must tell us what rate a GST might be introduced at, what exemptions might be applied and what benefits people might get. The fact is that all of it does not add up politically. That is why the Liberals lost the election in 1993 and why they will have a terrible time of it in the forthcoming federal election campaign. That is why the package will not be made available to the Australian people in time to work through the detail in a rational way. The Premier has asked for a rational debate. The Prime Minister proposes to introduce his tax reform package weeks before the federal election. How can we have a rational debate on the detail of a tax reform package when the Government is engaged in that sort of proposition?

Let us turn to the state submission and see how the State copes with these dilemmas of a goods and services tax. The submission by the State Government to the Federal Government reveals that the State wants a GST to do the following things: It wants the GST to reform the Federal Government's indirect tax system; the State wants it to absorb various state taxes including the financial institutions duty tax, the debits tax and selected stamp duties, which would require the Commonwealth to come up with \$5.4b of revenue; and the State wants a new safety net regime following the High Court ruling that franchise fees charged by the States are unconstitutional. If those safety net arrangements are taken up by the GST, it will have to earn another \$5.2b of revenue. The state submission also contemplates personal income tax cuts. The Liberals have stayed away from that detail for a very good reason: They are trying to eat their cake and have it too. If we add up those three reforms, including federal indirect tax, absorbing all the state taxes that the Government does not like, and funding personal income taxes, the rate at which a GST will be introduced will be very high.

I will run through the sort of rates that we might be looking at. I will quote from an article on taxation reform issues by John Freebairn of the department of economics at the University of Melbourne. He produced a table on page 67 of an article which is headed "Indicative VAT tax rate required to replace current indirect taxes, 1994-95".

To replace the wholesale sales tax, a 5 per cent rate of VAT is required; to replace payroll tax, 2.9 per cent; to replace stamp duty, 1.7 per cent; to replace financial institutions duty, 0.8 per cent; and to replace only 25 per cent of excise and franchise fees, a 1.7 per cent rate is required. If one adapts that table and assumes that the proposal is to replace all of the excise and franchise fees, one has a GST rate of 17.2 per cent. The State Government does intend to replace payroll tax, so 2.9 per cent can be removed. Therefore, the State Government is implicitly supporting a GST on a broad base of 14.3 per cent, and that is before any provision is made for income tax reductions.

The Government will want to exempt some things. The Minister for Education will not want to say to non-government schools that he supports a GST on private school fees; the Minister for Housing will not want to support a GST on housing; and the Minister for Family and Children's Services will not be happy to support a GST on child care fees. Therefore, some pressure will apply for exemptions.

Let us look at what happens with the GST rate when food, education and housing are exempt from that base. I quote again from the table to which I referred earlier. On that narrow base, with the reasonable exemptions of food, education and housing, to replace the wholesale sales tax will require a rate of 7.2 per cent; to replace payroll tax, 4 per cent; to replace stamp duty, 2.4 per cent; to replace FID, 1.1 per cent; and to replace 25 per cent of the excise and franchise fees will require a rate of 2.4 per cent. Making the assumption again that both Governments want to abolish all the excise and franchise fees, one has a GST rate of 24.3 per cent. Again, taking away the payroll tax component because the Government does not envisage removing that tax, one has a GST rate of 20.3 per cent. On that narrow base, that rate does not make provision for income tax reduction. Therefore, on the basis of the State Government's submission, it is implicitly supporting a huge GST rate, and that is including none of the things we would want to see exempted from the depredations of this tax.

That is why the submission and the Federal Government do not go into detail. The proposal does not stack up in detail. If one stays away from detail, one can pretend that everything will be done with state tax abolition and reform of the commonwealth's income tax regime. However, the detail does not stack up. That fact will be revealed in the campaign, and that is why the Liberal Party's research is sending warnings to the apparatchiks.

Politically, the Federal Government will want to keep the GST rate low. A high rate of GST will not be saleable to the Australian electorate. Therefore, we will not see the reform of the state and federal financial relations about

which the Premier spoke. The regressive state taxes he wants abolished will not be abolished because the GST rate proposed by the Federal Government will not have the capacity to abolish those state taxes. The Premier will be caught. He has made his support for a GST conditional on reform of commonwealth-state financial relations. He will need to make a tough choice, at least theoretically, about whether to support the GST package without that commonwealth-state reform. I suggest that he will put his party interest ahead of the interest of defending the State. He will go for the federal package, despite the fact that it does not contain the aspects within his submission, or the things he is saying publicly he will impose.

We have been accused of electoral opportunism or of running a scare campaign. I am proud of our opposition to the goods and services tax. We are defending our core constituency; namely, the people who vote for us, and whose interests we have a responsibility to defend in Parliament and in public life. It is our people who will suffer from a goods and services tax, and whose interests will be affected.

A goods and service tax is regressive. It is a flat tax. It is back to the old "Joh for PM" campaign with a 20 per cent flat tax. It has the same sort of impact on people. No matter what one earns, the more we rely on a goods and services tax, the more people will find they pay the same proportion of their income in taxation, regardless of their income level and their capacity to pay.

The conservatives know it is regressive and impacts more on poor people than on wealthy people. It is not only a question of flat taxation being applied to expenditure regardless of whether one is wealthy or poor. The fact remains that the wealthy save more so they can avoid the goods and service tax to that extent, whereas the poor spend their entire income, sometimes borrowing to spend more.

The conservatives know this tax is regressive, so we get the suggestion of a compensation package. I had a meeting with a New Zealand Labour politician, and I asked her what happened with the GST and compensation package in that country. When it was introduced, a compensation package was attached. A few years later a financial crisis arose, and the Government was short of money, so it raised the GST and did not pay any compensation. That is exactly the type of development we are likely to see in this country. Nobody of right mind will rely on that compensation package to protect the interests of the poorer people in our community. It is our political duty to protect such people, and we will do so vigorously. If we can stop a GST, we can protect them in the long term. If we let a GST through, we know that in the long term, and probably in the short to medium term, their interests will be compromised as no-one can rely on the compensation package.

Mr Baker: When will Mr Blair be giving notice of his intention to repeal VAT - has the repeal Bill been tabled?

Mr RIPPER: I have already indicated how difficult is to undo these things once they are introduced. Not a lot of chances are available to the Australian people. If they want to knock off a GST, and be certain about it, they had better elect a Beazley Labor Government in the next few months. Only our side of politics says it is wrong to introduce a taxation regime which brings down the price of a Mercedes-Benz, and put up the price of a loaf of bread. People on the other side of politics are happy to bring down the price of Ferraris, BMWs, and Mercedes, while putting up the price of essential food items which the poorer people in our community need to buy.

GST is a regressive tax, which will impact most strongly on poor and middle income earners in the community; that will be even more so if we get the bells and whistles tax reform package which the Premier proposed implicitly in the document tabled at last today. If GST is used to fund income tax cuts, particularly those introduced by the conservative side of politics, one will have a shift from a progressive taxation system, which taxes people with a higher capacity to pay at a higher rate, to a regressive taxation system which taxes everybody at the same rate regardless of their capacity to pay. The GST, which is already regressive, will be even more regressive if it is part of a package which includes income tax cuts targeted by the conservatives at middle and upper income earners.

The Ministers' responses to the questions the Opposition asked about the Government's attitude, as we heard during question time today - I am sure the member for Hillarys saw his colleagues put up the rather weak excuse - was that they could not comment until they had the full details of the package. If they persist with that excuse we will never get a comment out of them. The strategy of the conservative side of politics is to keep details under wraps until the last minute. The last time the Government put forward a package it reached the conclusion that it lost the argument because the details were available for scrutiny for far too long. This time the Government will not put out the details until the last moment.

The Opposition will not have time to analyse the package when the details are released. It is most likely that this Parliament will be in recess when the package comes out so we will never be able to question state Ministers about it. Any State Government worth its salt would know what was coming and in the interests of the State it would be conducting some analysis of the various options. This State Government has been deficient in its responsibilities in not conducting that analysis.

Ministers would have to be fools not to know a GST is on the way. They know a rate of 10 per cent is being talked about, that previously a rate of 15 per cent was proposed and that in the past 12 per cent has been proposed. The Government's own submission contemplates a much higher rate of around 20 per cent. Why would any sensible Government not conduct an analysis of the impact of those rates on state finances? It is irresponsible not to do that.

When I read this submission which was presented to the House I was amazed to see that no mention was made of numerous mechanisms that could have an impact on state government finances. This analysis is deficient and irresponsible.

What will happen with the health system? Where is mention made of the extra pressure that might be placed on the public hospital system as a result of a GST on private health insurance contributions and the fall-off in private health membership as a result of a possible 15 per cent increase in fees? That would have an impact on state government finances. Has that been considered in the analysis?

What about education?

Mr Johnson: Who said there would be a GST on membership fees?

Mr RIPPER: Who said there would not be? Already government members are saying something will be exempt. Every time they agree to an exemption the rate to everybody else will increase. That is why it will not add up either mathematically or politically.

If a GST is put on private school fees we can bet our bottom dollar private schools will go to the Minister for Education complaining that costs have increased for their parents, that it is unfair they are being treated in this way compared to government schools and that they need more assistance. No analysis has been done of that.

The big issue is the cost to the State Government of all the services it purchases. This State Government contracts out \$1b for goods and services. What will be the impact on the costs faced by the State Government of a GST on that \$1b worth of services? Why is that not mentioned in the analysis?

These issues are not mentioned because the State Government wants to stay away from the detail. It knows if it gets into the detail it will lose the argument. While it stays aloof from the detail it can pretend all the benefits will be available. It can pretend the GST is a magic pudding. We can take off a slice for income tax, one for unfashionable state taxes and one for indirect taxation reform at a federal level and the pudding will still be there. That is the Government's approach. However, when we get down to the detail the pudding will go. If we cut off a slice, less will be available to deliver to other targets.

The member for Hillarys has been so patient he is entitled to an interjection.

Mr Johnson: You are frightening people by talking about a GST on membership fees and private health insurance. You could use that argument for union membership fees. I do not believe there would be a GST on membership fees of a country club, a sporting club or an insurance premium. Do you honestly think there would be?

Mr RIPPER: I am glad to see the member for Hillarys is supporting some exemptions from the GST. He is starting to think about exemptions for housing and eventually exemptions will apply to education. In the end the Government will come up with such a narrow base for the GST that it must foist an unacceptably high rate on the Australian public or it will not be able to do all the things it claims as part of its tax reform. The detail does not add up mathematically or politically.

On the basis of this analysis we cannot conclude that this Government is protecting the State. Either it is not protecting the State by not conducting the analysis it needs on this issue or it has conducted the analysis and it is hiding the detail for political reasons. I support the motion.

MR BLOFFWITCH (Geraldton) [9.36 pm]: I have heard criticism tonight that in its submission on taxation the State Government did not refer to a GST. It is very difficult to assess a GST without any idea of the rate or exemptions, etc. We are not even sure tax reform means a GST will be introduced.

I remind members that several other taxation systems exist on goods. The American system has a retail turnover tax. Its implementation is similar to our wholesale tax. Other systems are different from our wholesale tax inasmuch as they are obvious to everybody buying goods.

The absolute hypocrisy of our tax system is the 22 per cent, and 32 per cent that we pay on goods without knowing the rationale behind them. A silver bathroom tap attracts 32 per cent sales tax. Strangely enough a gold plated bathroom tap attracts 22 per cent. Where is the logic behind that?

When we buy certain goods we are not told that the tax is 22 per cent. Sales tax on a radio is 32 per cent. Anything

in the automotive line attracts 22 per cent sales tax unless it is part of a hi-fi or radio system in which case the tax is 32 per cent. Retail customers are simply told the retail price of goods. They have no idea whatsoever of the tax they are paying. I call our tax system tax by stealth. Nobody has any idea what tax they are paying. At least the Americans are game enough to say to the people who buy goods that they must pay a 9 per cent or 10 per cent federal tax. The individual states in America put a 3 per cent or 4 per cent tax on top of that. People survive and work with that.

Mr Graham: And they avoid it. Right now a US congressional committee is examining the wholesale avoidance of sales tax.

Mr BLOFFWITCH: I will deal with that. When New Zealand introduced its GST it applied to both goods and services. That is a serious move and it changes the tax base to a system with which we are familiar. A survey conducted throughout New Zealand established that 370 000 businesses would pay the tax. The Government then undertook a campaign informing businesses that if they did not register they could not deduct the GST paid from what they sold. Consequently an unregistered business would be paying the tax but would not be eligible for any deduction. Suddenly New Zealand had 700 000 businesses. Australia has about 880 000 small businesses. I am told that if we include large corporations the number is over 900 000.

Mr Cowan interjected.

Mr BLOFFWITCH: They all pay it. Many members are not aware of how the tax system works. About two or three years ago the Federal Government decided that it would tax everything at source - at the wholesale point. As a result, 90 per cent of businesses now do not send in tax receipts - the major wholesalers in each State do that work.

Every quarter my wife and my accountant do agonising computations of fringe benefits tax and a mammoth balancing act for prescribed payments tax. Most members have probably never heard of the prescribed payments tax. If I deal with someone on a subcontracting basis and he does not have a tax office number, I retain 40 per cent of the value of the job, and if he does, I retain 20 per cent or whatever. At the end of the month I get all the receipts together and fill out a form. That must then be sent to the Australian Tax Office. Of course, we must also do that every month for payroll and fringe benefits taxes. If these taxes were abolished it would be the happiest day of my life. If I simply had to look at my gross sales figures at the end of the month and pay a 10 per cent GST calculated on my computer, I would be a happy man. I would know exactly what I had paid in GST and could deduct one amount from the other. It would be a bonus for small businesses.

The Federal Government might decide to impose a retail turnover tax, which would not apply to services. That might be exactly what it is considering. I do not know; the Opposition does not know and nor does anyone else. If it decided to go down that path, the benefits accruing to my small business would be enormous. Under the United States system, businesses hold on to the money for three months. My businesses turn over \$1.8m to \$2m a month. At 10 per cent the tax would be \$200 000 a month and at the end of three months I would have \$600 000 in my bank account before I had to send off the first \$200 000. Do members think that would do anything to improve the liquidity of small businesses in this country?

We have heard about the negatives tonight. I am trying to present some of the positives that can result from a system like this. The other positive is the penalties that would apply to someone who did not join in, who was not registered with the Australian Tax Office and who simply bought and sold goods and services. That person would pay a GST of 15 per cent, 10 per cent or whatever on everything he bought. Although he would not be contributing in any other way, at least we would get that amount from him. Is that not a fairer system? Who are the biggest cheats in our community? They are the people who do not register for anything and who do not even have a tax file number. Members opposite say there are not many people like that. Hundreds of thousands of people in this country and thousands of businesses are not on the state register and officially do not exist. Under the present tax system they are not penalised because we all pay the same amount.

I must admit that I would much prefer a retail turnover tax to a GST, because I am not sure that I favour taxing services.

As has been said previously, we must address the question of exemptions. Why go that way? I do not believe those making the decisions take much notice of what I say.

Dr Gallop: They should.

Mr BLOFFWITCH: I agree. However, I do not believe they will. I honestly believe that we need tax reform in this country. We should abolish the hidden taxation system. People do not know what they are paying. If we were to do that, we would make this country a far better place. We would distribute the burden of taxation over a greater range of people. After all, is that not what a tax system is supposed to do?

I applaud the Treasurer's document. With the information he had, he has done a very good job. I do not hold out much hope that the Federal Government will endorse it. Any reasonable person would agree with it and say it is the sensible way to go. I do not believe we will get any support for it, but that should not stop us making such submissions and asking for opposition support. The Federal Government is cold hearted. Once it has control of money it is very hard for the States to get it back. Unless the States are united, we have no hope of getting a larger share of the tax revenue. I support a change in the taxation system and I support the Premier's document.

MR BRADSHAW (Murray-Wellington - Parliamentary Secretary) [9.50 pm]: A few years ago I had the privilege of going to China. The group I was with managed to meet up with one of the Chinese leaders. One of the questions put to that leader was, "Do you believe in democracy?", to which he replied, "Yes, we believe in democracy. We have elections and we elect people to Parliament to represent the people of China." Because we were a bit miffed by their idea of democracy, the next question to the leader was, "What about the multiparty system?" The answer to that was, "A multiparty system is very disruptive to the running of the country." That certainly supports what I see in the Australian system. In Australia, the trouble with having Oppositions - and I have been in opposition and seen how the system works - is they tend to oppose things for the sake of opposition. The Opposition is trying to scare the pants off all the people of Australia by saying a goods and services tax will be bad for them - it will be detrimental.

Mr Graham: How can you say that about the Labor Party?

Mr BRADSHAW: Very easily.

Mr Graham: When we were in government we opposed a GST.

Mr BRADSHAW: Not Keating. The taxation system in Australia is in a mess.

Mr Graham: It may well be, but don't ever suggest we swayed from our position. We opposed the introduction of a GST when we were in government.

Mr BRADSHAW: Only because the members opposite were told by the unions to oppose it. That is a fact of life.

Mr Graham: We had a national conference and decided to oppose it.

Mr BRADSHAW: Members opposite opposed a GST for the sake of opposition.

Mr Graham: Absolutely right. We have opposed it since 1946.

Mr BRADSHAW: I did not know the member was that old.

