



WESTERN AUSTRALIA

Parliamentary Debates

(HANSARD)

THIRTY-FIFTH PARLIAMENT
SECOND SESSION
1998

LEGISLATIVE ASSEMBLY

Wednesday, 19 August 1998

Legislative Assembly

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

DISTINGUISHED VISITORS AND GUESTS

THE SPEAKER (Mr Strickland): I advise members that we have a distinguished visitor in the Speaker's Gallery this morning, His Excellency Mr Umut Arik, Ambassador of the Republic of Turkey. His Excellency Mr Arik has advised me that he intends to return to Western Australia and visit our outback, particularly the Kimberley region.

[Applause.]

FAMILY COURT OF WESTERN AUSTRALIA

Petition

DR GALLOP (Victoria Park - Leader of the Opposition) [11.03 am]: I have a petition that has been presented to me by one of my constituents. This is one of those occasions on which I agree with neither the sentiments nor the conclusions of the petition but feel obligated to table it in the Parliament. The petition reads as follows -

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

We the undersigned express our concern at the functions and the operations of the Family Court of Western Australia. We believe the said court to be mainly responsible for the disintegration of the family unit/life to the detriment of social cohesion here in Western Australia.

The Family Court of Western Australia hands down rulings in which innocent people lose all they hold dear whilst immoral behaviour is rewarded.

The fact that it is the children who are mainly affected by the said courts decisions, along with the non-custodial parent who could have been the best of parents, leaves us to make the following request.

That the Family Court of Western Australia be abolished.

Your petitioners therefore humbly pray that you will give this matter earnest consideration.

The petition bears 1 017 signatures and I certify that it conforms to the standing orders of the Legislative Assembly.

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

[See petition No 20.]

ACADEMIC TALENT PROGRAM IN HUMANITIES, JOHN CURTIN SENIOR HIGH SCHOOL

Petition

Mr Marshall (Parliamentary Secretary) presented the following petition bearing the signatures of 644 persons -

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

We the undersigned pray that the Parliament supports our proposal to maintain the Academic Talent Program (ATP) in Humanities at John Curtin Senior High School.

We do not believe the proposal to combine the ATP in Humanities with the ATP in Mathematics and Science is a better option if it means the removal of the ATP program from John Curtin Senior High School.

Currently, the ATP in Humanities at John Curtin Senior High School attracts more talented students than any other ATP program in the state. Over one half of students in the special performing arts programs are also in the ATP Humanities. In addition, with the introduction of the only Artsmedia course in the state in 1999, attracting talented students and specialist staff, we believe it makes sound educational sense for the ATP program to remain at John Curtin Senior High School.

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

[See petition No 21.]

ARMADALE-KELMSCOTT MEMORIAL HOSPITAL*Petition*

Ms McHale presented the following petition bearing the signatures of 94 persons -

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

We the undersigned residents of the South East Metropolitan area demand that the Government immediately abandons both its plans to sell the Armadale Kelmscott Memorial Hospital and to privatise the management of the Armadale Health Service. We demand the Government recognises these facilities belong to our community and that they have no mandate to sell them. We call on the Government to allocate the money necessary to redevelop our hospital as a publicly owned and operated centre providing for people and not for profit.

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 22.]

ONE NATION*Petition*

Mr Carpenter presented the following petition bearing the signatures of 128 persons -

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

We the undersigned residents of Western Australia call upon the Premier, the Hon Richard Court, to recognise the divisive and racially intolerant nature of Pauline Hanson's One Nation party, and that he direct the Liberal Party of Western Australia to place the One Nation party last at all Federal and State elections.

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 23.]

DISABILITY SERVICES ACT REVIEW*Statement by Minister for Disability Services*

MR OMODEI (Warren-Blackwood - Minister for Disability Services) [11.14 am]: I wish to make a brief ministerial statement on the review of the Disability Services Act. Section 57 of the Act requires a ministerial review of the Act. I am pleased to present my report to the House. Appended to my report is the report of the independent consultants who coordinated the public consultations and analysed the submissions, and the recommendations of the review steering committee on amendments to the legislation.

The review examined a range of matters relating to the operation of the Act, including -

- the effectiveness of the operations of the Disability Services Commission and the need for its continuation;
- the process by which the DSC provides financial assistance grants to organisations;
- the development and reporting by public authorities on a disability services plan; and
- the effectiveness of the complaints and conciliation process for people with disabilities.

The issue which received by far the most comment from stakeholders during the review related to the continuation of the Disability Services Commission as a separate statutory authority. The major concern of stakeholders was that a restructuring of public sector agencies would occur, which would see an unwelcome return to the past, when disability services had been merely a program under a larger department. Stakeholders emphasised the significant benefits which had come to the disability services area following the establishment of the Disability Services Commission as a separate agency with its own board. These benefits included the significant long-term growth funding that the State Government has allocated to disability services under its "Count Us In" strategy and which has permitted the expansion of services to address unmet need.

During the review, I made numerous public statements to the effect that the State Government would not countenance any restructure of the Disability Services Commission which would diminish the profile of disability services in Western Australia. I also spelt out in media releases that it was my intention that the Disability Services Commission would continue to operate as a separate agency with its own budget and legislation.

Rumours of the impending demise of the Disability Services Commission, however, have persisted and I hope that the following announcement will lay to rest any further concerns among families.

I have recommended in my report, as recommendation No 1, that the Disability Services Commission should continue to operate as a separate entity with a board as its governing body. Cabinet has endorsed this recommendation and has approved the drafting of legislative amendments proposed in my report.

The position of Chief Executive Officer of the DSC will be advertised shortly with a view to making a permanent appointment to that position. In the meantime, Mr Bob Fisher will continue to act as the Chief Executive Officer of the DSC. I take this opportunity to thank Mr Fisher for his very competent management of the DSC over the past seven months.

I hereby table my report on the Review of the Disability Services Act.

[See paper No 94.]

GAS PIPELINE

Statement by Minister for Energy

MR BARNETT (Cottesloe - Minister for Energy) [11.17 am]: I advise the House that the Government has decided to assist Western Power Corporation to participate in the establishment of a new 530 km gas pipeline in the mid west of the State.

The gas pipeline will be owned and operated by a 50/50 joint venture between WPC and the Australian Gas Light Company. The Government will meet the interest payments on a loan of up to \$20m raised by Western Power which will part finance the corporation's involvement.

Western Power's participation in the pipeline project will allow for the generation of cheaper, more environmentally friendly electricity in the Murchison region and provide the incentive for further resource development.

The catalyst for the pipeline proposal was an announcement by Precious Metals Australia Limited that it would conduct a feasibility study for a vanadium mine and processing plant at Windimurra, some 85 kilometres south east of Mt Magnet.

In August 1997, PMA commenced a tendering process for the supply of gas to the project and subsequently appointed AGL as its preferred supplier. Shortly after AGL's appointment, it was recognised that this base load gas requirement from the PMA vanadium project created a unique opportunity for the establishment of a regional gas pipeline.

In recognition of this opportunity, WPC and AGL signed a commercial letter of intent in December 1997 to examine the provision of lower cost energy to the region. On 11 August 1998, PMA announced that it had entered into a joint venture with the Swiss trading company Glencore International AG and that the \$110m vanadium project would proceed.

The PMA project will employ up to 400 people during construction and 100 people permanently, with the Windimurra site to produce more than 10 per cent of the world's vanadium. Construction of the project is due to start by the end of this year and commissioning is expected in the fourth quarter of next year.

As a result, WPC and AGL will now own, construct and operate this gas pipeline for the greater benefit of the region. The pipeline will be accessible to third party users.

It is intended to construct an 8 inch pipeline from the Dampier-Bunbury natural gas pipeline to Mt Magnet to cater for further industrial growth in the area. A second stage will see gas delivered to Cue and Meekatharra to service other communities and mining companies. The total cost of the pipeline is estimated to be \$72m.

WPC currently operates four remote diesel-fired power stations at Yalgoo, Mt Magnet, Cue and Meekatharra which operate at a combined loss of more than \$3m per annum. As a consequence of making gas available in the region, it will be possible to change from expensive diesel-powered electricity generators to gas engines.

For Western Power, the project will not generate a sufficient return on the investment in the immediate future until the market for gas grows. It is therefore proposed that the Government provide support to WPC in the form of an

annual payment equivalent to the interest that WPC will pay on its loan facility. The payment by the Government to WPC will be capped at the interest on the \$20m loan.

The interest cost to the State is estimated at \$1.4m per annum. The State will benefit, however, from the considerable reduction in the cost of providing electricity in the region. It will also remove uncertainty about the adequacy of future power supplies to centres such as Mt Magnet and Meekatharra.

The Murchison region will benefit from a reliable and competitive source of energy, which will contribute to an increase in mining and minerals processing. The new infrastructure will also ensure the availability of an alternative, efficient and cost-effective source of electricity for future development and encourage new service industries to be established.

Using gas in place of diesel fuel also has environmental benefits with a more than 15 per cent reduction in carbon dioxide emissions.

The Government believes that providing assistance to WPC in this manner is consistent with its policy to maintain uniform electricity tariffs for residential and small business customers in regional areas, with the need to reduce Western Power's losses in regional Western Australia and with a desire to see the highly prospective mid west region prosper. The total investment out of that and related projects is estimated to be at least \$200m.

POLICE AMENDMENT BILL

Introduction and First Reading

Bill introduced, on motion by Mr Prince (Minister for Police), and read a first time.

STANDING COMMITTEE ON UNIFORM LEGISLATION AND INTERGOVERNMENTAL AGREEMENTS

Leave to Meet while House is Sitting, Thursday, 20 August

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

That leave be given for the Standing Committee on Uniform Legislation and Intergovernmental Agreements to meet when the House is sitting on Thursday, 20 August.

ADDRESS-IN-REPLY

Motion, as Amended

MRS ROBERTS (Midland) [11.22 am]: I shall refer to two matters: First, what is happening in the town centre of Midland; and, secondly, what law and order measures should be put in place. The Court Liberal Government has been an absolute disaster for Midland. The people of Midland have been lied to and betrayed. Prior to the 1993 election, the Court coalition Government said that it would expand the Midland Workshops, that it would turn them into a world-class engineering works and that they would be a centre of engineering excellence. Nothing could have been further from the truth. Immediately after the 1993 election the Government ruthlessly announced the closure of the Midland Workshops. That closure destroyed people's lives. It also took jobs out of the heart of Midland - jobs that the Government has failed to replace. In the past six years the people of Midland have been left with nothing more than a vacant wasteland in the town centre of Midland.

At the 1996 election the Government had a bells-and-whistles launch, with glossy pictures of a new university for Midland, yet it had no money with which to back up its plan. It had no such commitment from the Howard Federal Government. In fact, it gave a university for Midland no priority whatsoever. Now, nearly two years later and after six years of the Court Government, the site still lies waste. Only two positive events have happened in the interim. One is the siting of Edith Cowan University students and some technical and further education students on the site. I am pleased to say that over the past year or so the number of students on the site has increased, but it is still a long way short of being a university. We are talking about a small number of students using a very small section of the site.

The only other good news that we have had is that a police operations centre is to be based in Midland. That centre is to be based at the western end of the site and it will use only a small section of the total area which previously housed the Midland Workshops. We welcome that development, but it will be the best part of a year before any work is done on the site.

We have also seen no commitment to cleaning up the site. Various reports have stated that the site is very polluted because of its former industrial use. Westrail and the Government have a responsibility to make sure that contaminated soils are removed and that the site is cleaned up completely. Another disturbing matter for the people

of Midland is that control of the site has gone from Westrail to the Government Property Office. Although that has potential for some good outcomes, it also has potential for some bad outcomes. The last thing that anyone in Midland or the region wants is the Government Property Office, in a piecemeal fashion, selling off all or part of the site to the highest bidder.

We have an opportunity. Last year, I said that Midland is at a crossroad. Depending on what happens at the site and on what happens in Midland, Midland could have a bleak future or a very promising future. The State Government has a responsibility to Midland. Midland is an important regional centre. Further, the Government has a responsibility to the whole region. Last October, I called for a redevelopment authority for Midland because we need a coordinated government response to planning and we need things to be fast-tracked for Midland. In the past two years since I have been the member for Midland, progress has been incredibly slow.

At about this time last year a planning charrette process was undertaken in Midland. People throughout the community were involved in planning what they would like for Midland. That process was conducted under the auspices of the Swan Shire Council, and a comprehensive plan was developed. Unfortunately, a year later, the plan has stalled. We have not progressed far at all. The simplest task has proved to be incredibly difficult. More than a year ago I wrote to the Minister for Transport asking that Helena Street continue across the rail crossing and for pedestrians to have a proper crossing on Helena Street to go to the workshops site. After 12 months of procrastination we eventually received an answer from the Minister, who has now resigned his position as Minister, that he and Main Roads had no objection to that pedestrian crossing.

That is a complete change in his position from the advice he gave me a year ago, and I welcome that change. However, it is an awful situation when the community, the local member and the local chamber of commerce have wanted the pedestrian crossing and have had the full support of the local shire to get that pedestrian crossing, yet nothing has happened. I ask the Government to advise the Minister for Transport that he must expedite the matter because Edith Cowan and TAFE students are using buildings on that workshop site. We want those students to have access to the Midland town centre and to frequent the shops and businesses in Midland's heart. That will not happen unless we get easy pedestrian access across to the workshop site. I want members to understand that this is a desperate plea. Midland is at a desperate stage. I, the shire and people living and working in the region want action and we want it now.

The local chamber of commerce produced a map of the town centre of Midland. I want to show it to members today because the map that I hold up demonstrates all the retail space in the Midland CBD; it is covered with red dots showing the vacant or partially occupied retail space. When I say it is a desperate plea and a dire situation, I want members to look at the map to see how many retail shops and businesses in Midland are vacant or partially vacant. This map has not been compiled by me but by the Midland chamber of commerce. It advised me that it erred on the side of caution and, if anything, the map may underestimate the problem in the Midland town centre. When we have that amount of vacant or partially occupied retail space in the town centre, we know there is a major problem. I call upon the Government today to stop the rot now for Midland.

Following my call in this House last year for a Midland redevelopment authority, the same call was also made by the Midland chamber of commerce. It made that plea to a number of ministers, including the minister responsible. The Shire of Swan also has written to the minister and called for a redevelopment authority for Midland. In many instances, people are wary of redevelopment authorities and of control being taken out of the shire or out of the hands of local people. However, in this instance there has been a whole community involvement through the charrette process. There have been letters to the local paper every week with people saying they want to see some action and that something must be done for the Midland town centre. The local chamber of commerce, the local shire, and residents and business people alike have called for a redevelopment authority.

One suggestion is that the redevelopment authority in the first instance might cover only a very basic area. Such an area would, of necessity, include the Midland workshop site and the road system in the heart of Midland, because that is another area of contention. Another suggested site for inclusion - and I note that redevelopment authority areas do not have to be contiguous - is the Woodbridge landing site, which provides another opportunity for some increased residential development.

Mr Bloffwitch: Where is that?

Mrs ROBERTS: Woodbridge landing is near Governor Stirling High School. The area has potential for residential development and enhancement. One of the things that the charrette process identified was opening up Midland to the rivers. Midland has the Helena River on one side and the Swan River on the other. On that basis, everyone in the town can see so much potential but none of it is being realised. We are at the stage where the Shire of Swan cannot do it alone. It needs the assistance of the State Government and it has asked for that assistance in promoting a redevelopment authority.

Subsequent to the charrette process, a committee was established to further the charrette outcomes. However, of necessity, we have been an advisory committee only to the shire. The shire covers a vast region including suburbs which are quite distant from Midland. The Shire of Swan is expanding with competing demands. Unfortunately, some of the councillors from other wards do not give Midland the priority that the rest of us want to see it given. On that basis, the President of the Shire of Swan and the shire councillors have asked the Government to establish that redevelopment authority. Midland is in desperate need of being revived. Midland is not on its own. Many previously thriving towns throughout the world have reached the stage where they have become run down, and people have voted with their feet and left them. The Government must stop the rot now.

The State Government took responsibility for both East Perth and Subiaco. The make-over at East Perth has become an enormous asset to our city. I suggest to members in this House that a similar make-over in Midland would be a colossal asset, not only to people living immediately around Midland but also to the whole metropolitan area, particularly the eastern and agricultural regions. Many people from Northam and other towns to the north of Midland prefer to shop and conduct business in Midland rather than come into the city of Perth.

We have a town crying out for help and I ask the Government and ministers to listen to that cry for help. Midland people, like people throughout the region, want a town they can be proud of, a thriving centre for the East Metropolitan Region. Once again, I point out that the Government has a responsibility. Premier Court and his ministers need to stop shirking that responsibility and act immediately to establish a redevelopment authority for Midland.

Another key issue for people in the Midland electorate, and for electorates throughout the State, is law and order. The new Minister for Police has made a very inauspicious start. He started with the same kind of bumbling hand-washing exercise as the previous minister. He told the people of Western Australia that crime reduction would not be successful until the public took responsibility. The public is already taking responsibility.

Mr Bloffwitch: It is indeed.

Mrs ROBERTS: Members of the public are already turning their houses into fortresses and avoiding trains at night, and the elderly are locking themselves in their houses after dark. It is almost as if the minister believes that the victims are to be blamed for being bashed in their own homes, having their cars stolen or their property graffitied or vandalised. The increasing crime rate is making his Government look bad. The minister needs to look at his and his Government's responsibility. He needs to show leadership in the community and not blame the community.

For starters, he needs to accept that part of the problem with skyrocketing crime rates has been caused by his Government. He needs to accept that his Government has made bad decisions that have adversely affected the community, such as the change, over a year ago, when the Government decided on a policy of police non-attendance at burglar alarms, at both homes and businesses, unless it was a very expensive alarm system or the alarm was backed up by an independently verified call.

That means that now over 90 per cent of home alarms are not answered. This Government also needs to accept responsibility for slashing operational funds to frontline police officers. Over \$9m has been taken out of the operational funds of the Police Service in the past couple of years. It also needs to take responsibility for the under-funding and under-staffing of units like the child abuse unit, which was exposed last year. The minister and his Government need to take responsibility for destroying police morale in this State and for not pulling the Commissioner of Police into line when he tells police officers they have never had it so good when nothing could be further from the truth. The minister and the Government also need to take responsibility for their indecision and inaction which has been detrimental to the crime fight. There is no better example than the Attorney General's stalling on truth in sentencing. This is a matter on which we have offered bipartisan support for a couple of years now; this is a matter on which he said he needed more consultation, and so he appointed a high-powered committee headed by Justice Hammond to look into it. The committee reported in March of this year. The Attorney General is merely sitting on his hands. This is yet another example of procrastination by this Government serving only to increase our crime rate.

The Government has also procrastinated over pepper sprays and expandable batons for police officers. I understand that some specialised units have access to the pepper sprays but they are not available to frontline police officers. In a community in which the philosophy is to place most offenders back into the community - I question that policy when they have temporary or ongoing psychiatric and other mental disorders - it means that the police are more and more put into situations with people who, for one reason or another, may not be all that mentally stable. In New South Wales a fellow was shot dead by police officers on Bondi Beach. There are other examples of that kind of thing happening throughout Australia. At that time, the police officers did not have other options available to them, such as pepper sprays. Following the coroner's report and the investigation of that incident, the New South Wales Government immediately trained all of its officers in the use of pepper sprays. All officers in New South Wales are

already equipped with pepper sprays, as are officers in Victoria and South Australia. They have advised that has been of huge assistance in disarming violent people.

Mr Prince: The police are working on that right now.

Mrs ROBERTS: I am aware of that. I understand this matter was to be discussed at the Police Commissioners' Conference in June. I issued a statement in March asking the Government to stop dithering and get on with it. I said that I understood that the matter would be discussed at the conference in June and I hoped that we would put in place the procedures and started training people immediately.

Mr Prince: I cannot tell you whether that has happened. Our Police Service is getting on with it.

Mrs ROBERTS: Has money been allocated for training officers in the use of expandable batons and pepper spray?

Mr Prince: I can find out for you, but I cannot tell you at the moment.

Mrs ROBERTS: When methods are found to have worked well and are tried and true in other jurisdictions, we should not procrastinate for a year or so before getting around to it, especially when other Police Services have a reputation for being conservative. The Police Force in the United Kingdom uses pepper sprays. The United Kingdom Police Force has a reputation for being very conservative. I am not saying that in every situation police will be able to sort something out with a pepper spray; they may not. However, if it means that they may save a few lives and that they are not put into situations in which they are threatened by a mentally unstable person who has a knife, an axe or some other form of weapon, and the only option they have is to be killed or to use a gun, its use should be expedited.

Mr Prince: It is a very difficult situation to be in. A person who is truly demented and physically threatening may not be stopped by a pepper spray, whereas you and I might. Therein lies the real conundrum for police officers, which is why they use firearms.

Mrs ROBERTS: The reason police officers use firearms at the moment 100 per cent of the time is that they do not have pepper sprays. If they had the choice of expandable batons and pepper sprays in some situations, especially like that on Bondi Beach where there were an enormous number of police officers, the outcome might be different. Pepper sprays shoot for some distance. If they are unsuccessful with pepper sprays, they could then look at their options.

Mr Prince: I appreciate what you are saying. I am merely making the point that it is a fairly rare occurrence and it is a very difficult situation. We have had one in the past 10 days.

Mrs ROBERTS: Police officers with or without pepper sprays are often in an absolutely invidious situation. I am sure no-one in the community envies them. Also to be considered is the impact that shooting someone has on police officers. They wear that for the rest of their lives. That does not impact only on the victim. No police officer would want to be put in a situation of having to shoot someone. If we can keep police out of those situations, so much the better.

Mr Prince: They are prepared to put themselves in danger rather than hurt somebody. The incident that happened on Saturday at Waikiki is a classic example. The police were trying to restrain a person who has a severe mental problem and there was an accidental discharge of a weapon.

Mrs ROBERTS: I want to make some positive suggestions to the Government about where it should be going in the area of law and order. First, the Government should restore funding to frontline police. One of the problems associated with education, law and order, and health is that the Government has been obsessed with the bottom line of finances and getting what it calls productivity dividends. The Government should not be asking our frontline police officers for productivity dividends and slashing \$9m from their frontline budget. I ask for that \$9m to be restored as the first priority. We must ensure that our frontline police officers who are doing a difficult job day after day have the resources to patrol our suburbs, to react in times of need and to be able to apprehend and prosecute offenders.

I give a very brief example of an incident that was brought to my attention last week. I do not blame the police officer involved. There may have been a number of other factors. I put this situation on the record so that members of this House know what actually happened. Lazamaze Leisure Centre is a company that leases or rents video machines and arcade games. It leases some machines to Videolink in Mirrabooka. One of the problems for people in that business is that the machines get vandalised and fixing them on each occasion can cost many hundreds of dollars. On Friday, 31 July of this year, at about 12.45, a suspect was observed on a store security camera breaking into video game machines and vandalising them. He was caught and detained by the shop owner until the police arrived. When he was questioned by police he admitted guilt. Video evidence of the person committing the offence

was available. When Lazamaze's representative was phoned, that person went to Mirrabooka and spoke to the police officer. The police officer asked if Lazamaze wished to proceed with charges. He explained to the person that the offender was an unemployed 19 year old who had not had a job for some time and received only about \$95 a week in benefits. He explained further that Lazamaze would be unlikely to receive any compensation. Mr Speaker, may I have an extension of time?

The SPEAKER: Extensions are not available in the Address-in-Reply.

Mrs ROBERTS: Thank you for that advice, Mr Speaker. At best, the offender would receive only a community service order and the owners of the machine would not receive any compensation. The police officer told the owner that the police would press charges if he insisted but these were the concerns. This is very disturbing. I understand that the police would like to concentrate on far more violent and dreadful offenders. However, if they must decide something like this is not worth pursuing, something has gone wrong in the system. I know the owner of the machines. He told me that if this bloke was hungry, if he was short of money and had stolen the cash box, he might have been talked out of pressing charges. However, he would not be talked out of charging somebody for committing a wilful and senseless act of damage. If the people who commit these offences are let off without consequences, why will they not offend again and again? It makes no sense at all.

The Government should restore resources to frontline officers, provide for truth in sentencing, address the causes of crime and take a whole of government approach and apply resources for maximum effect to prevent crime. I recently travelled overseas and looked at some successful crime prevention techniques. Given that I am short of time and cannot receive an extension, I will leave that for another speech.

Amendment to Motion, as Amended

Mrs ROBERTS: I move -

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

but regrets to inform Your Excellency that the Government's plans to sell off the Armadale Health Service and the Armadale-Kelmscott Memorial Hospital were made without any consultation whatsoever with the local community and have generated unprecedented anger among residents of the south-east corridor who rightly consider that these important facilities belong to them.

DR GALLOP (Victoria Park - Leader of the Opposition) [11.52 am]: The amendment moved by the member for Midland deals with the Government's plans to sell the Armadale Health Service and the Armadale-Kelmscott Memorial Hospital. Shock waves went through the communities of Armadale and Kelmscott in July of this year when the Government issued its request for a proposal document. That document called upon the private sector to submit proposals for the management and/or ownership of that hospital. The preferred alternative, as outlined in this request for proposals document, was the sale of the site, the existing facilities and the equipment with the proceeds of sale paid on commencement of the arrangements with the operator. We are dealing with a Government that announced in July that it was seeking requests from the private sector about that hospital. It did not want the requests to deal just with the management of that hospital, but also to look at the possible private ownership of the land and the equipment associated with the hospital. That is a very important point in considering the community reaction to what has happened.

The Government's announcement in July that it would go down that path met with real opposition within the community. There were several reasons for this. First, no real consultation took place in relation to the Government's objectives, which were the same as its objectives in Mandurah and Joondalup where it privatised the new, upgraded government hospitals. Second, no real consideration was given to the implications of privatisation on the delivery of health services in the Armadale-Kelmscott region. The Opposition believes that this is another example of the Government's ideological obsession with privatisation.

As members would be aware, the Opposition has been arguing against the privatisation of the state health services. It has used three sets of arguments. It has looked at accountability issues - what it means to have a system in which the Government's delivery of services is subject only to the contract between the private operator and the Government. The only form of accountability that exists then does so through the words of that contract. It becomes very legalistic, limited and contractual. The second set of arguments used by the Opposition relate to efficiency. It is a fact of life that a good public hospital - we know what good public hospitals are because we have had them in this State over many years - is more efficient than a good private hospital. This has been established through the research of organisations like the Australian Institute of Health and Welfare. It is the premier independent research body on health matters in Australia. Third, the Opposition has focused on service delivery arguments because once the private sector starts to run public hospitals, some of those more expensive, complicated and difficult health delivery areas do not get the priority that they need in the public health system. The experience of other jurisdictions

is that these areas start to move down the hierarchy of priority and do not receive the degree of concern within that hospital that they should have.

The Opposition has used all of these arguments against the Government's push for privatisation. We took those arguments into the battle for Peel and Joondalup. Many of them were backed by what the Auditor General said in his report on the Joondalup privatisation. The Auditor General was concerned about the contract the Government had entered into when it privatised the Joondalup hospital. He found that there was not reliable information to establish that the contract provided net tangible benefits to the State relative to the public sector alternative from services or facilities. Significantly, the long term nature of the contract meant that there was potential for Western Australia to lose out on the basis of a number of risks. Those risks included lack of competition for new services and facilities, limited contractual control over the quality of services, and a fixed availability charge with limited control over service quantity. That is what the Auditor General said about that which the Government had done to the government hospital services in the northern suburbs.

I will not go over those arguments again today; everyone understands the Opposition's position. This is not just an issue for state politics. I am pleased to report to the House that at the Hobart conference of the Australian Labor Party on 22 January 1998, I successfully moved - and the motion was seconded by Mr John Thwaites, the Victorian deputy Labor leader - that should Labor win office federally, it will initiate an independent study to investigate the contracts that have been entered into by State Governments and their effect on the Medicare principles governing access and delivery of health services. I indicate to the House that the Labor Party will take its concerns about state public hospital privatisation into the federal election campaign. Our spokesperson in this area, Michael Lee, will be putting forward the proposition that Labor will examine these contracts closely for what they mean for the Medicare principles legislated for in this Parliament.

To understand the public reaction to the issue in Armadale-Kelmscott, members need to take into account another set of issues. That is what I will focus on today. We need to understand the history of that hospital and what it means for that community. In 1929, a Nurse Whitehead established a hospital in that area. She operated it as a private hospital. After the Second World War, in 1946, she offered her premises for sale. A public meeting was held in the Armadale-Kelmscott area to discuss saving the hospital for local residents because there was some threat that it might become a guesthouse and be lost as a health service. The people at that meeting formed an association, launched an appeal and agreed to run the hospital as a memorial to the local men who gave their lives in the two world wars. The hospital was established as a result of community effort and fundraising, and it was a memorial to the men who gave their lives in the First and Second World Wars. A 1948 Act of Parliament declared it a public hospital that could receive government grants, and that allowed for a period of development over about 15 years. It received public moneys through the Lotteries Commission and other government grant bodies for upgrading and development.

That Church Avenue hospital proved to be totally inadequate for the community, and in 1964 a new memorial hospital was built on the existing site on Albany Highway, which was purchased for £550 pounds in 1958. It is interesting to read the process by which the local member of Parliament and the local community raised the money and purchased the land on which the hospital stands today. Shortly after the new hospital was opened, the hospital board of management relinquished control to the Medical Department, which is now the Health Department. The further development of this hospital has involved the community. For example, in 1978, when the children's ward was added, a cheque for \$10 000 was presented by the hospital auxiliary for the furnishing and equipping of that ward. What does that history tell us? This hospital has been inextricably linked to the Armadale-Kelmscott community over the past 50 years through fundraising efforts, the auxiliary, the local doctors and other health professionals who have played a role.

What insensitivity on the part of this Government to think it could sell this hospital to the private sector when so much community involvement led to its construction in the first place! The local community was insulted when the request for proposals document went out to the private sector including the statement that the preferred proposal was to sell the whole site - equipment and hospital, lock, stock and barrel. It was not just the insensitivity of the Government that raised the ire of the local community, it was also its stupidity. What stupidity to want to sell the hospital to the private sector! This raises a basic difference in principle between this side of the House and the other side. The one thing this Government does not understand is the reality of the word "community" and associated words such as "tradition" and "history". The Armadale-Kelmscott hospital works with the strong support of the local community. No contract is capable of taking such intangible assets into account. This Government is a victim of its own ideology, and that is affecting its judgment on important issues such as the delivery of health services.

Members on this side of the House want a strong public hospital system that is linked to its primary communities. Many members in this House represent non-metropolitan communities, and those communities have the local hospital, the local hospital board and the local community forming a team. They do not need a contract to define what it is that makes their contribution to that hospital meaningful; they do it because it is their public asset. They

contribute to it, promote it, work for it and are involved in it. There is no better way of delivering health services under the Medicare Agreement than to have community-based public hospitals. It is this very principle that the Government has been undermining, not only outside but also within Perth as a result of the privatisation and management principles it has introduced in the hospital system.

The people of this district do not want private profit as the basis for the operations of that hospital. At Saturday's public meeting, which was very well attended, the point was made that if we have a private hospital running this community-based facility that has been operating for over 50 years, some of the revenue generated will go out of this district and perhaps even out of the State. The locals also believe that it will undermine the important link between the hospital and the community.

A very important third argument was put at the public meeting; that is, there is already a private hospital in this area. If people have private health insurance and a preference for private health treatment, fine, they have a choice - they can go to the private hospital. However, that privately-run hospital is one of the bidders for the public hospital. This raises potential conflicts of interest that are of real concern to the Opposition and to the community.

Dr Hames: In 1989, when I was a candidate in the Morley-Swan by-election, we had a big fight with Keith Wilson, the then Minister for Health, because he intended to make significant cuts in funding for some sections of the Swan District Hospital.

Dr GALLOP: That is a funding issue between the central Government - in this case the State Government - and the local hospital. This is a different issue. That happens in the political system; there is ongoing dialogue between local communities and the State Government over funding. So shall it continue.

Dr Hames: It is typical of all local community hospitals - whichever Government is in power they say they are underfunded.

Dr GALLOP: We are talking about the effort to make it a private hospital run on behalf of the Government. The community does not want private profit at the heart of this hospital and it does not want the Government to undermine the link between the hospital and the local community. Members of that community want to preserve real choice between a public hospital and a private hospital. That choice will be undermined if the private hospital runs the public hospital.

It is ironic that the Labor Party is defending this choice. That is why members on this side of the House were so concerned about what happened in Bunbury. There was a real choice between the public hospital and the private hospital. The private hospital in the centre of town was run by St John of God Health Care System and the public hospital was separate. Over time that choice may be undermined as a result of the new system.

To sell this asset, or to place it under private management, is seen as an insult to the community which has helped build it up and which participates in its day-to-day operations. Anyone who attended the public meeting on Saturday or who has been interested in this issue and understands that community will know only too well that there is a real concern about what the Government is doing. It is insensitive and stupid. The Government will undermine one of the reasons the hospital works very well for the people in that community.

Dr Hames: It does not work well. It has not worked well for years.

Dr GALLOP: Does the minister support the privatisation?

Dr Hames: I do not mind having a combination of the two systems.

Dr GALLOP: There is a combination of the two systems: We have a private hospital and a public hospital. Let us keep it that way.

Sometimes the contractualist logic that dominates this Government's thinking is totally out of place, and this is a clear example of that. No contract drawn up by the best legal and commercial brains in Western Australia could properly reflect the current realities of the Armadale-Kelmscott hospital. It is a publicly-owned community asset that should stay that way. Members on this side of the House will fight for that hospital. We know the community is behind us and that within government ranks there is division on this matter. We will continue our campaign on behalf of that community to keep this as a publicly-owned, community-run asset on behalf of the people of Western Australia and those of Armadale-Kelmscott.

MS MacTIERNAN (Armadale) [12.10 pm]: I support the remarks that have been made so powerfully by my leader, and I will add something to them. As has been pointed out, a public meeting was held in the Armadale Town Hall last Saturday. Unfortunately, the minister was not able to attend, although he had been invited a fortnight or more earlier. That was a great pity, because an issue of such importance to the community deserves the attention of the

minister. A major decision has been made by the Government and it has an obligation, as part of the democratic process, to listen to what people in the community feel about that decision. I am glad that at least one member of the Government had some guts. I refer to Hon Derrick Tomlinson, who was prepared to put the Government's point of view and take the message back to the Government. Although it is true that his message was not well received, the people in the community appreciated that at least one member of the Government had the decency and the guts to attend that meeting, give the Government's point of view and take the message back.

Mr Day: It was a Labor Party rally and nothing more.

Ms MacTIERNAN: It was not a Labor Party rally. Certainly, it was organised by the Labor Party because I am the Labor member for Armadale and the member for Thornlie is a Labor member, and we oppose the ideological position of this Government.

Mr Day: And the Labor candidate for Canning.

Ms MacTIERNAN: She was present at the meeting, as was the Greens candidate for Canning. The Greens candidate gave her position, and the Labor candidate for Canning also spoke in the same manner. Where was the Liberal candidate for Canning?

Mr Day: Did the Labor candidate for Canning help organise the meeting?

Ms MacTIERNAN: Insofar as she sent out a letter, she did.

Mr Day: She was one of the organisers?

Ms MacTIERNAN: I am not sure of the point the minister is trying to get at.

Mr McGinty: I do not know what the minister's point is. The first speaker of the day was a Liberal member of this Parliament - Hon Derrick Tomlinson. Good on him, he had enough guts to go, which is more than the minister did.

Ms MacTIERNAN: Of course. The minister is querying the motivation; it is quite clear. It is unashamedly political. Members of the Labor Party do not want the Armadale-Kelmscott Memorial Hospital to be sold, and nor do we want its management privatised. We have never pretended anything else. The meeting was organised from that perspective, but we were giving the people of our area an opportunity to have their say. They have been systematically denied that opportunity by this Government.

The minister has claimed in the local press, and again in Parliament in the past week, that consultation took place with the community about the privatisation of the management. What is more, he has claimed there was consultation over the process of selling the Armadale-Kelmscott Memorial Hospital lock, stock and barrel. We went to the community and asked the City of Armadale, "Were you consulted?" No. We asked the Shire of Serpentine-Jarrahdale, "Were you consulted?" No. We asked the City of Gosnells, "Were you consulted?" No. We asked the community reference group, which is the group the Government itself set up, "Were you consulted?" No. Not only were members of the community reference group not consulted, but also they felt so abused by the process, in which they first heard about the proposed sale by reading about it in the local newspaper after it had been pointed out to the editor of that newspaper, that they considered resigning. How could a community reference group not be given the opportunity to comment, and why were none of the local authorities given an opportunity to comment about the proposed sale? The minister has said that the Opposition is scaremongering and that the Government has made no commitment. I will read to the minister some of the information on which the judgment was based.

Dr Hames: Can you lower your tone? It is too high.

Ms MacTIERNAN: I will not lower my tone, my dear, any more than the member for Yokine will change his squeaky voice, which I find quite repulsive.

The ACTING SPEAKER (Mr Barron-Sullivan): Order! I remind members to address their comments through the Chair.

Dr Hames: That struck a nerve.

Ms MacTIERNAN: It did not strike a nerve. Mr Acting Speaker, I am quite used to the wimps on the other side of the Chamber seeking to interrupt me by using personal abuse. It is water off a duck's back; I could not give a continental. These hopeless morons on the front bench -

The ACTING SPEAKER: Order! I remind the member to address her remarks through the Chair.

Ms MacTIERNAN: I will get to the substance of the matter. When the Government made its request for proposals, tucked away on page 13 of the document was the following -

Government's preferred alternative is a sale of the site, the existing facilities and the equipment with the proceeds of sale paid on commencement of the arrangements with the operator.

The document also includes the indicative timetable, and the handover date to the operator is 1 July 1999. When I asked the chief executive officer of the hospital exactly what that meant, she confirmed it was the strongly preferred position of the Government that the arrangements involve the sale of the hospital. This was also confirmed by the Health Department, when it responded some weeks ago to questions put to it by a local newspaper, *The Weekend Examiner* -

It is the government's preferred option to sell the site, and the existing facilities and equipment to ensure that government's role is essentially that of purchasing public health services for the community and, in so doing transfer the cost and risk of redevelopment of the Armadale Health Service to the new private operator. In appropriate circumstances the sale of assets can free up funds that improves the overall ability . . .

When asked where the proceeds of the sale would be spent, the Government advised they would go into consolidated revenue with no commitment that the money would be spent in the Armadale-Kelmscott area.

How could the Government pretend that the Opposition's statements were scaremongering when there was clear evidence of the Government's preferred option to sell the land? Members on this side know the Government prefers that option because it is concerned about adverse comments made by the Auditor General on the contracts it entered into in Joondalup. The Auditor General pointed to a great many uncertainties about the containment of costs, the advantages that would accrue and the risks from that privatisation. However, the Government, instead of doing the sensible thing and not proceeding further with privatisation, decided to go down the path of an even more fully-blown privatisation that involved selling off that facility.

The Leader of the Opposition set out the community attachment to this hospital in some detail; the money to purchase the land was raised by the community itself. I have a document indicating that in 1954 the Armadale-Kelmscott District Memorial Hospital Inc, a community body, paid £550 for the acquisition of the site. At the time, a great deal of effort went into not only raising the funds but also procuring the site. I understand Lloyd Hughes, the secretary of the board, travelled to Adelaide to persuade the elderly women who owned the site to sell it for the development of this facility. He was ultimately successful in obtaining their approval and effecting the sale.

The development of this hospital has involved a level of community involvement which, within living memory, has not occurred with many of these sites and which has further strengthened community resolve to resist this proposal. The community resistance is to the sale of the Armadale-Kelmscott Memorial Hospital and ancillary services. There is also very strong resistance to the Government's plan to privatise the management of the hospital. The first is of primary concern because there is a strong sense that although the Government may have the legal power to sell the site, morally, it does not. The site was handed over by the local hospital board and local community in good faith to the Government on the understanding that it would preserve and run the facility as a public hospital.

When one of the most senior doctors in the area, Dr Ewart Smith, spoke at our meeting on Saturday, he made a public apology to the people of Armadale because he had been instrumental in the process which led to the hospital being handed over to the Government. Although he acknowledged that he had been a long-time friend of Cyril Rushton, he felt that no-one in that area would be prepared to vote Liberal again if the Government continued on this reckless path of selling a facility provided to them in good faith by the communities of Armadale and Kelmscott.

If the site is handed over to a private company it will be run, by force of the Corporations Law, not for the benefit of the local community, but for the benefit of its shareholders. We must not forget that that is an obligation on corporations under Corporations Law. Their first and primary responsibility is to their shareholders. In that scenario the general public comes a poor second and is very much dependent on the Government's capacity to draw up a strong contract.

The Leader of the Opposition described some of the equipment that has been purchased by the community which does not relate only to the past. Until this day, the hospital auxiliary continues to be a major provider of equipment to the hospital. It has been a major source for the purchase of both basic and sophisticated equipment for the hospital. It is now proposed that all those assets will be sold to a private operator.

It's not as though we have no alternatives. It is the core business of government to run public health facilities. The Government made \$2.3b from the sale of the gas pipeline. I believe it pledged \$1b to infrastructure developments. What do we see?

Mr Barnett: What are you saying is to happen to the pipeline proceeds?

Ms MacTIERNAN: I understood that \$1.3b of the proceeds went to retirement of debt. Is that correct?

Mr Barnett: You said something about \$1b being allocated to infrastructure.

Ms MacTIERNAN: I understand that is what the other \$1b will be used for. What will you do with the other \$1b?

Mr Barnett: The only allocation from the pipeline proceeds to infrastructure is the \$100m earmarked for the convention centre.

Ms MacTIERNAN: What will the \$1b be used for?

Mr Barnett: The \$1b will be used to pay the debt of AlintaGas. The rest, about \$800m, will pay state Treasury debt. An amount of \$100m will go to the convention centre and \$100m to computing in schools.

Ms MacTIERNAN: Out of the sale of the gas pipeline we are spending \$100m on the development of a convention centre, the primary beneficiaries of which will be the foreign-owned five-star hotels in the city of Perth. I do not believe it is the core business of governments to build convention centres. Perhaps Governments could build convention centres if money is left over after their core obligations have been met. As I said, their core obligations include the provision of public health facilities. It would cost a mere \$45m to develop the hospital as planned.

No-one doubts this hospital should be redeveloped. However, it should be redeveloped as a public facility with public money. That is not to say a private contractor should not build it; however, at the end of the day, the proceeds from the sale of the gas pipeline should be used, not to develop a convention centre, but to ensure we have publicly owned and managed health facilities in the Armadale-Kelmscott region which, after all, captures a population of about 250 000.

The people in my area and in the areas of the members for Roleystone, Southern River and Thornlie neither understand nor appreciate why the Government wants to put the construction of a convention centre before the construction of their hospital. The Minister for Health, who has not done his research, will rabbit on and say Labor did nothing. Labor recognised that the hospital had to be redeveloped. In 1991 it put in place the formal planning procedure to redevelop the hospital which continued until 1994.

Dr Hames: It took eight years to recognise there was a problem.

Ms MacTIERNAN: As the population has expanded the need has become greater.

Dr Hames: It has been a problem for much longer than that.

Ms MacTIERNAN: In 1994 when this Government decided to change the plan from an expansion of the existing facility to a new facility, the Labor Party did not oppose it. We thought it was fair enough; there were good arguments to support it, but obviously, it would need further planning. We were told the planning that had been done to date could be taken into account, but of course it would take an extra 18 months. It took first an extra year, then two years, then three years, until finally last year the Government indicated it would not spend the money to redevelop it; it would put it out to private contractors.

The Government has maintained a caveat, as it did with Joondalup and Mandurah, that it might not go down the route of privatisation; it might retain the hospital. However, the selected proponents have said to us very clearly that there is no way they would be spending hundreds of thousands of dollars developing a sophisticated and detailed request for a proposal if they had any doubt about the Government's intention to privatise the facility. It is not something that is merely being explored.

It is a commitment on the part of this Government to privatise this hospital because it is not prepared to provide the funds from the sale of the gas pipeline or elsewhere to develop this important public facility, which is at the very heart of the Government's responsibility. Those opposite may not be interested in the morality of the argument, but they had better look at the politics of the argument because some people out there are very angry. They are no more angry than in the seat of Roleystone. If those opposite want to win the seat of Roleystone at the next state election, they had better change their mind about selling off our hospital and privatising it.

MR TUBBY (Roleystone - Parliamentary Secretary) [12.31 pm]: I do not think we should be worried about winning the seat of Roleystone; rather, we should look at the electorate of Armadale. This Government has promised that within the next two years we will have a first-class public health facility in Armadale-Kelmscott. Until a couple of years ago, the member for Armadale did not know where either Armadale or Kelmscott were. She does not have a great deal of history with where they are.

Ms MacTiernan: You have, and let me tell you it's not good.

Mr TUBBY: I have had a few years in that area; in fact, I have represented it for 10 years. Before I got into politics, the Labor Party was in government. Prior to every election it put up a sign at the corner of the Armadale-Kelmscott

Memorial Hospital site to say there would be a major redevelopment of the health facilities there. Two or three months after it won the election, the sign was taken down. That was the closest the Labor Party came to providing the adequate facilities required in that growing metropolitan area. The facility has not degenerated in the past six years since we have been in government; it has been inadequate for far longer than that. When the Labor Party was in government it knew all about it, but all it did was to trot out a fancy sign before every election, erect it at the corner of the site and take it down after the election. That was its contribution to the replacement of the facility.

The Government will tackle the problem and replace that old, inadequate hospital which, quite frankly, could not be sold even if the Government desired to do that. The hospital has new amenities within it that can be transferred to a new site, but it cannot be rehabilitated. It is past that. The only thing is for the old hospital to be bulldozed. We are talking about whether the land could be sold. The hospital buildings are not even in the argument because they will be bulldozed. No matter what happens to that site, the facility will go. As I said, some facilities within the hospital can be transferred to a new, redeveloped hospital.

That site is very large, although I do not know the acreage. It goes from Albany Highway, in a very broad sweep, over the hill and down the other side of it. The site also contains other facilities - Goline House; Armadale Lodge, which caters for patients with Alzheimer's disease; and a large medical clinic which has been extended and redeveloped since this Government has been in power - and a very large area down the front of the site close to Albany Highway where it is intended to establish the new hospital. I have no problem with the top and the rear of the site being sold for redevelopment; in fact, I proposed that about 12 months ago and ran it as an option in the local media. A couple of letters to the editor were printed saying that I did not know what I was talking about. I must say that it is not unusual to get that sort of response; however, my hide is thick enough, so I can live with that! I also received some positive comments at my office, particularly from people who live in Roleystone.

The people who live in the retirement village in Roleystone have one leg longer than the other because it is built on the side of a hill. They see the site on Albany Highway as being reasonably level. One criticism was that the site was not level; therefore, a retirement village could not be built there. The Hillandale facility in Roleystone is on a much steeper site. People who live in the retirement village are quite happy to sell out and move closer to the medical facilities and public transport. Roleystone does not have adequate public transport because the population is not there to warrant the services that people in other suburbs have come to expect as the norm. The elderly people in the remote suburban areas would like a more central facility for a whole range of reasons.

The proposed facility is very close to public transport facilities. It is not far from the railway line, although it is not close to it. Albany Highway runs right past what will be the hospital site along which there is a bus service. Brookton Highway runs alongside the site. South West Highway, Albany Highway and Brookton Highway all feed into the proximity of the Armadale-Kelmscott Memorial Hospital site. It is ideally located.

Ms MacTiernan: No-one is arguing about the location.

Mr TUBBY: The member is putting around a scare, another furphy, that the hospital will be rebuilt on another site.

Ms MacTiernan: Do you support the sale?

Mr TUBBY: I will come to that. That hospital site is very large. It is ideally placed for roads and transport. As I said, I do not have a problem with part of the site being sold for redevelopment. My problem is whether to sell the remaining part of the site to the developer of a hospital. That is the preferred option of the Government, and I have put to the Government and the minister that it is not my preferred option. If we are to have a private development, my option is that there be a peppercorn lease on the site, where the hospital, Armadale Lodge, Goline House and the health facilities already exist, with minimal rental so that a private hospital can be built, if that is the option the Government proposes to take up; that is, a privately funded, privately built and privately operated public hospital on a peppercorn lease on the land. Then after 20 or 30 years, or whatever time the Government and the private operators can determine, the whole lot reverts to the Government of the day.

Ms MacTiernan: I am interested to know what will happen.

Mr TUBBY: The member should just be quiet. She had her say, and I did not interrupt her once. At the end of 20 or 30 years, or whatever time the contract happens to be for, the hospital will need major refurbishment - no matter who owns it - to bring it up to the standard required in that day and age. At that time the Government of the day can determine whether it wishes to continue with the same operators. In short, there will be a new contract, and the operators will refurbish the facility and continue to own and operate it for a further contract period; or the Government of the day may determine to let it go to another contractor or to take it back, as the member for Armadale suggested, and operate it as a publicly operated hospital. They are the options of a Government of the future if we go down the path of the lease arrangements, as I am suggesting.

No decision has been made by the Government to do any of those things. It is looking at all the options - the sale of the site and the building and the operation and ownership of a completely privately funded public hospital; the possibility of having the lease arrangement, which is what I have suggested; and also the Government building and operating a public facility on that site. The Government will take up whichever option will provide the best service for the area. As I said, it is not my preference to sell that land. It is not worth the argument and the political pain to go down that path because members of the community feel a sense of ownership of that land. They have contributed a lot to the site and the hospital over many years. I do not think the Government should even be considering the option. Nonetheless, the options are on the table and a decision will be made at a later date. At that time, I will have further input to the minister's decision-making process. The bottom line is that this Government will now provide a new, 120-bed public hospital to service the Armadale-Kelmscott locality.

Mrs van de Klashorst: Well needed.

Mr TUBBY: It is well and truly overdue. This Government will not just put up a sign, as did the previous Labor Government, and take it down after the election campaign. It will provide a facility at that site within the next two or three years; and how it will do that will be determined toward the end of this year. That will doubtless win us the seat of Armadale, which is probably the second most marginal seat in this House. This Government will deliver what the previous Labor Government promised but did not deliver: A first class health facility that will provide services previously unheard of in our part of the world, such as the recently relocated dialysis unit for which patients previously needed to go to Royal Perth Hospital or some other hospital. Those services will be provided by this Government in that new facility. I guarantee that the people of the Armadale-Kelmscott area will be so excited about and pleased with this facility that they will find it very difficult to vote Labor and support the member for Armadale at the next election.

MS McHALE (Thornlie) [12.42 pm]: I wish to make a couple of comments in response to the member for Roleystone -

Mr Barnett: You will be on shaky ground too!

Ms McHALE: I know that my seat is the most marginal seat -

Ms Warnock: That is why she works so hard.

Ms McHALE: That is right. It is interesting that somehow the Labor Party is being blamed for not developing the Armadale-Kelmscott Memorial Hospital. Members opposite seem to have forgotten that we have been in opposition since 1993. Had we been in government, this hospital would have been built and would have been a public facility. However, we are not in government, and members opposite should be ashamed that we now have to argue against their ideology about privatising this hospital.

Let us get one thing clear: The Government's preferred option is to sell the site, the existing facilities and the equipment, and not just privatise the management. The Government cannot escape the fact, because it has stated it publicly, that its preferred option is to dispose of Armadale-Kelmscott Memorial Hospital. In my view, as the member for Thornlie, that sellout is ill conceived and reflects the Government's indifference to and disregard of the wishes of the people.

The public outcry about the privatisation of this hospital was tangibly demonstrated last Saturday at the community meeting. That public outcry is based on several concerns, and I have identified four. The first concern is about the quality of and access to the health services that will be provided. The community is concerned about the ideology of privatising our health system. It believes that is wrong and in conflict with what it regards as the Australian values and way of life. One element of the privatisation of our health system that is, in my view, peculiar to this hospital is the indifference that has been shown by the Government to the history of this hospital. That is a strong factor in the community's opposition to the privatisation of this hospital.

As we mention in our proposed amendment to the Governor's speech, the fourth concern is the lack of consultation about this privatisation. As the member for Thornlie - the most marginal seat held by the Labor Party - I put on record that the people not just of Armadale and Kelmscott but also of Thornlie, Langford, Kenwick and Maddington are concerned about this proposal. Those people access the public services provided at that hospital and have expressed their contempt for the Government's preferred option to sell off that hospital. The extent of feeling extends beyond the member for Armadale's seat and is a real concern in my electorate of Thornlie.

Ms MacTiernan: It is disappointing that once again the Minister for Health has absented himself from the debate.

Ms McHALE: I do not think he wants to hear the facts.

Mr Johnson: I am sure he is listening.

Ms McHALE: He would serve his portfolio well were he to listen to this argument, because I assure the member for Hillarys that the intensity of feeling was overwhelming on Saturday, as I am sure his colleague Hon Derrick Tomlinson will report, if he has not already done so.

Mr Johnson: He talked to me about it last night.

Ms McHALE: That is good, because, to use his words, he felt like a lamb going to the slaughter.

Mr Johnson: He did not describe it like that.

Ms McHALE: He did on Saturday.

Mr Johnson: He said it was a well-attended meeting and the people were well behaved.

Ms McHALE: They were, under the chairmanship of the member for Armadale. The intensity of feeling was also reflected in a local telephone poll conducted by Comment News, which said it had an unprecedented response and received twice the number of calls in that telephone poll as in any other telephone poll it had ever conducted. Ninety-eight per cent of the callers were opposed to the sale of that hospital.

Mr Johnson: I suppose it was fear of the unknown.

Ms MacTiernan: No. It was anger about their facility being sold without any consultation.

Ms McHALE: That is right. The Leader of the Opposition has already referred to the quirk in the coalition Government's approach to choice. The community has a right to choose between a public hospital and a private hospital. It believes its choice is very clear and distinct: It wants a public hospital that is owned and managed by the Government. It does not want a facility that is privately owned and that is managed under a contract that has been entered into between the Government and the private operator. The community fears, and rightly so, that any real choice will be removed by the Government's decision to privatise that hospital. Real doubt has been cast upon the private sector's ability to provide a public hospital and to make savings relative to what can be provided by the public sector. That has been demonstrated by the Auditor General's analysis of Joondalup Health Campus.

The concerns that were raised in that analysis are concerns that the community of Armadale and its environs has about its hospital; namely, that there will be reduced flexibility in the services that will be provided and less accountability for the quality of those services. The community also has fears about the cost of providing those services.

Mr Baker: May I interject?

Ms McHALE: No. I do not wish to hear from the member for Joondalup. The second concern that needs to be explored is the history of this hospital.

Mr Johnson interjected.

Ms McHALE: Was it the member for Hillarys who wanted to interject? I would have taken an interjection from him. I thought it was his colleague the member for Joondalup who wanted to interject.

Ms MacTiernan: What do you have against the member for Joondalup?

Ms McHALE: Lots!

Mr Johnson: You know that you can interject on me at any time. I wanted to let you know that the people of the Joondalup area, which includes my area, are very happy with the services being provided at Joondalup Health Campus.

Ms McHALE: The member for Hillarys worries me a bit, because I am sure he sees everything through rose-coloured glasses. That is not what we hear about that hospital. The member for Hillarys is a positive person, and I am sure he is optimistic and hopes that the community is happy, but I assure him it is not. Let me also tell the member that on Saturday people attended from the Rockingham and Mandurah areas and they spoke about the problems they were facing. There is a big ripple of discontent among the people about the privatisation of our health services.

Mr Johnson: Not in the Joondalup area.

Ms McHALE: The member for Hillarys cannot get away from it. The Western Australian community does not want its public health system to be privatised. That is the fundamental position and the community will not be moved from it. That is where we are coming from and it is the point which, to his detriment, the member refuses to accept.

Mr Day: What is the matter with the private sector providing health services?

Ms MacTiernan: Because at the end of the day the private sector's primary responsibility is to its shareholders. The

Western Australian community wants a public health facility operated by those whose primary responsibility is the welfare of the people of this State. It is a fundamental issue.

Mr Day: I was actually asking the question of the member for Thornlie, who has some expertise and background -

Ms McHALE: Had not the member for Armadale so eloquently interjected, I would have said exactly the same. This issue underlines the fundamental philosophy in the private sector of putting profit before providing services, and the member cannot resile from that. Members on the government benches should ensure that they are aware of the history of this hospital. It was established as a memorial to the soldiers, both male and female, who did not return from both the First and Second World Wars. The money was collected by members of the community and they bought the site. That is the current and relevant history of the hospital. One could feel that the people who spoke -

Dr Hames: Are you saying you would refurbish the hospital, or would you do what was suggested and demolish it and build a new hospital on that site?

Ms McHALE: I am not fully conversant with the plan, but I understand from the member for Armadale that it would be the latter.

Ms MacTiernan: As we said, we supported your decision in 1994 to rebuild.

Dr Hames: I just wanted clarification.

Ms McHALE: It is an interesting issue and we must decide how we can maintain the continuity of that memorial, but that can be done -

Dr Hames: That can be done by building the new hospital on the site.

Ms MacTiernan: Yes, which we support.

Dr Hames: I think we do too.

Ms MacTiernan: That is right.

Ms McHALE: The feelings expressed on Saturday were very clear. The community does not want the health services provided by means of private facilities. That would not be in the interests of the community in the south east area. If this proposal goes ahead, woe betide this Government, because that decision will be seen very clearly as an abuse of the community's wishes and as an irrational decision. If the Government changes its mind - and I urge it to do so because there is still time, although its preferred option has been made very clear - it will be no thanks to the wisdom of this Government. If it changes its mind, it will do so because of the pressure exerted by the Opposition, and more importantly, as a result of the voice of the community.

Mr Day: We have not made up our minds. We have not made a final decision.

Ms McHALE: The Government has made -

Mr Day: We have not.

Ms McHALE: Members opposite have made their position very clear. I am not sure if they are arguing semantics, but their preferred option -

Dr Hames interjected.

Ms McHALE: If the Government does not go with its preferred option, clearly it will not proceed with the option that it wanted. The Government has made its position very clear: It wants to sell the land and privatise the facilities. However, that is not what the community wants. Such a decision is politically ideologically driven, and not in the interests of the community in the south east area.

DR HAMES (Yokine - Minister for Housing) [12.54 pm]: I will not spend a great deal of time talking about this site, because as I do not have any ministerial responsibility in this area, I do not have a great deal of knowledge of the site. However, I shall address some of the points made by the Leader of the Opposition on the concept of the enormous value of community hospitals. The member for Maylands and I are perhaps the two members in this place with the most experience of this issue. I am sure that we are in a position to compare the two situations, having dealt with a large number of hospitals in the metropolitan area. This is particularly so in my case, because my father was a doctor at the Westfield shopping centre and frequently used the Armadale hospital, and, I might add, frequently complained about it.

If we compared the public hospitals that I used to use - that is, Osborne Park Hospital and Swan District Hospital - with the two private hospitals in the area being Undercliffe, which compares with Swan Districts, and St Anne's, which compares with Osborne Park, and asked members of the community which hospital they would prefer to go

to, the private hospitals would win hands down. The facilities provided at these private hospitals are far better than those available at the public hospitals. This has nothing to do with the nursing staff and the doctors, who are comparable in each hospital, but the facilities and equipment in the public hospitals were much poorer than those in the private hospitals. That is not a reflection on our Government or the Opposition in the past; it is typical of all Governments.

As I said earlier by way of interjection, when I was a candidate in the Morley-Swan by-election in 1988 or 1989, one of the campaign issues we first latched onto was that the Minister for Health at the time, Hon Keith Wilson, was about to make a significant funding cut to Swan District Hospital. I do not remember the service that was to be reduced, but it was either the maternity or the casualty service, or it may have been both. Such cuts traditionally occur in government hospitals, not just here in Western Australia or Australia, but throughout the world.

I have been to the Ukraine where a system operates that the Opposition would probably strongly support in which all services are run by Government. We were asked to obtain supplies of Panadol, needles, and syringes because the Government was spending all the money on other commodities and not putting money into the hospitals. Traditionally, wherever they are, government hospitals suffer through lack of funding, and this is true especially of community hospitals. Facilities tend to be based in the major hospitals. Osborne Park Hospital was a poor second cousin to the major hospitals of Royal Perth and Sir Charles Gairdner.

Ms MacTiernan: This is now changing; you are behind the times.

Dr HAMES: The situation has changed since our party came to power. We have put a great deal more into those communities and hospitals than the Opposition did. Nevertheless it is a very different matter when compared with the profit motivated private sector of which the Opposition keeps talking. The Opposition says that the private sector is after every last dollar in the way it puts its money into hospitals. Most private hospitals, such as St John of God Hospital and St Anne's Mercy Hospital, are extremely well run and well funded. Even Undercliffe Hospital, which is not run by a church group, is extremely well operated, has tremendous facilities, and is a very well run hospital. Mt Lawley Private Hospital operates in the same way. The facilities in these hospitals are provided by the private sector. It is absolute nonsense for the Opposition to say it is bad to have the private sector involved in hospitals.

The Leader of the Opposition also talked about the community spirit and involvement in hospitals. Members opposite should understand that this hospital had community support in providing the land and establishing the hospital in the first place. However, if the trend in other hospitals is anything to go by, what tends to happen in these community hospitals - for example, Royal Perth - is that an ancillary support group is established and these volunteers work their butts off trying to provide the services that are often not available in government hospitals. These volunteers work very hard often with very little support.

The community that lives around the Osborne Park Hospital has very little to do with it. There are few opportunities for them to be involved in the hospital. All they do is go there when they are sick. However, frequently when they are sick they do not go there because the facilities are so poor and there is no casualty facility. There was a casualty facility at Swan District Hospital because it was so far out, but often people who became sick would bypass that hospital because it was so poorly staffed and go all the way to Royal Perth or Sir Charles Gairdner Hospitals because that is where they could get decent service and the local member is -

Mrs van de Klashorst: We had a wonderful centre there before. I had a child with a broken leg, but we had to go right through to the children's hospital.

Dr HAMES: That is right, and I have had the same problem with some of my patients from that area. They would go to that hospital and wait for ages. It was not the fault of the hospital; funding was available in those days, although it was inadequate, and only one staff member was on duty.

Ms MacTiernan: How do you account for the community outrage?

Dr HAMES: The community outrage has been stirred up by the Opposition. It is a blatant political exercise by the Opposition for two reasons: Firstly, members see the federal election coming and are grasping a political opportunity. I do not attribute that motive to the member for Thornlie, because I am sure she would not be so politically blatant. I am sure the member believes that it is not in the best interests of the community; however, I believe that it is.

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

Debate thus adjourned.

[Continued on page 512.]

Sitting suspended from 1.00 to 2.00 pm

MINISTER FOR POLICE

Televising of Brief Ministerial Statement

THE SPEAKER (Mr Strickland): I advise members that if the House agrees to allow the Minister for Police to make a brief ministerial statement after question time today on the release of persons on bail, I will authorise live televising of the statement to all television and radio stations.

[Questions without notice taken.]

STATEMENT - MINISTER FOR POLICE

Suspension of Standing Orders

On motion by Mr Barnett (Leader of the House), resolved with an absolute majority -

That so much of the standing orders be suspended as is necessary to allow the Minister for Police and minister representing the Attorney General to make a brief ministerial statement forthwith.

Statement - Grant of Bail to Offender on Parole

MR PRINCE (Albany - Minister for Police) [2.45 pm]: I appreciate the assistance of the Opposition in allowing me to make this statement at this time. On Monday, 17 August 1998, Mr Vincenzo Leone was tragically killed in a car collision on Wanneroo Road. The other car was reportedly driven by a 19-year-old who had earlier that evening been released on bail from the Midland lock-up following charges for disorderly conduct and damaging a vehicle. It has been a matter of public discussion that this man was at the time on parole.

Although charges are pending, which means that I cannot go into the details or history of matters that are presently sub judice or may prejudice any future trial, I can confirm that this individual was on parole and was on bail when he was further charged with the minor offences I have mentioned and again released by the police to bail. Because of the minor nature of those offences, his release to bail was in accordance with the recommendations of the Royal Commission into Aboriginal Deaths in Custody, which have been used to formulate police standard procedures for all persons charged in this State. The police did not know of any impediment to bail.

Checks by the Ministry of Justice and the WA Police Service have disclosed that the police records branch had not been advised that the individual was on parole due to the omission of his name from the routine reporting from the Parole Board to police records. An error had occurred in batch data produced by the Parole Board which had resulted in some names being missed from the list. That programming error has now been fixed.

This case highlights the importance of ensuring efficient communications between the Police Service, the Ministry of Justice, the Parole Board and the courts. It is vital that each is aware of actions taken by the others. The Parole Board has addressed the specific problems to which I have referred. However, to ensure that the Parole Board is kept aware of police actions, the Commissioner of Police has advised that in future the Police Service will ensure that whenever a person on parole is arrested and charged, the Parole Board is notified as soon as practicable. This will allow the Parole Board to review parole at the earliest opportunity. The Ministry of Justice has also advised that it will take steps to improve after-hours access to its officers by members of the WA Police Service. These measures, which can, and will, be implemented immediately, will improve coordination between the agencies. The agencies will conduct a coordinated review of their processes and the interaction between them to determine whether further improvements can be made.

As was announced by the Attorney General earlier this month, the Government intends to introduce into this session of Parliament a legislative package dealing with bail, parole, remission and sentencing. Following a major review chaired by the Chief Judge of the District Court, the Government will introduce legislation to abolish remission, abolish some forms of early release, amend the parole formula so that offenders must serve at least half of their sentence before consideration for release on parole, give judges greater capacity to order that a person is not eligible for release on parole, and ensure that for the whole of an offender's sentence he or she is under state control and at risk of return to gaol.

The Government will introduce a more easily understood and systematic approach to guide sentencing. Those who impose sentences will be required to state clearly the factors taken into account in determining a sentence. In addition, the legislation will provide that those who fix a sentence should do so within a specified range for particular offences. This will ensure greater consistency in sentencing and ensure that the public can relate the seriousness of an offence to the sentence imposed. It will also allow Parliament to target particular offences.

The Government will also introduce a major bail amendment Bill. This will include new provisions to ensure that the seriousness of the offence can be the sole factor in refusing bail, create new offences to deal with persons who breach the conditions of their bail, and expand the range of offences for which bail may be denied. A major review of the Bail Act will be undertaken jointly by the Ministry of Justice and the WA Police Service to redefine the role and purpose of bail in the criminal justice process.

ADDRESS-IN-REPLY

Amendment to Motion, as Amended

Resumed from an earlier stage of the sitting.

MR MCGINTY (Fremantle) [2.48 pm]: I find it absolutely remarkable that the Minister for Health is not prepared to participate in a debate on what is arguably one of the major issues in his portfolio. This is the second time that he has behaved in a cowardly fashion and run from public scrutiny on this issue. He refused to attend a public meeting held in Armadale last Saturday. However, he did make time available to discuss the matter with a few television reporters and safely comment from a distance. This matter has so outraged the Armadale community that 1 000 people turned up at that meeting on Saturday and gave the raspberry to at least one Liberal member who had the guts to turn up and to put the Government's view - not all that well, but at least he had the courage to confront. This minister did not have the courage to do that. What do we now find? We are having a parliamentary debate on the matter. Where is the Minister for Health? He is the minister responsible for selling something that belongs to the people of Armadale. His preferred option is to sell the Armadale-Kelmscott Memorial Hospital which, as we have all heard today, was built with the contributions of those people fortunate enough to return from World War II in memory of their colleagues and comrades who did not return from the war. That is the public asset which, in every sense of the word, belongs to the people and particularly the veterans of the Armadale-Kelmscott community. He wants to sell it to a private operator and is not prepared to stand up in this Parliament and participate in this debate. He is happy to have this matter go to the vote. The Speaker was about to put the matter to the vote and did we hear boo?

Mr Day interjected.

Mr MCGINTY: He was happy. He had his head down and had no intention of participating in this debate. Having embarrassed the minister into justifying his cowardice and his actions in this matter, I shall now sit down and listen to what the minister has to say.

MR DAY (Darling Range - Minister for Health) [2.51 pm]: The contribution from the shadow spokesman on Health was absolutely amazing. Talk about a lack of substance! I thought he would get up as the opposition spokesman on Health and say something of substance to back up the argument that was put by his colleague, the member for Armadale, and by other spokespeople on the other side. I guess when we think about it that it is not surprising that he did not make a substantive contribution because this is not a debate about anything substantial at all. The Opposition says that the decision to sell the Armadale-Kelmscott Health Service and the Armadale-Kelmscott Memorial Hospital has been made without any consultation whatsoever with the local community.

It has never been suggested that the Armadale-Kelmscott Health Service would be sold; it is a ridiculous notion. The Armadale-Kelmscott Health Service is part of the Government, and it is the umbrella organisation for providing public health services in the Armadale region. No suggestion has been made that it will be sold, and so that is a ridiculous notion.

Ms MacTiernan: Is it your preferred option?

Mr DAY: I shall come to that in a moment. I was just about to address the second aspect of the Opposition's motion which suggests that the Government has already made a decision to sell the Armadale-Kelmscott Memorial Hospital. That is not the case. Obviously, members of the Opposition have a great deal of difficulty with this issue. They are embarrassed that the Armadale region has needed a new hospital for many years - probably for 15 years - and this Government is doing something about it. The Opposition was in government for 10 years and it did absolutely nothing about it. The member for Armadale told us that the former Government set up a planning committee. I know it planned many things when it was in government. It planned a petrochemical plant at Kwinana as well and squandered \$1.5b of taxpayers' money in the process. It was very good at planning things and wrecking the State's economy, but it was not very good at doing things of substance for the Western Australian community. The only thing of substance that was built in its time in government was the Burswood Casino.

Ms MacTiernan: What about the northern suburbs rail link?

Mr DAY: Together with the \$1.5b that was squandered with WA Inc's problems, the Labor Party also wanted to sell the Heathcote site to pay off some of the WA Inc debts.

Mr Graham interjected.

Mr DAY: The member for Pilbara is going on about something totally irrelevant to this debate, and I will bring it back to something that is a little more relevant.

Mr Graham interjected.

The SPEAKER: Order!

Mr DAY: As I said there has not been any decision -

Withdrawal of Remark

The SPEAKER: Order! The minister was prepared to cop it, but the member for Pilbara has impugned the minister, and I ask him to withdraw.

Mr GRAHAM: Mr Speaker, I certainly have, and I will withdraw because you tell me to.

Debate Resumed

Mr DAY: A decision has not been made about whether the Armadale-Kelmscott Memorial Hospital will be redeveloped as a result of involvement from the private sector.

Mr Kobelke interjected.

Mr DAY: It is not an issue; we have not made any decision. Listen to what I am saying. Read my lips, to quote somebody before me. We have not made any -

Mr Kobelke interjected.

Mr DAY: He might have. I am not saying it is impossible. I am simply saying no decision has been made about how the Armadale-Kelmscott Memorial Hospital will be redeveloped. It is entirely appropriate that we consider all the options as to whether it will be appropriate for the private sector to be involved, and whether it will be in the interests of the local community to provide a high quality service that it needs and has deserved for many years.

Ms MacTiernan: What is your preferred option?

Mr DAY: We have not made a decision, but it is entirely appropriate for the Government to look at all the options on whether the private sector should be involved entirely or in conjunction with the Government in some way, or whether the redevelopment should be undertaken entirely by the Government.

Dr Hames: The preferred option is the one that provides the best service to the community.

Ms MacTiernan: Why have you written in your documents -

The SPEAKER: Order! I am starting to get annoyed at the incessant interjecting coming out of member for Armadale's mouth. People in this place want to hear what the minister has to say. She has had plenty of opportunity to interject, but it is getting beyond what is acceptable. Perhaps the minister can address his comments to the Chair and we can get on with it.

Mr DAY: Comments were made earlier in this debate about the level of community input into the Armadale-Kelmscott Memorial Hospital and I am very conscious of the degree of local ownership that people of the region feel they have about the service as a whole, and about the site. A great deal of history is associated with the development of health services in the Armadale-Kelmscott region. That is certainly recognised. I encourage anybody in the community who has views about how the redevelopment of the hospital should be undertaken to make an input to the Government via the community reference group which has been established. We welcome all of that input and we shall consider all of the information that is provided to the Government together with the various proposals which may be put in by the private sector.

That input will be compared with the benchmarks which are established within government on how the Government can provide the service before it makes any final decision about the matter. That will not be until towards the end of this year because the closing period for the lodgment of the proposal from the private sector does not expire until the end of October, and it will take six to eight weeks to make a detail assessment of those proposals. We are very much aware of the degree of local interest in the issue and it is very welcoming to see. Local communities are always

encouraged to have a strong interest in the government services that are provided in their local areas, whether it be health services, police services, or any other service.