Mr Graham: That was when the member for Fremantle was born. He was only 32 then.

Mr BRADSHAW: Over the last 10 or 15 years, taxation legislation has increased from this high up to about this high now.

Dr Gallop: How high is that?

Mr BRADSHAW: About this high. I hope Hansard can record that! Because of loopholes and a desire to stop people using bottom of the harbour and other schemes that should not have been allowed, they kept on bringing in more legislation so that the taxation system has become more and more complex and needs more people to enforce it and keep it under control. My opinion of life is that we should keep to the "KIS" principle; that is, keep it simple. We must return to a tax system that is so simple that everybody can understand it; and is difficult to go around or get through it to avoid taxation. Regardless of what members think, Governments these days need more taxes all the time. The tax system needs reform so that we can bring the tax system down to a simple process where everybody can understand it and can comply with it. More taxes are required because we are an aging population. As we are living longer, we need more taxes to keep our health system in place; we need more for social welfare reasons. This is a fact of life. A complex tax system does not help us at all. It is important that we have a simple principle.

The trouble with change is that people are frightened of change. We all are frightened of change. We all like to live in our own little world where we know what it is all about. If members go back to the time of the change to decimal currency in Australia, everybody thought it was the end of the world. After a year of decimal currency, if we had tried to change back to pounds, shillings and pence, nobody would have understood it.

Mr McGowan: That was a good reform.

Mr BRADSHAW: It was an excellent reform. However, people at the time were absolutely terrified of it. It was like when we wanted daylight saving, people's curtains were going to fade and all sorts of things were going to happen.

Dr Gallop: No, not people, the National Party; that was its line.

Mr BRADSHAW: It was not just the National Party; people in my electorate told me this.

We need tax reform in Australia and it is time it was on the agenda to be looked at in order to get rid of the legislation in place now so that we can get back to a system that people can understand and abide by; a system that will cut out avoidance of taxation, because we certainly need taxes.

Mr McGowan: Do you support daylight saving?

Mr BRADSHAW: As a country member I do not because 68 per cent of my constituents do not support it. I am here to represent them. I do not support it.

MR MARSHALL (Dawesville - Parliamentary Secretary) [9.55 pm]: I am often asked why I went into Parliament when I had such a comfortable life outside in the community. The first reason was to fight for a marginal seat with the opportunity of changing government in Western Australia to give the youth of Western Australia the feeling that they had a chance of survival. The second reason was again -

Mr McGowan: For a tax on footy tickets!

Mr MARSHALL: The member for Rockingham is a grave concern to me. He is the type of interjector who hits below the belt or hits behind the ear when one is not looking. I would like to give him some fatherly advice, if I may. I was in Rockingham last week buying tiles for our house. The fellow serving me was the brother of my opponent when we contested the new Dawesville seat. I was taken aback when he said, "I was on the booth helping my brother." That nearly turned me off. However, I listened to him and, believe it or not, he was an excellent salesman. Then he started to get political, asking me about some matter. I said, "You had better ask the member for Rockingham." He said, "I do but he never answers me back." I asked him, "Who do you ring?" He said, "I ring Mr Barnett." I said, "Look, you are two years behind the time. There is a nice young bloke representing your electorate. I cannot think of his name at the moment - the member for Rockingham - but I will race out to my car because I have a photo of him in Kim Beazley's newsletter." I showed him the newsletter - and this is why I am giving the member, this young 'un, a tip. He said, "Is that the member for Rockingham? I thought he worked for Beazley or was his cousin or something. Beazley has always got his arm around him in all the newsletters." All I can say to the member for Rockingham is, do not interject me with three minutes to go and I suggest the member get out in his electorate and interject out there where it might help somebody.

I came to Parliament to give, I thought, the youth of Western Australia an opportunity to see the light at the end of the tunnel. In my time, to get ahead - and some members might just remember this - we saved the money for our deposit and we put 10 per cent down on a house. Such was the quality and balance of the nation that it took 10 years to pay it off and we were on our way in life. The youngsters of today cannot save the 10 per cent. Something is going wrong and it is the taxation system in this country and in this State; that is what is impeding the youth of Western Australian and Australia. I, for one, am happy that there is to be taxation reform.

For the last couple of hours I have put up with the greatest smokescreen that I have seen by the Opposition. Five or six years ago when Hewson introduced Fightback I, he was on the right track; unfortunately, he was outsmarted by the Opposition in its campaign to blacklist it. However, six years on in this country of ours we are smarter and we know that we have to change a losing game. Champions never change a winning game. However, champions always recognise a losing game and change it immediately. For two hours I have been listening to opposition members wanting to stick to the same losing game. Are they champions?

Mr Barnett: No.

Mr MARSHALL: I did not quite hear that. Could I have it a little louder, please?

Mr Barnett: No.

Mr MARSHALL: Absolutely correct. I know the member for Peel will object to this; however, since I have been in Parliament, the cut and thrust of private enterprise has been lost to me. We get a cheque straight into our bank and we have no responsibility because the taxation is taken out of it and all we have to think about are the deductions we can claim on our taxation to increase our net figure at the end. However, in private enterprise people have to earn the money; they have to promote their business, employ staff, take the risks and take the dangers. People have a magnificent feeling when they count that money knowing that they went out, sweat and blood, and earned it. I am sure any member opposite who has ever had that feeling would agree with me.

I would like to see a taxation reform that was planned so thoroughly that it could not be defeated. I would like to see a taxation reform that was established in this nation and promoted so well that every other country admired Australia

for that decision. I would like to see a taxation reform that was controlled so totally that no-one could abuse the system. I would like to see a taxation reform where the youth of Australia and Western Australia could see the light at the end of the tunnel and know they had a future in this country. I despise anyone who wants to continue with the old format of keeping the same tax and holding back our youth. Think about it!

Question put and a division taken with the following result -

Ayes (18)

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

Noes (26)

Mr Ainsworth	Mr Cowan	Mr Marshall	Mr Sweetman
Mr Baker	Dr Hames	Mr McNee	Mr Trenorden
Mr Barnett	Mrs Hodson-Thomas	Mr Nicholls	Mr Tubby
Mr Bloffwitch	Mrs Holmes	Mr Omodei	Mrs van de Klashorst
Mr Board	Mr Johnson	Mrs Parker	Mr Wiese
Mr Bradshaw	Mr Kierath	Mr Shave	Mr Osborne (<i>Teller</i>)
Mr Court	Mr MacLean		

Pair

Mrs Roberts

Mr Prince

Question thus negatived.

BILLS (2) - RECEIPT AND FIRST READING

1. Lotteries Commission Amendment Bill.

Bill received from the Council; and, on motion by Mr Cowan (Deputy Premier), read a first time.

2. Acts Repeal and Amendment (Births, Deaths and Marriages Registration) Bill.

Bill received from the Council; and, on motion by Mrs van de Klashorst (Parliamentary Secretary), read a first time.

BETTING CONTROL AMENDMENT BILL

Returned

Bill returned from the Council without amendment.

APPROPRIATION (CONSOLIDATED FUND) BILL (No 1)

Third Reading

Resumed from 9 June.

MR BROWN (Bassendean) [10.08 pm]: I wish to make a few comments about matters that arose during the Estimates Committees. The first area is Commerce and Trade and the State Government's commitment to developing an industry policy. Members will recall that the Public Accounts and Expenditure Review Committee recommended to the House about two years ago that the State develop an industry policy to ensure that all departments and agencies worked in a cooperative manner and in a manner which would benefit the development of Western Australia. The Minister for Commerce and Trade tabled a response to that report which indicated that a ministerial committee had been established and would work on the development of an industry policy.

The budget papers do not indicate whether any work has taken place on the development of such a policy. After questioning the Minister about that matter, it seemed to me that very little progress had been made. This is an important issue, because currently many departments are working on their own plans. There is the Department of Commerce and Trade 2029 plan, the Main Roads 2020 plan - and other departments and agencies also have future plans. That sounds pretty good, provided the departments and agencies are moving in the same direction. It is becoming clear now, from a variety of sources, that individual departments, agencies and Ministers are making

decisions in isolation from other agencies and Ministers. Conflicts are not necessarily becoming apparent, but inconsistencies in approach are arising across the whole of government. That point has been brought to my attention by industry in many areas, and in the long term those inconsistencies may cost taxpayers a considerable amount of money to rectify.

A matter brought to my attention in the past few days has the potential cost to taxpayers tens of millions of dollars to rectify, simply because no forward planning has taken place across all agencies. The Department of Commerce and Trade's 2029 plan outlines the developments that are likely to occur in Western Australia in the next 30 years. If those developments are to occur, many planning decisions must be made. Those decisions relate to transport, land allocation, infrastructure requirements, and so on. However, there appears to be little coordination between the Commerce and Trade plan and plans of other agencies. That is of some concern, because a Government - whatever its political complexion - will have to rectify poor planning decisions, but that aspect has been overlooked. One of the current problems is that many Ministers and their agencies are looking for short term gain: What can be sold and what can be developed today to get an income for the agency or department, without looking at the implications of the sale or the development for other agencies or departments and the future development of the State? I will continue to pursue that matter.

Another matter that arose during consideration of the Commerce and Trade budget during the Estimates Committees was that department's role in monitoring local content. Often we hear in this House about large development projects which are taking place in this State, and the jobs they will provide. As we all know, once the many large mining and gas projects are completed, a small workforce is employed. They are essentially capital intensive projects which may employ 1 000 or 1 500 workers during the construction phase, but once constructed they are highly automated and may employ only 100 workers. Therefore, it is important during the construction phase that as much as possible work goes to Western Australian companies. I do not mean the companies involved in earthmoving or construction on site, because that work must be done here; but the manufacturing, the fabricating and engineering work, and so on, should remain in this State.

The Department of Commerce and Trade has an active responsibility in this area, because it seeks to cater for the manufacturing industry as opposed to the Department of Resources Development which is primarily concerned with the development of our natural resources. I have been disappointed in this place when I have asked many questions about local content, only to hear the Minister for Resources Development decline to provide that information. Consequently, when claims are made that certain projects have 60 or 70 per cent local content, one is unable to verify that information. Again, it has been suggested to me by industry and others, that the local content policies in this State must be reviewed - they certainly need to be reviewed with proper reporting to the Parliament.

The purpose of trying to exploit our natural resources - whether gas, iron ore or diamonds - is not simply to provide a windfall for the company involved in that activity. That exploitation is undertaken in order to provide benefits to the State, and part of those benefits are unemployment benefits, which accrue to Western Australia - both those employed directly on the projects and Western Australians employed by other companies and operations that provide the projects. If, as a result of poor local content arrangements, contracts are awarded overseas and a large portion of the manufacturing is carried out overseas, we will miss a golden opportunity. It is not as though we have full employment, or we cannot deal with the creation of additional jobs. We must be vigilant in that regard. I am not satisfied that the current local content policies are delivering the benefits that this State should be reaping from some of those resource projects.

I turn now to the Small Business Development Corporation. The budget papers refer to small business growth in Western Australia. Recently, during a radio interview, the Premier said that the Western Australian economic miracle is working and that small business growth is evidence of that. As the budget papers reveal, small business growth generally does not come from people creating new enterprises or finding innovative ways to set up business. Most small business growth is a result of decisions to subcontract work - that is, the scaling down of government departments and agencies and subcontracting work, which requires people to take on the work to set up businesses or form their own companies. Therefore, we see a scaling down of larger entities - whether in the government or private sectors - and an increase in smaller entities. That does not represent a net gain. It is simply a way of operating. It is not some economic miracle, as the Premier pretends. Rather it is a reorganisation of activities, whether in the private sector or the public sector. That is an important point to bear in mind when considering the so-called Western Australian miracle of economic growth.

I turn now to the lack of attention by the Small Business Development Corporation to many issues affecting small business today. One could argue that some issues fall under the fair trading guidelines, but the Small Business Development Corporation has a role in catering for the interests of small business and must pick up those issues. I instance some of them: In the past couple of weeks the Motor Trade Association has indicated in the newspapers that 50 to 80 of its members who are small service station operators are likely to go out of business due to their

franchises being terminated by oil companies. Some of those people have been operators for the past 15 or 20 years. They will be wiped out and their businesses will simply no longer exist because their franchises will be ended. I am surprised to see that there is nothing in the budget papers; no comment has been made and no-one has stood up for those small business people. I thought that the Government was on the record on many occasions as saying that it looked after small business. I have not heard one voice raised to try to protect and to look after the interests of those service station operators. Likewise, I have not heard of any great desire to look after milk vendors. Again, those small business operators have been significantly disadvantaged by a deregulation in the milk industry; many of them have lost all the goodwill that they had in those business operations and are facing bankruptcy. There is nothing in the budget papers and the issue was not raised during the Estimates Committees. One could go on looking at where this type of restructuring is having a very significant effect on small business. One cannot stop progress - if this is progress - but a Government that prides itself on looking after the interests of small business should be at the forefront and should not simply talk about how many new businesses there are, but about what it intends to do to look after the interests of those small businesses which, through no fault of their own, are being placed in very difficult circumstances. The lack of comment might mean that the Government is simply a fair weather friend; that is, when small business is working all right the Government is prepared to pat it on the back and say that it is doing a great job, but when it is struggling, as it is in many sectors at the moment, the Government simply ignores its plight.

There is nothing in the budget papers about the Small Business Development Corporation dealing with any of the issues facing retailers. I would have thought that the Small Business Development Corporation would be out making strong representations to the Planning Commission about the proliferation of shopping centres, which is having a deleterious effect on small business retailers as the market is continually diluted. I would have thought that it would be picking up on a whole range of reports which have come out of the Federal Parliament, whether they be the fair trading report or the report on micro businesses, both of which have pointed out that unless changes are made to planning arrangements, small retailers will be placed under continual pressure as a result of the shopping centre proliferation.

Those are a few of the observations that I wanted to make. Obviously, I have insufficient time to make all the points I could make, but it seems that the Government's credentials of being a good economic manager of commerce and trade are being tested because of the absence of an industry policy that is focusing our resources in the most appropriate direction and avoiding duplication. As to the Government's continual claim that it looks after small business, if one looks at the budget papers, one can see that that is not always the case, and particularly so for small business which is finding itself in difficulty.

MR RIPPER (Belmont - Deputy Leader of the Opposition) [10.25 pm]: I want to deal with two issues that have not been dealt with as closely as they should have been in the whole process of the Budget and Estimates Committees. The first issue is local area education planning. As the House would know, the Government has foisted this process on high schools in the western suburbs and in the south east metropolitan corridor. Parents have been inveigled into participating in consultative and planning committees to consider the future of education in their areas. They have been very disappointed that the options which they supported for the future of their schools have not been able to proceed through the process because of the restrictive planning criteria which the Education Department and the State Government have applied to the process. I was fascinated recently to see that the *Subiaco Post* carried a report apparently following an interview with the Minister for Education which dealt with new options for the high schools in the western suburbs. It seemed to be consistent with the remarks which the Minister made at Cannington Senior High School, in Parliament and to journalists that implied that he was considering completely new options for the future of high schools which had not been considered in the local area education planning process.

Mr Barnett: They were not new; they have been talked about for about six months.

Mr RIPPER: Had they been canvassed by the drafting and consultative committees? The Minister is dealing with options which were chopped off in the local area education planning process and which did not survive it. Is that right?

Mr Barnett: Some of the options we are looking at are outside the criteria. I have no difficulty with that. There is no need to restrict ourselves; we should think expansively.

Mr RIPPER: I am pleased to hear the Minister say that. Will the Minister come clean to the Parliament about these options? He has leaked a little to the *Subiaco Post* and given it a hint or two about what might be the future - perhaps there are other options for the western suburbs the Minister has not yet revealed. He has certainly not revealed the new options for the south east metropolitan corridor. As the local member representing an electorate with three high schools, two of which the Minister proposes to close, I would be very interested in whether there are any further options for those schools which the Minister is prepared to make public and which have not been considered in the local area education planning process.

Mr Barnett: I do not think that is fair. In recent meetings with people representing schools in the south eastern metropolitan corridor, I have quite openly suggested the option of a senior college based on vocational education. I have made that quite clear in several meetings, exactly as I have with the western suburbs.

Mr RIPPER: I am pleased to have that statement on the record.

Mr Barnett: I have not promised anything; I have said that they are realistic options.

Mr RIPPER: So it is a realistic option that a senior college will be based on vocational education services in the south east metropolitan corridor.

Mr Barnett: I have said publicly that it is a realistic option. It must stack up. I do not want unrealistically to raise expectations but it is one of the options being looked at. Despite what I can see are in some sense relatively restrictive criteria on the local area education planning process, the district directors, the Director General and senior staff have always raised other options along the way and, indeed, I have had my own thoughts on it. Parent and community groups have also raised other options.

Mr RIPPER: The tragedy of this is that parents entered into an official process in good faith. They had certain options which they wanted to see considered. Those options were ruled out because they did not fit the planning criteria. In the meantime the Minister has been prepared to go outside that formal process. Would it not have been much easier and less politically difficult had he loosened up the criteria in the local area education planning framework and let some of those options be considered in the official process which the Minister is now considering in his own informal process over the top of that?