Reference was also made earlier in the debate that we have some sort of ideological imperative to sell off the hospital site come what may. That is not the case. We shall take a very rational and careful look at the proposals which come in and then determine how we can best provide that service in the interests of the local community and in the interests of the taxpayers of Western Australia as a whole. If anybody has a problem with ideologies, it is the Opposition. I recall the comments of the Leader of the Opposition in this debate, who said that private and public health services should be entirely separate on different sites. Why is that the case? Absolutely no logical explanation exists for such an argument. Members should look at what a previous Labor Party Minister for Health, Hon Keith Wilson, said; I referred to his comments in question time. He said that he was not averse to commonwealth departments entering into tender negotiations with private interests for the hospital to be sold and to be operated in future as a private hospital.

That ideological hang-up certainly did not exist when Labor members were in government, but they regard it as a convenient and opportunistic political occasion for them to run a scare campaign in the local area, and it is by no means coincidental that we are coming up to a federal election and that that major hospital development, which is very welcomed by the local community, is located within a marginal federal electorate.

Ms MacTiernan: We have been following developments with this hospital, as the minister well knows - perhaps he does not, because he has only recently come into the job - and it has been a central issue in our area for several years. It is true that there is to be a federal election, but that is purely coincidental. As soon as we discovered the Minister's plans to sell the hospital, we brought them to the public's attention. We did not have to do much work to raise community ire about that; it was quite spontaneous.

Mr DAY: I accept that there is strong community interest in the issue. Obviously, it is the Government's job to explain to the local community the benefits of the service which they will ultimately have, but, as I have said, we have made no decision about how that service will be provided. Many services have been provided in recent months, and I will refer to them in a moment. As for its being a political issue for the federal election, I do not believe that it is coincidental, and we need look only at the letter that was distributed by the Labor candidate for Canning, to constituents in the area a week or so ago. He said that, along with his colleague the member for Armadale, he will organise a public meeting on Saturday, 15 August. There is absolutely no question that the Labor Party is trying to stir up the issue to the fullest possible extent in the context of a federal election, bearing in mind that it is in the middle of a marginal electorate.

Ms MacTiernan: We would do that anyway. It is helpful to us that it is in the middle of a federal election, but that is the Government's doing. We would have raised exactly the same issue regardless of whether there were a federal election, and the minister knows that.

Mr DAY: Opposition members' arguments are specious. They claim that there has been a lack of consultation. I encourage anyone who has an input into the matter to do so through the community reference group so that we can hear what people have to say and respond to their concerns. A new hospital is very much needed in the area. What is there at the moment is inadequate. I visited the hospital on Friday to gain some first-hand knowledge of the needs of the area and of what is there at the moment, and there is absolutely no question that the existing facilities have outgrown their normal lifespan. A hospital normally has a lifespan of 20 to 25 years unless major refurbishment is undertaken.

Mr Graham: When will the minister build a new hospital in Port Hedland?

Mr DAY: I will come to Port Hedland when I am ready. I have been to Port Hedland on at least one occasion as Minister for Police and I had a good look around the area. The Pilbara region is well looked after by the Government.

Mr Graham: Because it has a great local member. I invite the minister to the Pilbara. I would be happy to take him to Port Hedland and to show him around the hospital. Based on his premise, after 25 years hospitals are due for replacement. I thank the minister. He is a good Minister for Health; I change my opinion about him.

Ms MacTiernan: Members of the community reference group whom the minister wants people to contact say that they were not aware that his preferred option was to sell the hospital site, and they were very angry about that. Has the minister had discussions with them since then?

Mr DAY: I have met members of the community reference group and discussed issues with them. There is no doubt that they understand that we have made no decision about the matter; we are seeking proposals from the private sector

and we will make up our minds after all views are received. I believe that the community reference group understands that.

Ms MacTiernan: But you did not discuss with them the possibility of selling the hospital, did you?

Mr DAY: Everybody knows that there is the possibility of the Government's undertaking the redevelopment itself, and there is the possibility of the private sector undertaking the development as mandated by the Government, either with or without the sale of the land. We have simply made no decision about the best way to go.

Ms MacTiernan: They say that they were not aware that it was a prospect that you would actually sell the land to the private operator. Are they telling the truth?

Mr DAY: If they say that they did not understand that that was a possibility, I will not argue with that. I cannot comment on what discussions may have been had with them prior to my taking over the Health portfolio, but I believe that they understand now that we have not made up our minds about the most appropriate way in which to undertake the development. As I was saying, there is a need for a larger, modern hospital to be developed on the Armadale-Kelmscott site, and the Government is ensuring that that will occur.

One of the challenges facing the Government and the community in the delivery of health care, particularly in metropolitan areas, is that there has been far too much concentration on services being provided close to the Perth central business district and a lack of services being provided in more peripheral parts of the metropolitan area. As a result of concerted action by the State Government to change the situation over the past year or two, additional services are now provided at the Armadale-Kelmscott hospital site. For example, the renal dialysis service was opened in April this year and I saw it in operation last Friday. It was certainly unsatisfactory that renal dialysis patients who lived in the south-eastern corridor, around Armadale or even further out, had to travel three times a week to the middle of the Perth central business district to Royal Perth Hospital for renal dialysis. As a result of the Government's actions, that facility is now provided closer to their homes.

Ms MacTiernan: That was a very positive development and I support it absolutely. It is just a pity that the hospital does not have more money so that it can actually have full beds instead of patients having to go to Royal Perth and Fremantle Hospitals for surgery because the surgery must close at five o'clock. That is why we have empty beds in Armadale.

Mr DAY: Much attention is being given to ensuring that we have a much greater range and quantity of services being provided closer to where people live. It is a challenging problem, but there has been great progress over the past 12 months or so. For example, at the Armadale-Kelmscott hospital site, two new neurological surgeons are now available for local patients. There is one ear, nose and throat surgeon, a paediatric surgeon, an obstetrician and gynaecologist, two gastroenterologists and an additional general surgeon. There is also a hospital doctor to provide cover for in-patients over and above the previous allocation. There has been a 25 per cent increase in general surgery cases, an increase in the number of procedures and operations, and a 45 per cent increase in the number of gastroenterology patients as a result of patients being treated at the hospital instead of having to go to Royal Perth Hospital as was previously the case. Also, there has been the introduction of a neurology on-call system to cover emergencies in the Armadale health service region.

All those developments are long overdue and a welcome development so that people of the south-eastern corridor do not have to spend as much time and money as they did in the past. I have no doubt that the development of the new 120-bed hospital for the region, whether it be undertaken directly by the Government or by the private sector under the Government's supervision, will lead to far better health care for people in the south-eastern corridor. As I said, the Government recognises that for far too long there has been a deficiency in that area, and it is doing something to overcome the problem.

Ms MacTiernan: If the minister decides to develop it as a public facility, which will be very good, what time frame is he considering for that development?

Mr DAY: We will be doing it as soon as we possibly can. There is a great need for it. Obviously, we must consider all the options once the proposals are received from the private sector. We will then assess those proposals against the background of the options directly available to the Government and make up our minds after that time.

Amendment put and a division taken with the following result -

Ayes (17)

Ms Anwyl
Mr Brown
Mr Carpenter
Dr Edwards
Dr Gallop

Mr Graham
Mr Grill
Mr Kobelke
Ms MacTiernan

Mr McGinty
Ms McHale
Mr Riebeling
Mr Ripper

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

Noes (30)

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

Pairs

Mr Marlborough	Mr House
Mr McGowan	Mr McNee

Amendment thus negatived.

Debate (on motion, as amended) Resumed

MR MARSHALL (Dawesville - Parliamentary Secretary) [3.13 pm]: I had difficulty choosing a theme for this year's Address-in-Reply speech. Law and order, capital punishment, drug rehabilitation, tax reform, hospital services and transportation were all items that came to mind readily. However, the inspiration for this speech came from the shopping forum in Mandurah when I was having a light lunch with my wife last Saturday. The forum was buzzing with people everywhere, which is no wonder, as the centre is now the fifth largest retail outlet in Australia, topping the moving annual turnover listing at \$194.56m. The food hall has about 200 tables with appropriate seating. A rock-and-roll duo was setting the scene for shoppers to enjoy spending their money in a relaxed way and young parents with children were everywhere. There were toddlers eating ice-cream, sucking lollies, hanging onto prams, acting and showing off with the vocalists and riding, sometimes up to three, in the shopping trolleys.

This lunchtime observation reaffirmed the importance of the Government as a provider for our young Australians. Infrastructure, public services and guidelines must be in place to ensure that our youngsters have the opportunity and the best chance to achieve their dreams and destinies. These thoughts jolted me into realising yet again the responsibilities that we, as politicians, have to our electorates and I started to do my own shopping list, ticking off what had been achieved for the youngsters in my electorate and how I could assist them in the future.

The demographics of my electorate of Dawesville have changed dramatically in the past eight years with 18 per cent of the population now being between zero and 24 years of age and 14 per cent being 55 years and over. Once known as a place to retire, now the population is a cross-section of the elderly, middle-aged and young families with child care centres popping up everywhere. A good gauge as to the number of youngsters in a district is the number of primary schools. I am happy to say that in 1995 two of only four primary schools built in Western Australia were built in my electorate; they were Riverside and Halls Head. In 1996, to cater for the other section of youth in the area, Murdoch University's College of TAFE campus was opened; and in the year 2001 there will be a new middle school at Halls Head.

One of the down sides of the population boom is unemployment which is running at 14 per cent; however, alarmingly, the figure is 33 per cent for people between 15 and 25 years of age. There is no doubt that unemployment is the region's number one concern. The announcement that a senior campus will open in 2001 alongside the TAFE college is one of the strategies that will help counter youth unemployment in our area. By changing the Coodanup and Mandurah Senior High Schools to middle schools and bringing all year 11 and 12 students under one roof, a wider range of education can be covered. Therefore, if a youngster in Mandurah has the potential to obtain TEE marks to enable him to be an engineer, doctor or accountant, or a tradesperson, painter or mechanic, by having all the year 11 and 12 students together we can offer the full range of teaching. TEE subjects such as art, accounting, calculus, physics, economics and history will be taught to enable students to select courses to take them to tertiary education and - wait for it - a better chance for later employment.

The Peel Development Commission has a staff of 10 and is a government agency which pursues projects that will enhance employment opportunities. Currently, it is pursuing the Western Australian rail heritage plan, the Peel regional zoo, Peel aquaculture, the Peel equine industry, the ocean marina and business attraction schemes which are all projects with employment opportunities. Of these opportunities, the ocean marina appears the most exciting.

This 400-pen ocean marina will offer world-class boating, fishing and leisure facilities. It will provide a range of accommodation, including a resort hotel, houseboats, low cost family chalets, as well as an offshore fishing club, a

yacht club, a convention centre and restaurants. The hospitality industry at this marina will be a major contributor to employment, so too will be the commercial fishing wharf with its marine maintenance, the tummy lift, the slipway and fuel and sullage facilities. This year's budget commitment by the Government of \$6.73m has ensured that this exciting project will get underway immediately. Tourism and the hospitality industry will play important roles in employment in the future. Fifteen new restaurants have opened up in Mandurah in the past 18 months, while a new organisation is promoting conferences in the city. Although it is just commencing operations, one conference will be held in the area next month, and it has another three on the books.

The Peel Discovery Centre, which is the tourist centre, intends to turn Mandurah around from the State's leading day trip destination to a place where visitors choose to stay overnight. Television documentaries have been screened on what Mandurah has to offer. These have proved to be very successful. As a result of the Channel 7 promotion of Mandurah as a tourist area, the following month the number of people coming into the area caused the figures for tourism, the restaurant trade and the accommodation industry to soar. So much for the value of television! The results also come from advertising what one has to sell. I am very optimistic about Mandurah's tourism future and what that will do for employment.

Improved transport to Fremantle and Perth will also increase job opportunities. The rapid bus service with two double-decker buses in the fleet services around 1 500 customers a week. At present this bus service is catering for the demand, but the projected figures clearly show that a rail link will be necessary by 2010. A master plan is being developed and will be ready by the end of the year. Some \$700 000 has been allocated in this year's budget to conclude a number of contract studies for architecture, conception design, bridge costings, environmental impacts, soil costs and a host of other items. The proposed route from Perth will travel along the existing Perth to Armadale passenger railway line to the junction at Kenwick, along the freight line reserves from Kenwick junction to the Kwinana Freeway at Jandakot and then along the eastern side of Kwinana before swinging west to Rockingham and Mandurah. It is estimated that by 2015 Mandurah could have the biggest railway station in the metropolitan area. This rapid transit system will complement the bus service and private motor vehicle use and will definitely open up access to employment.

On top of this the Government's \$1.3b 10-year Transform WA package will shorten by 15 minutes the road transport time from Mandurah to Perth. The removal of the Kwinana Freeway traffic lights and its extension to Safety Bay Road will not only enhance safe driving and job seeking opportunities but also will make it easier for tourists to get to Mandurah. The recently completed inner Peel regional strategy has identified new industrial land which will complement the new areas already being opened up by developers. Of course this too increases business opportunities and, therefore, employment.

The children I saw in the Mandurah Forum Shopping Centre need to be able to grow up and develop in a safe environment. The Police Service in Mandurah has gone from 30 to 70 officers in the past six years. Under the new Delta program disorderly conduct and home invasion has decreased. We have a new assistant commissioner, John Standing, and he has divided our area into 70 sections, so each section has an officer. It is up to each officer to visit each residence, meet the people and to know his or her patch. We believe that this will be a very good way to lower the crime rate in the area. Of late, known offenders have been systematically targeted by local police, causing the number of burglaries to drop dramatically.

There is little doubt that unemployment is the biggest issue in my electorate, but providing entertainment for teenagers is vital too. The new performing arts centre and the cinema have been a fillip to the very large need in the region. High school musical bands and stage productions combined with art displays have improved greatly with the advent of the performing arts centre, and so too has sports participation.

The junior soccer numbers have gone through the roof. Hockey with its new \$1m international complex is now able to host national events, while the Peel Thunder team, which is the new Weststar Rules football team, was able to get Brandon Hill, Luke Hill, Dean Buszan and Grant Welsh selected in the State under 18 team, which was formerly the Teal Cup, and Brandon Hill was named in the all-Australian side. I anticipate that one, if not three, of those youngsters will be in the Australian Football League draft that will appear in the newspapers in the next two months. Creating a healthy interest for teenagers and encouraging outgoing activities is a proven antidote for keeping youngsters off the streets.

At the beginning of my speech I mentioned the need for Governments to give youngsters confidence in the future. This Government did just that in Mandurah this week when the new 132-bed hospital was opened. After the 30-bed disaster the previous Labor Government created for my people, we now have something to be proud of. The new campus will enable an overall increase of 4 000 public patients to be treated locally in a full year and will increase health spending in the region by \$9m. This will greatly reduce the need for local patients to travel to Perth teaching hospitals for treatment. There will be 110 public beds as well as three delivery suites, four observation beds and 10 treatment bays in the emergency department, with 20 beds and two labour delivery suites.

The lunch in the Mandurah Forum Shopping Centre at the weekend was a timely reminder of what my electorate means to me. The youth of today are our leaders of tomorrow. I intend to see that they get every opportunity to achieve their goals.

MR RIPPER (Belmont - Deputy Leader of the Opposition) [3.27 pm]: I will address a number of matters related to the Education portfolio in my contribution to this Address-in-Reply debate. First, I will talk about the pressures facing the Education budget. This State Government has an absurd policy of applying 1.5 per cent productivity dividends across government. "Productivity dividend" is a euphemism for "cut". This Government is expecting to cut notional budget allocations right across government, including the Education portfolio, by 1.5 per cent. The Premier has confirmed that the productivity dividend or cut for the 1997-98 budget of the Education Department of Western Australia was \$19m. The productivity dividend or cut applying to the 1998-99 budget of the department, according to the Premier's information, is \$27m.

The special difficulty with this productivity dividend policy is that it is being applied to the Education Department at a time when it is overspending its budget. The Education Department is in deficit. It is spending more than its budget allocation. Earlier this year the Minister for Education advised the House that the Education budget would be overspent by between \$20m and \$25m as at 30 June of this year. There are rumours that the amount overspent in the Education Department's budget is much more serious than that.

I have no way of verifying these rumours. I hope the minister will clarify the matter for the House, but I have been told that the overspending in the Education Department could be as high as \$67m. Indeed, I have also been told that it may be as high as \$80m. The minister should clarify this matter and advise the House precisely the outcome for the Education Department budget as at the end of last financial year and the circumstances facing the budget for the current financial year. Last financial year, the Education Department made cuts totalling \$21m. Even with those cuts, it was not able to come in on its budget target. It will be interesting to know what those financial pressures will require the department to do this financial year.

Interestingly, there is an apparent difference of opinion between the Premier and the Minister for Education on this matter. The minister told the Estimates Committee -

Treasury applies a nominal, if you like, 1.5 per cent across all of government. That will not be achieved in education given that our school system is growing and that it is highly labour intensive.

That is a fine sentiment, but it is not the view of the Premier and Treasurer. In answer to opposition questions, he has indicated that he will be insisting that the Education Department meet the productivity dividend target for 1998-99.

I am sorry to say that our government school system is being treated unfairly when compared with the non-government school system in respect of this productivity dividend policy. The 1.5 per cent productivity dividend is being applied to the whole Education Department budget; in other words, to that part of the budget covering teachers' salaries and essential educational activities in schools. The productivity dividend is also being applied to the Department of Education Services, which administers grants to non-government schools. I have asked the Premier what productivity dividend is being applied to that department and he has responded that the figure is \$54 000. It is interesting to note exactly how much money that department hands out to non-government schools: This financial year it will administer grants to non-government schools totalling \$120m. It is clear from the Premier's answer that that productivity dividend is being applied to what are essentially administrative costs, not to the grants that support essential teaching activities in non-government schools. We have the disparity of the productivity dividend being applied to the education of students in government schools but not in non-government schools. That phenomenon is revealing of the Premier's attitude to the relative importance of the public school system and the non-government school system.

I do not want to see productivity dividends or cuts applied to the \$120m in grants to non-government schools. Equally, our government schools should be protected from the Premier's absurd policy. If the policy continues to be applied, it will result in unbearable pressure on the Education budget and important programs being sacrificed. It will threaten the quality of support the Education Department can offer to our government schools.

Resource pressures in the government school system are very important. This is a time of great change in education, and that change necessarily costs money. It is much more difficult to achieve effective change if the necessary funds are not available to support the change process. There is a limit to the capacity among people within the education system to cope with change. If we take people beyond that capacity, the core business of teachers - the education of today's students - will suffer. I have been told by teachers at schools that I have visited that the distraction of having to come to grips with the waves of change from the Government and the Education Department is affecting the amount of time that they can give to preparation for teaching. That is a disturbing observation. If there is so

much pressure on them to come to grips with new developments that the education of today's students is suffering, the Government is failing our education system.

Schools are facing not only financial pressures but also workload pressures as a result of changes in government policy. Last financial year, the Government cut the total number of staff working in the Education Department head office and district offices by 150. Those 150 people were not sitting around doing nothing: They were all performing activities in support of the work of government school teachers. Those activities must now be performed by other people. Increasingly the responsibility is falling on schools to perform tasks that were once undertaken by the head office of the Education Department. Government policy is changing and shifting more work to schools. For example, staffing of schools was once entirely handled by the head office. Trials are now under way for local merit selection of teachers. That means that staffing, recruitment and selection functions once performed by head office are now in some circumstances being performed by people at the school level. That is a distraction from their core business, which is teaching and educating our children.

If we are to have this change in education - much of it is supported by the Opposition - the change process must be properly resourced. We must support the professional development of teachers. We will not achieve effective change in education unless we are prepared to invest heavily in teaching the teachers so they are fully aware of the new strategies required of them.

I asked the minister during the Estimates Committee hearing about funding for professional development over the years. He provided a somewhat confusing answer. However, I got out my calculator and added up the figures and discovered a decline in funding over the years: In 1993, \$8.6m was spent on professional development; in 1994, \$8.5m was spent; and in 1995, \$8.8m was spent. However, in 1996 that figure dropped to \$6.8m and in 1997 it was \$6.5m. On the minister's own figures, there has been a reduction in general professional development funds allocated to support change in our education system.

We have seen one special allocation this financial year; that is, \$1.5m to the Curriculum Council to support professional development for the implementation of the new curriculum framework.

Mr Barnett: You should also acknowledge the increases in school grants.

Mr RIPPER: I asked the minister for information on professional development. I assumed that money spent from school grants on professional development was included in the figures that the minister provided, and I noted a decline. What worries me about the \$1.5m allocated to the Curriculum Council - welcome though it is - is that there is no provision in the forward estimates for that level of support to continue. The curriculum framework will not be implemented completely next year; there will be a need for continuing professional development.

I, for one, and I am sure teachers, would like that need to be reflected in the forward estimates, rather than be ignored. It has a particular impact on country areas. It is more difficult for country teachers to access professional development opportunities, and it is difficult for them to enrol in part-time courses at tertiary institutions. It is much more difficult for them to attend seminars because expenditure is required on travel and accommodation. This is becoming increasingly important for country teachers because now they must compete on merit for transfer to the metropolitan area, but they do not have the same opportunities to develop their competencies and succeed in those merit selection processes. If the Government does not attend to the professional development needs of country teachers, it might be liable for action by country teachers protesting against a breach of public sector standards. In other words, they may be able to say that the merit selection processes in the Education Department are in breach of public sector standards, because country teachers have not been given access to the professional development opportunities in the same measure as their metropolitan colleagues and, therefore, they have been discriminated against in the merit selection process.

That brings me to the question of country incentives. I know the Government is working on improvements to incentives for people to work in country areas, and it has allocated \$13.4m over four years for that purpose. However, I remind the Government that it is a burning issue in country schools. Some administrators in country schools hoped for a transfer back to the city after a reasonable tour of duty, but they are now finding that is not possible because they must compete for transfer on a merit basis. As other people who might be contemplating working in the country become aware of the experience of those people, fewer and fewer will be willing to take the risk of accepting a country position. Many teachers would enjoy a reasonable tour of duty in the country, but nobody wants acceptance of a position in Meekatharra, for example, to become a 20 year contract with no option. Equally, some people enjoy country life. For example, the principal at Derby has been in that location for more than 20 years. Such people will not need particular incentives, but most people in the teaching work force who have lived and been educated in the city, will be happy to accept a reasonable tour of duty in the country, but will need to know they can get back to the metropolitan area.

The incentives for teaching in country areas have deteriorated. I have spoken of the position of administrators, and in recent years the position for new teachers has become worse. In the past new teachers on a permanent on probation basis, would work for about two years in country areas and, if they were competent, they would be transferred back to the metropolitan area. I have been to the Kimberley and met people who have taught for three or four years in remote locations and who are still on the temporary staff, but who cannot get permanent employment, have no guarantee of a job next year, and certainly have no immediate hope of a transfer to the metropolitan area. How can good quality people be induced to volunteer for country service under those circumstances? I know the Government has allocated money for country incentives, but money alone will not do the trick. Some of the career advantages for working in country areas must be restored. Without those career advantages, no reasonable amount of money that a Government might be prepared to provide will induce people to serve in the country. Country teachers first need compensation for the extra expenses and difficulties of living in the country. They need parity to bring them to the circumstances enjoyed by their metropolitan colleagues and, beyond that, they need some incentives. There is no confidence among country teachers about the progress of negotiations on the Government's country incentives package.

Mr Barnett: What do you mean by no confidence?

Mr RIPPER: I am hearing a lot of scepticism that the Government will be able to find an acceptable country incentives package.

Mr Barnett: I see a lot of optimism. I am sure the Deputy Leader of the Opposition recognises the role of the Equal Opportunity Commission ruling. We must come to grips with it. Historically there are odd classifications for teachers' employment, such as permanent on probation and so on. We are trying to sort it all out; it should have happened years ago. Country service requires incentives and it is better based around contracts of employment, so that people accept a three-year assignment to Meekatharra, or wherever. We also desperately need to do something about teacher housing, and the Minister for Housing and I are working on that.

Mr RIPPER: I did not speak about the Equal Opportunity Tribunal ruling, but I acknowledge that it has played a role in the development.

Mr Barnett: The current crisis is not of the Government's making; it is caused by that ruling.

Mr RIPPER: I am calling for the Government to resolve the crisis quickly. Staffing for the next school year must already be under way, and the department must be dealing with the necessity to recruit good quality people to serve in country schools. So far, the Government's country incentives package has not been finalised. There is disquiet among country teachers about the direction of the negotiations, and not a great deal of confidence that an acceptable country incentives package, which will attract people and deal with the disadvantages faced by country teachers, will be offered.

I move to the question of Aboriginal education. It is interesting to note that a large proportion of Aboriginal students are located in the country, and they will suffer if there are not good quality teachers serving in country areas. As the minister has conceded in this House, the experience with Aboriginal education is not encouraging. A table in the annual report of the Education Department shows the retention rates for various groups from years 8 to 12. According to that table the retention rate for Aboriginal boys is 14.8 per cent, and for Aboriginal girls it is 15.8 per cent. These retention rates are a quarter of the rates that apply to the whole student population. It is most disturbing that Aboriginal retention rates have been falling since 1993. It is a backwards move. To highlight those figures, it is important to consider the raw numbers. Those retention rates translate in raw numbers to 72 Aboriginal girls and 65 Aboriginal boys reaching year 12 last year. That brings home the extent of the problem with Aboriginal education. I heard the minister say at a public meeting that 19 000 Aboriginal students are in the school system.

Mr Barnett: It is 5 per cent of the student population. That is pretty close.

Mr RIPPER: I thought the figure was high when the minister mentioned it, but the figure sticks in my mind. If there are 19 000 Aboriginal students in the school system, the retention to year 12 last year of 72 Aboriginal girls and 65 Aboriginal boys is an appalling performance. The minister has announced that he will institute an Aboriginal school, which potentially will educate about 600 students when it reaches full development. I have mixed feelings about that announcement. In some senses I regard it as a confession of failure. The public education system is supposed to bring together people in the community and educate people of various ethnic and social groups. It is supposed to promote both equality of opportunity and social cohesion. Nevertheless, such is our record with Aboriginal education that we should try new things. On that basis the Opposition is prepared to support the establishment of an Aboriginal school. We wish that the system had done better and that it was not necessary. In the light of the record of the system it is difficult to oppose the establishment of an Aboriginal school.

Mr Barnett: Some discussion is taking place now about whether we should also look at something like that in the

Pilbara region. Again it is likely to be contentious within the wider community. I agree that far too many young Aboriginal children are not succeeding at school.

Mr RIPPER: What concerns me is that judging by the figures, separate Aboriginal schools are not a solution to the problems of most Aboriginal students. The overwhelming majority of Aboriginal students will continue to go to existing schools, where they are already being educated. Interestingly, by reasons of geography, some of those schools are almost all-Aboriginal schools. I wonder why people in the department think they can be successful with new all-Aboriginal schools when clearly they have not been successful with the existing de facto all-Aboriginal schools. I would like people in the department to examine that question before they invest too much hope in the establishment of a separate, new Aboriginal school.

We must conclude that the majority of Aboriginal students will continue to be educated in mainstream schools. If we want to do better with the education of Aboriginal children we must attend to the factors within those mainstream schools that apparently disadvantage Aboriginal students. It is clear to me that all schools should be accepting of Aboriginal culture and students. Those schools with a good record with Aboriginal students have gone out of their way to promote acceptance of Aboriginal culture among both Aboriginal and non-Aboriginal students. Schools such as Cannington Senior High School have had success in the education of Aboriginal students. They have programs that explicitly seek to make Aboriginal students and their culture welcome in the school.

We should also extend to Aboriginal students whose first language is not English the same concessions we extend to other students whose first language is not English. When I was in the Kimberley I was lobbied by Aboriginal teachers who said that intensive language centres are available in the metropolitan area for students whose first language is not English. The main language of many Aboriginal people living in the Kimberley is not English. They speak either an indigenous Aboriginal language, Aboriginal English, which probably should be treated as a dialect, or Creole.

The argument put to me was that if they were migrant students from a non-English speaking background they would have the services of intensive language centres available to them. The same services should be available to Aboriginal students whose first language is not English. Equally, it was pointed out to me that professional development allocations for Aboriginal educational workers are not large. I was told at a meeting with half a dozen educational workers that their annual professional development budget was only \$2 500. That is inadequate.

The meeting also put to me that it would be helpful in employing more Aboriginal teachers if the time allocated to Aboriginal educational workers to undertake teacher training qualifications was more generous than it is at the moment.

I have heard the minister talking to community groups about the progress of debate on the School Education Bill. The minister seems to be concerned that the referral of the Bill to a committee by the upper House will produce an unacceptable delay in its passage. That mechanism has not as yet delayed the Bill by one day. The Bill went to the upper House very late in the autumn sittings. Its resurrection on the Legislative Council Notice Paper has only just occurred, so the referral to the committee has not so far delayed debate.

Mr Barnett: My concern is the proposed re-referral of the Bill.

Mr RIPPER: The abortion debate delayed the progress of the School Education Bill in the autumn sittings of the House. The committee in the upper House could have made more progress on the Bill if the upper House authorities had agreed to provide staff to the committee. I was told by the Chairman of the Standing Committee on Public Administration that, in the light of the forthcoming prorogation, the upper House was not prepared to allocate staff to the committee for it to deal with the School Education Bill.

Mr Barnett: It was also complicated by some members of the committee being in the northern hemisphere.

Mr RIPPER: I am disappointed that the minister is threatening to reduce consultation time on the School Education Bill regulations if the passage of the Bill is delayed. The minister should produce the draft regulations now. That will assist the debate on the Bill. Seventy five per cent of the clauses in the Bill are not affected by suggested amendments by non-government parties. I imagine some changes will be made to the Bill as a result of debate in the upper House. However, it would not be difficult for the minister to amend the draft regulations following his consideration of those changes. I do not accept that the consultation period on the regulations should be reduced as a result of consideration of the School Education Bill by the upper House.

Mr Barnett: Do you think we should be calling further public submissions when the most public and lengthy consultations have occurred?

Mr RIPPER: Yes. The upper House committee should hear from major interest groups associated with education because that is what they have asked for. I do not think there should be an extensive period of further consultation.

However, the major players in the education debate want to be heard. The committee can hear them without excessively delaying the progress of the Bill.

We have been debating the goods and services tax in this House for some days now. It is clear that it will have an extensive effect on many of the essentials of life, including, as we discovered in the past day or two, the school fees which people will be required to pay if they enroll their students at government schools.

Amendment to Motion, as Amended

Mr RIPPER: I move -

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

but regrets to inform Your Excellency that the State Government has signed up to a federal coalition tax package which includes a flat, unfair and regressive goods and services tax on almost everything including food and the other essentials of life and compensation measures which cannot be guaranteed.

DR GALLOP (Victoria Park - Leader of the Opposition) [3.57 pm]: Yesterday the Opposition focused on the impact of the Commonwealth Government's goods and services tax package on the way our federation will work in the future. Today we will focus on the tax itself. The central problem with this tax of course is that it is a flat, regressive tax which, by its nature, will impact the most severely on low and middle income earners. It is a tax on essential items such as food and clothing, which in most cases have not been taxed before.

This tax does not relate to a person's ability to pay it. It is a flat tax. No matter what income we earn, it will be imposed on our consumption. More to the point, there are no guarantees that the GST compensation measures - either the tax cuts or social security payments - will last into the future, especially given that the compensation is partly funded by a projected budget surplus the size of which has been widely questioned.

Further to that, the Howard package distributes the GST compensation according to a bizarre set of principles. The more one earns, the more one gets. The wealthiest 20 per cent of society will receive more than 50 per cent of the tax cuts. In fact, this package will see individuals such as senior politicians, including the Premier and ministers, receive income tax cuts of \$86 a week, while single aged pensioners will receive an extra \$6.50 a week in their pension payment.

The inherent unfairness in that approach to tax reform is becoming increasingly obvious to the Australian people. The tax package will see increased consumption tax of about \$6b a year, resulting in a massive tax-mix switch from progressive income taxes to regressive consumption taxes. Only today the Australian Council of Social Services has concluded that the Government's tax package is unsustainable, unbalanced, unfair and, therefore, unacceptable in its present form. It is important to quote that group because it measured the package when the response first came out. It applied its analytical model to the way the distributional impacts will work their way through our society and it concluded that it was an unfair and unbalanced package.

To add to the argument of the Opposition about the unfairness of this package, we must note that the budget surplus, which is providing the basis for the tax cuts being promised by the Howard Government, is built upon huge cuts in services inflicted by that Government over the past three years. My federal colleagues have estimated that the net effect of those cuts is \$5.4b, taken from areas such as health, education, aged care and child care. The Howard Government has taken this money out of the system and will put it back, saying that we will all be better off. It has taken the money out the system where it really hurts people and is putting it back on the basis that the rich will get more than the lower income earners in society. What justice is there in such a package? There is none.

Another problem is that the compensation measures cannot be guaranteed. The tax cuts and various compensation measures will be funded by the budget surplus which adds up to about \$7b a year. The surplus is built around robust, economic growth forecasts which have been questioned by leading commentators and economists; in particular, many economists believe the growth forecasts should be revised downward to reflect the Asian instability. The economic growth forecasts were not revised in the Howard tax package. As *The Australian* said on 15 August 1998 -

. . . The Asian crisis has since worsened our growth outlook and may have reduced that projected surplus by as much as half. A calculated risk has been taken by appropriating \$5 to \$7 billion for tax cuts, leaving little buffer against further shocks.

Westpac is projecting an underlying budget surplus of about \$2.7b in 2000-01, around \$2.2b lower than the Treasury's estimate in the tax package. The people who are looking at this deal being offered by the Prime Minister must consider two things: On one side is the reality of a GST and what it will mean for people as taxpayers; on the other is the prospect of certain compensation which is based on certain assumptions about future economic growth

and how it will impact on the surplus, which have been questioned by leading economists. As a wonderful, old age pensioner said on a talk-back program on ABC Radio at lunchtime a few days ago, when the package first came out, "It's like listening to a whole lot of hot air which is merely covering up the bad news. The hot air is the compensation; the bad news is the GST."

The fact is that the compensation measures are simply not guaranteed. We know that at times of budget pressure, social security payments - the form of which much of the compensation to low income earners takes - are the first area of expenditure to be cut. As Ian Carter, the deputy president of ACOSS said in *The West Australian* on 14 August -

Compensation can be reduced in later years or welfare benefits can be cut, as happened in NZ four years after the introduction of a GST.

The compensation measures have a very shaky foundation. Let us look at the Government's estimates of what these compensation measures will mean for pensioners and other low income earners in our society. The entire Howard package analysis is built on an assumption that a 10 per cent GST would have an inflationary impact of 1.9 per cent. This figure has been widely disputed. Firstly, the 1.9 per cent figure appears to be very low and many predict the impact will be about 4 per cent. Secondly, the adjustments do not reflect different expenditure-savings ratios of different income groups. We must look at the relationship between savings and expenditure for different income groups. Lower income groups spend a much higher proportion of their income, whereas higher income groups have the ability to save a proportion of their income. These differences were not taken into account in analysing the impact of inflation. Thirdly, the cost of living adjustment does not take into account the different basket of goods bought by different income groups in our society. As we know, low income earners spend a much higher percentage of their income on food, than do other income levels in our society. ACOSS concluded -

We lack confidence in the government's calculations of the effects of the GST on household living costs. The figures assume that all people - from pensioners to millionaires - have the same spending and savings patterns and hence will face the same 1.9% increase in their cost of living. The figures are not credible. They underestimate the effects on low income people and overestimate those on high income people. This flaw should be addressed as a matter of urgency.

The Government has this wonderfully bold assumption that the 10 per cent GST package will increase inflation by 1.9 per cent and that will impact equally right across our society. It does not work that way. As a result, the Howard Government has underestimated the effects the GST will have on low income people and overestimated those on high income people. This is a major problem with the Government's package.

On 15 August in *The Australian Financial Review* Brian Toohey wrote -

Analysts such as the prominent economist Dr Vince Fitzgerald have noted that the basket of goods used to measure the CPI underestimates the importance for low-income families of goods such as food, which are hardest hit by the GST.

If members do not agree with the commentators on this matter, they should read the words in the Government's tax package. Members of this Parliament who represent non-metropolitan constituencies will be very interested in this. It states -

It needs to be noted, however, that the 1.9 per cent CPI increase excludes the impact of the tax package on tobacco prices. This reflects Government's view that the impact of the GST on tobacco prices should not, for public health reasons, be offset by income tax cuts and/or increases in social security payments.