Mr Barnett: Perhaps. I think you were at one meeting where a gentleman stood and made the point that despite some of the restrictions, the criteria of local area planning had forced people from all schools to consider basic educational criteria. As I have said publicly, I readily concede that there have been some deficiencies in the process, but there has been a great deal of debate about educational options. The criteria have forced debate to focus on the key issues. It is all very well to have fanciful options which will never happen. We are not talking about that now, but we are talking about looking at it on strictly educational criteria involving some hard decisions. Looking outside the criteria, perhaps there are some other things we could do. At the end of the day, the process is about improving education, as I have said at public meetings at which you, I am pleased to say, have also participated. We share the objective of improving education, but it requires changes in schools and any change in schools is difficult.

Mr RIPPER: The fact that the Minister has had to consider additional options outside the options considered in the official local area education planning process means that there is something wrong with the process. I would like the Minister to fix that process before it is applied to the next rank of schools.

Mr Barnett: It forced the district directors to take positions prematurely. I emphasise, and the member may agree with me, that the district directors have done a great job in having communities debate the future of their schools. In that sense, perhaps we would do the process differently but it has forced debate, and all the issues have come out. My opinion, for what it is worth, and the member may not think it is worth much, has changed during the process. I have seen different options and different issues. That is what consultation is meant to be.

Mr RIPPER: I simplify the message to the Minister; that is, he should fix the process before it is applied to the rest of the schools. Whatever he might say about the way in which consultation has worked, the fact that he has established his own planning group in his office and with senior officers of the Education Department means that he has not had total confidence in the outcome of the local area education planning process. Therefore, he should go one step further and fix the process before it is applied to every school in the State, as is intended.

Mr Barnett: I take that on board, and I know you mean it in a constructive way, but you must recognise that community groups and district directors were working on local area planning within the confines of a restricted budget. A Minister has more freedom than that, and I am determined not to be seen to be throwing out the process. Much of what might come from this is a direct result of the process, albeit some of the projects and proposals do not precisely fit the criteria. Despite some deficiencies, the process has generated a lot of thought and it will generate, perhaps somewhat obliquely, some very good outcomes.

Mr RIPPER: I am interested to note that the projected cost of the new high school in the western suburbs is \$25m. Those members who represent and live in the south east metropolitan area will watch to see whether there is fair treatment of the south east area when it comes to educational improvements. As the western suburbs will have that amount spent as a result of the closure of schools, if schools in the eastern suburbs are closed we expect a similar government commitment to educational facilities in the district.

Mr Barnett: If, and it is "if" because it is not yet resolved, a new high school were built in the western suburbs at a cost of \$25m - which is the going price for a new high school - it would be dependent upon three senior high schools

closing in that area. No-one is suggesting that degree of change in the eastern suburbs at this stage. You are not advocating the closure of three senior high schools in your electorate to achieve a new one? The member should not underestimate the degree of change and dislocation in the western suburbs to justify a new high school.

Mr RIPPER: I assure the Minister that I do not advocate the closure of schools in my area but, if the Minister insists on proceeding with that, I expect equitable treatment in that area.

I raise another issue which is apparently causing some concern. My office has been approached by community nurses who are concerned that the Education Department wishes to forgo the employment of school nurses, in favour of receiving money which it can then spend on a discretionary basis for school nurse services or other support services. I am not absolutely certain of the funding arrangements that apply to school nurses. However, I am given to understand that some funding is directed from the Federal Government to the State Treasury and then to the Health Department, which supplies the nurses to the Education Department. My impression is that the Education Department is engaged in a devolution process and that it wants a district to be able to determine what health service it will purchase, and it might not necessarily be a school nurse. I am advised the current provision of school nurses is under some threat.

Mr Barnett: You heard the excellent grievance by the member for Geraldton on this topic this afternoon?

Mr RIPPER: I noted the member for Geraldton was intending to grieve on this issue, and I am interested to see that backbenchers are raising this issue because it has come to me from a regional area and from the Australian Nursing Federation. It is concerned about health issues in schools and the employment of school nurses. It wonders whether a working party has been established to discuss these issues, and what its membership and terms of reference are. It has not been given this information, even though it represents the people whose employment may be under threat. What is happening with school nurses, and can people be assured that the same level of employment of school nurses that applies at present will continue in the future?

Mr Barnett: I cannot assure you of that. The Education Department provides \$3.8m a year to the Health Department for the employment of school nurses. That level of funding will continue although, as the member for Geraldton said, what is required may vary from area to area and there may be more flexibility in the way it is run. There will certainly be no short term or dramatic change in school nursing services. It is an important health service to students and education funding will continue at least at the same level.

Mr RIPPER: Will the Minister undertake to advise the ANF of the terms of reference and the membership of any working party established to deal with this issue?

Mr Barnett: It has never approached me on the issue, to my knowledge or recollection.

Mr RIPPER: It is inclined to deal with the Health Department.

Mr Barnett: I do not want to get locked in industrially. The use of registered nurses is very important, but in some situations different skills may be adequate. I said in response to the member for Geraldton that many medical services are provided in schools and there is a strong case for better coordination of them. School nurses provide more than physical health care; they are involved in sex education and counselling.

Mr RIPPER: And welfare and truancy issues.

Mr Barnett: It is a multiskill issue. It should be looked at objectively, but the Education Department will not back off from the provision of those services although they might be better managed and coordinated, and allocated more strongly to areas and needs.

Mr RIPPER: I am pleased the Minister said there will be no backing off on the provision of school nurse services. Prior to the last election, the Opposition was very supportive of the provision of school nurses and made election promises on the expansion of the services. We would be disappointed if, as a result of administrative changes in the Education Department, those services were in any way diminished.

MR RIEBELING (Burrup) [10.39 pm]: I will quickly touch upon a couple of issues raised in the Estimates Committees, and then deal with an issue of great concern in my electorate in relation to the social dividend it can expect from this Government and its better management of the State's assets.

Mr Barnett: Happy about the petrochemical project?

Mr RIEBELING: When the first bulldozer is in, I will ring the Minister and congratulate him.

Mr Barnett: Did you put out some more press statements today?

Mr RIEBELING: I am glad the Minister mentioned that. I have seen many big announcements by this Government,

but I have not yet seen anything happen in my area. The Minister might like to open the petrochemical plant when it is completed. What year will that be?

Mr Barnett: It will be in production in 2003.

Mr RIEBELING: When does it start?

Mr Barnett: Construction - in 2000.

Mr RIEBELING: Can we tell small business that this time for sure the announcement means work will take place on the ground by 2000?

Mr Barnett: That is the plan.

Mr RIEBELING: Okay. What about Woodside?

Mr Barnett: Why do you and I not have a forum in Karratha on resources development? That would be fun. You can organise it, as the local member, and I will come up.

Mr RIEBELING: What will the Minister tell them? Will he re-announce the mineralogy, the petrochemical and the methanol plants or the Woodside expansion and Chevron? Will we do them all again?

Mr Barnett: We will do it together.

Mr RIEBELING: If this project starts, it will be fantastic. If it is another announcement from which nothing happens, it will be another stab in the back for small business. Let us hope it happens this time.

In relation to the estimates committee process, on division 54, Justice, I asked a series of question regarding the number of people who were to receive counselling support through the victim support service. I was surprised by the small increase in the number of people expected to utilise the counselling. It appears from supplementary information provided that my concerns were well founded, as the figure provided was only 1 000 per cent out - that is all. The Minister, who said I did not know what I was talking about, was completely wrong.

When we discussed the fines enforcement provision of the budget, the Minister suggested that I was incorrect in my assumption that the Minister was misleading Parliament when he and his adviser said that the new enforcement system resulted in 70 per cent of fines being paid without enforcement. I went through the figures the Government provided, and said that their claim was incorrect. The Minister said, in his glib way, that I was wrong, but he did not know where. That was reported in *The West Australian*. The supplementary information indicates that I was right, and that the successful rate of recovery of fines without enforcement is 42 per cent, which is a similar figure to that applying under the old system. Some serious questions arise about other information which the Minister provided to the House regarding the number of suspensions which have flowed from that system. Supplementary information indicates that some 46 000 licences are suspended each year, not as a cumulative effect. We are yet to find out the true number of people in this State currently under suspension.

I turn now to services that people in my electorate can expect from this Government which prides itself on better management of resources and facilities. I refer to the Tom Price District Hospital. People in this State expect a hospital to be a place where cleanliness and good order take priority. I received a telephone call on 4 June regarding some problems experienced in Tom Price. I then spoke to the head of the region based in the Nickol Bay Hospital in Karratha. He confirmed that the small problem would be fixed that day. I spoke to that person the next day who confirmed that the problem had been fixed at 6.15 on 4 June.

Mr Johnson: What was the problem?

Mr RIEBELING: I will get to that. I was disturbed on 9 June to receive information from a lady named Eleanor Johnson who indicated that the problems reported to me on 4 June were still affecting the hospital. I will outline those problems at the hospital for members; no-one in this place will regard these problems as acceptable in this day and age.

This lady was admitted to hospital on 4 June, the day the problems reached crisis point. The toilet system and the hot water system in the hospital collapsed due to lack of maintenance, I am told. The problem with the toilet was so bad that raw sewage was in the corridors of the hospital, which nursing staff were required to clean up. That required patients to be removed from the hospital as a result of the health hazard it caused. This lady was unfortunate to be in hospital on 4 June. Due to the nature of her problem, she needed late at night to have a shower to place herself in a condition that would not cause her distress. She could not have a shower because of the breakdown in the hot water system. The staff, who were very apologetic, could not provide any relief for the lady. She had a cold shower. As a result of the embarrassments and the problems the hospital caused, she had to head home to avoid any

further discomfort. She then wrote to the hospital concerning the problems. She was told, as I was, that all was well and the problems had been fixed. This lady went to the outpatients facility shortly thereafter on the Monday, and found that the outpatients' and visitors' toilet system was still not working. In fact, she was advised that the problem had existed for three weeks. I am told that for three weeks if people visiting patients at the hospital needed to use a toilet, they had to leave the hospital, go to the hotel and return.

Mr Johnson: How many toilets do they have?

Mr RIEBELING: One in the public area.

Mr Johnson: Who runs the hospital?

Mr RIEBELING: The State.

Mr Johnson: Who is the administrator?

Mr RIEBELING: It is Paul Elwood at Nickol Bay Hospital in Karratha. The Tom Price District Hospital is smaller than Nickol Bay. I am advised that due to the problem with the plumbing and lack of maintenance, an area outside the hospital where the pipes ran collapsed to such an extent that the hole that developed had to be roped off for fear of people falling in. I am advised that due to lack of maintenance, the airconditioning is so noisy that it keeps patients awake. I am advised that due to lack of maintenance, the television in the main TV room does not work.

One of the most bizarre facilities not to work is the emergency call button by the beds. Most people who are crook expect a nurse to come when they press the emergency button. However, when they press the button at this hospital the nurses do not come as they do not hear the buzzer.

Mr Johnson: Do they have private patients going to this hospital?

Mr RIEBELING: If this were not so serious, the amount of problems people have had to endure would be funny.

Mr Johnson: Have you taken it up with the Minister?

Mr RIEBELING: I hope the Minister will read this. I took it up with the administrator who unfortunately, probably due to the pressure under which she works, told me the problems had been fixed when they had not. I am very annoyed with that, and I will take it up with the Minister. The emergency call buttons activate a light at some station within the hospital. At night time when most of the nurses are in the casualty section, a sound buzzer needs to be available that works with a light. The vast majority of these alarm systems work with a beeper and a light. The same problem exists with the external lighting system of the hospital. The call bell for people who want emergency services activates the light; however the bell does not work. A problem also exists with the external lights at night. They are on a time switch and come on automatically. They are set to turn on at 9.30 at night. Like most areas, 9.30 at night in summer time might be appropriate, but it is dark in Tom Price by 6 o'clock in winter time. These problems have occurred for months and months.

The people of Tom Price are isolated by quite a considerable distance from the next major hospital, the Nickol Bay Hospital, and have been forced to endure what no other group of people in Western Australia would be asked to endure. The staff have done an outstanding job by putting up with substandard conditions. They have been performing plumbing work that is very unpleasant which they should not have to do. This is only because this Government has decided not to spend enough money on maintenance due to some sort of monetary pressure. It is either that or the management of that hospital is so badly run that the basic support systems required for a hospital to survive have been allowed to collapse. I thought the Minister would have already known about this issue. He is in charge of all the hospitals. I know some other matters are occupying his mind at the moment, but the maintenance of a hospital is a major issue, and if it collapses to that point, he should know about it. He should know if one of the hospitals in this State has had to turn away its patients because the sewage system is flowing through the corridors of the hospital. We are going back 100 years to where hygiene is at such a low ebb that a hospital refuses to take patients.

Mr Johnson: How many staff have they got?

Mr RIEBELING: I do not know, but they have a group of nurses with no doctors. No doctors are based in the Pilbara hospitals, because they all come from the private sector. The fact that this hospital is in such decay due to lack of maintenance is an indictment of this Government. The Government should react immediately and allocate sufficient funds to rectify the problem.

MS ANWYL (Kalgoorlie) [10.53 pm]: I wish to make some brief comments with regard to Family and Children's Services which is one of the portfolios in which I have some interest. The Mayor of Kalgoorlie-Boulder made a fairly telling comment by giving the Budget three out of 10. I do not have time to expand upon that, although I was tempted

earlier when I saw the Minister for Education here, because a lot of our needs are in the education field, notwithstanding the \$12m that has been allocated to the Eastern Goldfields Senior High School redevelopment. I welcome that amount of funding but I have severe concerns about the infrastructure that is available to the primary schools in my electorate. As many members have said, the budget papers lack transparency, and this reveals the lack of accountability of this Court Government. We have seen this developing over a period of years. The budget papers essentially provide conclusive proof that the Court Government has no intention of being accountable to the people of Western Australia in terms of its fiscal management or lack thereof.

The budget papers contain a paucity of detail. It seems to me that Family and Children's Services is one area in which one would expect to find a lot of information about how moneys are to be spent in this community, given the sorts of extremely difficult areas with which that department and that Minister must deal. It seems reasonable to expect some planned achievements and some real outcomes to be set out in the budget papers.

When raising those matters during the second reading debate, I was told to wait until the Estimates Committee because I would have a chance then to tease out some detail from these papers which are so poor in that regard. The Estimates Committee came along and still there was no joy because only a three hour period was allocated to Family and Children's Services, Seniors, and Womens' Interests, which now includes responsibility for drugs. Also a former Minister was obsessed with getting some detail about the Western Australian Council of Social Services and took up much time dealing with that issue which was almost irrelevant to the budgetary process. In terms of the cost to be imposed on Western Australian families, we know that the federal and state Budgets combined are having a disastrous effect on the ability of Western Australian families to cope from week to week. We have yet to feel the impact of further child care cuts to be introduced on 1 July, when the youth allowance will also come in. Members should beware, because they will be inundated with calls from low and middle income families who cannot understand why they are penalised for having adult children who are unemployed. The Minister for Family and Children's Services is complacent in this area. She is complacent about a number of serious issues, and child protection is the most important of those.

We had the example of the south west town earlier this year. It has taken in excess of six months to extract an undertaking from that department and that Minister that an inquiry will be held into what has occurred in the south west. The report on the Midland inquiry was available last November. We were told to wait until the restructure of Family and Children's Services and everything would be okay; well, it is not okay. The feedback that I received from the sector and department workers themselves who are at the coalface and must deal with child protection is that the restructure has made things worse. It has negatively impacted upon their ability to deal with complaints of child maltreatment. The sector tells me that it is harder to access workers in child protection. The one thing that has improved is a form of gatekeeping. We have an incredibly efficient gatekeeping process so it is almost impossible to have contact with the child protection workers on whom we rely to investigate these serious problems. Worse problems are created by the centralisation of administration, which means that child protection workers themselves, who are extremely specialised, must spend time doing things like fixing air-conditioners and making telephone calls about lease cars. How ridiculous is that? In terms of child protection, the Midland inquiry report stated there was an extreme need for a resourcing inquiry. What has the Minister done with that? She has swept the whole issue under the carpet. There is absolutely no joy in this Budget for the area of child protection. The supplementary information that has been provided is disgraceful in its paucity of detail. The new directions policy which commenced in 1995 has been difficult to implement because there was no consequent increase in the amount of resourcing available to the child protection area. We were told in the Estimates Committee that 626 full time employees are working in this area, but there appear to be no plans to increase this number. The supplementary information does not reveal any increase in the number of workers who are dealing with child protection. Notwithstanding the findings of the Midland inquiry that the Government should have a further inquiry into resourcing, no attempt has been made by the Minister to do that.

Mrs Parker: It was not related to resourcing.

Ms ANWYL: The Minister is wrong; she must read that report again. She should have a good look at recommendation No 8. I do not have time to take interjections.

Mrs Parker: You misrepresent things and make general, baseless statements. The things you say are nonsense.

Ms ANWYL: The Minister should examine recommendation No 8 and come back here and tell me what she has done about following it. While the Minister was out of the Chamber she may have heard me say that restructuring has not worked.

Mrs Parker: I heard what you said.

Ms ANWYL: During the estimates process her chief executive officer said that the child protection role of the

department would not be privatised. We breathed a sigh of relief over that. In other jurisdictions in this country child protection agencies have been privatised. That is disgraceful.

Like the Minister, I have regular dealings with non-government organisations that deal with child protection. I have been told that the only way they can get action out of the Department for Family and Children's Services is to do the preliminary investigations themselves. People in the department are telling non-government organisations to do preliminary investigations into whether a child is being neglected, sexually abused or maltreated and to refer back to the department.

Mrs Parker interjected.

Ms ANWYL: I do not fabricate these things. I am representing to the Minister the serious problems in her ministry.

Mrs Parker: You need to put some facts to your outrageous claims.

Ms ANWYL: I do not fabricate these things. I take the calls and have the meetings. The Minister must pull her head out of the sand. Her department has serious resourcing problems. We can have a public debate about it if she wishes.

The DEPUTY SPEAKER: The member for Kalgoorlie should direct her remarks to me; she may then not get so many interjections.

Ms ANWYL: If you called for order, Mr Deputy Speaker, with respect, we might not have so many interjections.

The DEPUTY SPEAKER: The member should address her remarks to me.

Ms ANWYL: I said that the chief executive officer of the Department of Family and Children's Services had given an undertaking of sorts that child protection would not be privatised. However, the budget papers disclose that in 83 per cent of cases this financial year it is estimated that it took up to five days for an investigation of child maltreatment allegations. The Midland report did not bear that out. It suggested that in some cases it was several weeks before a priority 1 investigation was undertaken. It also said that in many cases child protection workers themselves do not put a classification on the nature of the child maltreatment allegation or the child concern report because they know they cannot possibly abide by the ministry's regulations.

Mrs Parker interjected.

Ms ANWYL: According to my information it goes a lot wider than that.

Mrs Parker: You must put some substance to the ridiculous claims you make and provide me with that information.

Ms ANWYL: If the Minister thinks they are ridiculous I will go back to the sector and tell the people there the Minister said their claims were ridiculous.

Mrs Parker: Give me some information and I will be happy to respond to it.

Ms ANWYL: I will give the Minister information.

The DEPUTY SPEAKER: I ask the Minister to stop interjecting.

Ms ANWYL: Why has the Minister not followed recommendation No 8, which called for a further inquiry into resourcing?

The recent release, or should I say "leak", of the police child abuse unit report contained some disturbing matters on which the Minister has been silent. We heard that as a result of the 1996 Operation Paradox hundreds of calls were received from people who were encouraged to report cases of abuse against children. No Operation Paradox occurred in 1997. In 1998 hundreds of reports have not yet been investigated. Although that is a police matter, only on Monday it was announced that joint investigations would occur between child protection workers and the Police Service. I welcome that; it is a good move. The reality is that this Minister has been completely silent on this issue. We have heard of hundreds of cases of child abuse and sexual abuse that are uninvestigated in this State and this Minister has not said a word.

The DEPUTY SPEAKER: I remind the member it is a third reading debate. General issues such as the Minister's performance should not be discussed at this stage. Members must keep strictly to budgetary items.

Ms ANWYL: I was about to say that in the 1996-97 budget papers it was announced that there would be a complete overhaul of the Child Welfare Act. In the middle of 1998 we are still waiting for it. We were also told urgent changes were required to the Act so that allegations and substantiated cases could be fully recorded in the child welfare protection register. We are still waiting. We were told an urgent overhaul would occur much more quickly than the long awaited revamp of the entire child welfare legislation.

Many people are examining details of issues involving child abuse these days. The Minister will be aware that lobby groups are springing up throughout Western Australia. The child protection register reveals that 37 adults have been convicted of offences against children. The police child abuse unit report refers to something like 1 200 suspected paedophiles on which data is kept in all cases. The left hand does not know what the right hand is doing in this case. I am pleased to see that since the last budget year the number of substantiated child maltreatment allegations recorded has almost trebled. That does not alter the fact that the Police Department has so many suspected paedophiles but a measly 37 adults have been recorded on this register since 1996.

Mrs Parker: You cannot include the names of suspected paedophiles. It is an issue of natural justice.

Ms ANWYL: The budget papers contain other major flaws. We are yet to see proper information on emergency relief. According to the budget papers the amount of money available for emergency relief appears to have decreased. In the first five months of this year the number of people seeking emergency relief from non-government organisations increased across the board by about 25 per cent. That is about to increase significantly with the abolition of the youth allowance which will rip away about \$500m from middle to low income families who have children between the ages of 18 and 21 years. Families will be means tested. The average Western Australian family will be shocked to find out they will be penalised.

The other flaw is the lack of detail on the domestic violence budget. The supplementary information is an insult if that is the best information that can be provided about the spending of \$2.1m. No real detail is provided on how those moneys will be spent. I ask the Minister to rectify this matter immediately by the provision of further supplementary information on what is happening. The advertising that was promised will finally be undertaken in August. That is excellent.

There are serious flaws in the way moneys are allocated in the budget for the Women's Policy Development Office year after year and not spent. For the department to provide such scant information in these papers is not good enough.

MS McHALE (Thornlie) [11.08 pm]: I wish to reinforce some points on a number of issues I raised in the second reading debate and to set an agenda for the coming weeks. Members may recall I spoke at some length on matters concerning educational standards and issues in my electorate relating to the school maintenance program. I quizzed the Minister in the Estimates Committee on the provision of funding for maintenance of toilets and administration blocks, and the improvement and the restoration of ovals. The Minister offered to visit the schools in my electorate. He has reaffirmed that, and I will take him on a tour of a number of those schools to show him first-hand some of the urgent needs they face.

I also talked about the budget provisions for computers in schools, a very significant issue with which I have been involved on and off since 1983. I have told this House that the schools in my electorate need, in total, between 180 to 200 computers, but in reality the figure is much higher because of the state of a number of the computers. In the Estimate Committee the Minister recognised that it is not merely a simple equation of looking at the number of computers in schools at the moment and adding the appropriate number to bring it up to the target of one in five and one in 10. He acknowledged that there must be an audit. He told Parliament that there would be an audit of all schools which will look at the absolute number of computers, the state of computers in schools currently and whether they are still viable as an educational tool. Where they are not - some schools in my electorate have computers more than 11 years old - they will be looked at and in all likelihood will be replaced. I welcome that commitment.

I also talked very briefly about a range of health issues. In the Estimates Committee we heard with alarm that about 30 per cent of the Aboriginal health budget had been underspent. The shadow Minister for Health has talked extensively about the inadequacy of the Budget in addressing the real concerns in the Health portfolio, primarily waiting lists. In that regard, I raise a concern of a constituent of mine, partly to put on record the difficulties this person has experienced, but also to highlight the very real impact on the quality of life of our citizens because of the inadequate Health budget. This is a waiting list problem, a hip replacement.

I visited this constituent because he could not come to me; he was in much pain. This person is in constant pain and barely survives by taking Panadeine Forte and other medications daily. He is on a pension and has little money for his usual outings, let alone the significant cost of the medication he must take because he cannot get the urgent operation which his orthopaedic surgeon has diagnosed he needs. He has been waiting since February 1997 and earlier this year was diagnosed as being in urgent need of an operation. In effect, he has been waiting for 18 months. In the scheme of things that is considered to be a relatively short time. We do not accept that, and neither does my constituent. He is virtually housebound with little ambulatory capacity and his quality of life is very low.

In the speech I made during the second reading stage of these Bills, and in the Estimate Committee, I pursued a number of issues as shadow Minister for the Arts. I will canvass just two that have come up in the supplementary

information I received in answer to questions I asked. One is about the provision of funding to our libraries. The benchmark is 1.125 items per capita; that is, to put it simply, 1.125 books for each person in the community, although it could be compact discs or something else. That quota is set by the Library and Information Service of Western Australia and generally accepted as the minimum requirement to meet the community's needs for library stock.

I was interested in just how many of our libraries met that minimum standard or were in excess of it. The answer is that of the 142 libraries within local government authorities, 40 are under that quota. That represents 30 per cent - a significant proportion - of the local government libraries which are supplied with stock by the Library and Information Service of Western Australia. Using the minimum standard, that means 30 per cent of local government libraries are understocked. I do not think that is acceptable. I put on notice that I will pursue further detail about where those libraries are and what the Government is doing to address their needs. It will be interesting to find out, and I will check this out, whether on the whole they are in the country or in the metropolitan area. That is of concern to me and reflects the fact that LISWA has inadequate funding to meet the basic standards, and that is not acceptable.

I now turn to the Ministry for Culture and the Arts. I have raised this concern on a number of occasions in this House, at a range of levels. Primarily we have yet to see the legislation setting up the Ministry for Culture and the Arts, yet the Minister representing the Minister for the Arts announced on 20 May 1997 - a little under a year and a month ago - that it had been established. Answers to my questioning in the Estimates Committee indicated that, notwithstanding that the legislation has not been enacted, the structure of the Ministry for Culture and the Arts has been established and it is working as a ministry, yet the advisers and the Minister could not tell me what were the tangible benefits to the arts community and the Western Australian community of having a Ministry for Culture and the Arts.

It is very alarming that, through the Estimates Committee, we cannot find out why we must suffer a super ministry. The Government could not demonstrate the benefits to the community of setting up the Ministry for Culture and the Arts. Through supplementary information we now find that the cost of setting up this ministry includes nearly \$800 000 worth of fitting out of the Law Chambers; \$170 000 on information technology; \$130 000 additional rental accommodation; and \$28 000 on design, production and printing. Well over \$1m has been spent in setting up the ministry, yet the Minister representing the Minister for the Arts was not able to provide tangible examples of the benefits. It is disturbing at the very least, and perhaps even reprehensible, that inadequate justification was provided for that expenditure.

What effect will this super ministry have in real terms on the five agencies that currently comprise the Ministry for Culture and the Arts? They are icons in our cultural fabric. I refer to the Art Gallery, the WA Museum, the Library and Information Service of WA, ScreenWest and the Perth Theatre Trust. The ministry will destroy the identity of those agencies because they will not be independent: They will be operating entities but will not have their own budgets. Although the Minister and her advisers were at pains to explain that it would not happen in practice, in theory the budget could be allocated to any branch of the ministry to the detriment of the other component agencies. Those agencies will no longer exist in their own right. For instance, they will not have their own annual report. That may not appear to be a big deal, but in promoting the Art Gallery and the WA Museum it is important that they be independent and have an identity that reflects their standing in our community.

I am most concerned about the Government's intention to introduce legislation in respect of the Ministry for Culture and the Arts. I do not believe there is sufficient evidence to show that it will benefit our community, and I include cultural tourism and the benefits to our economy that result from having very strong icons of our creative culture. I will pursue that issue with some vigour. I will also pursue the maintenance in schools issue and I will follow with great interest the development of the computers in schools program.

Debate adjourned, on motion by Mr Carpenter.

ADJOURNMENT OF THE HOUSE

MR BARNETT (Cottesloe - Leader of the House) [11.22 pm]: I move -

That the House do now adjourn.

In doing so, I remind members that the House will sit tomorrow evening until 10.00 pm.

Question put and passed.

House adjourned at 11.23 pm

QUESTIONS ON NOTICE

Answers to questions are as supplied by the relevant Minister's office.

FAMILIES - EFFECT OF CHANGING WORKING CONDITIONS

2989. Mr BROWN to the Minister for Family and Children's Services:

- (1) Is the Minister aware of an article that appeared in *The West Australian* newspaper on 16 September 1997 concerning stress and pressure from Western Australia's rapidly changing working conditions disrupting home life and hurting family relationships?
- (2) Is the Minister aware that Ngala, a State funded parent advice centre, reported seeing an increasing number of parenting problems caused by partners needing to work longer hours?
- (3) Is the Minister aware of an advertising campaign conducted by the State Government in support of workplace agreements urging employees to work longer hours for higher pay?
- (4) What steps does the Minister intend to take to relieve the pressure on parents and families caused by -
 - (a) increasing work hours;
 - (b) rapidly changing work conditions?

Mrs PARKER replied:

- (1) Yes.
- (2) The Executive Director of Ngala attributes the increasing number of calls to the telephone advice service to increasing awareness and acceptance in parenting.
- (3) I am advised that the advertising and promotion of Workplace Agreements has highlighted, through case studies and examples, the flexibilities employers and employees can negotiate on conditions of employment, but there has been no urging of employees to work longer hours for higher pay.
- (4) The Government has committed nearly \$12 million to parenting initiatives over the last three years in recognition of the need to support Western Australian families. New services include parenting information centres; home visiting services; programs to support families with children with behavioural problems; Best Start for Aboriginal communities and families; the parenting line telephone service and community education campaign. Family and Children's Services is a major sponsor of the DOPLAR organised conference entitled *Work and family: Beyond 2000* held on 12 May 1998. The conference included a range of presentations including strategies for balancing work and family, elder care, technology, developing workplace/enterprise agreements.

GOVERNMENT DEPARTMENTS AND AGENCIES - CONTRACTS

3027. Mr BROWN to the Minister for Housing; Aboriginal Affairs; Water Resources:

- (1) In any of the departments or agencies under the Minister's control, are there any plans to contract out to the private sector any services or functions currently being carried out by the public sector workforce?
- (2) Have any plans been made to contract such work out over the course of 1998?
- (3) What work is planned to be contracted out?
- (4) Has any department or agency contracted any work out since 1 July 1997?
- (5) What work has been contracted out?

Dr HAMES replied:

- (1)-(5) As part of normal business management, government departments and agencies continuously review opportunities to improve the efficiency of services and functions currently being carried out by the public sector workforce. This includes consideration of contracting out to the private sector. The Government's approach is that the decision to contract out services and functions is made at agency level to suit agency needs. Since July 1997 many agencies have contracted out work previously performed by the public sector workforce. This ranges from small and routine functions contracted out to release skilled public sector staff

for higher value work in their agencies, to significant outsourcing projects where moving functions and staff to the private sector has resulted in better service and value for money to the community. Agencies normally disclose their key contracting processes as part of their annual reporting process.

WOMEN'S INTERESTS - AFFIRMATIVE ACTION BY GOVERNMENT

3052. Ms WARNOCK to the Minister for Women's Interests:

- (1) What percentage of girls are studying mathematics at -
 - (a) secondary;
 - (b) tertiary;
 level in Western Australia?
- (2) How does this figure compare with the figure 10 years ago?
- (3) What is the Government doing about promoting women in business in Western Australia?
- (4) Is the Government promoting flexible work practices to make it easier for women to balance work and family commitments?
- (5) What is the Government doing about providing improved protection and support services for victims of domestic violence?
- (6) What is the Government's long term strategy to prevent and reduce the incidence of domestic violence?
- (7) Was the Government able to reduce the incidence of work related injuries and diseases by 20% in 1997, as outlined in the "Government Two Year Plan for Women 1996 - 1998"?
- (8) What has the Government done to provide additional security on public transport in response to women's concerns in this area?
- (9) What has the Government done to ensure the school policies and practices are pro-active in reducing violence?
- (10) What has the Government done to ensure that women's voices are heard on Government decision making bodies?
- (11) What has the Government done to foster the establishment of an effective network of Women's Health Services to deal with reproductive health and women's emotional and mental health?
- (12) What has the Government done to increase the participation of women of all ages in sport and recreation activities?
- (13) What has the Government done to strengthen the capacity of the Mental health Services to respond appropriately to the needs of women?
- (14) What has the Government done to develop plans for making sexual assault services available to women throughout Western Australia?
- (15) What has the Government done to develop appropriate drug abuse treatment services for women?
- (16) In relation to girls education, what is the Government doing to provide access for girls to computers in every classroom?
- (17) In relation to girls education, what is the Government doing to ensure that girls engage with information technology to improve learning outcomes?
- (18) Has the Interim Curriculum Council developed inclusive curriculum statements for all schools in Western Australia, containing access and equity perspectives for girls?
- (19) Has the Government adopted the principle that the provision of quality and affordable child care is critical in assisting women to complete vocational and education and training programs?
- (20) Who founded the North West Women's Association and why was funding cut in June 1997?
- (21) Has it been restored?
- (22) If not, why not?

Mrs PARKER replied:

The questions asked by the Member in the main refer to commitments made in the Government Two Year Plan for Women 1996-98 which was developed by government agencies and coordinated by the Women's Policy Development Office. A recent publication Action for Women: Highlights summarises some of the achievements of agencies in implementing the Plan. Other information is contained in agency annual reports. In accordance with the main streaming policy of this government, responsibility for the implementation of the Two Year Plan lies with the individual agencies and inquiries on specific matters should be directed to the relevant Minister. The following responses are provided in respect of my own responsibilities and some supplementary information in relation to line agencies.

- (1)-(2) This information can be obtained from the Minister for Education.
- (3) The Women's Policy Development Office has worked with the Small Business Development Corporation and the Department of Commerce and Trade and Department of Training on a number of initiatives which work towards promoting women in business in Western Australia. These include the 1995/96 implementation of the Women and Small Business Strategy and the ongoing links provided by a small networking group of women in business and government agencies. Additional information can be obtained from the Minister for Small Business.
- (4) Yes. The Department of Productivity and Labour Relations provides information on options for flexibility to employers and employees, both male and female, through a range of publications and forums.
- (5) The Domestic Violence Prevention Unit within the Women's Policy Development Office is implementing the "Action Plan on Family and Domestic Violence". This includes a key objective to "improve responses to family and domestic violence so that the safety, protection and security of victims is increased". In addition, Family and Children's Services is working with other government agencies and community groups to address domestic violence. The priority is to assist victims of violence to obtain safety if they are in danger or under threat of danger. The department's service delivery offices are required to provide services to people affected by domestic violence. These include providing financial assistance to enable victims of violence and their families to obtain safety, counselling and support, information and referral, transport and accommodation as well as funding non government agencies to provide services. The Crisis Care Unit also provides a 24 hour service to people affected by domestic violence.