It goes on -

The increase in the population-wide CPI is applied to household disposable income rather than to household consumption in calculating the increase in the cost of living. The cost of living estimate is therefore a measure of the change in value of real disposable income. This technique has the effect of ignoring differences in saving ratios among households.

It takes no account of tobacco prices. Many people in our community happen to spend money on tobacco and find it difficult to get out of the habit of smoking. Of course, we have programs to try to change that. However, if we are to look at the realistic impact on the cost of living, it should be included. It also ignores the differences in savings ratios among households. The analysis the Government put forward is very faulty. That was the very thing Gareth Evans was pursuing when he sought a briefing from Treasury to explore the assumptions behind the Government's position so we could have a proper analysis.

I now turn to the inequitable distribution of the tax cuts that have been offered. I put forward a simple statistic: The

wealthiest 20 per cent of Australians will receive more than 50 per cent of the tax cuts. The Premier and his colleagues come into this Parliament and say that the Opposition should be supporting this package. He is telling us that we should support a package in which the wealthiest 20 per cent of Australians will receive more than 50 per cent of the cuts. That is not what we on this side of the House came into politics to see happen.

Even under Howard's optimistic cost of living adjustments, the package clearly favours high income earners. The more one earns, the more one gets. Let me give a few examples that will interest members of the House. A single person earning \$100 000 a year will receive an extra \$84, whereas an unemployed person will receive approximately \$2.54. Wealthy families will receive four times as much as struggling families. For example, a single income family with one dependent child under five years of age earning \$35 000 a year will receive an extra \$18.74 a week through the income tax cuts and other compensation measures, but a similar family earning \$100 000 will receive around \$80 a week. Pensioners will receive only an extra \$6.50 per week in their social security payments, and taking into account the pathetic 1.9 per cent cost of living adjustment, the expected impact is a \$2.89 increase for pensioners.

We have already debated the important notion that the assumptions behind these figures are faulty. Even if one accepts the assumptions behind the figures, the outcome is unfair and inequitable in terms of its distribution throughout our society.

Mr Graham: Would you not love to hear an argument that says it is inequitable?

Dr GALLOP: We have failed to hear any member from the Government's side in this debate produce a defence of that inequality. I asked the Minister for Family and Children's Services what the impact would be. She has no analysis, but she supports the package. I asked the Premier; he supports the package, but Treasury has failed to finalise its analysis. The same applies to the Ministers for Housing and Education. This Government signed up before it had the analysis before it. As the Australian Council of Social Service said, the greatest benefits in proportion to people's income go to those on around \$50 000 to \$80 000 per annum, while people on low and middle incomes are the worst affected by the consumption tax changes. Those sorts of inequalities and injustices do nothing to create a better society in Australia as it heads towards the end of the twentieth century.

Mr Johnson interjected.

Dr GALLOP: Does the member think those inequalities are justified?

Mr Johnson: I think the vast majority will get a great benefit out of the package.

Dr GALLOP: I would like him to analyse the assumptions upon which he makes that statement. The first assumption is that the surplus will be available to deliver those tax cuts that he is talking about, and the second assumption is that the 1.9 per cent inflation figure that he is using in his analysis will hold up to the scrutiny of objective analysis. I repeat the question: Does the member think it is good that, as a result of these packages, the wealthiest 20 per cent of Australians will receive more than 50 per cent of the tax cuts?

Mr Johnson: I think all Australians, even the low income earners, will get a benefit. If everybody gets a benefit then -

Dr GALLOP: Let us consider what the member just said; all members of our community will get a benefit. The fact is that low income Australians such as pensioners are under attack by this measure. The compensation that they will be given is meagre in comparison to the tax cuts that are given, and the assumption that the cost of living adjustment will be only 1.9 per cent is without question an underestimate. I have tried to find what would be a realistic estimate of the cost of living impact on a pensioner. Our pensioners spend most of their income on food. As a result of the GST which will be applied to food, it has been indicated that a figure between 4.5 and 5.5 per cent will be the real figure. That will mean the pensioners in our community will go backwards, not forwards, as a result of this measure. That is a group of Australians who will clearly lose out and I think they have understood it very quickly. Let us consider people who will purchase a home. The Housing Industry Association has estimated that the tax package will cost the housing industry \$1.9b compared with the current \$190m in sales tax. Even after taking into account the new home buyers scheme, they will be worse off under the Howard tax package. I think the evidence is clear that all people, including people aspiring to own their homes, will be the losers despite the compensation measures that have been put in place. For many years now, the Opposition has been fearful of the introduction of a flat and regressive tax as opposed to regressive taxes in our community and maintains that its position on the argument is still very solid. These measures, even when one includes the income tax cuts and the compensation, do not stand up to the scrutiny of fairness, nor stand up to the scrutiny that money will only go to areas of need in our community. This Government has signed up on a tax package which we believe does not guarantee the future of our federation. This Government has also signed up on a tax package that does not guarantee that our society will have, as its core principle, fairness in the distribution of the burdens and the benefits of life. This continual undermining of justice in our community is what is feeding restlessness, alienation and unhappiness in our society. It is clear to the

Opposition that the Howard Government and the coalition Government in Western Australia are out of touch with society and what is impacting on social attitudes and social stability. Therefore, this package will without doubt further undermine the traditions that have been built up over many years to have egalitarianism at the core of our society. For that reason, we regret to inform His Excellency that the State Government has signed up on this deal which has this flat, unfair and regressive tax at its centre.

MR BROWN (Bassendean) [4.17 pm]: I also support this amendment. It is clear that with any tax package of the complexity of this one, there are winners and losers. Not all are winners despite what the Government said, because whenever one rearranges the system, a question of who wins and who loses arises. The only way one can deliver a so-called gain - and it is a myth to call it that - is if one reduces the tax intake - that is, one reduces the amount of tax that is collected - and collects the lower amount of tax, and therefore tax everybody less. Of course, if lower amounts of taxes are collected, then correspondingly, cuts to government services must be made and people who rely on those government services miss out. This debate has not been about whether there are winners and losers; it is about who are the winners and losers. More importantly, it is about whether there is equity in the process, and whether the people who can withstand the existing tax burden should get relief, or whether the people who are on low and middle incomes should get relief. Everybody screams about tax reform and wants lower taxes. However, while some people say that continually, they do not need lower taxes to be able to enjoy a decent lifestyle. They might argue for it in terms of international comparisons with their incomes; however, in terms of equity, the Government must consider what is a reasonable standard of living for everyone under the tax system and transfer benefits that will apply through the tax system or through the social security system.

We must look at this as a whole and analyse what it means. I had the opportunity of attending the 1985 Tax Summit, therefore I am aware of all the arguments on a broad-based consumption tax and the fierce opposition by industry groups that occurred then and the reason it never went ahead then. I am aware also of the disparities and shifts in income that occur when such a system is introduced. This system does not fall into some of the flaws of the Fightback package but nevertheless it is flawed. I will detail the ways in which it is flawed.

The Prime Minister said that the strong point of this system is that it would save \$4.5b on exports. He argues that there will be no taxes added on the cost of exports, and thus it would reduce the cost of exports from Australia and make exports more competitive. The Prime Minister said that the benefit to exporters would be worth \$4.5b.

Let us accept that is the truth of the matter. Two questions arise from that. How is the \$4.5b going to be made up? That \$4.5b will be taken from Treasury which is currently collected. Under the new tax system Treasury will no longer collect that tax, so from where will be it collected? It will be collected from people in Australia by ensuring that exports are zero rated rather than taxed as they are currently. The Federal Government will make a determination that Australian domestic taxpayers will pay \$4.5b more tax than they pay currently.

Mr Johnson: There are many ways of making it up. One way is from international tourism - a tax on tourists who come to this country and stay and shop in hotels and restaurants. Other than in a third world country, when one travels anywhere else in the world, one pays sales tax on one's bed, room, food and travel.

Mr BROWN: It is interesting that the member for Hillarys should interject as I have significant details on tourism. I will deal with the tourism issue in a moment. However, the member should understand this about tourism: It is true that the tax will apply to tourism; but it will also apply to domestic tourism. If one travels with one's family to Bunbury and stays overnight at a local hotel, GST will be added on; if one goes to the restaurant it will be added on; if one goes to the fast food place it will be added on. It will be added on in all of those areas which rely on domestic tourism. The member for Hillarys should ask the people in the domestic tourism industry what they think. Research from the Tourism Council of Australia shows how the GST will hit various sectors by increasing prices. I quote -

Travel agents (up 8%), hotels (up 8%), restaurants (up 6%), domestic airfares (up 8%) and bus travel (up 4%).

These are real increases. Some might argue that one does not need to go on a holiday and that people who go on holidays should pay a higher tax. I can tell members that they will pay a higher tax.

Mr Pandal: Does the member for Bassendean not concede in the analogy he used that the cost of getting to Bunbury will be reduced?

Mr BROWN: The cost of getting to Bunbury will be reduced; however, not in terms of the overall cost.

Mr Johnson: Also interstate travel costs will reduce because currently there is a monopoly between Ansett and Qantas which dictate what prices will be. There is now a third company operating out of Brisbane, and that will reduce prices.

Mr BROWN: That has nothing to do with the GST.

Mr Johnson: It is to do with the cost of travel.

Mr BROWN: There are many aspects. I was very disappointed the other day. I sat next to a very bright lady who told me she was a conservative. I did not hold that against her. She told me that the GST would fix all the tax loopholes and I fell off my seat laughing. We all know where most of the rorts occur. They do not occur when one buys things. People get picked up by the wholesale sales tax now. They occur by people not declaring their income and by operating the cash economy. That will continue to operate.

Members should listen to what the tax experts from the Universities of New South Wales and Sydney are saying. They say the cash economy will survive as it always has. I listen to these people because they are not in the political process. They make comments as people who have studied the system. They say that people who operate in the cash economy will do what they have always done; that is, adjust their accounting systems to ensure they can get the clawbacks and adjust some things in. They will declare some goods they buy and sell on. However, if they are operating in the cash economy, they will continue to do so on labour and service costs.

Mr Johnson: That is not the experience in other countries. That is not the experience in New Zealand and the United Kingdom.

Mrs van de Klashorst: They still have to pay tax.

Mr Johnson: What the member for Bassendean is quoting is what academics who have no real involvement in business are saying.

Mr BROWN: I bet they know a lot more about this tax system and all others than you and I put together.

The question is, who wins and who loses. I repeat, if the Prime Minister is correct and this tax delivers a \$4.5b bonus to exporters, people in the domestic economy will have to pay an additional \$4.5b. Someone must pay it. It may be one group instead of another that pays, but someone must pay. If that is divided across all taxpayers in Australia, no matter whether it is collected through GST, pay-as-you-earn tax, prescribed payments tax or whatever else, the tax grab from the Australian people goes up. That is the first point that must be made; we are talking about higher taxation rates.

It is interesting also to look at what will be the cost to the individual. Let us look at the tax reduction that is to be provided. The National Tax and Accountants' Association Ltd has estimated that every adult Australian will be required to pay more than \$2 000 more under a GST than they pay currently in indirect taxes. The Government's estimation is \$1 500. That is not for children, that is for each adult. Let us compare that additional cost to the tax deductions that are offered. I have the new tax rates here. A single person earning \$20 000 a year will receive a cut in income tax and an increase in family benefits totalling \$10.36 a week. On the Government's own figures of \$1 500 additional cost per person, that individual is \$10 a week or \$500 a year worse off. If we use the National Tax and Accountants' Association figures, that person will be \$1 000 a year worse off; that is, he or she will be \$20 a week worse off. That applies until we get to those earning higher incomes. One could question whether they get some advantage or whether they are in the same position depending on the basket of goods they purchase or their spending pattern.

Not many people in my electorate are on high incomes. If I were to ask working couples whether they earn \$45 000 or \$50 000 a year each - a total household annual income of \$90 000 or \$100 000 - they would look at me in amazement. They would think they had won lotto if they brought home that amount of money. Many earn only \$25 000 or \$30 000 a year. Many public servants, who have been required to enter into workplace agreements and forgo conditions of employment, have experienced a decrease in their take-home pay. They would be significantly worse off under this system.

No-one, except Father Christmas, can deliver a present for everyone. When one shuffles the cards, someone must lose. We must address the equity question: Who will win and who will lose? The losers under this system are low and middle income earners, pensioners and self-funded retirees. That is a fair swag of the population. There are some winners - the high income earners - but the middle and lower income earners lose.

Mr Johnson: Rubbish!

Mr BROWN: The member should do the figures himself and see what he gets. He should simply apply the figures as they are presented; it is not very complex. He should not worry about the propaganda - the articles in the newspapers.

Mr Johnson: From what are you quoting?

Mr BROWN: I am quoting from the Government's advertisement. This is part of the \$10m to \$15m the Government

is spending to sell this package. This advertisement was in *The Weekend Australian* last weekend. It went for pages and must have been very costly. It details the tax brackets. If one applies those figures to the costs we have seen from the National Tax and Accountants' Association -

Mr Johnson: You are taking one lot of the figures from the Government and another from the National Tax and Accountants' Association. You are not prepared to take them both from the Treasury.

Mr BROWN: These are the official tables. The National Tax and Accountants' Association is not reinventing the tables; it has used the official tables published by the Government. Whether the member takes the Government's figures or the National Tax and Accountants' Association's figure, he will find that low and middle income earners, pensioners and self-funded retirees are far worse off.

Self-funded retirees will receive a one-off payment of \$3 000. A female retiree might be 67 years of age and might live another 17 years - the average lifespan for women is 84 years - paying a GST on food and so on. Do we expect \$3 000 to compensate her for the next 17 years given the higher prices she will be required to pay? Members opposite might have been able to get away with that trickery in primary school but they will not convince self-funded retirees; they have worked it out. That is not \$3 000 a year; it is a one-off payment that is supposed to leave them in exactly the same position they were in before the implementation of this tax package.

Whatever way one looks at this package, it affects people on low incomes - people who should be protected. If the \$80 tax reduction applied at the \$20 000 income level and the \$20 tax reduction applied at the \$80 000 income level, as much as we do not like the idea of a broad-based consumption tax, it might have been very hard to resist. However, it is easy to resist when the \$85.70 compensation goes to Joe, who earns \$80 000, and Fred, who earns \$20 000, gets \$10.60. The Government is telling them they are in exactly the same position. Fred knows that he is much poorer and there is not a snowball's chance in hell that members opposite will convince him that this is an equitable tax package.

I join with the Leader of the Opposition and other members of the Opposition in opposing this package because it does create winners and losers, but not the appropriate winners; that is, people on low and middle incomes.

MR CARPENTER (Willagee) [4.39 pm]: I support the amendment. I will concentrate on one area of activity that dovetails nicely into one of my shadow portfolio areas - sport and recreation. It has been interesting to watch the debate on the goods and services tax rolling along. I am waiting for the day when we concentrate on how it will affect sporting associations, sporting clubs, attendance at sporting fixtures and the pursuit of sporting activities.

As we all know, sport and politics are the meat and potatoes of the average Australian diet. Sport plays a huge part in Australian social and cultural life and this country takes pride in its sporting achievements. Governments - particularly state and local governments - spend a lot of time, money and effort encouraging people to undertake sporting activities and to live a healthier life.

Should we be unfortunate enough to see the introduction of a GST, what impact will it have on sport? Some attempts have been made to analyse the potential effects. We must look at a whole range of charges that sporting associations and individuals in sporting pursuits pay to determine how their budgets will be affected. To begin with it appears obvious that sport will not be a zero-rated activity. However, it is not known how the goods and services tax will affect sporting organisations and clubs. It is understood that zero-rated goods and services include local government rates and education which flow into some sporting activities such as the hire and use of facilities and provision, on occasions, of equipment, expertise, coaching and training facilities.

However, it is not known whether simple matters such as venue leases will be tax exempt, even though they are often under the auspices of local government, or whether the lease of facilities will be tax exempt or whether venue owners will be required to charge GST on leases. Equipment and clothing will be subject to the GST. Many people might consider that the addition of several dollars to the cost of equipment and clothing will not be a prohibitive burden. As people who represent constituents like mine will know, any dollar increase to the burden families pay for sporting activities could mean they withdraw their children from sporting activities because it is too expensive.

Sporting associations purchase advertising, which represents the sale of a service by the media, and in such circumstances organisations will be charged the GST by the media at the time of purchasing and advertising. Often advertising costs many millions of dollars. The imposition of a GST could make it considerably more expensive. Advertising costs for sporting events and associations range from a few dollars, in some magazines, to thousands of dollars for arena advertising and to many millions of dollars for television rights. There is no reason for us to believe advertising would not be subject to a GST and as a result significantly impact on the cost of sporting events.

The same could be said about sponsorship. I have yet to see an announcement on how sponsorship of sporting events will be affected by a GST. In many sports adequate sponsorship could mean the difference between whether or not

an event takes place. The imposition of a GST on sponsorship can only have an adverse effect on the capacity for many events to proceed and attract participants.

Probably the most basic of costs for sporting pursuits is the simple price of going to something like a football match to watch the Dockers or the West Coast Eagles. Admission charges will obviously be subject to a GST. This will obviously have an impact on the price that families and individuals must pay to attend sporting functions. For the people on the lower end of the income scale a few dollars added to the price of a ticket can mean the difference between attending matches regularly, infrequently or not at all.

Ticket pricing structures for elite sporting events are already prohibitive. They will become even more prohibitive in Western Australia next year when the standing area at Subiaco Oval is a thing of the past and the number of cheap tickets into the Eagles and Dockers games is radically reduced. This in itself will have a significant effect on the capacity of many people in Western Australia to attend elite sporting events. The addition of 10 per cent to the cost of a ticket which might already cost \$30 or \$40 dollars for one person will have an impact. It will even affect the cheap \$15 seats.

When people go to the football or a sporting event they buy programs to allow them to identify the players in the field. The program will obviously be subject to a GST. This is the sort of thing we do not see included in the calculations for how much the GST will impact on the average family. As they are not daily events they tend not to be factored into the calculations. Nevertheless, they will be included and will have an effect on admission and program prices.

Mr Bloffwitch: You are aware are you not that programs attract 22.5 per cent sales tax so they will go down to 10 per cent?

Mr CARPENTER: I am glad the member for Geraldton has moved out of the Chair so that he can continue misleading the Parliament about the impact of a GST!

Mr Bloffwitch: You should check it out.

Mr CARPENTER: From a person who owns a business, which he told the Parliament was turning over something like \$20m, he would have a very good fix on the average person's capacity to pay a GST and the effect of any cost burden on the average family life!

Obviously catering facilities at sporting events will be subject to a GST and will have an impact on the capacity of people to enjoy themselves if they were able to afford to get into the ground, to buy a program and to feed their family and children once they were inside the ground.

I am not certain how government grants will affect sporting associations. Will they be subject to a GST? This has not been explained to us by the State Government. Will the services that accrue to those grants and the services which the grants are used to purchase be affected? One assumes that the services which the grants are used to purchase and sometimes the facilities which they are used to construct will become expensive because they will be subject to a GST. That burden will be inescapable for people who want to take advantage of those facilities and services.

Tens of thousands of Western Australians belong to sporting clubs and are members of various associations. They spend their time freely and willingly trying to improve sporting activities and performances of the clubs to which they belong. It seems to me, unless I am mistaken, that membership of sporting clubs will be subject to a GST. I cannot see how that will not be the case. If it is not the case it should be spelled out to the public of Western Australia. Membership of sporting clubs can vary from a few dollars a year to several thousand dollars. This will obviously have an impact on the potential of some people to maintain their present level of membership.

I imagine, for example, that membership of local bowling and tennis clubs, etc will be subject to the GST. They will therefore be forcing their members to pay higher fees and charges for the upkeep and use of their facilities that adhere to the membership of those associations.

Mr Bloffwitch: They are non-profit organisations.

Mr CARPENTER: Are they non-profit organisations?

Mr Bloffwitch: They are.

Mr CARPENTER: It is expected that membership fees charged by associations must include a GST. If the Government gives us a guarantee that sporting club memberships will not incur a GST, we will accept that.

Mr Bloffwitch: We do not want you to mislead the Parliament.

Mr CARPENTER: If they can give us a guarantee perhaps we can hold them to the words they spoke today should reality ever come to pass.

In our analysis of the way a GST will impact on the community, we must understand, not simply as is often demonstrated in the media, the general everyday expenses of the average family or individual in the community, that there are many other manifestations of social activity in the community which will also be subject to a GST and which will then have an impact on the individuals pursuing them.

I see only the possibility that the imposition of a GST will have a detrimental effect to some degree on sporting clubs and associations in Western Australia. By that, I mean sporting clubs and associations of all kinds, be it at elite levels with organisations like the Fremantle Dockers and the West Coast Eagles or community sporting clubs and associations. Analyses conducted lead us to believe that all organisations will be affected to some degree. It is a matter of determining the extent. It is not easy to do so because an analysis has not been carried out at a state level to determine the severity of the impact.

People working in the sporting field for many years have had the potential imposition of a GST raised with them before. On previous occasions, attempts were made to analyse the severity of the impact of the tax and the detriment to their associations. The general belief among people to whom I have spoken across the state sporting associations is that the imposition of a GST of 10 per cent will raise costs and expenditure between 5 to 10 per cent. These associations generally comprise ordinary men and women and their children in the community. They will be expected to meet the general cost of the GST, and a 5 to 10 per cent cost increase is not out of the ballpark.

The GST will have a more severe impact on one group in the community than on any other, and we all know the group to which I refer; namely, people who account for every cent they spend on a day-by-day basis, and are on fixed or low incomes and fixed budgets. These people have little discretionary income at all. An increase of 5 to 10 per cent for them on money they spend on sporting association membership or attending sporting events in many cases will mean that they will cease to pursue those sporting activities to the current level. It is unfortunate that the Federal Government should propose a tax on a basic enjoyment which the average Australian family has pursued throughout the history of this country; that is, being a spectator of, or partaking in, sport. It is unfortunate that the Government has decided to tax people on that simple enjoyable pursuit.

It is even more unfortunate that the people who will bear the most severe brunt of the imposition will be those least able to afford it. I share the sentiments expressed by other members on this side of the House in opposition to the implementation of a GST, and in condemning the State Government for failing to resist the implementation of a GST and all it will mean for the State.

MS McHALE (Thornlie) [4.54 pm]: My comments on this amendment to some extent follow from my comments last night regarding the impact of a GST on the arts industry. I do not wish to further comment on that industry. My remarks today will be more generally focused on the impact of the proposed GST. Let us not forget, it is only a proposed GST and will not be implemented if the Liberal Government is not elected whenever the election may be held. Let us not talk up the GST as a fact - it is only a threat at this stage.

I have perused a fair amount of material released on the GST, and we would all agree that it is a complex package containing many facets.

Mr Bloffwitch: It is a rather simple system. I must admit that what will and will not be covered at this stage is a little complicated. However, it is a simple system and probably the easiest in the world to work.

Ms McHALE: Taking the view that a 10 per cent tax will be applied on goods, services and everything else could lead one to say it is a simple tax. However, looking further, one can see that certain items are included in areas exempt from the tax. What will happen to businesses earning more or less \$50 000? When one analyses the package, it is more complex than one might first think in a simplistic analysis. This represents a complete tax reform, according to the Prime Minister.

Mr Bloffwitch: What do you think the 22.5 and 32.5 per cent sales tax is at the moment - an illusion?

Ms McHALE: Have I said it is an illusion? I have not referred to sales tax.

Mr Bloffwitch: No-one has a clue what is paid at the moment.

Ms McHALE: It is difficult for people to understand. It is necessary to conduct an analysis to determine whether people will be better or worse off under the proposed system.

I now refer to the package's effectiveness in dealing with low income people and those caught in the poverty trap. One measure of the effectiveness of any tax reform is to consider what it does for those in poverty traps or on low

incomes. As the member for Bassendean said this afternoon, this package is about winners and losers. The losers will be those on low incomes and, worse still, those in poverty. This package does absolutely nothing for such people and is ineffective in dealing with inequities in our society. Conversely, the Opposition's view is that it will increase the inequities between those with, and those without, high disposable incomes.

It is interesting to consider comments made to date on the impact of a GST. If the tax reform package will have a positive effect on low income families, why is it that to date community organisations and churches have all expressed a growing fear that this tax reform will adversely affect low income families in our community? Pensioner groups have expressed their concern. They have indicated that the tax package holds nothing which would have a positive impact on their disposable incomes. As the analysis continues on the hidden detail of the package, it becomes clear that it will negatively impact most on people who have very little disposable income.

I want to consider some of the detail of the package and comment on how it will affect our community. Perhaps this is not a significant point, but it is one that I want to put on record. It is my understanding that displayed prices of goods will include a GST payable, so already the GST will be hidden. How are people to understand how the GST will impact on their family budgets and spending cuts?

Mr Bloffwitch: I will be talking to them in the next month, so fear not.

Ms McHALE: The member for Geraldton will give us a great insight into the GST.

Mr Bloffwitch: Information will be coming out.

Ms McHALE: I will be interested to hear it.

We know that most education services will be GST free, including tuition fees at schools, colleges, technical and further education institutions and universities. People may not realise that elements of the education system are not GST free. The food component of boarding schools, boarding fees, and food and beverages sold in canteens will not be GST exempt. They are the sorts of goods that people buy that will start to add to the cost of living for ordinary, average families. School bus services and uniforms will not be GST exempt, yet they are an integral part of the educational services, as are fees charged for equipment hire such as musical instruments. Many families hire musical instruments from schools because they are expensive items. Often a child will test an instrument and hire it from the school for a year. There will be a GST on that, and also services provided for fundraising purposes. The burden that parents and citizens associations already bear in fundraising will be increased because there will be a GST on the sale of goods and services.

The other part of the educational picture is that courses that do not lead to a recognised degree, certificate or diploma, such as business training and writing skills - many people need those - will be taxable. We know that child care provided at a recognised facility will be GST free. However, there are other forms of child care that will not be exempt, such as the care provided by babysitters, which may be supplied by way of a private contract, play centres, holiday camps and sporting and craft programs. It is beginning to emerge in the fine print that many things are taxable. I take the point that the tax may be offset depending on the size of the business and the business threshold.

Mr Johnson: Babysitters will not charge GST.

Ms McHALE: I said, in parenthesis, that babysitting is often a private contract and therefore will not go anywhere near the tax man, but it is not GST free. Many goods and services are taxable in principle.

I want to look at charitable activities and follow up on a point made by the member for Willagee about sporting organisations. The retort from the government benches was that he was wrong. I am relying on the CCH Australia Ltd "Special Report on Tax Reform" for the detail of the tax package. I urge members who do not accept what I am saying to look at that document to verify the points that I am raising. Charitable activities will generally be GST free.

Mr Johnson: What is CCH?

Ms McHALE: It is an organisation that publishes commentaries on legal, commercial and industrial issues. It is not a left-wing Labor organisation. I can see that look on the face of the member for Hillarys.

Mr Johnson: I have never heard of them. Could you elaborate?

Ms McHALE: I advise the member to find his way to the Parliamentary Library, because it is a useful resource. I cannot remember what CCH stands for.

Mr Johnson: You are quoting an analysis.

Ms McHALE: I am quoting from the documentation. The member should not worry about that.

Mr Johnson: I caught out one of your colleagues a few years ago. The Leader of the Opposition at the time, Ian Taylor, was quoting an industrial relations document and when I asked who published the paper, I was told it was a United Kingdom union.

Ms McHALE: I can assure the member for Hillarys that I am not quoting from anything he might think is biased, which is probably questionable anyway. I exhort the member to use the library facilities here. They are a very good resource.

It is important to recognise that the membership of registered organisations - for example, local sporting groups - will be taxable. However, donations which are not payments in return for services will not be taxable. Members can continue to make their donations to the local bowling and tennis clubs. However, in principle membership of registered organisations is taxable. The tax will be paid if they are above the business registration threshold. For instance, members opposite who are members of Royal Perth Golf Club -

Mr Bloffwitch: If they are a member of that golf club, they could afford to pay the GST without any trouble at all. I do not think that will be of concern to them.

Ms McHALE: Members should bear in mind that if they can afford to be members of golf clubs their membership will be subject to a GST. Membership of registered organisations is, prima facie, taxable.

Mr Carpenter: All membership fees will go up because the costs to the organisations will increase and membership fees will go up accordingly.

Several members interjected.

The ACTING SPEAKER (Mr Baker): Order! The member for Thornlie is not answering interjections.

Ms McHALE: The member for Geraldton can refrain from interjecting. He can keep his thoughts to himself, or to his speech.

The construction of new homes and repairs and renovation to existing homes will be subject to a GST. It has been proposed to introduce a lump sum rebate of \$7 000 for first home buyers. However, the view of the housing industry is that \$7 000 is totally inadequate to offset the costs and increases that will occur as a result of the GST.

Gambling and the lotteries is an interesting area that will be included in the tax base. People will pay a GST on the cost of their lottery ticket. The GST will apply to the operator's margin, not prizes paid out. It is incumbent on all of us to look at the detail of the tax package and to analyse what this package will mean to the average family.

A fundamental flaw in the construction of this package is the use of the budget surplus to fund the tax cuts. I find it a great conundrum that we are expected to believe the Federal Government when it says that we will have tax cuts; however, it will not fund those tax cuts but will rely on the budget surplus to fund them. It has argued that we need this budget surplus to cushion ourselves against the effects of the Asian economic crisis; yet the Prime Minister has suggested that we will enjoy tax benefits as a result of this budget surplus. There may be a budget surplus in 1999 or 2000, but there may not be one in 2001. What will happen then to the tax cuts that have been promised as part of this great tax reform? I suggest that those tax cuts will evaporate, because the Government will not have the capacity to fund them.

The effectiveness of tax reform must be measured against its effect on people who are on low incomes and who live in poverty. The comments that have been made to date by organisations such as the Salvation Army, the Brotherhood of St Lawrence and the Australian Council of Social Service all point out their fear that the tax reform package will impact most severely on those who are least able to pay. The tax cuts will favour high income earners, such as members of Parliament, who are on an annual income of at least \$80 000 -

Mr Riebeling: That will be popular!

Ms McHALE: We know how much the community loves politicians! People in the community, and certainly the pensioners and retirees in my electorate, will receive only meagre compensation and will be most vulnerable to the effects of this tax package.

Mr Johnson: Some safeguards have been outlined by the Prime Minister.

Ms McHALE: They will receive a one-off windfall of \$3 000. The pensioners in my electorate looked at that last Friday and thought, "Wow! I will get \$3 000." However, that will be a one-off payment, and they will need to live for many years with the GST. Let us not be fooled by the compensation that will be paid, because that compensation will be the first to go when the revenue that is supposed to be generated does not eventuate. We need to focus on the fact that many people have no choice in determining what to do with their disposable income because they have no disposable income; and I fear that those families will suffer the most from this inequitable GST.

MRS van de KLASHORST (Swan Hills - Parliamentary Secretary) [5.13 pm]: I have listened for over an hour to opposition members talk about all the problems that will arise from the proposed goods and services tax. I would like to read what Bob Hawke and Paul Keating said about a GST when they were in government. Bob Hawke was revered by members of the Labor Party, who said that he was one of the best leaders they had ever had. Paul Keating was also regarded as one of the Labor Party's best leaders. For many years Labor Party members have said that Hawke was the longest serving Prime Minister, and Keating was a top Treasurer and Prime Minister.

In 1985, Bob Hawke spoke about tax reform and actually suggested that Australia introduce a GST. That is rather amazing when we consider the rubbish to which we have been listening this afternoon. Mr Hawke said on 2 June 1985 that if we do not have a consumption tax, the poor will be hit the hardest.

Mr Pental: Surely he would not have said that!

Mrs van de KLASHORST: He said that in an interview on the "Sunday" program in 1985.

Mr Ripper: Four elections ago!

Mrs van de KLASHORST: He said also that we cannot have a continuation of a tax system which is haemorrhaging, is imposing burdens on those least able to bear them, and is economically inefficient. He said things were bad then and would get worse. That has proved to be correct, because the situation in 1998 is even worse.

He said also in 1985 on the "Willesee" program that a consumption tax will force the rich to pay their fair share. What members opposite have said to the House this afternoon is the exact opposite of what Bob Hawke, their esteemed former federal leader, said in 1985. He said also that if a broad-based consumption tax were brought in, the increasing numbers of people in the community who by the use of clever lawyers and accountants have avoided the payment of any tax on their income, and also in the absence of a consumption tax have not paid any tax on their spending of that income - that refers also to the black economy - would be caught up by the 12.5 per cent consumption tax which he was proposing. That is a higher rate than the Federal Government is suggesting.

He said also in 1985 at the South Australian Labor Party convention that a consumption tax is necessary to pay for social policies, and that we cannot delude ourselves that we can achieve fundamental economic and social reform if we allow ourselves to be continuously saddled with a tax system that is becoming increasingly unfair, inequitable and inefficient.

Mr Pental: Was that the South Australian Liberal Party convention?

Mrs van de KLASHORST: No. That was the South Australian Labor Party convention. Mr Keating, who told us that he was the world's greatest Treasurer, and who took over from Mr Hawke as one of Labor's top Prime Ministers, said on the "Sunday" program of 9 June 1985 that the current wholesale sales tax system is irrational, and that most of the things in the 32.5 per cent schedule are today everyday items - very few are luxuries - and he did not think we should skew the whole tax system around to worry about a couple of items like that. He then spoke about the importance of having few exemptions and said that at the moment - that is, in 1985 - we all have to buy the necessities; if we do not buy them, we cannot live. However, we buy them out of our after tax income, after it has suffered these very high, oppressive marginal rates. He said that under his tax proposal, we would buy the same necessities, but out of our relieved tax income. He said also that the best way to make these taxes operate efficiently and effectively was to have minimum exemptions, and a single rate. That lesson has been learnt all over the world. He said also that if we had different rates, all of these anomalies would appear; and if we had exemptions, it would mean we had a very complex administration.

The Opposition has been talking today about the problems with a GST. No-one is denying that the price of some goods will increase. However, no-one has been telling us about the goods that will decrease in price. A hidden sales tax is applied to many items that we buy. If we went to the newsagency and bought a postcard, a mouse pad for our computer, or some ink for a printer, which we and most businesses use, the tax would be 22 per cent. The tax on wall planners, on compasses, on plastic and wooden rulers, which kids use at school, and on coloured cards and sheets of paper, is 22 per cent. I have many pages listing the 22 per cent hidden tax.

Mr Carpenter: Is that a 22 per cent wholesale sales tax?

Mrs van de KLASHORST: It is a wholesale sales tax.

Mr Carpenter: How does that affect the prices of those items?

Mrs van de KLASHORST: I would have to work it out; I cannot do that off the top of my head. There are also hidden taxes on household repairs. We pay 22 per cent tax on brooms. However, there are also doormats, barbecues, glasspaper, wheelbarrows, sawhorses - things that the average person uses all the time - garden hoes, rakes and shovels, and they all attract 22 per cent tax.

Mr Carpenter: How does that affect the price?

Mrs van de KLASHORST: Let me explain it. It is very simple.

Mr Carpenter: What about the wholesale sales tax component?

Mrs van de KLASHORST: I would have to work that out. Raw materials will not attract wholesale sales tax. If the raw materials currently have a wholesale sales tax component, that tax will go. Manufactured goods do not include a wholesale sales tax, but a rate of 10 per cent is applied at the retail level. We need to consider what the wholesale sales tax was and add 10 per cent to the retail price.

I will not continue along that line because my main thrust is that 70 per cent of those in the Australian work force earn less than \$50 000. The tax break that the Federal Government is offering will affect those workers. They will be the winners in the tax package. We must provide incentives for people to work. A friend of mine who works for a government agency did five hours overtime, but that took his wages up into the next tax bracket and he ended up having \$20 less in his pay packet.

Mr Riebeling: Rubbish.

Mrs van de KLASHORST: That is absolutely true. He showed me the pay slip. He will receive the money back at the end of the year but not when he needs it. Also, when I was doorknocking in the Stratton community, a painter told me that he had worked on a Sunday because his boss had asked him to do so. He received double time on the Sunday, but for a whole day's work he received less than \$60 simply because it put him into a higher tax bracket. If people can have more disposable money in their pockets to spend as they will and the incentive to earn more if they wish to do so, that must be good. If people are able to work extra hours and to do extra things, they will gain.

According to figures that I have obtained, a single age pensioner on a private income of \$10 000 will gain \$2.62 a week from tax cuts, which is what opposition members said, but they did not say that that person will gain \$21.85 a week through increased social security payments and the aged persons savings bonus. That person's disposable income will increase by \$24.47 a week, thereby offsetting any extra costs on food and other items. Pensioners' disposable income will increase. I agree that the price of many products will increase, but many prices will decrease. Opposition members should spend more time telling us the whole story instead of only half of it.

MR BLOFFWITCH (Geraldton) [5.24 pm]: Like the member for Swan Hills I have listened to the discussion on the amendment. I was absolutely disappointed with the comment that someone who earns \$100 000 will have a far greater benefit than a pensioner will have, hence the system is grossly unfair. I have never heard such claptrap in all my life. Let us consider a person on \$100 000 a year, who is getting his two grand a week, as against the \$160 a week that a pensioner receives. What about that inequity? He is being paid a salary that he deserves. He is being paid a salary that his employer has decided he warrants. Members opposite say that because one person receives \$160 and another person receives \$2 000 there is something wrong with our system. That is exactly what opposition members are saying about the tax cuts, but they will apply not just to a person on \$60 000.

How many members have listened to a worker who has worked eight or 10 hours extra a week, who gets his pay packet and who asks, "What's the damn use of working?" Normally, he would not receive less, but he can move from the 35 per cent tax bracket to the 47 per cent tax bracket, and of course the take out of that extra money can be very severe. In other words, if he earns an extra \$120 per week, almost \$60 can be taken in tax. He says, "I have a whole \$63 for working extra hours; I am not going to do it anymore; what's the point?" The tax-free thresholds have moved from \$35 000 to \$50 000 before someone reaches those tax brackets. Therefore, a mechanic on \$600 a week, which is \$30 000 a year, can earn another \$15 000 in overtime before going into the next bracket. He is on \$48 000 a year. He does not have to be a financial guru or the richest man in the world, but he is prepared to do some overtime and put the money into his house. Even the Hansard staff, with their overtime, would know that when they go into the next tax bracket the deductions are savage. Our Chamber staff are in the same position. If they move into the 47 per cent bracket they really feel some pain.

Mr Graham: When Johnnie Howard was Treasurer of Australia the top taxation rate was 64 cents in the dollar.

Mr BLOFFWITCH: That is right.

Mr Graham: It cut in at \$5 000 for average weekly earnings, so do not pontificate on that.

Mr BLOFFWITCH: When Paul Keating was Prime Minister he announced the L-A-W law - he was going to give me some tax relief. He gave me absolutely nothing. I am absolutely convinced that all that we will get from Labor are the savings that have been made by our Government. They will be given back to us in a de facto arrangement. Probably a future Labor Government will give us a bankcard, so everybody in Australia can go out and just spend. That seems to be the mentality of the Opposition.

As I said yesterday, members talk about what we do about workers and industry in this country. Under our present system, all that we have done is put thousands and thousands of people out of work. We have seen the demise of an entire whitegoods industry and of probably three or four models of motor cars that are not produced anymore in this country. Unless the taxation system is changed, we will end up with one motor car manufacturer in Australia. The volume of Australian sales is not enough to sustain those companies. The tax imposition of 22.5 per cent creeps through industry. Someone told me that the cost to industry is \$2.6b. How can any industry survive in an international market place?

Mr Acting Speaker, cross-conversations in the Chamber are not only discourteous to the person on his feet but they also take the game away.

The ACTING SPEAKER (Mr Baker): Order! The member for Pilbara and the member for Vasse will please cease talking across the Chamber.

Mr BLOWFWITCH: As I said, the \$2.6b is a huge impost. We have lost working people because these enormous costs to industry are entrenched in our wholesale tax system.

Mr Graham: The only thing that gets taxed under a GST for a manufacturer is labour.

Mr BLOWFWITCH: That is exactly what I said.

Mr Graham: A manufacturer gets the rest back in input credits.

Mr BLOWFWITCH: I said that the wholesale sales tax gives manufacturers no credit and nothing, and that is why we should get rid of it. I said that is why we have watched the demise of companies that have tried to sell internationally. We have seen the demise in this country of whitegoods manufacturers in Victoria, which used to be a very big manufacturing centre but which produces virtually nothing now. Why has Fisher and Paykel in New Zealand gone from strength to strength? It not only exports to us but also to Asia and to countries all over the world. It is one of the best manufacturers of whitegoods in the world. Why is that? It is because New Zealand had the foresight to go to a GST many years before we even contemplated it. The cost savings for that industry have really benefited it.

Several members interjected.

The ACTING SPEAKER: Order!

Mr BLOWFWITCH: Those cost savings have not only benefited that industry but also allowed it to compete in the open market and dominate that market. More is the tragedy that we have lost all of our industries.

The Opposition says that we are not looking after the battler or the working man. A GST will give more working people more of an opportunity to get into an industry that can compete internationally than they have today. It is important for us to do something like this to ensure that people who want to enter a market are not hindered or handicapped by our present archaic system.

Just as important is a tax system that will encourage people to work to produce more units and not make the familiar cry of what is the point of working because they will lose it all in tax. We must give people in this country the opportunity to go out and earn a quid and not feel that all they are doing is filling the federal tax coffers. We must give them a feeling that if they work there is something in it for them; that there is an opportunity for them to do something. These new tax thresholds will make an enormous difference when compared with our current system. Nobody denies that the reformed system will benefit people on \$80 000 or \$100 000 a year. However, how will it benefit me on my wage and not benefit somebody who earns the same amount in overtime? We must reform that system.

Mr Carpenter: Could that not be done by adjusting the tax scales?

Mr BLOWFWITCH: As a business person, the only thing I am disappointed about with the tax scales is why company tax is 34 per cent and the top personal income tax rate is 47 per cent. Is there some agenda in this country to make me form a company and to pay an accountant to run the company so I can enjoy the 34 per cent tax benefit? I do not know. There is talk that in the long term that may be knocked down to 30 per cent, which would make the system even more disproportionate. Because I go to the trouble of paying a couple of thousand dollars to set up a company, why should I get the tax benefit of paying 34 per cent in tax when the husband and wife in the corner deli who work as a partnership are paying 47 per cent tax for running their business? Why do we have a system like that? It stinks. It is totally wrong. It seems that all we are doing is protecting industry and encouraging people to form companies and to regulate them.

I guess the Government has spent a lot of time preparing the new Companies (Western Australia) Code and it wants

as many people as possible subject to it. There is too much of a disparity between 47 per cent and 34 per cent to tolerate. The whole thing is wrong. I was hoping that with tax reform, the Government would do something. I shudder to think what the Opposition would have said had we brought the maximum tax rate for a company down to 34 per cent. That would have been unfair because we would not have got much more than somebody on \$20 000. It would have been scandalous.

How could we get reform under Labor or any sort of justice in a tax system when Labor is afraid because someone earns more money and will save more on a tax package? The fact of the matter is that some people do earn more money. With any reform of a tax system people will enjoy the benefits, and they should. Nobody in this country should be paying 47 per cent tax when a company is paying 13 or 14 per cent less. That does not make sense. I was hoping that under this reform we would see a little more equity between those two tax rates. I am disappointed.

However, I am impressed with one respect. Over the past five years people have said that they do not want to work overtime at the weekend because they are sick of paying tax -

Mr Graham: I think they say that about you.

Mr Johnson: He is a very good employer.

Mr BLOFFWITCH: I imagine they would say that.

Mr Graham: They do not want to tell you.

Mr BLOFFWITCH: I know that. I certainly will carry out the exercise for every one of them. I will work out how much they paid under the old scheme and show them how much they will pay under the new scheme. I think it will be a pleasant surprise for those people, and they will be thrilled that for once in their lives something will be done to give them an incentive.

Mr Graham: Do you approve of the new tax on luxury cars?

Mr BLOFFWITCH: Yes, I do. I will build a new house in the next two years, after the GST is introduced, and I will be only too happy to pay the GST on it.

Mr Graham: I said "luxury cars".

Mr BLOFFWITCH: There is still the mentality that people who buy a car costing \$50 000 or more should pay more tax than those who do not. I am disappointed at that, because a GST is supposed to treat everything fairly. I can buy a Porsche in the United States for the same price as a medium-priced car here, because it is not subject to any import tariff or extra tax. There is a federal retail turnover tax of about 8 per cent. That is why people in America can buy an S-class Mercedes for \$US46 000, and the same car would cost \$280 000 in Australia. It is like a Cadillac or one of the bigger luxury cars. The Americans do not worry about whether people have \$46 000 to spend on a car, and they do not double the price to get more from them. They recognise that the buyer will pay 8 per cent tax on the \$46 000 they pay for the car, and other people pay 8 per cent on the price of the cars they purchase. The people buying the more expensive cars contribute more anyway. Australia still has not moved away from the mentality that some items should be more heavily taxed. I understand the reason for the tax on cigarettes because they are a health risk and health care costs a lot of money.

Mr Riebeling: What about alcohol?

Mr BLOFFWITCH: I thought it would be treated just as any other commodity. I thought the excise would be removed, but it will not be. It is the old story: Once Governments get their hands on the money, it is hard for them to let go of that lovely source of revenue. In this case the excise has not been removed.

In the old Fightback scheme Hewson removed that excise. He also removed it on petrol and diesel, and imposed a base 15 per cent GST. I think his proposal was much fairer than the current proposal, but he did not win the election. Therefore, I understand the reluctance to follow that path and the reason the GST has been set at a lower level, so that people will accept it and not be frightened by it. I believe it will give this country the opportunity to enter into new international markets for whitegoods and manufacturing. It will be an opportunity to create more jobs, and that will be the payback for Australia. Many of the law and order problems occur because people do not have jobs. It is our role, as members of Parliament, to provide them with jobs and this is the first step towards getting Australians working. There are enormous opportunities in this tax package. I certainly do not support the amendment.

MR RIEBELING (Burrup) [5.44 pm]: I had not intended to speak but after the last two speeches I thought, why not? The problem the conservatives have with this tax package is that in the past couple of days they have all been jumping around saying how exciting it is and that everyone will benefit.

Mr Osborne: You call us the conservatives, but we want to change the system and you do not. So, who are the conservatives?

Mr RIEBELING: The conservative side of politics is members of the Liberal Party. It may not apply to the National Party, but definitely to the Liberal Party. The member for Geraldton has been doing cartwheels about how clever the Liberal Party was to introduce this GST which will save the federal Liberal Government from destruction at the next election. Over the past couple of days people have started to pick holes in the GST package. Members opposite cannot get away from the fact that 10 per cent of the population will receive 50 per cent of the benefits from this tax package. Members opposite will never be able to sell that to the Australian people and, by the time of the election, it will be an albatross around their necks. They will curse John Howard's name, splinter groups will be formed and members of the National Party will want to run away from the Liberals. They will be in disarray. This proposal will destroy the Howard Government. John Howard was not a good Treasurer, and he is not a good Prime Minister. He has seized upon an idea which he considers interesting and will spend \$10m of taxpayers' money on an unsaleable proposal.

The member for Swan Hills reeled out the quotes from Paul Keating and Bob Hawke to suggest that members on this side support the GST. Those politicians supported it and put it to the Labor Party, but were told it could not happen. In the Liberal Party, John Hewson jumped up with his Fightback and said he would wipe out the Labor Party. That was the election the Liberal Party could not lose. Hewson said his Fightback proposal would wipe the Labor Party off the face of the earth. That did not happen.

Mr Johnson: It wiped out Bob Hawke.

Mr RIEBELING: Bob Hawke is finished. He is not in politics anymore, but members opposite keep quoting him. They live in the past. That was a long time ago. Members opposite should listen to what the current leaders are saying. Members on this side believe that the poor people opposite who support the GST will be rolled in a big way, because they cannot sell an inequitable tax package which gives huge tax savings to the very rich and minimal savings to the vast majority of people. People are not fooled by quotes from the past or by ghosts from the grave. Twenty years ago a member of the Labor Party may have said something. Who cares what a Labor Party person said 20 years ago? The current debate will determine the tax policy for the next 20 years. We want a system that provides equity for all people in Australia. The Liberal Government wants to make the rich richer and the poor poorer. The member for Geraldton asked how that could be done. Impose a tax on food. What a great idea! Everyone must eat, so that should be taxed.

The Government decided to get stuck into it and give pensioners \$10 a week and those earning \$100 000 a year, \$100 a week. That is equitable! The member for Geraldton said it could not be fairer than that because the bloke earning \$100 000 works hard. The member for Swan Hills said that under the current system people who work overtime receive less money in their pay packets. That indicates how much she knows about the tax system. She suggested that people who work longer hours earn less money. It is amazing that she should make such a statement in Parliament. Members opposite do not know what they are talking about.

Also, members opposite must sell the fact that under the proposed tax package members of Parliament will be better off by \$80 a week. The vast majority of people love members of Parliament! The fact that parliamentarians will be \$80 a week better off will put a smile on the dials of most Western Australians! They will be so happy to hear that news! It will be a good selling point for members opposite to say that the pensioner down the road will receive \$10 a week, but do not worry, the members of Parliament will be nearly \$100 a week better off. Members opposite should flog that as hard as they can because that is about the best point they have. The member for Bassendean referred to the savings of \$4.5b for exporters; this is a cost neutral, as I understand the system. Apart from the \$1.3b surplus that Costello found, the majority of the \$4.5b saving must be funded by taxpayers.

Dr Hames: Using your argument, when you seek a pay rise for relatively low income workers of 5 or 10 per cent, or whatever it is you normally seek, you do not then go out, if you are supporting members in your region, and say, "We only need a 2 per cent increase for them, because in dollar terms we want to keep them equitable with the others." It is the same argument.

Mr RIEBELING: The Minister for Housing can speak about the people in his area, but I will speak about the people in my area. Under a GST, the people in my area, especially the poor, are worse off than people in the metropolitan area because everything costs more in my area. *The West Australian* is a classic example.

Dr Hames: Talk about a union down here.

Mr RIEBELING: If the minister listened for a moment, he might learn something. *The West Australian* costs 80c in Perth. The 10 per cent tax on that will be 8c. In Karratha the same newspaper costs \$1.70; that is 17c in tax. That is more than double that paid by people in the metropolitan area.

Dr Hames: That is a reasonable argument. Just take the ones who are both living in the city.

Mr RIEBELING: If members opposite argue that that tax system is fair to people in the bush, they are wrong. They are so far off the mark, it does not matter. Members opposite have relied on people's greed; they have said, "You will all be better off. We do not care how much we say we will give you because eventually we will take it back off you, but we want you to vote for us; trust us."

Dr Hames: You do not seek a lower percentage increase for higher paid workers than you do for the lower paid. You seek the same percentage for each and do not worry about the equity of whether the higher paid workers are earning more.

Mr RIEBELING: The minister forgets our capacity to pay tax. Our system says that the more a person earns, the greater the capacity to pay tax. I thought that the minister would understand that that is our taxation principle.

Dr Hames: It is a bit hard to follow.

Mr RIEBELING: I do not know what the minister is talking about in relation to seeking pay rises, because I cannot see any applications for pay rises. I thought we were talking about the GST; the new tax system.

Dr Hames: I am just using that an example of the irrelevance of your argument on percentages.

Mr Graham: When we set the wage-fixing system to deal with that, we introduced the second tier which cut off percentage increases at a certain level and then paid a dollar amount above that. We did that when we were in government, along with the trade union movement; that is exactly the point you are talking about. It was called the second-tier principle of wage fixing.

Dr Hames: That is a reasonable argument, but you still set percentage increases across the board for your workers as union supporters.

Mr RIEBELING: Members will hear a gradual unravelling of the conservative's argument in this debate. We are starting to see it now. Tax experts in the welfare area and people involved in low income welfare and pensioner areas are saying that the package looks good, but no-one trusts the politicians who are putting it forward.

Mr Pandal: It is a very serious matter.

Mr RIEBELING: The person who is selling this taxation package is the worst person on earth to be selling it - honest Johnny Howard. Many businesses suffered adversely as a result of his actions as Treasurer with the bottom of the harbour deals and the backdating of changes in taxation.

Mr Bradshaw: Was he right or wrong?

Mr RIEBELING: He was one of the most hated Treasurers in Australia's history.

Mrs van de Klashorst: I thought that was Keating.

Mr RIEBELING: He has moved on and he is now the boss. He has found another bunny in Costello to do his dirty work. He was not smart enough to work out the GST so he gave it to Costello. Costello knew that that was always going to be the plan, but little Johnny was saying, "It is never, never going to happen. We have had that vote; it is over." However, he is a new convert. I do not mind his being a convert to the GST; I welcome it, because members opposite are doomed. The Federal Government will go up in the polls during the next week and after that it is downhill and downhill rapidly for the conservative parties. The National Party will run away at a million miles an hour. It is a bit smarter than the Liberal Party. It will try to distance itself. It knows that even though this tax package appeals to the greed of some people -

Mr Bloffwitch: Here we go. It has nothing to do with jobs, or anything like that; it is just about greed.

Mr RIEBELING: Absolutely it is about greed. The Liberal Party will say anything to sell this package. It has given away buckets full of money, but no-one believes that it will last. The incentives that have been given are over the top and in a very small space of time we will find that the whole package will start to unravel. If the unthinkable happens and the Liberal-National Parties win the next election, I assure members that from my recollection, no Government that has introduced a GST has ever been re-elected

Dr Hames: That is why Keating chickened out even though he supported the GST.

Mr RIEBELING: There might have been one; it could have been the British Government. However, the vast majority are wiped out at the next election.

Mr Pandal: It should not be about whether it is good to be re-elected.

Mr RIEBELING: Usually that indicates that the people whom the Government is serving hate it.

Mr Pandal: Sometimes they say the people are revolting.

Mr RIEBELING: A classic example is the Canadian experience: The conservative Government brought in the GST which would save the country. I think that Government went from 160 seats down to two seats.

Dr Hames: You get 10 out of 10 for scaremongering and hypocrisy.

Mr RIEBELING: I have a warm fuzzy feeling deep in my heart that if the Government manages to jag the election, there will not be many left.

Mr Bloffwitch: Do you like the fact that the FBT will be removed from the mining and housing industries? Do you think that is a positive step in the right direction?

Mr RIEBELING: Members opposite should wait until our package is released and then they will see the error of their ways - they will probably vote Labor. The member for Geraldton will probably vote Labor because he is a lateral thinker; if it is better for him, he will do it.

It is time for tax reform and within the next couple of weeks the federal Labor leader will release a package that will deliver that on a fair and equitable basis, not where the top 10 per cent receive 50 per cent of the goodies. How is that justifiable, even by members in this place?

Mr Bloffwitch: I thought 10 per cent of the people were earning the goodies.

Mr RIEBELING: The member for Geraldton thinks it is justifiable. He should go into his electorate and say, "I support the top 10 per cent of Australians receiving 50 per cent of all the advantages under this package and the bottom 90 per cent sharing the balance."

Mr Osborne: The harder you work and the better things go for you, the more the Labor Party hates you.

Mr RIEBELING: That is a stupid thing to say, but the member for Bunbury is notorious for statements which mean nothing and are even less likely to appear in the Press than he thinks they are. The Howard tax package is worthy of the conservative party and will see it lose the next election and for the first time in many years become a one-term Federal Government. Without the package, the Howard Government was being massacred. This is the last throw of the dice to try to draw back its lost ground. It has lost all the pensioners. When the Federal Government released its lovely policy, the effect of which required people to sell the family home, it lost a few supporters; it lost a massive groundswell of pensioners. It had to buy them back.

Mr Bloffwitch: You think that a person in a nursing home should keep their home and have it forever?

Mr RIEBELING: The nursing home fiasco was a disaster and one which members opposite should cop on the chin. Pensioners remember what the Government did in relation to nursing homes; they will never forget.

Sitting suspended from 6.00 to 7.30 pm

Mr RIEBELING: I remind those who support a goods and services tax that, in countries in which it has been introduced, people hate the tax, and the receipt from every purchase reminds them of that. Even if the coalition wins the next election, the GST will result in its demise; it will be the last nail in the coffin. It is an unsaleable tax.

Mr Minson: That is no reason you should not have it. The reason you blokes are against it is that you know it is hard to sell. If you had any integrity you would vote for it.

Mr RIEBELING: If the member for Greenough had any conscience he would vote against it. It is a tax in which 10 per cent of the population will receive 50 per cent of the benefit. It is an unsaleable tax. The National Party knows that and the Liberal Party will realise it to its detriment in a short time. It will be popular for the next few days, but at the end of this week, if the coalition is not well in front, it should be worried, because support for a GST will go downhill rapidly from there. I urge the House to support the amendment.

MR JOHNSON (Hillarys) [7.33 pm]: I do not support the amendment for two reasons. The first is that this debate is a re-run of the amendment moved by the Opposition yesterday in which only one member of the Opposition voted for it and the rest did not. We are having a re-run of that debate today, and we are hearing the same arguments again.

The second reason relates to the very good points in support of a GST that were put forward by my colleagues the members for Geraldton and Swan Hills: Tax reform is not only necessary but essential. Australia, welcome to the world of sales tax.

Mr Riebeling: The member for Hillarys left England to get away from it.

Mr JOHNSON: Not at all. One of the best things about the tax reform package and this GST system is that it goes hand in hand with tax relief and extra benefits for pensioners. People who work and earn money will have more money in their pocket or purse at the end of the week to spend how they like. If they want to spend that money on a new television it will be cheaper.

Several members interjected.

Mr JOHNSON: I do not mind interjections, but interjectors should not carry on a conversation with each other; they should wait until they are on their feet.

I reiterate that the working people of Australia will benefit. I agree with members opposite to a certain extent - low income families will not receive as much benefit as families who earn a good wage.

Mr Brown: They will be worse off.

Mr JOHNSON: I refute that. The figures show that they will be better off, and I accept those figures. They are not the spurious figures that have been referred to by members of the Opposition.

As far as businesses are concerned, I can assure members opposite that it will be as simple as anything to work with the GST. It is much simpler than working with wholesale sales tax, which is a nightmare. The GST is a user-friendly tax. The wholesale sales tax is not a good tax. The GST is an excellent tax and when it is accompanied by income tax cuts families will have more money. The benefits for families with more money in their pockets at the end of the week is twofold: First, they can spend it on whatever they like and do not give it automatically to the tax man. Second, if they do not spend it they will save it. Many Australians have a problem saving money. We are not a nation of savers; we are appalling savers. As my colleague the minister stated, we have a worse record than Canada for running up our credit card bills. A lot of families can afford to pay only the minimum amount off their credit card debt. The member for Burrup says he is one of those people. I know that he is a wealthy man.

From a business point of view it is a simple system with input tax and output tax. Business takes one from the other and either pays the difference or receives the difference. It is not a huge burden to comply with the tax. The good thing about the GST is that it will catch the cheats, those people who operate in the black market economy. Many people have abused the wholesale sales tax system. The computer industry in the eastern States is under investigation by the tax authority for abuses of the wholesale sales tax.

This makes it much simpler, because someone has to pay the goods and services tax on the computer, the television, or whatever. There are definitely tax savings. Thousands and thousands of people come out of the woodwork on the introduction of a GST, a value added tax or a sales tax on retail goods. It happened in the United Kingdom and in New Zealand. In future those people in the black market economy must be honest. There will be tax cheats, but they can get caught far more easily with the tax trails under a GST system than they can at the moment. The Reverend Paul Keating, as members opposite like to think of him, said in 1985 that cheats should beware because they will be in trouble. The Labor Party hierarchy in Canberra realises it is much easier to catch tax cheats with a GST system than under the present system.

As my friend the member for Geraldton said, there is a disincentive for employees who want to work overtime. At the moment it does not pay them to do so. The amount of their normal weekly wage is far reduced, because they pay exorbitant taxes. Who wants to work overtime unless there is an incentive? Under this system, where the tax thresholds have moved to the advantage of the working man and woman, there is a definite incentive to work overtime.

The Opposition members have said a couple of things about sporting clubs; that they will be lumbered with paying more money. Let me dispel that myth.

Mr Riebeling: It's in the library.

Mr JOHNSON: After I finish my speech, I will go there with the member for Thornlie to look up this unknown CCH statistic which I have heard today, but have never heard before. Sporting clubs pay 22 per cent on all their sporting outfits including, for example, tennis rackets. From experience it is cheaper for people who are travelling abroad to buy them while they are overseas than to buy them in Australia.

Mr Carpenter: How many people from Balga travel overseas to buy a tennis racket?

Ms MacTiernan: Exactly.

Mr Carpenter: You are talking nonsense.

Mr JOHNSON: The member does not see the logic that is coming forward. Why would people buy a tennis racket abroad unless it was cheaper. The people who live in Balga -

Ms MacTiernan: You get a VAT exemption.

Mr JOHNSON: No. People must spend quite a lot of money in a normal retail outlet in the United Kingdom to get that exemption.

Mr Riebeling: Members of Parliament will be able to do it, but not the ordinary people.

Mr JOHNSON: Members opposite do not see the logic; in fact, some members opposite are bereft of logic. The simple fact is that it is stupid to be able to buy a tennis racket abroad for less than it costs in Australia. With the wholesale sales tax being abolished and having a 10 per cent GST on an item of sporting equipment, it will be cheaper. It will be comparable with the price people travelling overseas can pay for these items abroad. It is the same with the uniforms, the rugby tops and the shorts. They will be cheaper under a GST.

Mr Baker: Protective clothing.

Mr JOHNSON: I do not think that would be cheaper.

Ms MacTiernan: These are the items the member for Joondalup requires to buy on his overseas trips to do his job.

Mr JOHNSON: The majority of taxpayers, the working people in Australia, will benefit from this tax solution. I accept the lower paid people will not get as much as those on middle income levels. The vast majority of the people who will benefit are those in the middle income levels. I accept those in the top income group will get a slightly better deal than those at the bottom; however, unfortunately, not a lot can be done about that. Laws must be made and tax systems must be brought in to look after the majority of the people. We cannot look after everyone in the same way. We can do our best. That is why low income families with two or three kids will be getting more benefits. The Prime Minister has given a guarantee that there will be a built-in safety margin that will be triggered should the retail price index increase. I am happy to believe the Prime Minister in his commitment that the lower paid and the pensioners will be looked after.

I will refer to one final item before I conclude. I commenced by saying that I wanted to be brief, and I will be if -

The SPEAKER: Order! There are several conversations and I know the member for Hillarys is trying to solicit interjections. If he is not, he is doing a good job at it. It is difficult for the Hansard reporter to hear what is going on.

Ms MacTiernan: We suggest you stop soliciting.

Mr JOHNSON: I will do that immediately. I always take note of the Speaker's direction. The last thing I wish to say is that -

Mr Carpenter interjected.

Mr JOHNSON: No. Not if it is a local club. If it is a business, such as the Eagles football club, it probably will be. I cannot give a guarantee. How can I do that? I ask the member to be reasonable.

Mr Carpenter: Just answer the question honestly.

Mr JOHNSON: It is my firm belief that it certainly would not apply in that instance. Under what has been put forward in the proposal, those clubs would not be subject to the GST.

Ms McHale: They would be.

Mr JOHNSON: We have a different opinion on that. We will agree to differ. I now turn to the tourism aspect which has been raised by members in this Chamber. All Australian who wants to travel abroad, hundred of thousands, if not millions of them -

Mr Shave: Not the way the dollar is.

Mr JOHNSON: It is a bit dodgy, but they can go to Asia where they will get a good rate of exchange. They may not go to Europe because the exchange rate is not very good at the moment. When they do, even when the dollar is flying high, they will have to pay sales tax on the hotel bed, the restaurant meals, anything they buy, and on their travel in that country. Why should the Australian people be disadvantaged when they travel, to the advantage of people coming into this country? Why should those who visit and enjoy this wonderful country in which we live not pay?

Mr Brown: I'll send your comments to the tourist bureau.

The SPEAKER: Order! I call the member for Bassendean to order.

Mr JOHNSON: Why should we subsidise them, which is what is happening unless there is a sales tax on the benefits

they get out of this country? An argument was put forward by the member for Bassendean earlier in the day on interstate travel. I accept that as being valid, and at present it probably would be the case. If the GST was brought in tomorrow, it would be dearer to travel. However, the cost for the airlines will go down. There will be far more competition in the future. Because of the monopoly situation, the two airlines in this country have dictated the prices.

People can travel on a return trip on any day of the week from London to the Canary Islands, which is the same distance as between Perth and Sydney, for about £95.

Ms MacTiernan: This is a man who knows his junkets.

Mr JOHNSON: That is equivalent to about \$250. Members know the cost of air travel between Perth and Sydney is heck of a lot more than that. It is about two or three times that amount. Why? Because there are two airlines - Qantas Airways Limited and Ansett Australia.

Mr Carpenter: Is there anything stopping a third one?

Mr JOHNSON: There is nothing to stop that. In fact, if the member has been reading the newspapers lately, he will know a third one which will operate out of Brisbane to the rest of Australia, and I welcome that.

Mr Carpenter: Is that Compass?

Mr JOHNSON: No, it is not. It is another company which has much more money than the Compass organisation had, and I think this one will work. Having a third airline will automatically bring the price of travel down within Australia. There is no question of that.

Mr Brown: It has nothing to do with the GST.

Mr JOHNSON: The extra cost of the GST will be outweighed by the extra savings that the airlines will make in fuel costs and so forth, and the fact that they can claim back so much GST.

Mr Brown: It is not what the tourism industry is saying.

Mr JOHNSON: Maybe it has not looked into it deeply enough yet. It obviously wants everything as cheap as possible for its business.

Mr Carpenter: What are you going to charge on chains and whips up your way?

Mr JOHNSON: They would be subject to 10 per cent, but dishing it out would be free.

A member interjected.

Mr JOHNSON: My colleague just reminded me that if they are for educational purposes, they would be free.

I support the tax package 100 per cent. We are the only western country that does not have a GST-type system; welcome to the rest of the world, Australia. It is a great thing to have.

MR GRAHAM (Pilbara) [7.50 pm]: Let me inform the House again that I am and have been for nearly all of my adult life opposed to consumption taxes for one simple reason: They disadvantage those who can least afford them. I have not heard anything in the rhetoric opposite that convinces me that anything in this tax package has changed. If members opposite want to win the political debate - and it is winnable - they should get their federal colleagues to place the tax cuts, the family allowance packages, and the concessions that are offered to balance the goods and service tax on the same standing as the goods and services tax; that is, it will be delivered, not conditional upon anything.

Mr Johnson interjected.

Mr GRAHAM: It might be what he said, and I will have something to say about that, but that is not what he wrote. Excuse my cynicism, but I have noticed in my near decade in this place that there is sometimes a bit of a difference between what politicians say and what they actually formally write as a proposal. The member for Hillarys may not have noticed that yet. Let us deal with the L-A-W tax cuts. Who removed the Bill to remove the last leg of the L-A-W tax cuts?

Mr Johnson: You are telling porky pies.

Mr GRAHAM: No, I am not. Peter Costello was the Treasurer who removed the superannuation bounty that was contained in the L-A-W tax cuts.

While we are dispelling tax myths, let me dispel another one that came up in an earlier speech. People said one of the good things about the GST was that it would remove Labor's fringe benefits tax on remote area housing. Labor

never introduced the fringe benefits tax on housing. An article in *The Australian Financial Review* on 7 July 1978 stated that, "The Taxation Department has revealed for the first time how it will apply its new crackdown on fringe benefits such as subsidised housing and meals." I will not read the whole article. I am more than happy to give it to members opposite, but there is a lovely photograph of the Treasurer, John Howard, who made that statement, on 7 July 1978.

Mr Baker: Is that when a FBT was introduced?

Mr GRAHAM: The year 1978 is when the fringe benefits tax on remote area housing and meals was introduced. I am happy to tell the member for Joondalup that I was one of the militant trade unionists in the north who pulled it on and won, and his predecessor, John van Uden, says he campaigned to knock off that filthy John Howard's fringe benefits tax on remote area housing. Members opposite have selective memories, but some of us have got good filing systems. I shall take the good filing system every time.

The other thing that I shall dispatch very quickly - because I dealt with it in detail last night - and which is slipping consistently into the rhetoric of members opposite is that at some time in its life the Australian Labor Party has supported a goods and services tax. Let me reiterate that it has never been the policy of the Australian Labor Party in its entire history, and it is the longest running party in this country.

Mr Baker: There were attempts.

Mr GRAHAM: There were attempts by then Treasurer Keating and I went through that last night; I recommend that the member read my speech because I went through it in detail. He was knocked off in the democratic processes of the party. The Labor Party did not adopt the goods and services tax for all the reasons that we have been putting forward in the past five years. It is an inequitable tax and it does not do what members opposite claim it will do.

Mr Brown: In fact they properly subjected the proposal to a tax summit and it never went any further.

Mr GRAHAM: That is right. Let us deal with some of the myths of the goods and services tax that are put up by members opposite. Members opposite have created a little fantasy world that in some way they have been privy to all the inner knowledge on this issue. Members can be forgiven for believing that, in the rhetoric of their pro-GST speeches, but the truth is that they had no more idea of what was in the tax package at that time than I did. They went into a party room and the Premier told them, "A GST will be announced, and we shall get it, and you will support it, and that is it", and that is what they did.

Mr Johnson: That is not true

Mr GRAHAM: What, the Premier did not tell members opposite?

Mr Baker: You are paraphrasing to the extreme.

Mr GRAHAM: It took him 20 minutes to tell his members that it was good. But of course, no, knock me down again! Call me cynical! They all sat there and quizzed him deeply and intensely and spent weeks poring over the mountains of documents that accompanied such a revolutionary change, and satisfied themselves individually that it was good for them, good for Australia, and good for the Liberal Party, and therefore they supported it - whoops, there go the pigs again! What a load of hogwash! We received a leaked copy of the Prime Minister's letter before members of the Liberal Party saw it.

Mr Baker: Did you?

Mr GRAHAM: Yes, of course we did; does the member want to read it? I bet he still has not seen it. It is the same letter as the one sent to Premier Richard Court.

Let us get on with some of the myths and rhetoric we have heard about the tax package. The first is that the Federal Government inherited an economic nightmare. As I have pointed out on many occasions, the irony of the State's position is that they actually paid for a study that revealed the exact opposite, and the result of that study has been the basis of every submission they have made to the Federal Government. The States cannot say one thing and another at the same time; the statements are mutually exclusive. However, in the federal arena, John Howard was locked into an international monetary conference on 3 June 1996. He was required to speak to the financial people and give a real picture of what happens in Australia, because they have some knowledge. He said that the incoming Government inherited an Australian economy which I say very positively was better than the curate's egg - better than just good in parts. It is hardly what a Prime Minister would say if he inherited a \$10b black hole or an economy in a financial nightmare. He was glowing in his recommendation to the IMC on the state of the Australian economy. He cut both ways. He cannot say at home that the economy is having problems and then go to these higher powered gatherings and say it is sound.

The extract from the study on the European Economic Community requirements for nations to enter the EEC show that only two countries meet the criteria. Australia is not in the EEC; however, we meet the criteria. Luxembourg is the other country. Therefore, by the newest economic measure in the world we are one of two qualifying countries. It is not politicians but international monetarists who assess the criteria for the birth of the new trading region.

Mr Baker: What was the size of the budget surplus?

Mr GRAHAM: I will deal with the budget surplus. If the member for Joondalup wishes to debate budget surpluses, he should be prepared to go back to 1983 and update his figures. When we were in government we produced four budget surpluses, which has never happened in this Government's history; and they still will not do it.

I return to the next piece of rhetoric about the goods and services tax. I like this little quote and the member for Hillarys also will like it because he believes and trusts John Howard. On 2 May 1995 at Tweed Heads John Howard said that there is no way a goods and services tax will ever be part of his Government's policy. The reporter asked whether that meant never ever and John Howard replied that it is dead; it was killed by the voters in the last election. He also said that a GST or anything resembling it is no longer coalition policy, nor will it be policy at any time in the future and it is completely off the political agenda.

The member for Hillarys believes John Howard - Pinocchio. This is not a Labor Party document; this is a proposal for a blinking goods and services tax, the one that we were never ever going to get. He said that it was completely off the political agenda. He did not say they will do it before an election or after an election.

Mr Johnson: He is giving the Australian people an opportunity.

Mr GRAHAM: Excuse my cynicism. The other thing that comes out of members opposite is that because everyone else has a GST, we must have one. Everyone has a GST; we love them; they are good for us. What is the biggest economy in the world? It is the United States of America; it has been for 100 years. Has it a goods and services tax?

Mr Baker: No; however, it has state income tax.

Mr GRAHAM: Members opposite are not proposing state income tax, comrades.

Mr Baker: No, the member for Pilbara is proposing that.

Mr GRAHAM: The member for Joondalup should not try to shift the game. The biggest and strongest economy for 100 years in the entire world does not have a goods and services tax.