Over \$9.6 million is now allocated for 66 non government domestic violence services, representing a 22 per cent increase from 1996/97 (\$7.6 million). Non government services include supported accommodation services, domestic violence outreach, victim support and advocacy services, Aboriginal family violence support and prevention services, counselling for children affected by domestic violence, and domestic violence counselling services.

- (6) Ongoing implementation of the "An Action Plan on Family and Domestic Violence".
- (7) No.
- (8) This information can be obtained from the Minister for Transport.
- (9) This information can be obtained from the Minister for Education.
- (10) It is Government policy to increase the gender balance on government boards and committees. The Ministry of the Premier and Cabinet maintains a register of women and men who are interested in positions on boards and committees. Where agencies have particular problems on sourcing women with the relevant skills and abilities, the Women's Policy Development Office has been able to assist. Since I assumed responsibility for the Women's Interest portfolio there has been an increase of nearly 3 percent in the number of women on government boards and committees.
- (11) The Western Australian Women's Health Organisation was established in June 1997 to provide support through information and resource sharing, advocacy and improved linkages with rural service providers. Additional information can be obtained from the Minister for Health.
- (12) This information can be obtained from the Minister for Sport and Recreation.
- (13) Both National and State Mental Health Policy identify women as an important target group. The National Mental Health Standards highlight gender as an important area to address in ensuring equitable access to services. Additional information can be obtained from the Minister for Health.
- (14) Sexual assault services are available to women throughout Western Australia. These services are currently

located at Port Hedland, Geraldton, Kalgoorlie, Bunbury and Peel. In addition, the Sexual Assault Referral Centre at King Edward Memorial Hospital provides Statewide support to regional Sexual Assault Services and outreach services located at regional Women's Health and Community Health Centres.

- (15) The government funds a number of programs whose major focus is treatment and counselling services for women. These are:

Perth Women's Centre, 122 Aberdeen Street, Northbridge: Women's Health Care House through the Perth Women's Centre offers a wide range of culturally and gender appropriate services to support women who are experiencing difficulties due to their own or a significant other's drug use. These services include, a non residential treatment service, counselling, and community education to raise awareness of women's health issues related to drug use and dependence. The program is funded jointly by the WA Drug Abuse Strategy Office for \$95,530 per annum and the Health Department of WA through the National Women's Health Program for \$74,000 per annum.

Hearth, 11 Vale Road, Mount Lawley, WA: The Hearth program was developed in response to a gap in alcohol and drug service provision for parents with children. Hearth provides at home rehabilitation for parents who have problems associated with alcohol or other drug use. Just over half of the families assisted by Hearth have been single parent families and all were headed by a woman. Criteria for participation includes the presence of children under the age of 18 years in the family and those seeking treatment must have primary or secondary responsibility for those children. The program is funded by the WA Drug Abuse Strategy Office for \$78,300 per annum and Wesley Mission contributes the remainder.

Chemical Dependency Unit, King Edward Memorial Hospital (KEMH), Hensman Road Outpatient Clinic: This unit is a joint venture between KEMH and the WA Alcohol and Drug Authority.

All non government services funded, including the 10 newly established Community Drug Service Teams have a specific focus on women's programs and these will be incorporated under Best Practice Principles.

- (16)-(18) This information can be obtained from the Minister for Education.
- (19) The Government acknowledges the value of quality and affordable child care in assisting women to complete vocational and education and training programs.
- (20) I am advised that the North West Women's Association (NWWA) was founded by Lyrus Weightman and a group of North-West women in 1988. The funding for the NWWA, administered through the Women's Policy Development Office, was a one-off three year commitment which ended in the 1996/97 financial year.
- (21) No.
- (22) It was a one-off three year commitment which ended in the 1996/97 financial year.

EXMOUTH RESORT AND CANAL DEVELOPMENT - PREMIER'S ADVICE AND DISCUSSIONS

3090. Mr BROWN to the Premier:

- (1) Further to question on notice 1691 of 1997, when did the Premier first become aware of the proposal by Trade Centre Pty Ltd?
- (2) Did the Premier receive any advice or information on the project in 1996?
- (3) Did the Premier have occasion to discuss the project with any Minister or Ministers in 1996?
- (4) On what date or dates was the project discussed?
- (5) What was the nature of the discussions?
- (6) Was the Premier consulted about any approvals, undertakings or arrangements being made with the proponents of the project?
- (7) If so, what was the nature of the approvals, undertakings or arrangements the Premier was consulted about?
- (8) Did the Premier express any views or give any instructions on or about the project?
- (9) What views or instructions did the Premier give?
- (10) Did the Premier have occasion to discuss the project with -

- (a) the Minister for Tourism;
- (b) the Minister for the Environment;
- (c) the Minister for Planning;
- (d) the Minister for Lands?

(11) On what dates did such discussions take place?

(12) What was the nature of the discussions?

Mr COURT replied:

- (1) I became aware of the proposal by Trade Centre Pty Ltd as Minister for Tourism in December 1994, when the then Chairman of the Western Australian Tourism Commission Mr Kevin Harrison forwarded a copy of a concept plan to my office. The proponent had asked that as Minister for Tourism, I be informed of their plan.
- (2) A Director of Trade Centre Pty. Ltd. wrote to my office on 4 November, 1996 with a query in relation to a proposal to establish a tourist facility on the west coast of North West Cape.
- (3) Neither the diary records from my office nor those of the Minister for Tourism indicate any meeting in relation to this issue.
- (4)-(5) Not applicable.
- (6) I am not aware of any consultations occurring with the proponent about approvals, undertakings or arrangements associated with the proposed development.
- (7) Not applicable.
- (8) Yes.
- (9) The concept plan sent to me in 1994, identified a good location, however the design displayed some limitations.
- (10) (a)-(d) Not that I am aware of.
- (11)-(12) Not applicable.

LEGISLATION - PROGRESS

3106. Mrs ROBERTS to the Minister for Police:

Will the Minister advise on the progress of the following bills -

- (a) Control of Weapons Bill;
- (b) Criminal Investigation Procedures Bill;
- (c) Ancillary Power of Search Bill;
- (d) Evidence Amendment Bill?

Mr DAY replied:

- (a) The Weapons Bill is in its final stages of drafting and I expect will be introduced into Parliament either late in the Autumn Session or early in the Spring Session this year.
- (b) The Criminal Investigation and Procedure Bill is in the early stages of drafting.
- (c) At this stage there is no Ancillary Power of Search Bill, however, a proposal is being considered to include ancillary powers of search provisions within the Criminal Investigation and Procedure Bill.
- (d) If the Honourable Member is referring to the Evidence Amendment Bill (No.2), I am advised that the Hon Attorney General intends to introduce this Bill during 1998.

BEACH PARKING CHARGES

3115. Mr BROWN to the Minister for Local Government:

- (1) Does the Government intend to allow local authorities to impose a charge for parking near the beach?
- (2) If so, why?

- (3) As a matter of policy, does the Government accept that all Western Australians should be given free access to the beach?
- (4) If so, what actions will the Government take to ensure this policy is maintained?
- (5) Is it true that any beach parking charge, will minimise the number of car bays currently available for people wishing to visit the beach without cost?
- (6) If so, how will permitting beach parking fees conform with the policy position of beaches being free and available to the public?

Mr OMODEI replied:

- (1)-(6) I have previously stated the view that Councils should not institute charges for parking at beaches where it can be construed as charging to have access to the beach. However, I have also indicated that paid parking in conjunction with commercial facilities such as a restaurant may be reasonable. In all cases Councils will need to make or modify local laws to give such effect and the Local Government Act provides avenues for such laws to be amended or revoked by the Governor or either House of Parliament.

COMMONWEALTH REGIONAL TELECOMMUNICATIONS INFRASTRUCTURE FUND

3175. Mr GRAHAM to the Premier; Treasurer; Minister for Public Sector Management; Federal Affairs:

- (1) Has any organisation within the Premier's portfolio area made application to the Federal Government for grant funds made available under the Commonwealth Regional Telecommunications Infrastructure Fund?
- (2) If yes to (1) above -
 - (a) for what purpose was the application made;
 - (b) which organisation made the application;
 - (c) how many applications were made;
 - (d) how much funding is each application seeking;
 - (e) what amount of state funding is committed to each application;
 - (f) which other State bodies are joint applicants;
 - (g) which other State bodies have an interest in each application;
 - (h) on what date was each application submitted;
 - (i) has the Premier sought discussion with the Federal Minister to support each application;
 - (j) which Federal Members of Parliament have supported each application;
 - (k) will the Premier make a copy of each application available?
- (3) If no to (1) above, why was no application made?

Mr COURT replied:

Ministry of the Premier and Cabinet

- (1) No.
- (2) Not applicable.
- (3) In view of the limited funds allocated to this Commonwealth program in Western Australia, it was considered more appropriate that applications be made by service delivery agencies and regionally-based development and community groups.

Under Treasurer

- (1) No.
- (2) Not applicable.
- (3) This falls within the Deputy Premier's area of responsibility and it is understood that an application has been made by the Department of Commerce and Trade.

Anti-Corruption Commission

- (1) No.
- (2) Not applicable.
- (3) The Anti-Corruption Commission does not have offices outside of Perth.

Governor's Establishment

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

Office of the Public Sector Standards Commissioner

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

Gold Corporation

- (1) Not appropriate.
- (2) Not applicable.
- (3) Given the nature of the business of Gold Corporation, it is not considered appropriate to make an application.

Office of the Auditor General

- (1) No.
- (2) Not applicable.
- (3) Not relevant to the functions of the Office of the Auditor General.

WOMEN'S PROGRAMS

3218. Ms WARNOCK to the Minister for Employment and Training:

- (1) In relation to the Government's two year plan for women what was the Government done to improve access, programs for women from culturally and linguistically diverse backgrounds and to ensure that curriculum and training is appropriate for them?
- (2) Has the Government provided funds for a part-time Women's Programs Officer within the Department for Employment and Training's Aboriginal Service Bureau?
- (3) Has the Government accredited and promoted a training course for women in small business?
- (4) Has the Government researched and reported on women's skill requirements for employment in emerging information technology areas?
- (5) Has the Government implemented a mentoring scheme to enhance the growth and viability of businesses owned by women?
- (6) Has the Government provided specially tailored advice to women participants in pre-mission briefing sessions for trade missions and market visits?

Mrs EDWARDES replied:

- (1) Within the Employment and Training portfolio a range of programs are offered. For example, customisation and accreditation of the New Opportunities for Women course for delivery to women from culturally and linguistically diverse backgrounds is being finalised and English programs are offered in local communities and workplaces by the Adult Migrant Education Service.
- (2) No. The branch employs an Indigenous female Program Development Officer. Her duties include improving access to programs and services to Indigenous women throughout the State. This Officer is employed under Indigenous Employment Strategic Initiatives Program (IESIP) program.
- (3) A TAFE training course in small business is offered and two of the introductory modules have been customised to ensure the training course is inclusive of women.

- (4) Yes. The State Training Strategy to be launched later this year will report some of the findings of targeted research on the needs of Western Australian women and the emerging technology areas.
- (5) Yes. A Mentoring Scheme for Women in Small Business is being coordinated by the Department of Training.
- (6) This question should be referred to the Minister for Commerce and Trade.

WOMEN'S EDUCATION AND TRAINING

3220. Ms WARNOCK to the Minister for Employment and Training:

- (1) In relation to the Government's two year plan for women has the Government implemented an Aboriginal career and employment plan to significantly increase the proportion of Education Department staff who are Aboriginal?
- (2) If so, how many are employed?
- (3) If not, why not?
- (4) Has the Government introduced models of flexible work arrangements to assist staff in meeting work and family commitments?
- (5) Has the Department of Employment and Training developed a State-wide plan for women's vocational education and training?
- (6) If so, has its implementation been started?
- (7) If not, why not?
- (8) Has the Department of Employment and Training conducted gender inclusive training for staff in the public and private sectors?
- (9) Is the Government ensuring that the Department of Employment and Training promotes an environment free of sex-based harassment, including providing professional development to assist staff in responding to inappropriate behaviour?
- (10) Has the Government reviewed and updated women's access programs to increase the number of women moving into mainstream vocational education and training?
- (11) What has the Government done to encourage and facilitate women to broaden their career options and to access training areas with viable employment options?
- (12) Is the Government continuing the Tradeswomen on the Move Program?

Mrs EDWARDES replied:

- (1)-(3) These questions should be referred to the Minister for Education.
- (4) Yes. The Department and TAFE Colleges have introduced a range of initiatives which promote flexibility and recognise the need to balance work and family commitments. Initiatives which have been introduced are:
 - Family Carers Leave. Paid leave up to 37.5 hours per annum to provide care for either family members or members of an employee's household;
 - Self Funded Work Breaks. Available to permanent employees whereby they receive 4 years salary proportioned over five years with the fifth year as self funded leave;
 - Flexible Part Time Work Arrangements. Full time employees can convert to part time with consent of the employer and can work part time for up to 12 months;
 - Home Based Work Policy. Available to all permanent full time or part time employees, subject to management approval;
 - Long Service Leave. Employees are able to take a period of accrued long service leave in periods of not less than one week. Previous arrangements required employees to clear a minimum of four weeks at any one time. This new arrangement provides greater flexibility to employees;

The span of hours has been increased and employees are able to vary work hours to average 37.5 hours per week over a 12 week period; and

Employees accrue 2.5 hours per week which accrue toward 10 paid accrued days off per annum.

- (5)-(7) Planning to meet the needs of women within the Employment and Training portfolio is addressed within the analysis of training needs for all Western Australians which will be incorporated in the State Training Strategy to be finalised shortly. Planning to meet nationally agreed outcomes is also under way. In addition, specific projects are developed to meet local needs. Key achievements are reported in the Government's Two Year Plan for Women. Innovative professional development projects across the VET sector addressing the priorities for management and leadership development, and access and participation for women include:

A Women-Leadership and Management project was piloted at Midland College of TAFE and Great Southern Regional College of TAFE.

A marketing VET to Women in rural and remote areas Kimberley Region project.

Interactive professional development workshops for the implementation of the Language Other Than English (LOTE) New Opportunities for Women were conducted at three metropolitan colleges.

The training needs of women in business.

The Department has also managed a range of national strategic projects focusing on:

Pathways for Women from Adult Community Education to VET.
Marketing VET to Women.
Women in correctional facilities.

- (8) Yes. Gender inclusive training was promoted in 1996. Participants were from both public and private providers.
- (9) Yes. The Department of Training places a very strong emphasis on ensuring that the work environment is free of harassment. The following practices are in place which promote diversity in the work place and ensure that the workplace is free of discrimination, including sex-based harassment:

Job Description Forms have been revised to include EEO in both the duty statements and selection criteria for all staff;

A copy of the Department's Equal Employment Opportunity Policy Statement is provided to all applicants for positions with the Department. The policy sends a clear message to prospective employees about what is acceptable behaviour and practice in the workplace;

Policy statements on Racial Harassment and Sexual Harassment are distributed to all employees. These policies aim to educate and raise awareness on what constitutes sexual and racial harassment;

Professional Development is available to staff who wish to attend workshops on sexual and racial harassment;

The Department has a grievance procedure to deal with complaints of sex-based harassment and to ensure that the complaints are treated seriously and promptly;

The Department has designated Sex-Based Harassment Contact Officers to help staff wishing to make enquiries about the sex-based harassment policy and grievance procedures. The officers are trained to provide information and support to people;

The Department has a Sex-Based Harassment Grievance Officer who undertakes training to ensure that they are aware of the correct procedures to be followed before they become involved in attempting to resolve a complaint of sex-based harassment; and

Where the complaint cannot be resolved through mediation a process of arbitration may be commenced.

- (10) The development and review of access programs for women are part of the ongoing process of service delivery.

(11)-(12)

The Department of Training will host a Career Expo on 16 and 17 September 1998. This is to encourage all Western Australians, including women, to broaden their career options. Planning is under way to incorporate the Tradeswomen on the Move program with the Department's Career Expo. As part of the overall strategy a marketing kit is currently being developed which will be distributed to schools and key stakeholders. This builds on the initiatives in 1997 when the Department visited schools in metropolitan and country areas to encourage young women to broaden their career choices.

EXPORT OF SLEEPERS

3298. Dr EDWARDS to the Minister for the Environment:

For each of the years 1992-93 to the present, what quantity of sleepers from -

- (a) jarrah; and
- (b) other species (please specify);
 - (i) was produced; and
 - (ii) exported?