Mr Bloffwitch: Does the member for Pilbara reckon they pay tax on their food in America? Yes, they do.

Mr GRAHAM: Let us have a look at where you want us to be. Let us match Greece. It has a GST. Do we want to be like Mexico? It has a GST. Oh beauty, get the International Monetary Fund in. What about Portugal? What about Spain? We could have a GST and Christopher Skase. However, the biggest, strongest economy in the world does not have one.

Mr Bloffwitch: America has a retail turnover tax. Do they charge it on clothes?

Mr GRAHAM: Turkey has a GST.

The SPEAKER: Order, member for Geraldton!

Mr GRAHAM: It is absolute codswallop that everyone else has one and we must have one. We even had people last night saying that if we are to export to a country we must have a similar tax system to that country.

Mr Bloffwitch: We should not penalise them.

Mr GRAHAM: It was the member for Geraldton who said that we should have a tax system like the countries to which we export. How often are we going to change the system? Even if we take in the time zones, we would have 327 tax summits a day. It is just not possible to do it. What a load of nonsense.

Mr Brown: Like when the Federal Treasurer said that every country has a GST except those in Asia - Japan, Korea and China.

Mr GRAHAM: Yes, except those Asian countries. All those arguments about why we should have a GST can be answered by having a look at a document produced by a left-wing group, a real bunch of left-wing loonies - the Australian Investors Association. In February 1998 - this year, not 15 or 20 years ago as someone said - they did not get marched into a room and told to cop it; the president of that association said that he had spent the past 18 months studying overseas the experiences of GST/VAT type taxes as convenor of the tax research team of 54 people for the National Seniors Association. He said there are plenty of problems with the Australian taxation system but that

national research team was unable to find a single problem to which a GST is the best solution available. This bloke has had a look at all the little examples that members opposite have come up with and he has been unable to find a single one in which a GST is the best available solution. That is from the left wing luminaries of the Australian Investors Association.

Mr Johnson: Is that one person's opinion?

Mr GRAHAM: No, it is not one person's opinion. If it were one person's opinion, the comment from the member for Hillarys would be valid. The member for Hillarys should listen. He said that he had spent 18 months studying overseas experiences of these type of taxes as convener of a tax research team of 54 people -

Mr Johnson: Did those 54 people travel?

Mr GRAHAM: Yes, and it was a national research team. They travelled further than the Liberal Party room, which is more than the member for Hillarys has done.

Let us go on, because I like this. The next piece of rhetoric is that the GST is good for jobs. It will cure foreign debt and create jobs. We like that one. Everyone likes to cure foreign debt and create jobs. It is a national aim. The next quote is from *Four Corners* of 18 May 1998. Members should note it is not 1978 or 1988 but 1998; it is current research. Members should talk to the Premier's minders about looking up something in this century. It said that people are saying the GST will solve all our ills. The GST will not. It is a mistake to say it will cure our foreign debt and create thousands of jobs. It just will not do that.

Mr Speaker, you might ask, "Who was that? Was it another ill-informed twit or prat?" No, it was actually a bloke by the name of Neil Warren. Have members heard of him?

Mr Baker: No.

Mr GRAHAM: He was the guy who wrote *Fightback*. He was the senior financial adviser on *Fightback* and he says, "You are flogging your log."

In *The Australian* of 19 May 1998 - again this year - it says -

But the Federal Government's top economic policy adviser played down suggestions that reducing the tax system's reliance on income taxes while increasing the burden of taxes on consumption, could deliver big national savings.

He said -

Every economic text that I know of will tell you in principle that shifting the tax burden towards further reliance on indirect taxes will significantly aid national savings.

Is that not what members opposite were saying before? We are the worst nation of savers.

Mr Johnson: Yes. I said - and do not misquote me - that it gave people the opportunity to either spend the extra they will get or save it.

Mr GRAHAM: The member for Hillarys says that we are one of the worst nations of savers.

Mr Johnson: Yes.

Mr GRAHAM: He will let me continue with the article from *The Australian*. Having said that that is what economic principle tells people, the person added, "You will not find that convincingly demonstrated in studies of international tax reform experience." Who was the bonehead who said that? Some left-wing luminary? It was Ted Evans, the Secretary of the Treasury. These people are not fleas and lightweights but some of the best political minds in this country. They are saying one thing to the Government; that is, the Government is wrong.

The other matter raised opposite is about the simplicity of the tax. The people who know the international game best are international accountants. Ken Fehily, a partner at Arthur Andersen, strongly emphasises that a GST should not be seen as the panacea for Australia's tax problems. He said that the tax system would still be complex. To back that up he says that Arthur Andersen's central London practice alone has 56 GST specialists. He says that business must pay for that new breed of professional adviser.

MR SWEETMAN (Ningaloo) [8.11 pm]: It is becoming increasingly apparent that a lot of members will miss out on the Address-in-Reply debate, so it is appropriate that I make some comment during one of these amendments. I hope that this time some member of the Opposition supports the motion, so that we can have a division and get the GST off the books for a while. I hate to think that we could do this in another way tomorrow.

I will talk to the positive aspects of the GST package. I could commend the Federal Government for getting rid of taxes like the fringe benefits and export taxes. The Leader of the House made those points in his address yesterday. That will no doubt do our manufacturing industry a lot of good in time. There are taxes like prescribed payments. As a building contractor and transporter and having been in other businesses, I have been subject to that tax. It is one of the most heinous taxes that has ever been devised in this country. Prescribed payments are worse than provisional tax. If the Government gets rid of those two taxes, that would be a plus. Fuel excise will go, so I must assume that the State will be a beneficiary. It will probably lose about \$20m less a year on country power stations. Income splitting is an initiative which would not carry criticism even from the Opposition.

However, I have some very serious reservations beyond that. I know the package has been struck on the basis that it will bring equity to taxation in this nation. It might in about five or 10 years. What is equity? A business sets up on a given day and is subject to certain costs in its operation. The owner has done his feasibility study and gone into business on that basis. There is no doubt there will be some potholing with the introduction of this GST. My colleague the member for Geraldton, who is in the automobile industry, would obviously be advantaged by this package. Sales tax will come off cars and a 10 per cent GST will go on, giving a net saving of around \$8 000 on the average vehicle.

I have come out of the construction industry and it would be remiss of me not to make some comments to register some real concerns that I have about the package and the impact it will have on people in my industry and in my electorate. I feel that I am duty bound to make some comments on their behalf. It has been recognised by the Federal Government and others who are in favour of a GST that the building industry will experience some difficulty as a consequence of the package.

Ms MacTiernan: Maybe it will put \$3m into our federal campaign this time.

Mr SWEETMAN: I wonder. I have not been involved in the building industry since I entered politics. However, my family is still involved in business allied to the building industry. My concern is that people's spending habits will probably change as a consequence of a new tax package under which their disposable income, as has been argued, will change. I tend to agree with that argument. People's priorities will change. The point has been made that people will be able to save more, which obviously means that they will spend less in certain areas. Although their spending may go up because it will be attractive to replace motor cars more often, my family's side of the industry, which is purely manufacturing and supply, and the industry in general will experience some downturn as a consequence of the package. Some businesses will have to work their way through those sorts of problems. This will add to a lot of irritation that a lot of regional Western Australians feel. I cannot afford to be too exact on all of this because a lot of the aspects of the package must still be worked through. Some aspects may advantage regional Western Australia more than I believe they will at the present time.

Mr Riebeling: Will you vote with us?

Mr SWEETMAN: No, I will not. I am simply putting on the record some of my reservations. It is proper that I do so. I have tried not to take an overly partisan view, which I think is a habit the House has fallen into.

Mr Riebeling: Do not let politics creep into this House!

Mr SWEETMAN: It would be terrible if we started to take a unified, less partisan point of view over some of these aspects. The Hanson factor may not be as significant. One of the problems we have is that the irritation which people in the bush are feeling is causing them to turn to people like Hanson as representing a party of last resort, as it were. I have made the point before that I agree with Hanson on some issues and not on others. However, I cannot help but think that some aspects of this package will send people to her.

One of the positives that has been floated as part of this GST package is the fact that a saving of 25¢ on diesel fuel will advantage regional Australia; it will advantage the farmers and pastoralists and others in remote towns because the cost of their freight will go down. I have been involved in transport and I am still involved to a lesser extent. A final extrapolation shows that the saving of 25¢ a litre on fuel will amount to only about a 4 or 5 per cent per tonne saving. If the trucking company passes on the savings -

Mr Riebeling: If the price of new trucks goes down by \$10 000, surely the trucks people own will depreciate by the same amount.

Mr SWEETMAN: I agree with the member 100 per cent. As I say, the potholing in the package is that some people will be disproportionately affected. We must look for the best aspects of this package and say that overall the country will be better off.

A lot of the package is based on the assumption that everybody is making money. I cannot see how the growers in Carnarvon and the pastoralists in my region will save as a consequence of the lower tax rates in the dollar. Very few

of them are making money now; they are virtually destitute. We are spending \$45m trying to introduce viability into the pastoral industry now. They already get their equipment sales tax exempt. There will be a 10 per cent impost on them in many areas for which I do not think they will be able to claim a rebate. I am simply making the points that some sectors, particularly in regional Western Australia, will be disadvantaged by this package. It is hoped and assumed that the Federal Government will have the good sense to offer some further relief or rebate if it becomes obvious that some people will be driven to extinction as a result of this package.

MR KOBELKE (Nollamara) [8.20 pm]: I make some brief comments on the inequities of the Federal Government's tax package. The two key words in this connection are unfairness and unreliability. People cannot rely on anything being advertised as part of the Howard tax package. Any study of the details currently available indicates the tax package is very unfair. I will comment first on the unfairness.

It is estimated that a single person earning \$100 000 a year will be \$64 a week better off, whereas an unemployed single person will have an extra \$2.54 a week through the provisions of the GST package. Clearly, the package has inequities. As was raised in the debate earlier, it is not a matter of proportionality, but of saying that if the Government is trying to provide benefits to the people of Australia and to ensure they are able to maintain a reasonable standard of living under the cost pressures currently facing them, it must provide proportionally more assistance to people on low incomes. Under this package people on low incomes - those in poorly paid jobs, the unemployed and aged pensioners - will receive such a small amount that no-one seriously believes they will come out ahead. The Government has fiddled with the figures on the costs. The estimate of the real cost increases for people on low incomes indicates they are much higher than is suggested in the tax package. On that basis the compensation proposed to be paid will be totally inadequate.

A person on a reasonable or high income will clearly have an advantage. Also people in those high income brackets have more disposable income, and are better able to invest in the luxury goods which are likely to fall in price because the wholesale tax will be replaced by a lower GST. People in the high income brackets will be much better off than those who are battling to survive. The impact on average families is of great concern. The Government's figures are very rubbery and clearly grossly underestimate the tax burden on average families. The Government has estimated that the cost of living for a pensioner couple is likely to rise by \$6 a week, and it proposes to pay pensioner couples an additional \$11 a week to compensate for that. On those figures it appears that a pensioner couple will be \$5 a week better off, but that is not the truth of the matter. The actual increase in costs will be more than the \$6 suggested by Prime Minister Howard. The work carried out by Arthur Andersen suggests that the additional costs as a result of the GST will be closer to \$18 a week. An estimate for the Australian Council of Social Services by Neil Warren indicates the extra cost will be \$14 a week. Both amounts are well above the \$11 proposed compensation.

I now comment on the unreliability of the package. The Government has suggested it will be able to fund these benefits and a range of tax cuts, which certainly are very attractive to people, by finding that money, not from the GST that will be paid to the States, but through savings and drawing down on the surplus. Those figures are too rubbery to believe. It would be different if the Prime Minister had a track record of telling the truth, and keeping the promises he made. After the last election, the Prime Minister invented the idea of core promises, and in his view if a promise was not a core commitment it did not have to be kept. The Prime Minister has not gone to the trouble of ticking off which features in the tax package are core promises and which are dispensable. He has not indicated which are being used to draw people in "to buy a pig in a poke", to use the Victorian Premier's term. Who will believe the Prime Minister with such an abysmal record in telling the truth and standing by his word? People, quite rightly, are extremely sceptical of the suggestion that these benefits will be paid.

However, assuming the Prime Minister has changed his spots and he has good intentions, we should consider where the money will come from. It is suggested that he will cut off many tax lurks and the current abuses in the system, whereby people avoid paying the tax they should under the taxation laws of this nation. All Governments seek to do that, but the track record of the current Government in the two years it has been in office does not indicate it has the heart to take on people, largely its supporters, to crack down on the avoidance and evasion schemes by which some people who have large incomes pay less than their fair share, and those on low incomes - pay-as-you-earn taxpayers - pay a disproportionate amount of their income in taxation. The Prime Minister has promised to cut down in that area, but we cannot place any reliance on that promise.

The Government has also indicated that it will be able to cut into the surplus it has generated. We have seen the way the current Prime Minister created the supposed black hole, by shifting the figures so that there is now a huge surplus, and it is hard to know whether that surplus will be available. Without entering into discussion of Australia's economy and the economies of its near neighbours in Asia, will Australia realise the growth rates predicted, and which many commentators consider to be on the high side? If there is such a high level of growth that additional revenue will create the predicted surplus, Australia will be very fortunate and we can assume the Prime Minister is telling the truth about the size of the surplus. What happens if things go wrong and there is no surplus or ability to recoup money

by closing off various forms of taxation avoidance? How will the national Government balance the books and make payments to taxpayers by way of reducing various levels of taxation?

There is nothing new about this. The Fraser Government won an election in the late 1970s by running advertisements showing a hand with a fistful of dollars, and promising that if the Fraser Government was re-elected - Mr Howard was one of its key ministers - everyone would get a fistful of dollars. What happened after the election? The Fraser Government was returned but the fistful of dollars evaporated because the economy could not afford it. It was not possible to give the hand-out of money that was unequivocally promised by the Fraser Government before the election. Is this promise by Howard similar to that fistful of dollars? Are the tax cuts and payments to pensioners conditional on the Government having the money after the election?

Mr Prince: What happened to the tax cuts under L-A-W?

Mr KOBELKE: The advertisement was a fistful of dollars, minister.

Mr Prince: The L-A-W tax cuts never happened.

Mr KOBELKE: After that election, average Australians had their lot improved. It may not have always been through increased take-home pay; however, ordinary Australians were better off under the Labor Government through the social wage and the safety net put in place. It was fulfilled if not to the extent mentioned. However, the fistful of dollar advertisement was a trick. There was no substantial commitment to carry it through after the election. It was a non-core promise by Mr Fraser and Mr Howard, a minister in that Government.

People are rightly sceptical about promises made and the Government's abilities to fulfil them in this package. If it were able to fulfil them, why go to the incredible length of spending \$10m on television and press advertising in an attempt to convince people that a pot of gold can be found at the bottom of the garden? "One need only return the Howard-Costello Government to see it all"! I will read the advertisement to the Chamber in a moment.

The advertising is a waste of taxpayers' money, and represents a failure to even communicate to ordinary Australians because its language is so cynical. It will not carry the message as the people of Australia are awake to this Prime Minister. Opinion polls indicate that the Prime Minister is regarded as a total failure as the leader of this nation. He has fallen into such low esteem in the eyes of the general public and yet he trots out this load of rubbish and expects it to convince people about his package.

Tax reform is important. I have heard no-one on either side of the House suggest that tax reform is not needed. We clearly need a better tax system to ensure that exporters can compete in the best way possible, and not be held back by impediments and disincentives through our tax system.

Nevertheless, simply calling something a "tax reform" does not mean it is an improvement. A classic example was found on the television program *Hitler: A Profile* a few weeks ago. It referred to the first programs in the Netherlands in which the Nazis tried to liquidate the Jews. Goebbels, I think it was, went to Holland and decided that they were not getting rid of the Jews quickly enough; therefore, he "reformed" the system to kill more Jews quickly. It was presented as a new reform process. Many of us believe that the word "reform" has positive connotations, but that need not be the case in the way it is used by many people. Clearly, the word "reform" was used many times in the propaganda of Nazi Germany to cover atrocities and huge steps backwards.

Calling Howard's package a reform does not mean it is a reform. There is a need for reform, improvement and positive change. We have not heard from members opposite any thorough, rational argument for where the improvement lies in this tax package. We saw the Premier running away from the debate on key issues. On more than one occasion, he stood in this place in the past couple of days and drew red herrings backwards and forwards. He has not addressed the central parts of the tax package. The Premier cannot argue rationally about the clear advantages and benefits of the GST tax package. Therefore, how can it be called a reform? I do not believe it is a reform. I am open to rational arguments from the Government on the real nature of reform here. Numerous speakers rightly picked out some problems, and others picked out items here and there which represented an improvement to the system.

Nevertheless, we are talking about a total tax package. A huge range of changes are involved which would totally rearrange our nation's taxation system, including that of the States. One must look at the total package and judge whether in total it is likely to lead to improvement. What is the nature and variety of those improvements? A package as complex and extensive as this one contains some aspects representing improvements - I acknowledge that. However, when taken in totality, considering the issue of fairness and reliability, it is an absolute failure. A huge benefit is supposed to accrue in major tax cuts; however, these are based on figures so rubbery that no-one believes them.

The GST is separated out in a range of areas and used to buy off the States in a way that undermines the taxing

powers of the States and makes them even more subservient to commonwealth taxation law. The States are losing their right to tax.

On the equity side, the more reliable figures - not those given by the Government - indicate that most people on low incomes will be worse off under the scheme. That is calculated at a GST rate of 10 per cent. However, no-one believes it will stay at 10 per cent. There are numerous examples in other countries of rate increases. Some countries introduced packages of relief and support when the GST was introduced; however, when the rate of tax increased, it was not possible to provide adequate forms of compensation to help people on lower incomes who were adversely affected by a goods and services tax. Were this tax introduced in the form proposed, those on low incomes, pensioners and self-funded retirees would cop it in the neck.

I turn in closing to the advertisement placed in all newspapers of the nation authorised by the N. Minchen, Parliament House, Canberra. The logo on the bottom of the advertisement reads "Tax reform, not a new tax - a new tax system." Again the word "reform" is used to convey something positive, whereas most people see this as one huge step backwards. It states -

The proposed new tax system replaces the unfair, complex and outdated tax system which is holding Australia back.

It does not say that we will have a more unfair system than the current one - but for many Australian it will be more unfair. The advertisement indicates that some unfairness exists in the current complex system. No-one has tried to rationally argue that the new package will be simpler. In fact, it will be a more complex system in many respects. The advertisement further reads -

Major cuts in income tax for all Australians to reward hard work instead of penalising it.

People should be encouraged to move from benefits to low wages. There is a huge disincentive to people doing this. The Labor package, I believe, will address that area far more thoroughly. The ad refers to a "lasting benefit for families"; that should cause a laugh in a few households. It also refers to large increases in pensions and benefits. It will provide \$11 a week and cost \$14, \$18 or more a week. It refers to a real boost for regional Australia. That will be found to be funny in regional Australia - if not sick. The advertising contains a lot of glib lines which are not believable.

The Government is wasting taxpayers' money to try to sell a tax package which will slug lower and average income earners and pensioners in the neck. Australia does not need this tax package. It will be thrown out with the defeat of the Howard Government.

Amendment put and a division taken with the following result -

Ayes (14)

Mr Brown	Mr Grill	Mr Riebeling	Ms Warnock
Mr Carpenter	Mr Kobelke	Mr Ripper	Mr Cunningham (<i>Teller</i>)
Dr Gallop	Ms MacTiernan	Mrs Roberts	
Mr Graham	Ms McHale	Mr Thomas	

Noes (28)

Mr Ainsworth	Mr Cowan	Mr Marshall	Mr Shave
Mr Baker	Mr Day	Mr Masters	Mr Sweetman
Mr Barnett	Mrs Edwardes	Mr Minson	Mr Tubby
Mr Barron-Sullivan	Mrs Hodson-Thomas	Mr Nicholls	Dr Turnbull
Mr Bloffwitch	Mrs Holmes	Mrs Parker	Mrs van de Klashorst
Mr Bradshaw	Mr Johnson	Mr Pandal	Mr Wiese
Dr Constable	Mr MacLean	Mr Prince	Mr Osborne (<i>Teller</i>)

Pairs

Mr Marlborough	Mr Court
Mr McGowan	Mr Board
Ms Anwyl	Dr Hames
Dr Edwards	Mr Omodei
Mr McGinty	Mr House

Amendment thus negated.

Debate (on motion, as amended) Resumed

MR RIEBELING (Burrup) [8.44 pm]: In commenting on the speech made by the Governor about the Government's program over the next 12 months, I will speak particularly about my electorate and a number of other issues. The Governor's speech refers to the wonderful things that will happen in Education, with funding of \$100m for computers in schools, and the like. I have written to the Minister for Education about some problems at two of the schools in Tom Price, mainly Tom Price Senior High School. I did not know until just recently that Tom Price Senior High School is the only senior high school in the State that does not have a covered assembly area and gymnasium. Members will understand that a school in Albany or Esperance would need a covered assembly area and gymnasium because the weather is often cold and wet. People say that the north of the State has great weather, and it does at this time of the year. However, in summer it is very hot, and it is unacceptable that a school of the age and size of Tom Price Senior High School does not have a covered assembly area and air-conditioned gymnasium. I know of no other senior high school in the State that does not have those facilities.

In addition to not having a covered assembly area and gymnasium, Tom Price Senior High School does not have a canteen. Therefore, students who are not given their lunch by their parents must wander over to the shopping centre, which is some kilometre from the school. That creates, as you would know, Mr Speaker, major control problems for the teachers and staff of that school. They fear that when the kids wander off to buy their lunch, they will smoke and get up to mischief, which they otherwise could not do. I have written to the minister in the hope that he will at some stage respond about what action, if any, the Education Department is considering for Tom Price Senior High School. It is also a sad fact that North Tom Price Primary School is in a similar position and has no canteen facility. I hope the minister will advise that in the near future, those two schools will be brought up to the standard that is generally accepted in the remainder of the State.

A number of problems have recently been highlighted to me with road funding in the north of the State. Recently, the central Pilbara region suffered exceptionally wet weather, to the point where four times this year, students from Wickham who attend the Catholic school or the state high and primary schools in Karratha have not been able to get to school because the road has been flooded, or have had to face the even greater problem of not being able to get home. At one stage the primary school children had to be billeted out.

The three floodways on the main road between Karratha and Wickham flood on a regular basis, and it does not take a great deal of rain for those roads to be cut. John Power, a former Wickham councillor, telephoned me recently to complain that the emphasis that both parties are putting on road funding in the Pilbara region is almost entirely on the Tom Price to Karratha road link. Over the past few years, that has been entirely true. The plight of the people of Wickham with the flooding of that important road link has been somewhat forgotten because of the emphasis that has been put on the unsealed road between Tom Price and Karratha.

People in Wickham have experienced real problems which have caused them great stress, especially when young children have been billeted overnight in strange environments while the floodwaters eased. I have undertaken to make the matter a priority. I will pursue the present Government and the future Labor Government to make sure that the road - it does not need bridges - is raised and that culverts are built underneath it so that it does not wash away and access can be maintained during most floods. The Government knows that floods in the Pilbara region do not last a long time; it is unusual for roads to be blocked for more than one day, but that has happened on four occasions in this wet season. I hope that the Minister for Transport will reconsider road funding. I wrote to him recently and I hope that his reply is that he will include that road in the normal road funding for the region.

Several people have mentioned an issue which is now becoming an ever-recurring problem for people in the north; it relates to the patient assisted travel scheme. I noticed that the Minister for Health was present earlier this evening and I hope that he listens to what I am about to relate to the House.

A lady in Tom Price has three young children - two sons aged five and seven years and a daughter aged three years. Sadly, that lady must travel to Perth at the end of September for an adenoid operation on one son and a tonsil operation on the other son.

Mr Bloffwitch: Can't they go to Geraldton?

Mr RIEBELING: Why would they want to go to Geraldton?

Mr Bloffwitch: We have a couple of surgeons there.

Mr RIEBELING: They are going to Perth. They live in Tom Price. The two operations are booked in Perth. There is no problem with that. The problem occurs with the three-year-old daughter. There is nothing wrong with the three-year-old daughter; there is no medical reason for her to go to Perth. However, our PATS arrangements do not allow for the three-year-old child to accompany her mother and the two boys to Perth - it does not fit into the rules. The

health system is telling the mother, "No, no, the three-year-old must stay in Tom Price." There is no family support in Tom Price other than from the father, but the father works 12-hour shifts, and therein lies the problem. The health system says, "No, no, the rules say that the father must look after the child, so while mother is away, father must take off whatever time possible to look after the child." The simple solution, of course, is for the mother to take the three-year-old daughter with her and to look after the little girl while the two brothers are being operated on, and when they are both fixed she can bring them back.

Mr Bloffwitch: It is legitimate to take a sick day if someone in the family needs to be minded. He is entitled to 14 sick days a year.

Mr RIEBELING: That is not acceptable. The father wishes to continue to work. The correct solution is for the mother to take the three kids with her, look after them, and bring them back when they are fixed. That is what the mother wants to do - that is what everyone wants to happen - yet the PATS system as it operates in the north of the State does not allow such flexibility. It is not flexibility; it is just common sense.

My office deals with such matters regularly. Why must we deal with such problems? It is because a bureaucrat has written a rule and thinks, "This is clever; we will knock a few people." It is penny-pinching at its worst. I thought that a child of three would get on a plane for nothing. A three-year-old child would sit on mum's lap.

Mr Bloffwitch: Why don't you talk to the people at the airport? I am sure that you could organise that.

Mr RIEBELING: We are doing that, but we should not need to go to the airline. Children under three years of age are allowed to travel at no cost if they are nursed, but once a child is three the parents must pay, even if the child does not have a seat. I think that Qantas will relent, but the Health Department should establish a compassionate system.

I have another example of a system that is designed not to respond to people's needs. Another lady from Tom Price suffers from acute Crohn's disease, which is an extremely painful disease of the intestine. She has been treated in Perth for approximately eight years by Dr Laurence, and quite successfully from what I understand. The health system, through whatever method, now has a specialist who goes from Perth to the north of the State. Because of that, the PATS arrangements no longer allow that lady to visit the specialist who has been treating her for eight years. That lady must now travel to Karratha and visit a specialist who knows nothing about her condition and nothing about her medical history. The health system should be able to respond compassionately to such matters.

I have another example. These examples have happened over the past week or two, and they occur all the time. A returned serviceman who has a Veterans Affairs card used PATS to access services in Perth, as he is entitled to do. He went to the PATS clerk in the Nickol Bay Hospital and was advised that the \$50 fee was waived because he was a cardholder. That was great. When he returned, he asked for copies of receipts. There was some dispute as to whether he was entitled to copies, but he went above the PATS clerk's head to the manager and obtained his receipts. Within a day of receiving the receipts that he wanted, he received a bill for \$50. Rightly or wrongly, he thinks that because he stood up for his rights to get his receipts he now has a bill for \$50. The Health Department is now writing to him threatening to take him to court, after originally telling him that he did not have to pay. I have written to the minister and we are awaiting his verdict. These things take some time. I have another example which highlights some problems with the medical treatment of pregnant women in Karratha which I will not go into at the moment.

Another problem I have raised in this place relates to the health services in Tom Price and Paraburdoo. At that time the then Minister for Health said all was well and the collapse of the sewerage and hot water systems at the Tom Price District Hospital, resulting in patients being moved out, had been fixed. He sent me a lengthy letter suggesting much of the information I had was incorrect. I have returned to my source and the problems I described at the Tom Price District Hospital have been confirmed. The problems were very real; they have not yet been resolved but the situation is slowly improving.

In the time left to me, I will go through another aspect of the Governor's speech headed "Resources". The Governor indicated on page 14 that -

Mr Bradshaw: The last bit was the best bit of your speech.

Mr Bloffwitch: When you were silent for a couple of minutes.

Mr RIEBELING: It will get better -

Mr Bloffwitch: It can only get better.

Mr RIEBELING: In his speech the Governor indicates that -

New projects under way or on the drawing board are estimated to be worth more than \$60b.

The ministers in this place probably made most of the announcements relating to those projects. Recently, I challenged the Government to produce an audit of that \$60b-worth of projects so that we can tell the public whether those projects have commenced, when we are likely to see work on the ground and to provide some sort of accurate estimate as to when those projects are likely to occur. In his speech the Governor said -

In the current year, private sector investment will top the \$9b mark.

Can the Minister for Energy tell me from his chair whether any of the projects included in the \$9b-worth of private sector investment will occur in my electorate? The majority of the \$60b-worth of projects are in my electorate. I have files on each of the projects that have been announced for my area. I hope the minister will respond at some stage and inform the House as to the stages the development of these projects has reached and the likelihood over the next three or four years that they will continue.

In March this year, the Minister for Energy announced a \$1.5b petrochemical plant. We have yet to see any local action on that project. The next project I would like some information about is the Gorgon development which has been put back at least 12 months by the Asian economic crisis. About Christmas time last year, I asked the Premier whether the Asian economic crisis would have any impact on the time lines of any of the projects in my area. I was assured that it would not. The Premier then visited Japan and when he returned he informed us that the Woodside project was likely to be put off for some considerable time. The Woodside consortium was a little upset about that, but the statement is realistic. I believe the Woodside project will go ahead in a reduced capacity, possibly with one super train instead of two as a result of the Asian economic crisis.

Everyone in my area hopes that the Gorgon project will proceed, be of benefit to the State and create a great deal of employment. However, those two projects represent \$18b of the \$60b-worth of new projects of which the Governor spoke. No-one in my electorate is sure what stage these projects have reached. No doubt the Government has a firmer idea of what is planned for those projects. People who know much more about the petrochemical industry than I do have told me that the Woodside project is not feasible without the development of the petrochemical plant, because of the through process that is required to feed stock for a petrochemical plant. I hope the minister will provide information about that.

I do not know if the \$60b still includes the proposal for a methanol plant. I presume it does. The methanol plant was worth \$400m when it was originally announced. I am sure it is still on the Government's list of projects even though it fell over a couple of years ago. This Government continues to say it has attracted \$60b-worth of new projects. We have Robe River Iron Associates' pelletising plant which is announced every year. The people who have seen the plant have noticed that it is remarkably rusty; it has been closed for 10 or 11 years. With access to West Angelas ore, I am told it is possible that that project will be more feasible. Let us hope that it is and that the Government will come clean and tell us whether that project is likely to happen and when.

The AUSI Steel project is worth about \$1.5b and has been announced several times. At various stages over the past five or six years it was or was not about to happen. The small business people in the area are utterly sick of hearing announcements about projects such as AUSI Steel. They hope these projects go ahead but they do not want to hear any more announcements. They just want to know that a project will start in six months, a year or two years. The Gorgon development is currently causing concern because the oil and gas industry had kept to its time frames over a lengthy period. The people hoped that at least those two projects would be the bread and butter projects of the area.

There is also a project called Minerology - one of the most amazing projects announced by the Government. It is a \$3b steel plant, and the big announcement was run by every newspaper in Australia. Of course, we have heard nothing about it for a very long time, and I do not think we will hear about it again, because it is not viable. I am sure it does not have any backers. However, I am also sure it is still included in the \$60m worth of projects on the drawing board.

Another project of interest is HISMelt - Hamersley Iron's direct reduction of iron development. The process has been tested for 10 or 15 years, and Hamersley has spent a huge amount of money on it, but never gets to the stage where it is a goer. Hamersley has been in production for about 30 years. Everyone in the Pilbara hopes that one day it will start to downstream process its ore and employ many more people. The Hamersley Iron sections of Dampier, Karratha, Tom Price and Paraburdoo are empty. The iron ore industry is no longer able to employ enough people to occupy those towns. Everyone in the Pilbara hopes and prays that one of these projects actually gets off the ground - that is all we want, just one project.

We hope that the Minister will tell us which one is likely to happen and perhaps he will give us a time frame of 12 or 18 months so that small business can plan for the construction boom that occurs as a result of these massive projects. I hope the Minister takes the opportunity to answer that challenge and also to tell me what is happening with the Tom Price schools.

Amendment to Motion, as Amended

Mr RIEBELING: I move -

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

but regrets to advise Your Excellency that the present uniquely Australian system of community pharmacies, which has enjoyed bipartisan support, is under threat from the sweeping application of the national competition policy and, further, calls on the State Government to guarantee that Western Australia's 467 pharmacies continue to be owned by pharmacists as presently required by state legislation.

MR BROWN (Bassendean) [9.13 pm]: I have great pleasure in supporting the amendment. This issue is of concern to me, to the Australian Labor Party, I hope to many members on the government side - if not all members opposite - and to people in the community who believe that quality health care should be available to all, regardless of their means or where they live. I refer here to the threat to the present system of community pharmacies posed by the sweeping application of the competition policy that will see pharmacy legislation reviewed in all States and Territories early next year.

In 1995, the Council of Australian Governments agreed to a national competition policy, being a legislative package providing for review of all legislation by the year 2000 with the aim of removing restrictions on competition unless - this is a very important "unless" - it can be demonstrated that either the benefits of the restrictions to the community as a whole outweigh the costs, or the objectives of the legislation can be achieved only by restricting competition.

It is important to note that members of the Opposition are not opposed to this process of review through the national competition policy. Indeed, the review process was negotiated by a federal Labor Government, although it was agreed to by all Governments, both federal and state, and by all major political parties. However, we are interested in ensuring that the public benefit provisions of the competition principles agreement are given proper weight in the review. We are concerned that an overzealous interpretation of the principles encouraged by big business interests could undermine a system that works very well.

Members of the Opposition believe that Australia's unique system of pharmacist-owned pharmacies is the best in the world. It enjoys widespread bipartisan support, as evidenced by a plethora of commitments made by everyone from the Prime Minister to state Premiers and opposition leaders.

It is important that I refer to some of the various commitments that have been given - I will not refer to them all. In a letter dated 1 May 1998, the Prime Minister informed the National President of the Pharmacy Guild that, given the strong interest among community pharmacists in the direction of competition reform, he would take the opportunity to emphasise again that he stood by the view expressed in his open letter during the 1996 election campaign that the tradition of pharmacies owned and operated by pharmacists had served Australia well.

I also have the notes from a meeting with the now federal Opposition Leader, Kim Beazley, at which he supported that view; that is, that pharmacists should own pharmacies. The Labor shadow spokesperson, Michael Lee, said that Labor had traditionally supported and would continue to support the ownership of pharmacies by pharmacists. He further stated that the professional health care offered by pharmacists is a vital part of the network of care for all Australians and must not be jeopardised by changes that could see poorly staffed pharmacies hidden in the back of supermarkets, as happens in the United States.

The same meeting notes refer to support from the Australian Democrats, with Senator Andrew Murray, small business spokesperson, quoted as saying that the Democrats were opposed to the application of the Hilmer competition reforms to pharmacies because it would decimate a true small business sector and deliver it to the hands of big business.

I also have correspondence from the Deputy Premier and Minister for Health in New South Wales, Andrew Refshauge, to his Premier, in which he states that the Prime Minister had indicated his commitment to maintaining the ownership of pharmacies by pharmacists and that that position was consistent with New South Wales Government's position and was welcomed. In a letter to the Pharmacy Guild of Australia, the New South Wales Opposition Leader said that the coalition would strenuously oppose any moves away from the current principles of pharmacies owned by registered pharmacists.

One could quote from a variety of state and federal leaders who have gone on record as strongly indicating their support for the current system.

The Opposition believes that Australia's unique system of pharmacist-owned pharmacies is the best in the world. As I said, it enjoys widespread bipartisan support as evidenced by the various commitments to which I have referred.

It is important in addressing this issue to consider the benefits of the current system to health outcomes and cost containment which are some of the major concerns of government. The regulatory structures mandating pharmacy ownership by registered pharmacists were introduced State by State to protect the public's health, welfare and safety and to ensure that quality professional services were available to the public at all times.

The current system of pharmacist-owned pharmacies meets these ends. It ensures the accountability of pharmacists and provides equal access to their services. There is nothing unusual about this. Pharmacies are the custodians of dangerous drugs. Regulation of some sort exists in every jurisdiction and sole ownership of pharmacists is legally binding in Austria, Belgium, Denmark, France, Germany, Iceland, Israel, Italy, Luxemburg, the Netherlands, Norway, Portugal and Switzerland. Like Australia, all those countries understand that the public is best served when pharmaceutical services are provided from a practice which is owned and controlled by pharmacists who are fully accountable for their conduct to a regulatory body.