Mrs EDWARDES replied:

- (a) (i)

1992-93	13 989 cubic metres
1993-94	14 069 cubic metres
1994-95	13 750 cubic metres
1995-96	8 241 cubic metres
1996-97 (provisional)	13 167 cubic metres.
- (ii) Information provided by the Australian Bureau of Statistics is:

1992-93	7 945 cubic metres
1993-94	2 773 cubic metres
1994-95	1 724 cubic metres
1995-96	588 cubic metres
1996-97	699 cubic metres.
- (b) (i) Detailed breakup by species not available.

1992-93	7 610 cubic metres
1993-94	6 256 cubic metres
1994-95	4 110 cubic metres
1995-96	1 854 cubic metres
1996-97 (provisional)	4 709 cubic metres
- (ii) Information provided by the Australian Bureau of Statistics is:

1992-93	0 cubic metres
1993-94	65 cubic metres
1994-95	188 cubic metres
1995-96	160 cubic metres
1996-97	0 cubic metres.

STEVEDORING COMPANIES

Sacking of Unionised Workforce

3315. Mr BROWN to the Premier:

- (1) Is the Premier aware of an article that appeared in *The West Australian* on Saturday 28 February 1998 concerning a minute being prepared for Federal Workplace Relations Minister Hon. Peter Reith MHR which outlined a plan under which stevedoring companies would sack their entire unionised workforce?
- (2) Have any discussions or communications taken place between the Federal Government and the State Government on this matter?
- (3) If so, what was the nature of those discussions or that communication?

Mr COURT replied:

- (1) Yes.

- (2) I have had no discussions with the Federal Government on this matter.
- (3) Not applicable.

GOVERNMENT DEPARTMENTS AND AGENCIES

Corporate Credit Card Allocation and Guidelines

3353. Mr RIPPER to the Minister for Housing; Aboriginal Affairs; Water Resources:

- (1) How many staff in the departments and agencies under the Minister's control have been allocated Corporate Credit Cards?
- (2) Is there a policy in place to guide staff in the use of these credit cards?
- (3) If yes to (2) above, where is this policy published?
- (4) If no to (2) above, why not?

Dr HAMES replied:

- (1) 167.
- (2) Yes.
- (3) Water Corporation has a policy library where the information is retained.

Water & Rivers Commission issue a copy of Corporate Credit Card Conditions and Agreement along with a copy of the Corporate Credit Card Police and Procedures to each Corporate Credit Card Applicant.

Office of Water Regulation holds a policy electronically and a copy is given to each cardholder prior to issue of a Corporate Credit Card.

Homeswest has a Corporate Policies Manual.

Government Employees Housing Authority publishes the policy internally with copies provided to card holders. Cardholders are required to acknowledge acceptance of the policy conditions in writing before they can use a card.

Aboriginal Affairs Department publish a policy on the use of a Corporate Card in the Department's Supply Procedure Manual. Formal acknowledgement and agreement to agency policy and procedures is required in the application process by the prospective cardholder.

- (4) Not applicable.

WATER RATES

Recovery of Arrears

3514. Mr PENDAL to the Minister for Water Resources:

- (1) What procedures does the Water Corporation have in place for the recovery of water rates and consumption accounts in arrears?
- (2) What period of time is likely to pass before the corporation would take legal action to recover such arrears?
- (3) Is it likely that an account could remain outstanding two years after the charges were levied?
- (4) If so, for what type of reasons could accounts remain unpaid after such a period of time?
- (5) What proportion of the corporation's income from consumer charges currently remains in arrears, or of an outstanding nature?

Dr HAMES replied:

- (1) Under its governing legislation the Water Corporation can take the following actions to recover outstanding charges -

- Restrict the flow of water to the property
- Initiate legal action
- Obtain rent payments from a lessee or tenant

Place a memorial on the property
 Sell the property after an amount is outstanding for a period of 5 years

- (2) The minimum period of time is 7 weeks following the first notice of recovery action. Actual times vary on customer response and level of debt.
- (3) It is possible in some circumstances.
- (4) Where the customer has entered into a negotiated payment arrangement; recovery action is being taken against the property owner; or the account is in dispute.
- (5) As at 31 March 1998, 1.3% of the total net annual charges and water sales raised in 1996/97 remain outstanding.

GOVERNMENT DEPARTMENTS AND AGENCIES

Compliance with Codes of Conduct

3591. Mr BROWN to the Minister for Public Sector Management:

- (1) Further to question on notice No 2497 of 1998, what public sector agencies have been able to demonstrate -
 - (a) compliance;
 - (b) non-compliance,

with the Codes of Ethics and Codes of Conduct by utilising the methods used to measure compliance as outlined in answers to sub-questions 6 and 7 of the previous question?
- (3) Are such results or findings publicly available?
- (4) If not, why not?

Mr COURT replied:

Response from Commissioner for Public Sector Standards:

- (1) The information sought is set out in the Commissioner's annual Compliance Report to Parliament for the year ended 30 June 1997. The Commissioner forms an opinion as to the extent of compliance by public sector bodies and employees based on the assessment of a range of factors as outlined in the answer to question on notice No 2497 of 1997. For the 1997/98 year, reviews of 26 public sector agencies will be completed, as well as the examination of specific allegations of unethical behaviour. The findings and subsequent opinions will be included in the Commissioner's annual Compliance Report to Parliament for the year ending 30 June 1998.
- (2) Yes.
- (3) Not applicable.

MENTAL HEALTH SERVICES FOR THE AGED

3611. Mr McGINTY to the Minister for Health:

- (1) Are the Minister and the Government committed to the mental health policies contained in their document titled 'Making a Commitment: The Mental Health Plan for Western Australia'?
- (2) Does the Mental Health Plan for Western Australia contain a commitment to the policy that specialist services are needed when the treatment of mental disorder is complicated by physical conditions of ageing such as physical frailty, degenerative illness and dementia?
- (3) Is it not a fact that consistent with this policy psychogeriatric services are needed for the inner city region catering for people aged 65 and above who suffer from a form of dementia or a late onset psychiatric illness?
- (4) Is it not also fact that -
 - (a) the inner city suburbs have a concentration of general aged care facilities;
 - (b) there is a high rate of elderly people with mental health problems living in hostels and nursing homes in the inner city suburbs?

- (5) Was the Inner City Mental Health Service (Elderly), (ICMHS(e), initially known as The Inner City Psychiatric Service for the Elderly, set up in 1995 as a three year Commonwealth-funded pilot project to provide psychogeriatric services to the elderly in the inner city region?
- (6) Was the Inner City Mental Health Service (Elderly) set up with reference to the State Government policies as contained in the State Mental Health Plan and do the eligibility criteria for the ICMHS (e) reflect the principles of the State Mental Health Plan?
- (7) Prior to the Inner City Mental Health Service (Elderly) being established, was the inner city region not a "black hole" in psychiatric services for the elderly, with already stretched non-local services at Swan, Bentley and Osborne Park unable to provide more than a very limited service, and was this limited service not also fragmented and unable to provide continuity in patient care?
- (8) Is it not a fact that in the period 1 May 1996 to 1 May 1997, the Inner City Mental Health Service (Elderly) succeeded in maintaining 76 per cent of its referrals within their home environment?
- (9) Is it not a fact that the development of services to the elderly has been prioritised by the Mental Health Division of the Health Department as an area requiring the injection of growth funds?
- (10) Are community based services another area prioritised for the injection of funds?
- (11) If yes to (9) and (10) above, and in view of the importance of the work of the ICMHS (e), why is it that to date the recipients of care through the unit are not certain whether the funding for the unit will be renewed beyond June 1998?
- (12) Will the Government take over the recurrent funding of the Inner City Mental Health Service (Elderly)?
- (13) If not, why not?

Mr PRINCE replied:

- (1)-(3) Yes.
- (4) (a)-(b) Yes.
- (5)-(7) No.
- (8)-(10) Yes.
- (11) Continued funding is being sought through the health care negotiations with the Commonwealth as the service is an aged care initiative. Despite this the Mental Health Division has committed funding for a Psychogeriatrician. Other options are being explored within the Health Department of Western Australia.
- (12) The Health Department values the work of the Inner City Mental Health Service for the Elderly and does not want to see it close. In anticipation of Commonwealth support, decisions regarding funding of the service are being deferred.
- (13) Not applicable.

HOMESWEST, WYNDHAM

3645. Dr GALLOP to the Minister for Housing:

- (1) How many clients were on the waiting list for Homeswest accommodation in Wyndham as of -
 - (a) 30 June 1994;
 - (b) 30 June 1995;
 - (c) 30 June 1996; and
 - (d) 30 June 1997?
- (2) What is the average waiting period for Homeswest accommodation in Wyndham?

Dr HAMES replied:

- (1)
 - (a) 11.
 - (b) 4.
 - (c) 7.
 - (d) 4.

- (2) There is currently no demand for Homeswest accommodation in Wyndham. At present, Homeswest has 11 properties which are either vacant due to lack of demand or are on the market. Homeswest will continue to consider selling properties which become vacant while there is no demand for rental accommodation in Wyndham.

MINISTER FOR WATER RESOURCES' NEW ZEALAND ITINERARY

3684. Mr CARPENTER to the Minister for Water Resources:

- (1) Will the Minister table his itinerary for his trip to New Zealand from 18 July to 24 July, 1997?
(2) If not, why not?

Dr HAMES replied:

- (1) The requested itinerary is tabled. [See paper No 1469.]
(2) Not applicable.

FINES ENFORCEMENT CONTRACTORS

3688. Mr RIEBELING to the Minister representing Attorney General:

With respect to the responsibilities of the fine enforcement contractors appointed to execute warrants in accordance with the Fines, Penalties and Infringements Act -

- (a) was there a requirement under the contract that they open an office in a designated centre in their region;
(b) if yes, has this requirement been adhered to in all regions;
(c) if no to (b) above, what regions do not have an office; and
(d) if the requirement has not been adhered to what action does the Attorney General intend to take?

Mr PRINCE replied:

The Attorney General has provided the following reply:

- (a) Yes.
(b)-(c) The Ministry of Justice inspected each of the offices in each of the regions, and was satisfied that the premises and equipment were in accordance with contractual obligations. The Ministry of Justice is investigating a situation in which the South West Region Contractor has not occupied the office stated by the contractor, as being the designated office in accordance with the contract.
(d) The Ministry of Justice is investigating the matter and will raise the matter with the contractor concerned.

ART GALLERY FOUNDATION DIRECTOR

3690. Ms McHALE to the Minister representing the Minister for the Arts:

In relation to the position of Director, Art Gallery Foundation, which was established on a temporary basis in January 1997 (Question on notice 3286 of 1998) -

- (a) who was the secondee who filled that position;
(b) from what Government agency was the officer seconded;
(c) as the secondment has now ended, to what government agency, and what position, has the officer returned;
(d) when will the workplace agreement for new position of Executive Officer Foundation and Development be finalised and the position advertised;
(e) will applicants for this position have the choice between an enterprise based agreement and a workplace agreement; and
(f) if no to (e) above, why not?

Mrs EDWARDES replied:

The Minister for the Arts has provided the following reply:

- (a) Ms Jane Longton was seconded to the temporary position of Director, Art Gallery Foundation.
- (b) The officer was seconded from the Ministry of the Premier and Cabinet.
- (c) The officer has now left the Public Sector.
- (d) Approval for the Individual Workplace Agreement for the position of Executive Officer, Foundation and Development was notified on 15 March 1998. The position was advertised on Saturday 2 May 1998.
- (e)-(f) The Government Labour Relations Policy Statement issued by the Department of Productivity and Labour Relations on 13 March 1998 will apply.

GOVERNMENT VEHICLES WITH PERSONALISED NUMBER PLATES

3740. Mr MASTERS to the Minister for the Environment; Employment and Training:

- (1) Have any of the Government agencies or departments within the Minister's portfolio responsibilities purchased personalised number plates for any of the motor vehicles within their car or truck fleets?
- (2) If yes, how many personalised plates have been purchased in each of the past three years and at what cost?

Mrs EDWARDES replied:

Kings Park and Botanic Garden

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

Perth Zoo

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

Department of Environmental Protection

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

Department of Training

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

Central Metropolitan College of TAFE

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

West Coast College of TAFE

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

South East Metropolitan College of TAFE

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

South Metropolitan College of TAFE

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

Midland College of TAFE

- (1) No.

(2) Not applicable.

Central West College of TAFE

(1) No.

(2) Not applicable.

Great Southern Regional College of TAFE

(1) No.

(2) Not applicable.

Hedland College of TAFE

(1) No.

(2) Not applicable.

Karratha College of TAFE

(1) No.

(2) Not applicable.

South West Regional College of TAFE

(1) No.

(2) Not applicable.

Conservation and Land Management

(1) No.

(2) Not applicable.

GOVERNMENT VEHICLES WITH PERSONALISED NUMBER PLATES

3743. Mr MASTERS to the Minister for Lands; Fair Trading; Parliamentary and Electoral Affairs:

(1) Have any of the Government agencies or departments within the Minister's portfolio responsibilities purchased personalised number plates for any of the motor vehicles within their car or truck fleets?

(2) If yes, how many personalised plates have been purchased in each of the past three years and at what cost?

Mr SHAVE replied:

(1) No.

(2) Not applicable.

GOVERNMENT VEHICLES WITH PERSONALISED NUMBER PLATES

3746. Mr MASTERS to the Minister for Health:

(1) Have any of the Government agencies or departments within the Minister's portfolio responsibilities purchased personalised number plates for any of the motor vehicles within their car or truck fleets?

(2) If yes, how many personalised plates have been purchased in each of the past three years and at what cost?

Mr PRINCE replied:

(1) No.

(2) Not applicable.

MINIM COVE CLEANUP

3768. Dr EDWARDS to the Minister for the Environment:

(1) With respect to the LandCorp development at Minim Cove, Mosman Park, what statistical evidence has

been made available to the Environmental Protection Authority (EPA) or the Department of Environmental Protection (DEP) to ensure 100 per cent cleanup on land potentially for purchase for residential use?

- (2) What are the results of those calculations?
- (3) Will the Minister table the source and detail of those reports?
- (4) On what dates did Halpern Glick and Maunsell or other agent conduct column testing on the mobility of contaminated wastes from the Tom Perrot reserve site?
- (5) What were the results of the mobility of all chemicals tested?
- (6) What were the results of varying transmission in rate and volume of solutes and solvents through the respective columns?
- (7) Was this evidence made available to the first EPA Webster Committee on the extension of the "cell"?
- (8) If not, why not?

Mrs EDWARDES replied:

- (1) Statistical analysis (of 12.5m grid samples) was used by the Department of Environmental Protection (DEP) in determining that satisfactory clean up has been achieved, for the first area of the site (on the western part). For subsequent areas, compliance with clean up criteria at 12.5m grids across the site in conjunction with visual inspection by the DEP were used to determine if the clean up has been achieved.
- (2) The results of the statistical analysis showed that clean up has been achieved with 95% confidence.
- (3) The above statistical analysis reports can be made available to the public on request.
- (4) Tests including column tests were conducted in January 1996, to determine the mobility of cyanide, arsenic, mercury and iron in the containment cell, in the event of water entering the cell. The column tests were run on a limestone column and a limestone over pyrite cinders column, using the same stock solution containing soluble cyanide, arsenic and mercury.
- (5) The results of the column tests showed that limestone reduces concentrations of soluble mercury, arsenic and cyanide in the stock solution.
- (6) A change in percolation rate was noted between the two column tests, and there was an anomalous reduction in the concentration of cyanide in the leachate in the limestone column test (87.5%) comparing with that in the limestone and pyrite column test (12.5%).
- (7) No.
- (8) The reports on the results of the column tests were submitted to the DEP on 7 February 1996, and the Webster Committee submitted its final report to the EPA on 30 January 1996.

WOODMAN POINT WASTE WATER TREATMENT PLANT UPGRADE

3769. Mr McGOWAN to the Minister for Water Resources:

- (1) When will the upgrade to the Woodman Point treatment plant be completed?
- (2) What level of treatment will sewerage then be treated to?
- (3) When will this upgrade be completed?
- (4) What is the total cost?
- (5) What is the estimated expenditure on this during each of the following five financial years?

Dr HAMES replied:

- (1) In 2002.
- (2) Advanced secondary treatment.
- (3) In 2002.
- (4) Approximately \$100m.
- (5) Approximate expenditure is expected to be:

1998/1999	\$ 5m
1999/2000	\$ 30m
2000/2001	\$ 50m
2001/2002	\$ 15m
	\$100m

DEEP SEWERAGE CONNECTIONS IN BASSENDEAN

3780. Mr BROWN to the Minister for Water Resources:

- (1) Further to question on notice 3137 of 1998, can the Minister advise how many properties in the Bassendean electorate have connected to deep sewerage provided by the Infill Sewerage Project between its commencement in 1993 and the 1 March 1998?
- (2) Do property owners pay a connection fee when connecting to deep sewerage?
- (3) What amount or approximate amount has been collected from connection fees for the properties connected to deep sewerage?
- (4) What is envisaged to be the amount that will be collected in connection fees for the properties yet to be connected?
- (5) What is anticipated to be the amount that will be collected from connection fees from the Infill Sewerage Program for the entire Bassendean electorate once the project is complete?