In all Australian jurisdictions, a pharmacist who loses registration cannot continue to operate. This is a powerful sanction against the lowering of professional standards. The requirement that only pharmacists can own pharmacies avoids the possibility of a pharmacist manager being placed under pressure by non-pharmacist owners to place the interests of management or shareholders ahead of our health outcomes. That is a very significant point in that the current arrangements ensure that the pharmacist, who has a clear responsibility under regulations for the health of his clients, remains the person who is in charge of the business and who therefore faces significant sanctions if he fails in that role. That of course is in the interest of our health system, particularly in providing a good service to clients.

Australia is currently served by a nationwide network of about 5 000 pharmacies, 467 of which are in Western Australia. This network is spread through urban, rural and remote areas providing customers wherever they live with relatively easy access to affordable medicines and the advisory services of professional pharmacists.

Again it is important in the context of competition policy to consider what the current service provides because the current service and the interlocking nature of it by pharmacist-owned pharmacies is such that it is able to provide services throughout the length and breadth of this broad State, a service that would be decimated if the current controls were removed.

One can ponder for a moment the effects of deregulating this network and opening up to competition from the major supermarket chains - Woolworths Pty Ltd, Coles Myer Ltd and Franklins. We should make no mistake there is a none too hidden agenda behind support for deregulation of the industry.

It is important to understand these facts. The current distribution system through pharmaceutical wholesalers or distributors means that freight costs to outlying areas are spread across the wholesale price to all pharmacies to provide uniform access at uniform prices. Secondly, open ownership would destroy the distribution system as the major operating prime market sites in the cities would buy direct from manufacturers using their own distribution systems. The consequent loss of critical mass by current distributors would leave the remaining independent pharmacies in outlying areas paying additional freight charges without any guarantee of the present 24-hour turnaround. The net result would be to increase costs and decrease access for consumers living in these areas, producing one level of service for towns and a separate and lower level of service for the bush.

It is not only a matter of cost and service; we must also think of the qualitative effects of such a move. Overseas experience, especially for example in supermarket pharmacies in the United States, indicates the depersonalising of service with pharmacists being removed from the direct interface with patients as they work in screened off dispensaries when pharmacists are increasingly expected to fill a more proactive health care role in providing not only advice but also value added clinical services such as medication reviews, testing and screen and methadone dispensing.

It is important to understand that supermarkets are not interested in these clinical and professional responsibilities. They are interested in high turnover of goods and operate on the basis of self selection. They do not provide an environment conducive to the quality use of medicines. As I said earlier, pharmaceuticals are not ordinary items of commerce and should be sold only in a health care environment.

Supermarkets would certainly not be interested in providing health services or participating in important programs such as the community methadone or needle exchange programs which offer little financial return but offer a community service.

It is important in that context to understand the community service that is provided through the network of pharmacies throughout Western Australia. It is also important to ask whether the breaking up of the network of 5 000 community pharmacies, most of which are small businesses competing vigorously with each other, will improve competition.

We should ponder that question and consider the alternative. Three major corporations, Woolworths, Coles Myer and Franklins control nearly 80 per cent of the retail grocery market. Does anyone seriously doubt that the concentration of pharmacy ownership in the hands of these giants would lead to predatory pricing. They would use their market strength to target medicines as specials. This would have two undesirable effects. It would encourage consumers to purchase more medicines than they need and drive competing pharmacists out of business. Once the competition is eliminated, the way is open to raise prices and increase profit margins by the sale of high priced products.

Deregulating pharmacies would see a need to outlaw this type of market domination and introduce new regulatory controls such as the United States antitrust laws or the United Kingdom antipredatory pricing laws. It is also important to examine this issue in terms of cost containment.

Mr Bloffwitch: I do not agree with what is proposed, but we have amended the Trade Practices Act so that they are much closer now to the American system than ever before.

Mr BROWN: I am aware of those changes. I am equally aware that it is very difficult for a small business to put up \$100 000 or \$200 000 to fight a giant like Coles Myer. Although the law might provide for one thing, it is quite difficult for small businesses to take that opportunity.

Mr Bloffwitch: The whole point of the Federal Government setting up \$5m or \$10m for a fighting fund was to get case precedence in those industries. If any of them think they have a legitimate case you should ask them to contact the Australian Competition and Consumer Commission.

Mr BROWN: I am aware of the \$480 000 available each year over the next three or four years. I am also aware of the costs that would be involved particularly if they took on one of the majors - it would probably run to about two or three cases - although I understand what the member for Geraldton is saying.

Mr Bloffwitch: I am saying that we do have a chance.

Mr BROWN: When we talk of cost containment, it is important to consider the current system and the cooperation of pharmacists in the Pharmaceutical Benefits Scheme which has played a significant part in containing health care costs in Australia. It is interesting to note that our health care costs have been retained at about 8 per cent of the gross domestic product, which is half the level of the United States. Members must bear in mind that we have a universal system and the United States has a system based on insurance in which a significant portion of the population do not have insurance.

Pharmacy in Australia is on the threshold of major change. Governments are increasingly seeing the network of 5 000 pharmacies as the platform for the delivery of accessible, cost-effective health care products. They know that pharmacies are frequently the first port of call for people with health concerns, and on average each man, woman or child visits a pharmacy 14 times a year. They also know from the results of polls that pharmacists are among the most trusted and respected occupations.

Pharmacy is responding to the interest shown by Governments. I refer to some initiatives being taken by the Pharmacy Guild of Australia. The guild is encouraging its members to submit to quality assurance auditing with the introduction of the quality care pharmacy program. The aim is to raise all pharmacies to an agreed minimum standard of professional service. The program places a heavy emphasis on the pharmacist as an adviser and consultant. A pilot program involving the Pharmacy Guild and the Health Insurance Commission is under way to establish a pharmacy intra-net which, when completed, will provide real time claims of PBS benefits, more comprehensive data collection and the provision of a database on which to build future health care innovations.

The Australian Labor Party believes that all of this is in jeopardy if deregulation allows the supermarket chains to enter this specialised market and to destroy a system which is working well and shows promise of working even better. We should be careful before tampering with what we have.

Australia has a unique system of pharmacist-owned pharmacies which can be said to be the best in the world. The system enjoys bipartisan support at both the state and federal levels. The former Minister for Health, who is in the Chamber this evening, has expressed support for the existing system on a number of occasions.

Mr Prince: Both orally and in writing.

Mr BROWN: Yes. We do not need to await the result of the review of national competition policy; we can signal our bipartisan conviction that there is a clear public benefit to the retention of the current system of community pharmacy. Specifically, we believe that the Western Australian Government should guarantee that Western Australia's 467 pharmacies continue to be owned by registered pharmacists as presently required by the state legislation.

Things have been fairly testy in the Chamber this week, but this is an opportunity for the Opposition and the Government to reach agreement on this most important issue and therefore to make clear where this Parliament stands on the most important matters concerning pharmacies in Western Australia.

MR BRADSHAW (Murray-Wellington - Parliamentary Secretary) [9.33 pm]: I declare my interest before I start. Firstly, I am registered as a non-practising pharmacist. I am not sure I will ever get back to it, because I have had such a break from it; although I believe I could if I went through a retraining program. I have a brother and a nephew who are pharmacists. They own one pharmacy in Western Australia and, unfortunately, a couple in Katherine. They bought them a few months before the floods, so they got wiped out in that. However, that is life and they are getting on with it.

I congratulate Michael Beahan, who wrote a good speech. The Government agrees with what was put forward by the member for Bassendean on behalf of the Pharmacy Guild of Australia.

Mr Brown: The Pharmacy Guild provided me with a number of background notes, which I used.

Mr BRADSHAW: It does not matter. It was a good speech and we support the comments of the member for Bassendean and feel it is the right thing to do. However, the member must realise that the national competition policy was put forward by the federal Labor Government and agreed to by the State Government, so we must go through a process to review legislation that is in place, such as the Pharmacy Act and various other statutory marketing authorities.

Like the member for Bassendean I am concerned that if we go down the process of deregulation Australia, and particularly Western Australia, will be worse off. I am a state member of Parliament, so I am worried more about Western Australia. I will not support deregulation in this industry, and I do not think the Government will either. I do not support it because the multinationals will jump in and the pharmacies will be at the back of the supermarket and will be treated like a supermarket facility. Currently, the owner is the pharmacist. I generally find that somebody who owns and runs a business provides a much better service. They are prepared to be more conscious, caring and giving of their customers. Multinationals are about the bottom line; they are not as caring. They talk about service and all the benefits that they bring. We are bombarded by advertisements on television every night. The main objective of the multinationals is the bottom line, and they do not necessarily care about the people in the end, whereas the pharmacists who own pharmacies do.

Mr Prince: Their objective is also the bottom line; it is just that they provide a better service doing it.

Mr BRADSHAW: Yes. Obviously they must make a profit, otherwise they will go under. I know from 20 years in the pharmacy business that pharmacists provide free advice to their customers on such matters as whether children should be vaccinated and all sorts of health issues. Pharmacists play an important role in the community. A poll of occupations and their standings that is taken throughout Australia reveals that pharmacists regularly come out on top or second. If we took away that role of pharmacists' owning pharmacies we would find that within a short time the standing of pharmacists in the community would drop - not to the standing of a member of Parliament, but somewhere in between. They would be too busy trying to make that extra dollar for their bosses and would not be as worried about providing that service.

The other factor is that we would have fewer pharmacies in our community. It is important for pharmacies to be located at strip shopping centres. People visit their doctors, who are scattered throughout the community and not always located near major shopping centres - which is where pharmacies owned by the multinationals would contract to - so it is important that when the sick and the elderly want their prescriptions dispensed they can walk next door to the pharmacy. Once the multinationals come into the market, there will be pressures on these community pharmacies and they will gradually disappear. That will mean that the sick and elderly will have difficulty getting to a pharmacy to have their prescription dispensed. What we save in the short term we will lose in the long term: First, the customers will not get free advice and other advice that pharmacists provide. Secondly, people will have more difficulty finding a pharmacy to dispense prescriptions. That would be another cost and sometimes it is more than just the cost; it is the inconvenience of having to get to one of these shops or pharmacies if there are fewer of them in our community. It is very important.

It is not a *fait accompli* that a review of the Pharmacy Act will mean that deregulation will occur because the competition policy states that it must be of community benefit to have change. I am fairly sure that the Pharmacy Guild of Australia and the pharmacists of Western Australia plus other members of Parliament will be able to put up a good argument to retain the pharmacists' ownership of pharmacies in Western Australia.

Ms MacTiernan: Could you perhaps tell your National Party colleagues about the proceedings of the national competition policy? It seems to have escaped them.

Mr BRADSHAW: I can assure the member for Armadale that I shall, on behalf of not only pharmacists in Western Australia, but also the dairy industry -

Ms MacTiernan: What about the grain growers? They would be pretty keen if you told them about it.

Mr BRADSHAW: To my knowledge we do not have any grain growing in my electorate.

Ms MacTiernan: But you are a broad-minded fellow, you will do it.

Mr BRADSHAW: I am sure they will get the message when I talk to them about the dairying industry, on which I have just prepared a document, and the pharmacists' side of it. They will certainly know about it and I shall keep reminding them and the coalition party Government about it until we ensure that these people are looked after. As I said earlier, we must go through the review because the State has signed an agreement with the Federal Government. It is a bit premature to amend the Address-in-Reply until that review has taken place. I certainly support all the things that have been said by the member for Bassendean.

Mr Brown: That being the case, we shall just spend money going through a review. Why do we need to go through that process?

Mr BRADSHAW: The minister will respond, but I shall try to explain my views in my way. We have signed an agreement to perform a review, and if we did not do the review we would be backing out on the agreement. Like the member for Bassendean, I would prefer to dispense with the review and get on with life and say, "What we have is good; if it ain't broke, don't fix it." Unfortunately this agreement that a review must be undertaken within a certain time frame is in place. Once the review is completed, people will make a decision on which way we should jump. I hope we do not jump in the wrong direction because, as the member for Bassendean has pointed out, the pharmacies in Western Australia have done a great job over many years and I believe they will continue to do so. I have great faith that the situation will not change; however, one can never be quite sure until the deal is signed, sealed and delivered. I have been caught out before. Most members on this side of the House have told me that they would be very upset if changes were made to the current system in the pharmacy industry.

It is probably a little different from State to State. In Western Australia one must be a pharmacist to own a pharmacy. A person is allowed to own a maximum of two pharmacies, whereas in other States, a person must be a pharmacist, but they can own as many pharmacies as they like or are able to acquire. I think the Western Australian system is better because if a pharmacist owns a chain of pharmacies in the eastern States, he tends to lose personal control and he probably starts heading towards becoming a small multinational; that is quite an appropriate analogy. They lose control and are more worried about the big picture or the bottom line, so they place more pressure on themselves. I would hate to think that we will move from our system in Western Australia.

If one goes back far enough, one will find that independently owned pharmacies once operated in Western Australia. Boans, Foy & Gibson, Bairds, and Friendly Societies were not owned by pharmacists. Gradually that has changed over the years. When the Act came in, the pharmacies in Bairds, Boans and Foy & Gibson disappeared. They were not allowed to continue operating those pharmacies. They had to close them and they could not sell them. They could not sell them to a pharmacist, but not to anybody else. Some years ago the Friendly Societies suffered much trauma. They went bad financially and in the end they sold those pharmacies to independent pharmacists. They still have the Friendly Society banner up, but they are mainly a corporate trading identity and are all owned individually by pharmacists. The Friendly Society Chemists as they were known 20 to 30 years ago do not exist any more. They are purely a trading arrangement, just like Amcal Chemists and the other organisations which get together mainly for advertising purposes, and in some cases, buying power.

Mr Ripper: They destroyed my fond illusions.

Ms MacTiernan: Some pharmacists appear to have an interest in more than two pharmacies. I can think of some groups in Western Australia -

Mr BRADSHAW: In Western Australia?

Ms MacTiernan: Yes.

Mr BRADSHAW: People tell me the same thing and I have spoken to various people in the pharmacy business. They claim that the Pharmaceutical Council of WA, which is the professional body that registers pharmacists and the pharmacies, has carried out investigations into the allegations and cannot find any evidence to back that up. However, I have heard those stories and I know the people involved. One person has left the State now and resides in the eastern States. There was another one whom I shall not name because I have no evidence to back up the stories that I heard. If the member has evidence to back it up, I am sure the Pharmaceutical Council of WA would love to have that evidence because the Act provides that a person can own only two pharmacies as a pharmacist and have

interest in only two pharmacies. Even if I had a partner or another pharmacist and we had two pharmacies, we could not buy another two and make it four because we are two pharmacists in partnership. It is tied up and tight. However, allegations have been made about some pharmacists owning or having interest in more than two pharmacies, but the investigations so far have not been able to prove that. As much as I support the amendment in principle -

Mr Brown: You will vote for it, then?

Mr BRADSHAW: No, I said in principle. I will not support it and I do not think this side of the House will support it either, but I think members opposite will find that we support their ideals in principle and I shall be working towards that to maintain the current situation in Western Australia.

MR BLOFFWITCH (Geraldton) [9.48 pm]: I also support the pharmacy system in Western Australia. I have seen pharmacies in the United States, and I must say that the calibre of the pharmacists in the United States is nowhere near comparable to the pharmacists in Western Australia. I also see the way that we have gone along with the National Competition Council. The council states that all States will review all legislation and ascertain whether it restricts competition. I think the only thing we shall have problems with is that currently people are allowed to own only two pharmacies, because that is a restriction on competition. I do not believe we would change the provision that a person must be a pharmacist to own a pharmacy. I look at what we did when we deregulated the dairy industry: We destroyed the majority of the people in that industry. I look at what happened when we deregulated the service station industry: That industry has gone from being owned and operated by small operators to being totally dominated by the multinational oil companies.

Ms MacTiernan: And now you want to deregulate the wharves. Haven't you learnt your lesson?

Mr BLOFFWITCH: That is different. The service stations were very efficient little businesses. There were no complaints about their being inefficient and not being competitive. If they were not competitive, the only reason would have been that the oil companies supplied fuel to their own sites at 5¢ or 6¢ a litre less than they supplied it to the lessee site. It is very hard to compete when a supplier offers a different price to the station down the road. It is not surprising then that they go broke under those circumstances. If we open it up, the multinational companies will set about very quickly destroying the economic viability of the smaller operators and I believe that would be a tragedy for Western Australia. It would cause a disruption to the marketplace.

The local pharmacy store is very well thought of in Western Australia. Why change something that works well? Why modify it? In the national competition policy we can show a public benefit to the community and a respect for these people that is heartfelt among the community. On those grounds I believe we will win the day. I do not know whether we will win the day in limiting ownership to two pharmacies. As the member for Murray-Wellington said, if we end up with one person owning 10 pharmacies, is that as bad as a multinational? I do not believe it is. A local Western Australian will still own property in this State rather than an international body taking complete control.

I do not agree to amending the Address-in-Reply. However, when the Bill comes before the House I will support pharmacies staying as they are. They, along with dairymen, will not feel the wrath of the national competition policy. The new executive officer of the pharmacy association will have both sides of politics supporting him. I warn however that the restriction on ownership may not remain.

MR PRINCE (Albany - Minister for Police) [9.53 pm]: I am on record as Minister for Health, both orally and in writing to the pharmacy industry, as supporting the retention of the current system of community-based and community-owned pharmacies. We have a good network across this State. By and large there is competition among pharmacies.

The arguments in favour of permitting large chain stores, like Coles and Foodlands, to have pharmacies within their stores are sound on the cost of pharmaceuticals. Generally speaking, that is not just prescription pharmaceuticals but other goods that pharmacies sell. Because of bulk buying power, costs will be less. That is a persuasive argument up to a point. The quality of service from a community pharmacy is significantly better than one would get from what is basically a self-service supermarket. Notwithstanding that costs may be less, the community service is not as good.

The member for Bassendean made a number of valid points. One of the programs in which I was involved considerably as Minister for Health related to community-based methadone programs. I was able to institute that program with general practitioners suitably trained to prescribe and community pharmacists to dispense. That program has extended around the suburbs of Perth and to some country centres as well. That would not be possible without community-based pharmacists. It is unlikely that that program would be used by a drug addict if the pharmacy were located in some portion of a large shopping complex, inside the actual supermarket area, where most of these pharmacies are intended to be located if we allow it to happen.

There is also the situation - this applies in the small community rather than the large one - where the community pharmacist is part and parcel of the community and gives a better personal service to customers and patients. It has been my experience that a pharmacist who has been my friend and pharmacist for some time took pharmaceuticals to my mother's home when she was seriously ill last year. Community pharmacists do that on a regular basis. One would not expect that from a pharmacy inside a large shopping centre where the pharmacist, nonetheless duly qualified, is an employee of the supermarket organisation and may or may not be inclined to offer that degree of service to people.

On balance, the quality, variety and extent of services offered by community pharmacists exceeds that which one would get from a supermarket-based pharmacy, notwithstanding the supermarket-based pharmacist's costs. Hence the costs to many members of the public would be less.

The member for Bassendean asked what were the reasons for conducting a review. The national competition policy proposed by then Prime Minister Keating, and agreed to by the States, states that if we do not review we lose money. It is as simple as that.

Mr Brown: Not that we lose money, that we do not get money.

Mr PRINCE: No, we either review all these areas or we are monetarily penalised. In that sense, it must be done. I ask a rhetorical question: Since we are all agreed, including Prime Minister John Howard, that there will be no change in the community pharmacy system, what is the point of reviews? The legislation on pharmacists enacted in the 1960s is more than 30 years old. Just from that point of view it is worthwhile reviewing and considering the practices now and into the next century, particularly administration, general disciplinary provisions and so on.

We have dealt in this House with a template for that sort of thing. The Osteopaths Act intended that the administrative procedures, the function of a registrar and a board and the keeping of a register and so on should be common throughout 13 different areas of registrations. We are talking about physiotherapists and so on; in other words, other allied health professions which are regulated in some way or other. It would be of significant advantage if all those pieces of legislation could be common, in the administrative sense, as that would keep down their costs, and simplify their administration and the administration of the Public Service that must look after it. The result is lower costs for the members of the various professions. For that reason alone a review is a good idea; and since we must do it under the national competition policy or possibly be financially penalised, the review is under way.

Amendment put and a division taken with the following result -

Ayes (15)

Mr Brown	Mr Grill	Ms McHale	Mr Thomas
Mr Carpenter	Mr Kobelke	Mr Riebeling	Ms Warnock
Dr Gallop	Ms MacTiernan	Mr Ripper	Mr Cunningham (<i>Teller</i>)
Mr Graham	Mr McGinty	Mrs Roberts	

Noes (23)

Mr Ainsworth	Mr Cowan	Mr Minson	Mr Tubby
Mr Baker	Mrs Edwardes	Mr Nicholls	Dr Turnbull
Mr Barnett	Mrs Hodson-Thomas	Mrs Parker	Mrs van de Klashorst
Mr Barron-Sullivan	Mr Johnson	Mr Prince	Mr Wiese
Mr Bloffwitch	Mr MacLean	Mr Shave	Mr Osborne (<i>Teller</i>)
Mr Bradshaw	Mr Masters	Mr Sweetman	

Pairs

Mr Marlborough	Mr Court
Mr McGowan	Dr Hames
Ms Anwyl	Mr Omodei
Dr Edwards	Mr House

Amendment thus negatived.

Debate (on motion, as amended) Resumed

MR CUNNINGHAM (Girrawheen) [10.03 pm]: I commence my Address-in-Reply speech with a bouquet for the Minister for Housing. I realise the minister has not been here tonight. He has shown that he is extremely capable of listening to the voice of the people. I am sure that members are aware of the redevelopment, which is called the New Living Project, being undertaken throughout Girrawheen, Balga and Koondoola. Both the member for

Nollamara and I were approached some time ago by members of the local community who expressed their very deep concern. They were adamant in their belief, and so were the member for Nollamara and I, that if this redevelopment were to be successful, the authorities must demolish all the three-storey flats in those areas and replace them with single-detached properties. They believed that the project would fail if that was not done, and that the expectations of the people of Balga would be absolutely destroyed. The people of Balga, and the member for Nollamara and I, believe that they are entitled to a reasonable quality of life. The member for Nollamara and I totally supported the concerns of the community.

I believe it is a great victory for the people of Balga and Girrawheen that the minister has listened to our call for the demolition of those flats. The minister is to be congratulated for having the courage to demolish 94 per cent of the three-storey units in the area. I believe that this is a true victory and I know that the refurbishment of the Narang complex, situated on the corner of the busy Wanneroo Road and Beach Road intersection, will by far surpass any development that has taken place in Kwinana or Lockridge. The McCusker-Satterley group will ensure that this complex will be a showpiece for the redevelopment and will be a gateway to the new Balga and Girrawheen. I congratulate the minister on behalf of the residents of Balga. I also acknowledge the wisdom of the Executive Director of Homeswest, Greg Joyce. I give very special congratulations to the Balga Action Community Group, in particular to Kay Cooke and Colin Cross, both of whom with their hardworking committee have done an exceptional job for the residents of Balga by having 94 per cent of the flats demolished. It is a typical case of people working for and serving the community.

In this Address-in-Reply debate I wish also to emphasise to this Parliament - this is the brickbat - the lack of leadership and courage that this Government has demonstrated throughout 1998. The words should be the absolute lack of leadership. A lack of leadership and courage will always start at the top. It will start always with the Premier of the State and will always finish with the Premier of the State. This coalition Government lacks the moral fibre and the decency that is necessary to lead this fine State into the future. It is indeed scandalous and extremely sad that this lack of moral courage and leadership could destroy the economy of this magnificent State. This tired conservative Government, along with the Howard Federal Government, has totally run out of steam, leaving the electorate totally disillusioned, disappointed and disenchanted by a corrupt political process. Both the Court and the Howard Governments have allowed Hanson's One Nation party to continue to surge and flourish throughout both Western Australia and Queensland. My colleague the member for Willagee was spot on last week when he described how One Nation's morals and principles are repugnant. There is very little argument about what this shallow and evil organisation represents. This racist party is doing us tremendous harm both at home and abroad. Our neighbours should see Australia as a vibrant country and not as a country divided.

Firstly, One Nation's crazy economic policies will bankrupt Australia and cost millions of jobs. Opposition to foreign investment would mean thousands of jobs could be lost forever if companies such as Ford, Toyota, McDonalds, IBM, Kodak and Microsoft were excluded from this country. This One Nation political uprising is a reflection of the lack of leadership and moral courage of the Howard and Court Governments, which has given the Hansonites a free kick in front of the political goalposts.

I do not wish to embarrass the Leader of the House and Deputy Leader of the Liberal Party by supporting his moral and courageous stand in requesting his colleagues to put One Nation last on the ballot papers. However, his appeal at a recent state Liberal conference fell on deaf ears because the Premier lacked both courage and leadership, not only throughout the recent abortion debate but, once again, with his refusal to put One Nation last. My message to the Premier is that his government colleagues are beside themselves because he is allowing so many goals and free kicks to One Nation. The Premier's lack of moral courage and leadership is in stark contrast to that of his counterpart in Victoria, Premier Jeff Kennett. He has shown exceptional courage and leadership by denouncing the extremist, racist and immoral policies of One Nation and urging voters at the recent by-election to put the One Nation candidate last. The Victorian Premier's intervention against One Nation kept that spurious political party's vote down to a dismal 5.6 per cent. Kennett, for all his faults, has never been a racist or a pedlar and supporter of un-Australian and Nazi propaganda.

The dissatisfaction and hopelessness in the community must be shared by all of us and by all political parties. In my role as local member for Girrawheen, I pride myself on being extremely active and accessible to the local community. The message I receive day after day and night after night is not only a massive dose of pox on the Liberal Party, but a pox on all political parties. The people have had enough; they want answers and action; they do not want more pretty talk.

We, as members of Parliament, have a lot to answer for. Australian politics have entered a very dangerous phase where decent people view politicians with distaste and disdain. They are sick of politicians and politics in general; they no longer trust us. They accuse us of not listening to their needs and, indeed, of living in ivory towers or having our heads deeply buried in the sand. In all honesty, how many of us go into the community on a weekly basis, to the

local pub on Friday nights for half an hour, to the local Sunday junior football, junior cricket, local T-ball and school fetes, and listen? How many of us really listen to the people we represent and hear what they are saying?

Electors in general are concerned about crime, health, the GST, arrogant, out-of-touch politicians, and the selling off of Australia. All these things have rubbed the electorate up the wrong way. Voters are continually repeating the theme of a pox on both our Houses.

The support for Hanson and One Nation must be the most extraordinary political phenomenon this country has experienced. We must ask ourselves how this has happened. I believe it has happened because of the lack of leadership and courage displayed by both the state and federal Liberal Parties. They must play a major part in the dissatisfaction of the electors. Our complacency, as members of Parliament, must also play an important part. Our refusal to listen to the man on the street, our pretty words and our failure to act must play a part. We are guilty of giving the One Nation party a foot in the door. We are guilty of giving that party a free kick in front of the political goalposts in this State and country.

I go back some weeks. It is absolutely outstanding for a fledgling party to take 11 seats in the Queensland Parliament at its first attempt. Each and every one of us must be held responsible for people deserting major political parties and choosing One Nation. One Nation is an extremist political party from the reactionary far right of this country. One Nation believes it is important to allow the reintroduction of military-style assault weapons, such as those used by Martin Bryant during the Port Arthur massacre. One Nation believes it is important that members of society be armed, and that would include the open importation of military-style weapons to this country. It also believes people should hold gun licences for life and those licences should never be reviewed.

One Nation policy is that refugees should be sent home when their homelands become peaceful. Australia has an extremely proud record as a refugee-receiving country. More than half a million refugees have arrived in Australia since 1947. Refugees become Australian citizens at more than twice the rate of other migrants, and they demonstrate the most wonderful commitment to being Australian. I would like to disperse the One Nation immigration policy of zero net migration. Australia today would not be this fine nation without the contribution of our migrants. There is no argument whatsoever that Australia's prosperity has been built on immigration. Some 5.8 million immigrants have called Australia their home since the end of World War II. Those immigrants, only 46 per cent of whom were Anglo-celts, came from over 150 countries. One Nation claims that Australia is being overrun by various sections of the ethnic communities, particularly the Asian community. However, the immigration figures announced recently by the federal Minister for Immigration indicate that between July 1997 and March 1998 the number of settlers to arrive in Australia totalled 57 800. These people came from more than 150 countries. The myth that Asians are taking over this country has become not only despairing but also demoralising to the Australian economy. It is laughable, yet this nonsense is very dangerous to our Asian neighbours and trading neighbours overseas.

The Minister for Immigration recently quoted some figures indicating that of the 57 800 immigrants, New Zealand was our largest birth-place source of migrants at 18.9 per cent. This was followed by the United Kingdom at 12.5 per cent; China at 5.6 per cent; South Africa at 5.4 per cent; Hong Kong at 4.2 per cent; and India at 3.7 per cent. This Asian takeover would mean that the 1 500 Vietnamese people, or 2.7 per cent of total immigration, the 2 100 people, at 3.6 per cent, from the Philippines, or the 3 200 Chinese, at 5.6 per cent, must be a very formidable people. That must be the case if they can arrive in a new country and immediately become so powerful that they become a threat to it. I refer to Phillip Ruddock's figures released only last week.

Fortunately Australia has always enjoyed a high standard of living. The true Australian has always been fair and tolerant. He has always been a compassionate person who is prepared to give the battler a fair go, no matter his race or creed. What has gone so wrong that this evil policy of a minor political party now threatens all of that of which Australia has been proud? Many people in my electorate know that the true Australian still believes in giving the battler a fair go.

This has occurred because of the failure of those in positions of responsibility to take control and say enough is enough. We call on both the Federal and State Governments to set the standard and show leadership and courage to bring about the necessary changes to promote what we all hold dear; namely, the very right to live in peace and harmony without fear of what is lurking behind the door when arriving home. Members, we have been accused of listening to the do-gooders of our society and heeding their demand to give chance after chance to repeat offenders who commit disgusting acts on our streets, about which they boast openly. We are accused of listening to the whims of the so-called do-gooders of our society. People in the seat of Girrawheen are sick and tired of listening to the do-gooders, and of a Government which does nothing about these daily problems. They are sick and tired of hearing that young Johnny had a harsh upbringing. They are sick and tired of hearing that Johnny should be given another chance. The criminals in our society laugh at us all the way to the next car chase, or the next time they break into a car and kill someone on the highway. They laugh at us.

It is not the Asian immigration intake which has caused One Nation to become an alternative to major political parties. It results from the fact that our leaders in government, federal and state, have failed the people. They have failed to show strength, leadership and courage to reassure and protect the most frail of our society; namely, the aged and those not able to care for themselves. This is where One Nation is winning and will win at the ballot box. The extremely small number of 1 500 Vietnamese people who come to Australia in one year are not a threat to this country. They are the most honest and hardest working people around to whom we look to make this a great country. We know that they and their children have the ability to make this a country of the future. They are people who are prepared to study and contribute to our State. They are people who want to call Australia home.

The policies of One Nation are set to fragment the peace of Australia. One Nation will bring not security and reassurance, but a vicious terminal disease of hate and distrust which will ultimately destroy this great country. This terminal disease has been fuelled and allowed to spread by the failure of the Premier of this State, and his federal leader in Canberra, to stamp it out. They are guilty of not speaking out against the evil forces. They have elected to stay quiet on this issue. They are so quiet that they cannot be heard at all. This was especially the case last night in this Parliament when the member for South Perth moved an amendment to the Address-in-Reply opposing One Nation. It was in the mildest form one could put to this House. Nevertheless, it was rejected by the Government.

That shows every migrant in this State what members opposite think. This shows that they are not fair dinkum and they want to put One Nation to the forefront. By electing to stay quiet on this issue this evil will flourish. By staying quiet the Government has put a rubber stamp on the policy of this treacherous minor political group and given it a voice that it does not deserve in this country. It is imperative that courage and leadership triumph over the evils of racism, division and hatred.

Amendment to Motion, as Amended

Mr CUNNINGHAM: I move -

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

but regrets to inform Your Excellency that the Government has no mandate to proceed with its plans to sell Westrail's freight business and rail network and that such a sale will adversely affect the grain producers of this State and the rural shires of grain growing areas.

MS MacTIERNAN (Armadale) [10.31 pm]: I am more than happy to second the excellent amendment that has been moved by the member for Girrawheen. He is very much on the ball with the amendment that he has moved tonight, because I believe that the Governor will be disturbed to learn that the Government proposes to sell off one of the State's major infrastructure assets without a mandate from the people of Western Australia.

Westrail had its antecedents in the 1870s, and it has become an important part of the economic and social life of Western Australia. It is outrageous that, effectively, this Government concealed its intentions to privatise major aspects of Westrail's operations. Even the Howard Government has had the decency to put to the people of Australia its privatisation plans and to seek endorsement and a mandate.

To confirm that no mandate exists on the part of the Government the Opposition took the trouble to read the coalition policy document that was put out before the last election. It is headed "Liberal Party of Western Australia", but it refers to coalition statements of policies, so we presume that, unless there has been a bad case of deceptive and misleading conduct, this is supposed to be the policies of the coalition Government. It is interesting to look at what members of the coalition Government said they would do with Westrail. They said that they would encourage Westrail to increasingly pursue commercial objectives in its operations with community service obligations explicitly recognised and funded, and would pursue further reductions in freight rates by encouraging competition on rail and further allowing third party access. The Opposition does not have any difficulty with that.

The next point in the policy document is that the coalition will develop a system of accreditation for third party operators in a rail system to ensure that the environmental and safety standards are maintained. The Opposition supports that. The policy states that the coalition will continue the modernisation of Westrail to ensure the maximisation of rail use for freight in Western Australia. It has not done that. The policy states that it will retain and upgrade the *Avon Link*, *Prospector*, *Australind* and coach services and it will support Track Australia in principle, although it states that the concept needs to be fully funded and the interests of the State safeguarded before Western Australia becomes a participant.

That policy document represents an extensive outline of what this Government intended to do with Westrail over four years if it was re-elected. The document does not contain any hint or suggestion about the sale of the Westrail freight business or rail infrastructure.

Mr Thomas: That is their form. The Minister for Energy has done precisely the same thing with AlintaGas; he has actively misled the electorate.

Ms MacTIERNAN: That is right. One can contrast this Government's action with the federal Liberal Government's handling of the sale of Telstra, a major asset. The Federal Government was prepared during two elections, at least, to put on the table for the community what its intentions were.

Mr Prince: Did you listen to the Deputy Premier's explanation about the window of opportunity that exists right now and the reason it should be pursued because of third party access?

Ms MacTIERNAN: I will go into that. I listened to the Deputy Premier; he was completely wrong. There is nothing new about national competition rules. The national competition rules were in place in December 1996. The need for rail access existed in 1996, as has been evidenced by some of the express policies set out in the coalition's 1996 policy document. It is not as if this idea for third party access on a few lines is anything new and popped up unbeknown to the Government after the election. Nothing on the commercial landscape has changed - unless one takes into account the solicitations that have been made by Wisconsin Central to the Government in the interim as to what it would like the Government to do with Westrail. The Minister for Police may think that is a significant factor that he can use as an excuse. The national competition policy and the need for third party access was fully understood and appreciated and was included in this policy document. Yet there was no mention of the plans that we are told are a consequence of that national competition policy - that is, selling off the freight business and the rail network or setting up a scoping study to investigate the possibilities. There was absolute silence on those points.

In fact, the coalition's policy document goes into an express misrepresentation. It says that the coalition will support Track Australia in principle but it must be fully funded etc. Track Australia is the organisation that the Federal Government has been attempting to establish to hold and manage the standard gauge rail network between Brisbane and Perth. Such an operation would enable rail freight companies to negotiate with one single agency to move freight between Brisbane, Sydney, Melbourne, Adelaide and Perth. It makes a lot of sense. The Government's policy document supported that concept. Ironically, the new Minister for Transport claimed in the upper House just last week that the former Minister for Transport had been one of the architects of this fabulous Track Australia scheme.

The Government's proposal for privatisation, which involves selling off the Western Australian standard gauge network to a private operator, absolutely precludes the proper formation and functioning of Track Australia; yet the coalition's policy document said that it will support Track Australia in principle. The policy it has adopted will completely stymie the operation of Track Australia. Its decision means there will be no single track operation between Brisbane and Perth. If ever there was a need for micro-economic reform it is in this area. It is absolutely crucial, if the interstate rail operations are to act as a proper alternative to road, that we have only one rail corporation with which the plethora of private rail companies must negotiate. That opportunity has been completely destroyed by this deceitful policy into which the Government is entering; and the Government has received substantial criticism from the federal Minister for Transport for that aspect of its decision.