Dr HAMES replied:

- (1) 954.
- (2) No. However, property owners pay a plumbing inspection fee based on the number of sewerage fixtures for each property. Due to these records being maintained by a manual system, details are not readily available.
- (3) The approximate amount for plumbing inspection fees based on an average of two sewerage fixtures per property is \$78,705.
- (4) The approximate amount for plumbing inspection fees based on an average of two sewerage fixtures per property is \$52,305.
- (5) The approximate amount for plumbing inspection fees based on an average of two sewerage fixtures per property is \$290,483.

TRAINEESHIP FUNDING

3781. Mr BROWN to the Minister for Employment and Training:

- (1) Further to question on notice 3092 of 1998, can the Minister advise how much (in terms of hours) off the job training is required under the traineeship?
- (2) What amount does the State contribute to the cost of off the job training?
- (3) What amount does the Commonwealth contribute to the traineeship?

Mrs EDWARDES replied:

- (1) 240 hours.
- (2) Where the off the job training is undertaken with private training providers contracted to the Western Australian Department of Training the amount payable is \$1,248 per trainee in the metropolitan area. If training is provided by a TAFE College, the amount per trainee is indistinguishable from amounts spent on other areas of training, all of which is included in an annual funding allocation from the Western Australian Department of Training.
- (3) The Commonwealth offers funding incentives for registered trainees. Details of the incentives are available from the Department of Employment, Education, Training and Youth Affairs (DEETYA).

AUSTRALIA/INDONESIA MARITIME DELIMITATION TREATY

3787. Mr BROWN to the Premier:

- (1) Is the Premier aware of the "Australia/Indonesia Maritime Delimitation Treaty"?

- (2) Does the Treaty clarify the extent of Western Australian Fisheries management responsibility in the area?
- (3) Has the State Government allocated resources to enable its departments and agencies, namely Fisheries, to carry out the management responsibility identified by the Treaty?
- (4) On what date was the Treaty signed?
- (5) Does the Government intend to allocate resources to enable the State to carry out its obligations under the Treaty?
- (6) If not, why not?

Mr COURT replied:

- (1) Yes. The Treaty was signed by the Australian Minister for Foreign Affairs, Alexander Downer, and the Indonesian Foreign Minister, Ali Alatas, in my presence.
- (2) Yes. Under an Offshore Constitutional Settlement arrangement with the Commonwealth, Western Australia is responsible for the management of finfish, sedentary species and some shark stocks within a significant part of the Australian Exclusive Economic Zone (AEEZ) which is covered by the Treaty. Prior to the Treaty, the boundary of the AEEZ was in dispute and therefore the area to which WA jurisdiction applied was unclear. Agreement under the Treaty has clarified the extent of WA fisheries management responsibility in the area.
- (3),(5) Fisheries WA has allocated additional resources to the management of fish resources in the northern regions of the State as part of its pre-existing, principally coastal obligations. The Commonwealth retains responsibility for international fisheries negotiations and providing resources required to give effect to those responsibilities, including the Treaty.
- (4) 14 March 1997.
- (6) Not applicable.

CARNARVON SEWERAGE SYSTEM EXTENSION

3879. Mr BROWN to the Minister for Water Resources:

- (1) What plans does the Government have to extend the sewerage system in Carnarvon?
- (2) How much has been allocated in the 1998-99 budget for this purpose?
- (3) How much has been allocated in the forward estimates for this purpose?
- (4) Is the Minister aware grey water is now being used in Carnarvon to water public ovals and common areas?
- (5) Is the Minister aware that insufficient grey water is available to develop the new oval?
- (6) What steps does the Government plan to take to rectify this situation?

Dr HAMES replied:

- (1) Infill sewerage areas South Carnarvon SC 1A and Carnarvon 1, 2, 4 and 7 are scheduled for commencement of construction early in 1999. These projects will provide a wastewater service for approximately 572 properties.
- (2) \$1.2m in 1998/99.
- (3) \$2.2m in 1999/00.
- (4) Reclaimed water (treated wastewater) is used in Carnarvon to water public ovals and parks.
- (5) Yes. Currently the reclaimed water is fully utilised.
- (6) The infill sewerage program will make greater volumes of reclaimed water available.

EXMOUTH'S WATER AND SEWERAGE NEEDS

3885. Mr BROWN to the Minister for Water Resources:

- (1) Is the Minister aware of new developments planned for Exmouth?

- (2) Is the Minister aware of the water and sewerage needs for Exmouth over the next ten years?
- (3) What work has been carried out to identify and plan for the water and sewerage needs of Exmouth?
- (4) What funds in the 1998-99 budget have been allocated for this purpose?
- (5) What funds are in the forward estimates to meet the needs of Exmouth?
- (6) Is adequate water available to meet the expected rise in population (both permanent and tourists) in Exmouth over the next ten years?

Dr HAMES replied:

- (1)-(2) Yes.
- (3) Planning for the water and sewerage needs for Exmouth is well progressed.
- (4) \$1.1m has been allocated for Exmouth Town Water Supply Borefield Replacement.
- (5) The funding is being determined.
- (6) Yes.

WOMEN'S MENTAL HEALTH NEEDS

3907. Ms WARNOCK to the Minister for Health:

In relation to the Government's two year plan for women (1996-1998) -

- (a) has the Health Department adapted mental health plans to address women's needs;
- (b) if not, why not; and
- (c) if yes, what plans have been adapted, and to what?

Mr PRINCE replied:

- (a) Mental health service planning at all levels involves consumer and carer input as well as service provider expertise. Through these processes the particular needs of client groups, including women, are taken into consideration. This process is formalised in the Mental Health Division's policy, *Regional Operations*, and reiterated in other policy papers published by the Division. All advisory groups include consumer and carer representation, and while there are no formal requirements to ensure women's representation, women have always held at least half of these positions. To support consumer representatives, a training program is funded and six places for consumers and carers have been funded annually for attendance at the national mental health conference. Participants have always included women.
- (b) Not applicable.
- (c) See (a).

WOMEN'S CHILDBIRTH RELATED MENTAL HEALTH NEEDS

3909. Ms WARNOCK to the Minister for Health:

In relation to the Government's two year plan for women (1996-1998) -

- (a) has the Health Department, developed, through the Childbirth Stress and Depression Project at King Edward Memorial Hospital, State wide initiatives which address childbirth related mental health issues;
- (b) if yes, what initiatives have been developed;
- (c) have these initiatives been implemented;
- (d) if yes, when were they implemented; and
- (e) if not, why not?

Mr PRINCE replied:

- (a) Yes.

- (b) 1 Post Natal Depression Team (KEMH).
 2 Health Professional Training.
 3 Community Information Sessions.
 4 Post Natal Depression Support Association (PNDSA).
 5 Central Reference Group.
 6 Information kits.
 7 Best Clinical Practice Guidelines.
 8 Antenatal Education Package.
 9 Video.
 10 Newsletter.
 11 Negotiations have been held with Tertiary institutions to include childbirth mental health issues in undergraduate and postgraduate curricula for medicine, nursing psychology, social work and other allied health training programs.
- (c) 1-10 Yes.
 11 No.
- (d) 1 Established January 1996.
 2-3 Established July 1996.
 4 Established December 1996.
 5 This group first met in March 1997.
 6 Supplied in July 1997.
 7 Established May 1997.
 8 Distributed in November 1997.
 9 Launched in February 1998.
 10 Launched November 1997.
 11 Negotiations not complete.

SOUTH METROPOLITAN COLLEGE OF TAFE'S CAREER BROCHURE

3917. Mr RIPPER to the Minister for Employment and Training:

- (1) What was the cost of the brochure headed *Deciding on a Career, Probably the Biggest Decision You'll Ever Have to Make* and distributed to senior high schools by South Metro TAFE?
- (2) How many copies of these brochures were distributed?
- (3) Has South Metro TAFE made any evaluation of the effectiveness of these brochures in producing new enrolments?
- (4) If yes, what was the outcome of this evaluation?

Mrs EDWARDES replied:

- (1) \$22 675 to produce 20 000 brochures.
- (2) The brochure was designed for use over 2 years. 11 000 have been distributed to date. The remaining 9 000 will be distributed later this year.
- (3) South Metropolitan College of TAFE plan to conduct an evaluation on the effectiveness of the brochure amongst all schools to which it was distributed.
- (4) Not applicable

HOSPITAL OUTPATIENT CLINICS, CLOSURES

3921. Dr CONSTABLE to the Minister for Health:

Are outpatient clinics in any particular speciality closed regularly at any of the following hospitals -

- (a) Fremantle Hospital;
 (b) Sir Charles Gairdner Hospital;
 (c) Royal Perth Hospital; and
 (d) King Edward Memorial Hospital?

Mr PRINCE replied:

- (a) No.

- (b) The Sir Charles Gairdner Hospital Outpatient Department is closed every Friday.
- (c) Two weeks at Christmas and approximately one Friday in four for low activity days.
- (d) No outpatient clinics at King Edward Memorial Hospital are closed regularly.

SPEEDWAY AND DRAG RACING SITES

3924. Mr RIPPER to the Minister for Planning:

- (1) Has the Minister's office refused to tell inquirers what sites are being considered for the relocation of speedway and drag racing activities?
- (2) If yes, why is the Minister trying to keep this information secret?
- (3) What sites are being considered for speedway and drag racing activities?

Mr KIERATH replied:

- (1)-(3) Several sites are being examined in some detail to determine if they are suitable for motor sport use. Until Cabinet has been informed and made a decision I have asked the committee investigating these sites to treat the locations under consideration as confidential.

MT HENRY HOSPITAL, CONSERVATION PLAN

3940. Dr GALLOP to the Minister for Health:

- (1) How much of the natural vegetation at Mt Henry Hospital will be affected by the demolition work planned?
- (2) Does the Health Department have a conservation plan as part of the planned work for the site?
- (3) If not, why not?
- (4) If yes, what trees and other vegetation will be preserved?

Mr PRINCE replied:

- (1) None.
- (2) No.
- (3) City of South Perth and the Developers (LandCorp) are currently discussing subdivision proposals for the site's future redevelopment. The preservation of significant remnant bushland and trees is being addressed in these discussions.
- (4) Not applicable.

COLLIE HOSPITAL, STAFF CONFLICTS

3941. Mr MCGINTY to the Minister for Health:

- (1) Will the Minister table a copy of the report by Susan Barrera into staff conflicts at the Collie Hospital?
- (2) In view of the local interest will the Minister make a copy of the report available to affected staff at the Collie Hospital?
- (3) Does the Projects Officer in the Wellington Health Service have any meaningful work to perform?
- (4) If yes, what projects is she working on?

Mr PRINCE replied:

- (1) The Minister will not table the report. The report is a confidential report to the Board of management of the Collie Health Service.
- (2) The affected staff at Collie have a copy of the report. The only affected staff at Collie are the General Manager, Wellington Health service and the then Acting Director of Nursing/ Clinical Services. All other staff were only invited for interview by the Consultant, Susan Barrera and were given no indication or assurance that they would see what is a confidential report regarding a breakdown in professional

cooperation between two senior managers. The nursing staff have been already given an executive summary of the contents of the report.

- (3) The Projects Manager, Wellington Health service does have meaningful work to perform.
- (4) The Project Manager is working on three projects at present being:
 - the base review of Hillview Residence, Collie:
 - the re-configuration of surgical services, Harvey and
 - the annual reporting of Human Resource matters for all 4 sites within Wellington Health Service.

HEALTH, BUDGET ALLOCATION

3973. Mr McGINTY to the Minister for Health:

- (1) Does the \$42 million shown for Health on page 114 of the 1998-99 *Economic and Fiscal Overview*, Budget Paper No. 3, represent the total funding injection during 1997-98?
- (2) If not, why not?

Mr PRINCE replied:

- (1) The \$42.1m shown on page 114 represents an increment to the 'base' recurrent budget for 1998/99.
- (2) The budget document reflects adjustments to the 'base' budget. Supplementary funding is temporary funding for that year only and does not automatically flow to the next year base budget.

HOSPITALS

Experimental use of New Drugs by Pharmaceutical Companies

3980. Mr McGINTY to the Minister for Health:

- (1) Is the public hospital system being utilised by pharmaceutical companies for the experimental use of new drugs.
- (2) If yes to (1) above -
 - (a) in which areas of medicine; and
 - (b) do the pharmaceutical companies determine the selection criteria of patients for utilisation of the drugs?
- (3) If the answer to (2)(b) above is 'no', who does?
- (4) If the answer to (1) above is 'yes', who has the final say in whether a patient meets the selection criteria for utilisation of the experimental medication, the consultant responsible for the patient, or the pharmaceutical company?

Mr PRINCE replied:

- (1) Yes.
- (2) (a) All areas of medicine.
 - (b) The trial protocol sets out patient eligibility criteria. This protocol is developed by the company sponsoring the trial, the principal trial investigator and reviewed by an Ethics Committee and usually the hospital drug committee.
- (3) See 2(b) above.
- (4) The principal trial investigator holds the responsibility to ensure that all patients entering the trial meet the selection criteria.

QUESTIONS WITHOUT NOTICE

MINISTER FOR LABOUR RELATIONS

Support for Cabinet Decision

1216. Dr GALLOP to the Premier:

I refer the Premier to the comments made in the House yesterday by the Minister for Labour Relations that he could not guarantee that he would support a Cabinet decision in this Parliament. Will the Premier now dismiss the Minister for Labour Relations? If not, why not?

Mr COURT replied:

The Leader of the Opposition got the question wrong.

Dr Gallop: I did not.

Mr COURT: As I understood the question, it was whether the Minister will support government regulations. The Leader of the Opposition knows that the Government is only deferring those regulations, or trying to have those regulations deferred, for six months.

Dr Gallop: He would not guarantee to support your Cabinet decision in Parliament.

Mr COURT: The question the Leader of the Opposition has just asked is a nonsense. A Cabinet -

Dr Gallop: A little bit of finessing overnight; a little bit of rewriting history throughout the night.

Mr COURT: Not at all. Mr Speaker, as a Government our Cabinet accepts the convention of collective responsibility. That is, a decision is made by the Government and it is supported. If a Minister does not want to support a decision he can take the appropriate action. If the Opposition had followed the same convention in government we would not have had WA Inc.

SCHOOL YEAR STARTING DATE

1217. Mr BAKER to the Minister for Education:

Has the Education Department formalised its proposal to alter the starting date for public schools for next year and thereafter? Will independent or non-government schools be bound by the change in starting date?

Mr BARNETT replied:

I thank the member for the question. The issue of school starting dates attracts a lot of public attention. For next year the school starting date has been put back slightly. It will be 1 February. A review has been established to look at school starting dates, particularly from 2000 through to 2005. A public consultation process has taken place and some 5 000 submissions have been received. It is my view, as Minister for Education, that we would be better off starting the school year a little later, perhaps a week or two, and finishing closer to Christmas. Some issues need to be considered. These are: Trying to minimise the amount of hot weather experienced at the start of the school year; trying to ensure that Australia Day does not interfere with the start of school; the timing of the Easter break, which moves around quite a lot; and the timing of tertiary entrance examinations, so that the papers can be marked and results sent out in good time. All of those issues are being considered.

I think we will achieve a better system from it. I hope we will end up with schools operating at least a week later so that the summer break will be longer. The other issue that has arisen due to the new curriculum is that it is likely that schools will operate effectively on a two semester basis in the future, so the timing of Easter will not matter. The break during the first half of the year will therefore coincide with Easter and will not affect the program. The school curriculum will work on two equal halves rather than four equal quarters. That will give a greater degree of flexibility and allow for an easier integration into TAFE and university studies. That was an unexpected consequence that came out of the process.

GOODS AND SERVICES TAX

Effect on Seniors

1218. Ms ANWYL to the Minister for Seniors:

- (1) Does the Minister accept that pensioners and seniors on fixed retirement incomes would be among the hardest hit by a Liberal Party GST?

- (2) Has the Minister or her office conducted any analysis of how worse off seniors would be under a GST and, if so, will she table that analysis?
- (3) Will the Minister give an assurance that she will not support a GST on such things as medicines and nursing home fees and that she will lobby her federal colleagues to ensure that these areas are exempt from their planned GST?

Mrs PARKER replied:

I thank the member for the question. It is very difficult to make any comment on the GST when we presently do not have the details of it.

Dr Gallop: Yes, you do. Your Government made a submission on it.

Mrs PARKER: The Prime Minister gave an assurance that the GST will not affect the battlers of this country.

Dr Gallop: He would not know what a battler was if he fell over one.

Mrs PARKER: We will watch the detail of that on behalf of the seniors and families of Western Australia to ensure that they will not be adversely affected.

Dr Gallop: We do not want you watching; we want you doing it. Do something on behalf of the people you represent.

TRANSPORT SERVICES OPERATING SUBSIDY

1219. Mr BARRON-SULLIVAN to the Minister representing the Minister for Transport:

- (1) Can the Minister advise the operating subsidy allocated in 1998-99 for -
- (i) public bus transport in the Australind-Bunbury area, and
 - (ii) the operation of the *Australind* train?
- (2) Does the Minister have any statistics on the patronage of each of those services over recent years, or any other performance indicators?

Mr OMODEI replied:

The Minister for Transport has provided the following response -

- (1) (i) Projected \$1.5m, and
- (ii) projected \$5.511m.
- (2) Passenger statistics for the public bus transport service and the passenger statistics and on-time running for the *Australind* will be provided once the data is compiled.

GOODS AND SERVICES TAX

1220. Mr McGOWAN to the Minister for Local Government:

I refer to the Howard Government's proposed goods and services tax.

- (1) Does the Minister oppose the introduction of a goods and services tax on local government rates and charges as a tax on a tax?
- (2) Is the Minister aware that a GST of 10 per cent would add between \$30 and \$105 to an annual council rate bill?

Mr OMODEI replied:

There seems to be some clairvoyants in the Labor Party! I am not aware of any public proposal by the Howard Government at this stage. When it becomes public I will form an opinion.

GOODS AND SERVICES TAX

Effect on Local Government Rates

1221. Mr McGOWAN to the Minister representing the Minister for Transport:

Will the Minister oppose John Howard's goods and services tax if local government is not zero rated?

Mr OMODEI replied:

I will make that decision when I see the details.

MOTOR VEHICLE CONTRACTS AND WARRANTIES

1222. Mr BAKER to the Minister for Fair Trading:

Over the past year I have received many complaints from my constituents about contracts into which they have entered with the proprietors of licensed motor vehicle dealers. Is the Minister proposing any significant changes to those contracts and their contractual warranties that will result in a fairer and easier system for purchasers of motor vehicles?

Mr SHAVE replied:

I am pleased the member for Joondalup recognises the wonderful job the Ministry of Fair Trading is doing. I am pleased to say that on 9 May this year I launched the report of the motor vehicle sales industry. One of the recommendations included in that report -

Several members interjected.

The SPEAKER: Order! I allow far more interjections than I should because I think it helps question time. On many occasions the interjection is responded to by the Minister. However, when several people are interjecting on subjects that have nothing to do with the question at hand, it is totally out of order.

Mr SHAVE: It sounded like a gaggle of geese for a moment.

Mr Thomas: You will make a great Leader of the Opposition.

The SPEAKER: Order! I formally call to order the member for Cockburn for the first time.

Mr SHAVE: One of the recommendations in that report was that the industry adopt contract documentation which is balanced and easy to understand. The Ministry of Fair Trading has forwarded an information package to every licensed dealer in Western Australia.

The member for Joondalup referred to warranties on other vehicles. The report recommends a significant move to include all passenger four-wheel drive vehicles within the warranty provisions. Another recommended reform is to move away from price related warranty deals; that is, at present if a car is sold for, say, \$999 it falls just under the warranty.

Consideration is being given to the warranty applying to vehicles that have done 180 000 kilometres and that are less than 12 years old. Within those criteria all vehicles will be covered by the legislation. The figure is not \$999 but I was making the point that it has been possible in some circumstances to avoid the warranty. That loophole will be covered by ensuring the warranty is based on the number of kilometres done by cars under 12 years of age.

I compliment the Ministry of Fair Trading on the job it is doing. At the next launch of one of its initiatives I would welcome the attendance of the member for Armadale.

GOODS AND SERVICES TAX

Effect on Housing Industry

1223. Mr GRILL to the Minister for Housing:

- (1) Does the Minister agree with the Housing Industry Association's claim that a GST will increase the cost of an average new home by at least \$8 500?
- (2) If so, does the Minister intend to join with the housing industry to oppose this regressive tax which will have a disastrous effect on the housing industry?

Dr HAMES replied:

Obviously members opposite have decided that it is a good policy to work their way through all the Ministers by asking questions to find out their views on a goods and services tax, about which we have no details yet.

Dr Gallop: Yes, you do; the Premier has made a submission to the Federal Government.

Dr HAMES: Like other Ministers, I will wait and see.

ROAD SAFETY PROGRAMS

1224. Mrs HOLMES to the Minister representing the Minister for Transport:

As part of the public campaign to promote road safety to reduce the number of accidents and fatalities on Western Australian roads, can the Minister advise -

- (1) How effective was the Easter public campaign in increasing the number of people using child restraints in their vehicles?
- (2) What other road safety initiatives are proposed to assist specific groups, such as young drivers?

Mr OMODEI replied:

I thank the member for Southern River for referring to this promotion. The Minister for Transport has provided the following response.

- (1) The community education campaign aimed at increasing the wearing rate of child restraints was an initiative of the Royal Automobile Club of WA. Other interested parties, such as the Office of Road Safety, were consulted during the planning stages; however, the implementation of the campaign was the responsibility of the RAC. No formal evaluation has been planned.
- (2) Specific groups are targeted for road safety initiatives in an effort to accommodate their needs and message acceptability. These groups include people in rural and remote areas, senior road users, school children and youth. In response to the over-representation of young people aged between 17 years and 24 years in road trauma statistics, the Road Safety Council, through the Office of Road Safety, has developed a road safety strategy for youth in Western Australia. The strategy details the reasons for the high incidence of youth involvement in road crashes and describes a series of proposed actions to reduce the deaths and serious injuries amongst young people. Those actions include youth involvement in decision making; recognition of family responsibility; school based learning; media campaigns targeting this group; review of the driver training and licensing system; enforcement and legislative support; research and evaluation; and improved coordination among agencies involved with youth road safety.

GOODS AND SERVICES TAX

*Effect on Small Business***1225. Mr BROWN to the Minister for Small Business:**

- (1) Has the Minister taken any action in support of the small business sector to determine what up-front conversion costs and ongoing compliance costs it is likely to face under the goods and services tax proposed by his federal colleagues?
- (2) Has the Minister been lobbying the Federal Government to ensure our small businesses in Western Australia are compensated for these imposts should a GST be introduced, or will the Minister, like his colleagues, ignore the implications of this proposed tax change?

Mr COWAN replied:

- (1)-(2) I am quite sure the member for Bassendean knows the major complaint of small business is the requirement for compliance with some of the tax laws the Federal Government now imposes, most of which are associated with wholesale sales tax, together with some of the compliance requirements associated with Australian Bureau of Statistics reporting. In that sense -

Mr Brown: They will have more complicated reporting under the GST than they have ever had.

Mr COWAN: I am quite convinced that nothing presented to the small business community in the way of tax compliance requirements will ever be as complicated as the current tax system. I have asked the Small Business Development Corporation to examine this issue and to provide me with a report.

Mr Ripper: Will you table it?

Mr COWAN: I am very confident that I will not have to as I think the SBDC would beat me to the punch and put the report into the public arena, with my permission. I have no problem at all with tabling it. I am very confident the report will show that most small businesses recognise the difficulties associated with compliance with current taxation laws and will welcome a much simpler application under a GST.

BUSINESS OPPORTUNITIES AND FRANCHISE EXPO

1226. Mrs van de KLASHORST to the Minister for Services:

One of my constituents attended the Tendering for Government Contracts Seminar at the Business Opportunities and Franchise Expo held recently. Will the Minister elaborate on the Government's program to increase purchasing opportunities for small and medium businesses and advise how Swan Hills businesses can access that information?

Mr BOARD replied:

I thank the member for some notice of this question. While we are addressing small business, I compliment the Deputy Premier and the Small Business Development Corporation for putting the expo together. It was absolutely packed during the three days it was held.

The Department of Contract and Management Services and the State Supply Commission had the vision to be at the expo. They were able to demonstrate that, with expenditure of \$4b a year in the area, the State Government is one of the biggest purchasers of goods and services from the small business sector in Western Australia. That expenditure flows back to the community and creates many jobs.

Dr Gallop: Under John Howard's plan it will all go back to Canberra.

Mr BOARD: If the Leader of the Opposition were in business he would know how much it costs small businesses to collect the wholesale sales tax.

The SBDC has been doing a tremendous job. CAMS was also able to demonstrate to small business that being able to provide contracting and tendering information on the Internet has meant that 80 per cent of small government contracts are going to one and two man operations and out to the country, in particular to areas like Swan Hills, and where CAMS has a shop front -

Several members interjected.

The SPEAKER: Order! It appears that some members are a little slow on the uptake. I have indicated that I will allow a range of interjections. However, I will not allow interjections which have nothing to do with the question but which are a snide, sly way to make imputations about other members. That is unacceptable. Three members on my left will be very shortly formally called to order in rapid succession if they continue.

Mr BOARD: The Government is endeavouring to show the Opposition that small business is gaining greatly as a result of this contracting regime. Small businesses recognise that and they attended the expo in large numbers. The CAMS Internet site is getting more than 1 000 hits a day for contracting information. It is a great success story. Members opposite should get behind small business and what is happening with the contracting regime.

GOODS AND SERVICES TAX

*Exemption for Education***1227. Mr RIPPER to the Minister for Education:**

- (1) Does the Minister accept that many parents who send their children to private schools would struggle to pay a GST on school fees?
- (2) If so, does the Minister believe there is a case for exempting school fees from a goods and services tax?
- (3) If so, what action has he taken to lobby for an exemption before the Federal Government finalises its tax package?

Mr BARNETT replied:

(1)-(3) One of the critical issues of the GST policy will be whether education and health are zero rated.

Dr Gallop: Is that in the State Government's policy?

Mr BARNETT: The State Government does not have the constitutional power to levy a GST.

Dr Gallop interjected.

Mr BARNETT: Members opposite fail to recognise that the GST will help industry's international competitiveness. Western Australia is this country's major exporter, therefore if any State stands to benefit most, it will be Western Australia. Members opposite should raise their level of debate on the issue.

GOODS AND SERVICES TAX

*Exemption for Education***1228. Mr RIPPER to the Minister for Education:**

Has the Minister taken any action to lobby his federal colleagues for an exemption for education in the GST package?

Mr BARNETT replied:

I do not lobby my federal colleagues. However, I have spoken to the federal Minister.

Dr Gallop: You do not instruct your staff or lobby your federal colleagues!

Mr BARNETT: No, I do not. I can assure the Leader of the Opposition that there will be endless discussions between state and federal Ministers on the GST, as there has been in the education area. Members on this side of the House are not afraid of the GST. It will be great for Australia and Western Australia. If it affects the relative cost of private education I do not for a moment think there will not be huge relative benefits. It will assist the whole system of commonwealth-state funding. Members opposite should rise above this trivial campaign they are running and recognise the GST will be great for Western Australia.

STRATA TITLING OF FARMLAND

1229. Mr MASTERS to the Minister for Planning:

I refer to an article in *The West Australian* of 29 April which states that an appeal against a decision by the Western Australian Planning Commission to refuse the strata titling of farmland near Albany planted with Tasmanian blue gums has been successful.

- (1) Is the Minister concerned about the implications of this decision?
- (2) If yes, can the Minister, his ministry or the WA Planning Commission take any action to discourage or prevent the strata titling of good quality farmland?

Mr KIERATH replied:

I thank the member for some notice of this question.

- (1) No, because a subsequent decision by the Supreme Court on an appeal by the Planning Commission against a similar decision by the Town Planning Appeal Tribunal has confirmed that the commission's normal planning criteria in relation to the subdivision of rural land, which relate to the capability and suitability of the land and the number, size, and arrangement of lots in a proposed subdivision, remain valid.
- (2) Yes, the Planning Commission is undertaking a review of its rural land use planning policy and in conjunction with Agriculture Western Australia and the Department of Land Administration is preparing policy guidelines for this type of project.

GOODS AND SERVICES TAX

*Hospital Costs***1230. Mr McGINTY to the Premier:**

I ask this question of the Premier in the absence of the Minister for Health. Would the introduction of a goods and services tax require the State Government to renegotiate its contracts for the privatised Joondalup and Peel hospitals and the collocated Bunbury hospital and incur additional costs for the State?

Mr COURT replied:

I do not imagine we would see additional costs incurred if we changed the mix within the tax system.

Dr Gallop: Clauses in that contract deal with increases in prices. The Premier should read the contract.

Mr McGinty: Surely the contract price would be affected?

Mr COURT: I felt left out because I thought I would not get a question, so I am glad that the Minister for Health is over east negotiating with the federal Health Minister.

Mr McGinty: No, he is not. He is briefing backbenchers when he should be here, not playing internal Liberal Party politics.

Mr COURT: The Minister for Health flew to Melbourne this morning and he is coming back tonight. He is meeting with some backbenchers. However, he is also meeting with the federal Health Minister, as I will be with the Prime Minister, to try to get a better funding deal.

I cannot believe that members opposite have the nerve to raise this issue.

Dr Gallop: We have the nerve to raise it and you have the stupidity to enter into it.

Mr COURT: If the Leader of the Opposition believes it is stupidity to want to bring about tax reform in this country which will include the ability to reform commonwealth-state financial arrangements he is policy bereft.

Mr Kobelke: Why not answer the question if it is so important?

Mr COURT: I have answered that question.

Dr Gallop: You cannot answer that question.

Mr COURT: I have. I said that if there were changes to the tax mix in areas like health and education the Government would want it to be cost neutral.

Mr Kobelke: What will be the cost in health when you have to get compensation from the Commonwealth?

Mr COURT: The best that Mr Beazley and his people have been able to do is to say that they will provide some income tax cuts to certain income tax earners. Do members know how they will pay for it?

Dr Gallop: Tax the rich!

Mr COURT: They will pay for it from a surplus created by the coalition Government. That is all they have done.

Mr Speaker, members opposite have been carping on about our submission on our tax policy. I do not know why we should table it because we have publicly promoted the reforms that we want.

The paper was tabled. [See paper No 1468.]

Mr COURT: We want an open, responsible, mature debate on taxation reforms.

Ms MacTiernan: What the Premier has demonstrated is that his Ministers do not know how it will impact on their portfolios.

Mr COURT: By jumping on a bandwagon to run a fear campaign against some components of a taxation reform package, what the Labor Party in this State has demonstrated is that it is not prepared -

Ms MacTiernan: The Premier's Ministers had the opportunity to allay those fears. They have not done so. They have been asked the questions and given the opportunity.

Mr COURT: The Labor Party is not prepared to have a responsible debate on taxation reform. From now on, the Labor Party has absolutely no credibility when it comes to proposing genuine taxation reform in this country.

TOURISM INITIATIVES

1231. Mr BAKER to the Parliamentary Secretary to the Minister for Tourism:

Many of my constituents involved in the tourism industry have expressed their grave concerns to me about the apparent decline in the number of people visiting Australia. Is this apparent trend reflected in Western Australia? What measures has the Western Australian Government taken to negate any foreseeable decline in those figures in this State?

Mr BRADSHAW replied:

I am pleased to announce that the Government has reacted very quickly to the Asian monetary crisis and brought forward its planned winter initiatives. These initiatives were in the marketplace in late February, early March. Western Australia was the first State in Australia to successfully address the issue in the market.

In the international market, in March of this year the Western Australian Tourism Commission launched two major winter initiative campaigns in Asia and a supporting campaign in the United Kingdom aimed at building visitation during the traditional low season. Under the banner of Partner Half Price Deals, two campaigns were conducted in Singapore and Malaysia. The campaigns in Singapore and Malaysia incorporated a mix of television and press advertisements with a lead price offer. Major industry partners included the Australian Tourism Commission, Malaysia Airlines, Qantas and British Airways. Over 25 local operators and six in-bound tour operators participated

in the campaign. Such has been the success of this initiative that the airlines have extended the sale and availability of the special fare until the end of July 1998 for travel up to and including 31 August 1998.

As a further stimulus to counter the potential fall in visitor numbers from Asia, the WATC launched a major press campaign in the UK in March with the Australian Tourist Commission, two of the UK's major retailers, Travelbag and Austravel, and Qantas. The campaign initially offered a London-Perth return air fare of just 529 pounds sterling. As a result of this initiative, air fares between London and Perth have been advertised for as low as 429 pounds sterling with Malaysia Airlines.

Mr Carpenter: Is that one way or return?

Mr BRADSHAW: That is return by Malaysia Airlines. We are receiving a percentage. Western Australia is a great place for people to visit. This in turn has stimulated bookings to Perth and Western Australia out of London. The UK initiatives are both in their early stages. Actual sales figures will not be available until after the campaigns. Early figures suggest another strong performance with some 5 800 inquiries received since the launch of the campaign.

In the national market, to encourage Western Australians to travel within the State and to also encourage interstate visitors to travel to WA, initiatives include -

- Perth half price partners with regional travel to the metropolitan area;
- a wildflower promotion;
- a winter breaks campaign;
- a 1998 goldfields campaign; and
- a 1998 northern campaign.

Victoria-Perth half price partners. Victoria has been an important source of interstate visitors, and it was targeted with a press campaign to travel to WA with their partners who would travel at half price.

New South Wales-Perth half price partners is designed to generate business from the Sydney market using a price led initiative.

A wildflower promotion targeting the self-drive, rail and coach markets.

The SPEAKER: Perhaps the Parliamentary Secretary could finish his answer.

Mr BRADSHAW: I am about to wind up, Mr Speaker. As members can see, from those initiatives that the Western Australian Tourism Commission has put into place, we are trying to make up for the drop-off in the Asian market.

GOODS AND SERVICES TAX

1232. Dr GALLOP to the Premier:

Does the Premier intend to discuss the proposed goods and services tax with the Prime Minister during his visit to Perth this week? More specifically, does the Premier intend to raise with him the Premier's concern that he has failed to properly consult the States on tax reform and the GST?

Mr COURT replied:

I intend to discuss not a GST but a tax reform package in general and I will advise him of the constructive role being played by the Labor Party in Western Australia.