We have set out quite comprehensively that not only has the Government remained absolutely quiet about its plans at this time, but also it has engaged in no consultation. Yesterday, the Minister for Primary Industry told us that the Government had consulted with the grain freight steering committee. That committee was abolished some 18 months ago, so we presume that he was talking about the grain logistics committee. According to our information, the grain logistics committee has not been consulted about this matter. The grain logistics committee has been meeting quite extensively over the past six months and has been operating on the assumption that the grain lines will remain in Westrail ownership. We call upon the Government to table the report of the grain logistics committee and let us see what the grain logistics committee has been saying about how the grain freight industry should be administered and which grain lines should remain operational. Of course the Government, with its classic secrecy, has not chosen to release that report.

We understand also that the consultants who conducted the Westrail scoping study did consult with the Western Australian Farmers Federation. However, it appears that they were quite misleading about the purpose of their scoping study. They did not reveal to the officers with whom they met that their terms of reference were to outline how Westrail could be sold or privatised, but rather pretended that they were looking broadly at the future of Westrail. The organisations that dealt with the consultants who conducted that scoping study were certainly not fully aware of their terms of reference.

When we pointed out to the Government that not only was the Western Australian Farmers Federation not consulted, but also that had it been consulted, it would have told the Government that it was not happy about the proposal, the Leader of the National Party said that that organisation is not representative of the grain industry. We have checked exactly how representative it is of the grain industry. Its membership includes about 5 000 grain growers, which represents about 55 per cent of the State's grain growers and about 80 per cent of the volume of the grain that is

produced in this State. Neither the Minister for Primary Industry nor the Deputy Premier was able to adduce any evidence to support their claim that there is widespread support for this proposal in the bush.

The Western Australian Farmers Federation, which has a direct membership of 55 per cent of the grain industry, has said that it is opposed to this privatisation. The Government has said that it is not representative, and that it knows that the majority of farmers support this privatisation. However, when we asked the Government where was its proof, and to whom did it talk to get those figures, it could not tell us. The only conclusion that we can draw is that the party that is out of touch, as was so amply demonstrated in the recent Queensland election, is none other than the National Party.

The grain industry of Western Australia is likely to be severely affected by this move. The grain industry of Western Australia is of substantial importance to the national economy. The major grain crop is wheat. Western Australia produces 45 per cent of Australia's wheat. It also produces 65 per cent of Australia's wheat exports, and 92 per cent of the wheat that is produced in Western Australia is exported. That indicates that it is vitally important that we have an efficient and effective method of transporting that crop, which is a major source of export income for Western Australia.

Why do the Opposition, our friends the Western Australian Farmers Federation, and the grain producers of this State believe that this will be a bad move? Many other arguments can be used against this form of privatisation, but tonight we will concentrate on its impact on the grain industry and rural communities. Firstly, there is no doubt that the less profitable lines will ultimately be closed as the private operator seeks to maximise its profit. The Minister for Police was very proud of the answer that was given today by the Deputy Premier -

Mr Prince: It would be nice if you would listen.

Ms MacTIERNAN: I did listen, and I will give an analysis of why that answer was wrong. The thesis of the Deputy Premier was that we will now have third party access; and as a result, Westrail may lose some, or all, of its major customers. I presume that means its non-grain freight customers, such as Alcoa of Australia Ltd. As a result of that loss of some of its major customers, it will not be able to provide its services to the grain industry at the same price. The implication was that there is a degree of cross-subsidisation from highly profitable operations such as Alcoa to the grain industry.

Had the Deputy Premier analysed Westrail's operations properly, he would have known that what he said was quite wrong. The entire grain freight operation of Westrail will be treated as an enterprise which will be self-sufficient and stand alone, and will generate a profit. It will not be cross-subsidised by major non-grain freight operations such as Alcoa or Worsley Alumina to enable it to make a quid out of the grain freight industry but will stand alone.

However, the grain freight industry currently has a measure of internal cross-subsidisation, because the major grain line from Perth to Merredin, for example, is more profitable than the grain line from Beacon to Bonnie Rock. Therein lies the problem for the grain industry in the long-term, because when the operation is handed over to a monopoly operator - and with regard to grain freight, no third parties will be competing, so it will be a monopoly operation - the corporation, which undoubtedly will be foreign-owned, will have a duty under the Corporations Law to maximize the return to its shareholders. Therefore, pressure will be exerted to close lines that are marginal, or in some instances are sub-marginal in strict commercial terms, because notwithstanding the fact that it can make a quid from the operation as a whole, it will want to maximise profit by retaining only the most profitable lines. That will mean that the network will start to unravel. It will mean also that that grain will be transported by road on road trains, which will chew up the local roads and put an unbearable cost burden on local shires to preserve those roads.

Unfortunately I do not have time to go into more detail, but I assure members that we will continue to pursue this matter over the next few months. We are concerned that a private monopoly will lead to price increases - and that has certainly been the experience with privatisation elsewhere - and that it will be operated solely for the benefit of foreign shareholders.

MR THOMAS (Cockburn) [10.51 pm]: I am pleased to support the amendment moved by my colleague the member for Marangaroo and to endorse the comments of my colleague the member for Armadale, who is the opposition spokesperson on transport matters. We see here a manifestation of a Government gone mad, and of a commitment to ideology rather than rationality. I challenge the Government to test its propositions with regard to the sale of Westrail with the electorate, as I have challenged the Minister for Energy on other occasions with regard to his propositions for the sale of AlintaGas.

As my colleague the member for Armadale has said, the Government has been deceptive. It went to the last election and actively misled the people. It denied that it intended to sell the energy utilities, or at least it did not announce that it intended to do so, if it had such an intention. It said nothing about selling basic infrastructure such as our rail network. It now claims that it has announced intentions to do so. If it is able to do so, and that will be resisted

strenuously by the Opposition, it will be a major breach of faith with the electorate. The electorate has not given the Government a mandate to do that. The people of Western Australia value items of infrastructure such as Westrail, AlintaGas and other utilities. We now have ideology gone mad. The Opposition is aware that we live in the 1990s, not the 1890s and that the situation in this State is much different from when the vast bulk of the construction of the rail network in this State took place.

For some time we have advocated competition in the rail system. I am strongly committed to rail; I would like to see as much freight on rail as possible so that damage to the roads and disharmony among road users are minimised. The chances of maximising the opportunity for a greater proportion of our freight to be carried by rail increase when there is competition. Some years ago, I took the trouble to go to the United States to study the rail system there. In the United States, various rail operators compete for business and a substantial proportion of freight is carried by rail - a much higher proportion than in Australia. I would like a vibrant and competitive rail freight industry to operate in this State.

However, we go to the next step beyond which it is not necessary to go. It is not necessary to sell the rail freight network to have a competitive rail freight industry, nor is it necessary to sell AlintaGas to have a competitive gas industry. It is possible to have arrangements whereby third party carriage rights exist in the energy sector or in the rail sector so that other people can compete in the business, but the basic infrastructure remains in public hands. Ministers should go out among the people and gauge their attitudes to the sale of basic infrastructure. They are sick of it.

There has been some discussion about One Nation and Pauline Hanson and her appeal. People have come to my electorate office in recent weeks and said that one of the most attractive aspects of Hansonism is her apparent recent opposition to privatisation. When I point out to them that in the Federal Parliament she has supported the privatisation of a proportion of Telstra they are taken aback. Quite opportunistically, Pauline Hanson has discovered that the Australian people are sick of their infrastructure being sold by Governments. The people of Australia do not oppose competition in the energy sector or in the transport sector, but they want the basic infrastructure to remain in public hands.

If the Government tries to gauge public opinion it will get a rude shock. It will find that it is a very unpopular move. As I have said, the Opposition will oppose such moves as strenuously as possible and, I hope, frustrate the Government's intentions. I challenge the Minister for Energy and the new Minister for Transport to go to the people at the next election in two and a half years and campaign on a policy of selling the railways and AlintaGas, which is the stated intention of the Minister for Energy - by then he will probably want to sell Western Power as well. Those ministers should go to the people and campaign on a policy of selling Western Power and various other aspects of infrastructure. No doubt between now and then they will decide to sell them. We will say that we oppose that and that the Government should determine what the people want. I predict that the Government will lose. There is strong opposition to the sale of basic infrastructure. There is an attachment to venerable institutions such as Westrail and the energy utilities. People want them to remain in public hands. If the Government were sufficiently honest to put its announced intentions in abeyance until after it had them tested in the public arena, it would be in for a very deep shock.

If the Government pursues those lines and tests them against the will of the public, it will be in for a rude shock. The Government has gone off on an ideological tangent to the point where it has become absurd. Initially when privatisation entered the public arena in Australian politics in the mid-1980s - introduced by the Hawke Government, I might add - it was said essentially that there was no need for government to be involved in particular types of business. It was said, for example, that there was no need for the Commonwealth Government to own an airline. When the Commonwealth Government purchased Qantas Airways in the 1930s it wanted to maintain a link between Australia and Singapore which would maintain the link operated by British Imperial Airways to London. It was considered very important for Australia's interest to have a direct air link to London. The private sector was not able to provide that so the Commonwealth Government purchased Qantas and established that link. Ultimately, it grew to become Australia's national airline.

By the mid-1980s there were lots of airlines around the world and the Government was able to say that there was no need for it to be in that business, and to be exposed to the financial risks associated with operating that sort of business. As a consequence, the Labor Government evinced an intention to dispose of those sorts of assets. At the state level similar exercises were gone through with banks. The State Government said there was no need for it to operate a bank. There were plenty of banks around. At the time when the R & I Bank was established there was a need to have a bank as a public service in some areas. However, by the 1980s that was no longer the case. A similar situation existed with the Commonwealth Bank and insurance companies and those sorts of businesses. Those arguments have been debated.

This Government sold those sorts of businesses in which there is no longer any need for government to be involved.

Most of us would agree that in such cases it was appropriate to sell the asset. For example, the Opposition supported the Government in the moves relating to BankWest. However, we have moved away from selling only those sorts of businesses which have other businesses competing with them and there is no need for government to provide that service to the community. It is a different situation when we end up with what can be and will be a monopoly.

My colleague, the member for Armadale, has referred to what could well be the impact on the grain producing areas of a monopoly business operating in the grain carting operations of the rail industry. No doubt the Government will say that it will be able to regulate the price and that will ensure that the privately owned monopoly will not be able to exert the influence that it would otherwise be able to because of its position of being a monopoly providing a valuable service.

Why is it necessary to create a privately owned body and then to set up a regulator to ensure that it does not charge unfair prices and rip off the public, and so on? It is quite unnecessary. It is much better to keep such basic infrastructure in public hands where it is owned by the Government; and the Government is elected by the people, so if it is not run in a way acceptable to consumers and people at large, they can hold the Government accountable for it.

I ask the ministers - I have asked them a number of times and they sit there glibly and try to ignore me and pretend that things are happening - particularly the Minister for Energy who is in the Chamber: How can he, as a politician who presumably claims to be an ethical person, contemplate selling a major utility when he does not have a mandate to do so? It is a huge step, a major step, to dispose of one of the publicly owned energy utilities in this State. When the people voted for this Government - or against this Government depending on how they felt at the last election - that was not an issue in their mind. The Government did not say it was its intention to sell AlintaGas. If the Minister for Transport were in this House I would ask him - of course he was not the minister at the time but he was a member of the Government - how he could possibly say that he considers himself to be a reputable and ethical person practising politics in government when he is taking such major steps without a mandate.

Mr Barnett: Did the member for Cockburn have a mandate, when he was in government, for the failed petrochemical project?

Mr THOMAS: No.

Ms MacTiernan: That was not selling off a community asset.

Mr Johnson: It was buying pie in the sky.

Mr Barnett: It just cost us a cool \$400m, did it not, for nothing? The member for Cockburn is a joke.

Mr THOMAS: The Minister for Energy needs to learn a few business principles and ethics.

Mr Barnett: The member for Cockburn - the person named in the royal commission - is the last person who should say that and is the least qualified to comment on ethics in this House.

Mr THOMAS: On a number of occasions over the years I have had to remind the minister of a few basic parables and a few basic principles of ethics.

Mr Barnett: Playing around with cabinet minutes is a very ethical thing!

Mr THOMAS: One of the things I learnt in Sunday School was that two wrongs do not make a right. Suppose, for example, for the purposes of the discussion that the matters to which the minister is alluding are wrong; that does not make his doing something wrong any better. It leaves the action that he has undertaken equally wrong. One of the basic principles of democracy is that if some substantive action is to be undertaken one must go to the people and state, "We intend to do this."

Mr Cowan: Like the petrochemical plant?

Mr THOMAS: One gets elected or not and if one is fortunate enough to be elected one has a mandate. If one actively deceives people, one is unethical. It is not a correct way to conduct oneself in a democratic system.

I ask the minister - unfortunately the Minister for Transport is the subject of this motion and is not in this place -

Ms MacTiernan: The Minister for Primary Industry is not here either.

Mr THOMAS: Primary industry is well represented by the Deputy Premier and Leader of the National Party. The general principle of privatisation is well represented by the Minister for Energy. I ask either of them or any other ministers in this House if they wish to comment: Did they have any intention to sell Westrail when they went to the election in 1996? Did they have any intention to sell AlintaGas when they went to the election in 1996? I am waiting to see if they want to tell us. They sit there glibly or gloomily.

Mr Cowan: Definitely not gloomily.

Mr Barnett: It is the power of your argument. We are speechless.

Mr THOMAS: Yes or no does not take long.

Ms MacTiernan: You knew it would not wash and your electorates would vote against you.

Mr Barnett: Get real and join the 1990s. Get out of the sixties.

Mr THOMAS: The 1990s is an era when a Government, if lucky to be elected, can actively mislead the public and see if it can get away with something. There is not a lot of difference between the 1960s and the 1990s with what is right and what is wrong. It has always been wrong for Governments to undertake actions for which they do not have a mandate. It has always been wrong for candidates to actively mislead people. The Government will not tell us whether it had that intention in 1996. We do not know whether it is actively misleading the people or it has formed an intention since that time. Whatever is the case, the Government does not have a mandate.

The Opposition has said in this Parliament that it will oppose as strenuously as it is able the privatisation of Westrail, AlintaGas and other utilities, for which the Government does not have a mandate. The minister has drawn our attention to the fact that the decade we are in is not the 1960s. We are fully aware of that. We have supported the sale of assets on occasions. The asset sale for which the minister is most proud is one on which he adopted the Opposition's policy. We were advocating that course before he was. He cannot understand the difference between basic infrastructure and organisations such as Westrail, AlintaGas and Western Power, businesses such as BankWest, and fixed assets such as the Dampier to Bunbury natural gas pipeline. The Government has no mandate. If the Government seeks to pursue this course of privatisation, it should be condemned because it has no mandate from the people.

MR COWAN (Merredin - Deputy Premier) [11.12 pm]: I have listened with great interest to the member. Although I thank him for his contribution to what he regards as the outline of government policy, I inform him that he does not need to give us any assistance at all. The Opposition for the past five and a half years has not had any opportunity to develop the Government's policy and neither will it have. The Government has every intention of dealing with the Westrail issue in a way which allows for full public consultation. In that sense we do not have any plans to sell Westrail's freight business. We have plans to identify the best opportunity for the State of Western Australia for dealing with those issues on which I spoke at question time earlier today.

Ms MacTiernan: You do not have any plans to sell it?

Mr COWAN: We have plans to identify the best option.

Ms MacTiernan: That is what the scoping study was for.

Mr COWAN: It was for the best option for the users of Westrail.

Ms MacTiernan: You have obviously missed out on the past couple of months.

Mr COWAN: I will make this speech, although I have no doubt that the member for Armadale will use her unofficial press secretary, Torrance Mendez, to write another story about this with the full ALP line. Unfortunately that rubbish is written and we then have to defend a position we have never adopted. I understand that politics is about perception. The capacity of the member for Armadale to twist that journalist around her little finger is well known.

Ms MacTiernan: Is Mark Vaile opposed for the same reason?

Mr COWAN: I am very pleased that the member for Armadale raised that issue. At some time during the course of the debate I will refer to the National Rail Corporation. It is important that we remember the Opposition's position when that legislation was going through the Parliament. It will demonstrate precisely how hollow the Opposition is on this issue. I want to make clear before I do that the position of the Government; that is, as most people will know, there is some debate, given that all of us in this nation are subject to the national competition policy and the competitive principles that are associated with it. We are all required to meet the obligations set by the Australian Competition and Consumer Commission. One of the requirements of the ACCC is that competition be applied to a whole range of government trading enterprises, of which Westrail is one.

Ms MacTiernan: It is a pity you were not here.

Mr COWAN: I am thankful I was not. We are now faced with the proposition that for the first time in the history of Westrail we have a government trading enterprise that actually returns a profit. Not only does it return a profit but also over the past three years it has reduced by 25 per cent the freight rates for people in the grain industry.

Notwithstanding the fact that there have been freight reductions, Westrail's freight operations were still able to return a profit. There is no question that much of that can be attributed to the high volume of grain Westrail has transported. However, we are now facing not only the effect of having to deal with the competition policy and its impact on Westrail but also the prospect of other government trading enterprises, like the National Rail Corporation, wanting to get in on the act. We have a clear choice: We need to identify whether the government trading entity of Westrail should be retained in whole or in part by this State or whether it should be sold in whole or in part. When I say "in part", do we retain the track rights and certain aspects of Westrail's freight operations? We will investigate that. That will be a very public process.

Ms MacTiernan: Can you just clarify this? I am very surprised. We have a press release from Murray Criddle stating that Murray Criddle announced that the State Government had approved the sale of the freight business of Westrail. He went on to say that he had also approved the sale of the tracks, as though a decision had been made. The scoping study examined the ways in which you might do it but this press release states that you have made the decision.

Mr COWAN: I make it very clear to the member for Armadale that approval has been given for the establishment of a task force to examine the prospect of the sale of Westrail.

Ms MacTiernan: So Murray Criddle has got it wrong?

Mr COWAN: You must talk to the journalist who wrote that story.

Ms MacTiernan: It was a press release.

The DEPUTY SPEAKER: Order, members!

Mr COWAN: Let me slowly say it to the member again.

Ms MacTiernan: Could you say it slowly to Murray Criddle too, because he has got it wrong?

Mr COWAN: I do not think he has.

Ms MacTiernan: It is here in black and white, put out by your own Government.

Mr COWAN: I learnt a long time ago that one needs to pay a little more credence to decisions of Cabinet than one does to what a journalist might write either for a minister as a prepared statement or in the Press for or on behalf of anybody else. I learnt a long time ago that a cabinet decision is a little more important.

Ms MacTiernan: Will you table that decision?

Mr COWAN: One of the problems of the member is that she cannot ask a question in this place and recognise that having asked the question, which is her right, even by way of interjection, I have the right to give an answer. The member must accept that answer; she should not try to put the answer in my mouth. I repeat: Cabinet has made a decision that it will appoint a task force to investigate all aspects associated with the possible sale of Westrail.

Ms MacTiernan: That is a major backtrack.

Mr COWAN: This is the problem: The member for Armadale makes an assumption and then decides after a period of time that it is a fact. The moment someone points out the real situation, suddenly I am wrong. I do not have to explain that any further. If the member cannot understand what I am saying -

Ms MacTiernan: No-one in this State who has read this press release would say that.

Mr COWAN: I should move on.

Those members who were in this place when the National Rail Corporation legislation was introduced will remember that it included a requirement that the corporation be given the opportunity to operate on Westrail track. One of the difficulties is that the only track on which it was interested in operating was the standard gauge. That is the jewel in Westrail's crown. To remove Westrail's capacity to transport freight up and down that standard gauge track would have been akin to removing its most profitable operation.

Suddenly we have this highly moralistic member for Armadale, supported by the member for Cockburn, telling us that we cannot contemplate the sale of Westrail. We have not said that we will sell it; we have not said that we will do anything other than examine all aspects associated with a sale. However, when the National Rail Corporation legislation was introduced, what did the Opposition want to do? Members opposite wanted to do very thing they are bleating about now: To permit another rail service to use Westrail track and to compete with Westrail.

Ms MacTiernan: That is a different proposition.

Mr COWAN: Now it is suddenly different. We must preserve Westrail and quarantine it from any of the competition principles to which it must be subjected. We must deal with that as a Government, and we will. If we decide that it is not in the interests of this State or the users of Westrail freight services, it will not be sold.

However, as I said this afternoon, if Westrail as an operating concern was not able to face the competition that might be introduced as a result of different companies picking the eyes out of its current freight service and leaving it with a whole range of unprofitable services that it must manage, that would be a disaster for the grain industry, Westrail, the State Government and taxpayers. We have enough load to bear with the Westrail passenger service. If my information is correct, we still recover only 40 per cent of the cost of that operation. We cannot afford to have our one profitable operation destroyed by other organisations that want to gain access to Westrail track and take advantage of the freight services - the bulk commodities such as grain, alumina, nickel, mineral sands, iron ore - in long-term contracts and leave Westrail with nothing.

Mr Ripper: Does that justification not talk down the price you will get if you proceed to sell Westrail?

Mr COWAN: Members can be sure of one thing: The freight tonnage to which I referred is Westrail's freight services' potential profit area. If contracts are offered to Western Mining, Alcoa, the mineral sands companies, Portland Mining or the Australian Wheat Board and they are accepted - the contracts may relate only to the grain sent up and down the standard gauge and one or two other key lines - it may be lucrative for the freight users to accept long term contracts from other freight companies. Westrail will be left with unprofitable narrow gauge branch lines.

Mr Ripper interjected.

Mr COWAN: What I say here will not influence the price of Westrail because those companies know that. That is the decision for the Government.

Ms MacTiernan: You are saying it is a dud, so who will want to buy it?

Mr COWAN: I have not said that Westrail is a dud. I have said that it is the one profitable area operated by Westrail. How could it be a dud? What I am saying, and what the member is too thick to understand, is that if in the competition environment one permits - as the member wanted to do with the National Rail Corporation - another rail company to travel up and down Westrail's tracks picking the eyes out of its contracts, everyone knows that it will impact on Westrail. However, if Westrail were to be sold, that would not be a problem for the Government to face: It would be a problem for the privatised Westrail. If we continue with this hypothesis that it will be sold and treat it as a fait accompli as the Opposition has done, the Government must set certain standards and principles about whether to retain the track rights and so on that will depreciate the price. The member is correct. However, that is the guarantee we would have to put in place. That is a decision the Government of the day will be required to make should it get to that point. We acknowledge that.

The task force has been established to examine all of those issues and report back to the Government about the options and give it an opportunity to make an informed decision knowing full well that its decision will have the benefit of the public consultation that is so necessary when dealing with a government trading enterprise such as Westrail. Nothing has changed. The Government has always made it very clear that, through Cabinet, it would establish a task force that would put the options in front of the public. The Grain Logistics Committee has had access to a range of information about this matter, and it has already made a couple of points to the Government.

Ms MacTiernan: You did not tell Doug Cunningham about the task force. He has not mentioned it. This is such a shock.

Mr COWAN: I must restate the point that a number of statements have been reported in the Press and attributed to the opposition spokesperson on transport. The assumption has been made that the Government will sell Westrail. It has been reported accordingly. A task force has been established and it will certainly go through the consultative process necessary to give advice to the Government about whether there is merit in the sale of all, or parts, of Westrail.

Ms MacTiernan: Not only does Doug Cunningham have it wrong, but the Commissioner of Railways also. We are all being deluded.

Mr COWAN: I am sorry but only one person suffers from delusion in this place and, unfortunately, a number of people meticulously and faithfully follow her statements because they know they are controversial; and, in the main, they are wrong.

Several members interjected.

The DEPUTY SPEAKER: Order! The minister is on his feet; let us listen to him.

Mr COWAN: The Government will oppose this amendment because, notwithstanding what the Opposition said, the Government is still in the process of examining this issue and it has not yet made a decision.

Amendment put and a division taken with the following result -

Ayes (15)

Mr Brown
Mr Carpenter
Dr Gallop
Mr Graham

Mr Grill
Mr Kobelke
Ms MacTiernan
Mr McGinty

Ms McHale
Mr Riebeling
Mr Ripper
Mrs Roberts

Mr Thomas
Ms Warnock
Mr Cunningham (*Teller*)

Noes (23)

Mr Ainsworth
Mr Baker
Mr Barnett
Mr Barron-Sullivan
Mr Bradshaw

Mr Cowan
Mrs Edwardes
Mrs Hodson-Thomas
Mrs Holmes
Mr Johnson
Mr MacLean

Mr Masters
Mr Minson
Mr Nicholls
Mrs Parker
Mr Prince
Mr Shave

Mr Sweetman
Mr Tubby
Dr Turnbull
Mrs van de Klashorst
Mr Wiese
Mr Osborne (*Teller*)

Pairs

Mr Marlborough
Mr McGowan
Ms Anwyl
Dr Edwards

Mr Court
Mr Omodei
Dr Hames
Mr House

Amendment thus negatived.

Debate (on motion, as amended) Resumed

Debate adjourned, on motion by Ms Warnock.

House adjourned at 11.36 pm

QUESTIONS ON NOTICE

Answers to questions are as supplied by the relevant Minister's office.

STEPHENSON AND WARD INCINERATOR INVESTIGATION

44. Mr RIPPER to the Minister for the Environment:

- (1) When will the Department of Environmental Protection investigation into the allegations of contamination at the Stephenson and Ward Incinerator be completed?
- (2) Will the report of this investigation be publicly released?
- (3) If not, why not?

Mrs EDWARDES replied:

- (1) I understand the investigation into the allegation has been completed, and the outcome is being considered by the Department of Environmental Protection.
- (2)-(3) I have not seen the report. I will be taking advice on this issue.

STATE FINANCE

Taxes and Charges

50. Dr GALLOP to the Minister for Planning; Employment and Training; Heritage:

In relation to all the portfolio areas for which the Minister has responsibility -

- (a) what fees and charges have been increased in the context of the 1998/99 Budget and the announcements made immediately prior to the Budget;
- (b) what is the rate of increase for each of these in dollar and percentage terms;
- (c) what is the estimated total additional revenue each of these increases is expected to raise;
- (d) are there any other increases in fees and charges proposed for the financial year 1998/99; and
- (e) if so, what are the details of these other increases?

Mr KIERATH replied:

Planning:

Ministry for Planning (including Town Planning Appeal Committee and Town Planning Appeal Tribunal)

- (a) Planning fees associated with the lodgement of subdivisions and strata title applications and lodgement of appeals have been increased by the Western Australian Planning Commission in line with implementation of a five year cost recovery program which commenced in 1994/95. No announcements were made immediately prior to the budget for these fee increases.
- (b)

Strata Title Applications	[See paper No 95.]	
Subdivision Applications	[See paper No 95.]	
Town Planning Appeal Tribunal	\$190 to \$220	15.8% Increase
Town Planning Appeal Committee	\$190 to \$220	15.8% Increase
- (c)

Strata Title Applications	\$ 14 000	
Subdivision Applications	\$119 000	
Town Planning Appeal Tribunal	\$ 1 000	
Town Planning Appeal Committee	\$ 19 000	

(d) No.

(e) Not applicable.

East Perth Redevelopment Authority

(a) Nil.

- (b)-(c) Not applicable.
- (d) No.
- (e) Not applicable.

Subiaco Redevelopment Authority

- (a) Nil.
- (b)-(c) Not applicable.
- (d) No.
- (e) Not applicable.

Employment and Training

Western Australian Department of Training

- (a) On 23 October 1998 changes to TAFE tuition fees over a 3 year period were announced for introduction in the 1998 Academic Year. Commencing in January 1999 TAFE tuition fees will increase to \$1.00 per curriculum hour to a maximum of \$365 per semester.
- (b) \$0.10 per curriculum hour, which equates to an increase of 11.1 percent.
- (c) \$1.3 million, which is to be allocated to provide enhanced programs and services for TAFE students.
- (d) No.
- (e) Not applicable.

Heritage

Heritage Council of Western Australia

- (a) Nil.
- (b)-(c) Not applicable.
- (d) No.
- (e) Not applicable.

WA AUTOMOTIVE AND MINING INDUSTRY TRAINING COUNCILS, FUNDING

110. Dr CONSTABLE to the Minister for Employment and Training:

- (1) Has the Western Australian State Training Board allocated any funding to the Western Australian Automotive and Mining Industry Training Councils in 1998?
- (2) If not, why not?

Mr KIERATH replied:

- (1) No.
- (2) The automotive industry decided to separate from the Retail Automotive and Associated Services Industry Training Council in September 1996. Automotive Training Australia (WA) subsequently sought and was granted recognition by the interim State Training Board as a self-funded industry training advisory body for the automotive industry in December 1996. A precedent was set in April 1996 when the Chamber of Minerals and Energy sought and was granted recognition by the interim State Training Board as a self-funded industry training advisory body for the minerals industry.

In January 1997 the State Training Board formally recognised these organisations as self-funded industry training advisory bodies for their respective industry sectors under the new Vocational Education and Training Act 1996, which came into effect on 1 January 1997.

Following numerous subsequent representations from the Automotive Industry Training Council for funding the State Training Board reconsidered its decisions and determined that the self-funded status the Automotive Industry Training Council originally sought should be maintained.

OMEX SITE

Community Consultative Committee

235. Mrs ROBERTS to the Minister for Environment:

- (1) Will the Minister advise when the Omex Community Consultative Committee will meet again?
- (2) Will the Minister advise what decisions have been made since the suspension of the Omex Community Consultative Committee?
- (3) Will the Minister advise what process was used to appoint Mr Michael Breen, Chairman of the Omex Community Consultative Committee?

Mrs EDWARDES replied:

- (1) The Omex Remediation Implementation Consultative Committee has met since the suspension in April, on 29 June, 13 July, 3 August and 17 August 1998.
- (2) Decisions made since the suspension until to-date comprise of acquisition of non-Omex related properties. In addition the government agencies responsible for the remediation have awarded a number of contracts, including contractors to install the containment wall and planning consultants. The Environmental Protection Authority has also appointed an independent adviser to advise them. Information regarding these decisions has been made available to committee members.
- (3) Mr Breen was the preferred applicant from recommended candidates identified with experience in the specialised area of community consultation. I appointed Mr Breen as an independent chairman capable of chairing the committee without prejudice.

MILYU RESERVE

264. Mr PENDAL to the Minister for the Environment:

I refer to the respective boundaries of the Milyu Nature Reserve and the adjoining Marine Reserve and ask -

- (a) does the northern extremity of the Milyu reserve coincide with that of the marine reserve; and
- (b) will the Minister table a plan indicating both boundaries?

Mrs EDWARDES replied:

- (a) No.
- (b) Yes. [See paper No 96.]

MILYU RESERVE, MT HENRY PENINSULA AND THE WATERFORD FORESHORE

265. Mr PENDAL to the Minister for the Environment:

I refer to the three major pieces of conservation estate in the South Perth electorate - namely Milyu, the adjoining marine reserve, Mt Henry Peninsula and the Waterford Foreshore, and ask -

- (a) what is the category or classification of each;
- (b) will the Minister provide current maps for each; and
- (c) are State funds allocated to these reserves for maintenance or protection?

Mrs EDWARDES replied:

- (a) Milyu Nature Reserve is an A class reserve for the purpose of Conservation of Flora and Fauna. The adjacent section of Swan Estuary Marine Park is an A class reserve for the purpose of Marine Park. Mt Henry Peninsula and Waterford Foreshore are not under the management of an agency within my portfolio of responsibility. I understand the City of South Perth has an interest in both and the Honourable Member should direct his inquiries there for the information he seeks.
- (b) A map showing Milyu Nature Reserve and the adjacent section of the Swan Estuary Marine Park in response to Question on Notice 264 has been tabled. As the other areas are not within my portfolio of responsibility, I am unable to table maps for them.

- (c) State funds are allocated to Milyu Nature Reserve and the adjacent Marine Park for maintenance and protection. The other areas are not within my portfolio of responsibility, and therefore no state funds are allocated through CALM for their protection or management. A Community Conservation Grant of \$3 200 was awarded to the Mt Henry Peninsula Preservation group in 1997/98 for a rehabilitation and protection project. I do not have information of any funding through other agencies such as the Swan River Trust or other grant schemes. I recommend the Honourable Member approach the City of South Perth direct, as it is most likely to hold this information.

REGIONAL FOREST AGREEMENT

Road, Stream and River Buffers

325. Dr EDWARDS to the Minister for the Environment:

- (1) How do road, stream and river buffers which have been included in the conservation reserve system in the consultation paper conform to the Regional Forest Agreement criteria?
- (2) Which other States have included road reserves in their proposed RFA conservation reserve system?
- (3) Does this incorporation of stream reserves include winter streams?
- (4) How much of the 170 800 hectares of informal reserves included in the conservation reserve system is actually forest?
- (5) What proportion of the existing forest reserve system labelled as Formal Reserves currently have mining included in the reserve purpose?
- (6) By what formula, were the multiplier effects for employment calculated with regard to -
 - (a) the native forest timber industry;
 - (b) tourism; and
 - (c) beekeeping?
- (7) How were these formulae derived?
- (8) Who was responsible for determining these multiplier effects in each of the listed industries?

Mrs EDWARDES replied:

- (1) The "Nationally Agreed Criteria for the Establishment of a CAR Reserve system for Forests in Australia" include reserves as components of a Comprehensive Adequate and Representative reserve system. Road river and stream reserves included in the public consultation paper conform to these criteria in being established by an approved management plan, involving public comment on changes to the management plan, being identified on maps, and being of an area and design to maintain the values they seek to protect.
- (2) No other State has designed a comprehensive network of informal reserves for the protection of nature conservation, water and amenity values (including road reserves which are protected from timber harvesting) as has been developed in Western Australia. Therefore, no road reserves are included in the CAR reserve system in Tasmania and Victoria where RFAs have been signed.
- (3) Most of the 4th and 5th order streams accredited for the purposes of the RFA Public Consultation Paper are likely to be perennial streams.
- (4) There are 65 500 hectares of forest and 18 000 hectares of woodland within the 170 800 hectares of informal reserves accredited for the purpose of the RFA Public Consultation Paper.
- (5) Under the Mining Act, no tenure of land in WA is excluded from access for mineral exploration or mining. There is no formal reserve within the RFA region with the word "mining" in its gazetted purpose. However, 9.8 per cent of the reserves labelled as formal reserves in the Public Consultation Paper have their purpose worded as one of the following:

"Conservation Park and the Agreement defined in Section 2 of the Alumina Refinery Agreement Act 1961."

"Conservation and the Agreement defined in Section 2 of the Alumina Refinery Agreement Act 1961."

"Recreation and the Enjoyment of Natural Environment and the Agreement defined in Section 2 of the Alumina Refinery Agreement Act 1961."

- (6) (a) An average multiplier of 2.2 was used, based on the input-output employment multipliers relevant to the timber industry sectors of the Western Australian economy (Clements and Quaing 1995).
- (b) The Western Australian Tourism Commission has estimated that for every additional \$1 million spent in Western Australia by tourists, 13 new jobs are created in the economy when compared to the previous year. No further multiplier has been used in the economic profile of the tourism and recreation industries in the RFA.
- (c) A multiplier of 1.7 is used for agricultural industries such as beekeeping.
- (7)-(8) The multipliers used in the economic assessment for the RFA were derived by technical committees acting on advice from relevant State agencies and other experts.

QUESTIONS WITHOUT NOTICE

TEENAGE RUNAWAYS

57. Ms ANWYL to the Minister for Family and Children's Services:

- (1) Does the minister condone a 14-year-old runaway girl living with her 21-year-old boyfriend and a 13-year-old girl being in a relationship with a 24-year-old man, as described on the front page of today's edition of *The West Australian*?
- (2) As the minister's department has investigated the matter and decided not to intervene, are we to assume that the minister and the Government condone breaches of the Criminal Code with respect to minors?

Mrs PARKER replied:

- (1)-(2) I thank the member for that question. Of course I do not condone the matter. It is not appropriate to discuss incidents in the life of the family. I will speak to the member for Kalgoorlie after question time if she wants to raise the matter with me. Teenage runaways are a matter of much difficulty. Certainly, when a young person leaves home, we can take the child home but we are not able to make him or her stay. There was an investigation in this case to ensure that there was a safe environment. The circumstances changed. Departmental officers have been out to the home today and ascertained that it is not a suitable placement and other arrangements are being made.

TEENAGE RUNAWAYS

58. Ms ANWYL to the Minister for Family and Children's Services:

Does the minister agree with the department's assessment that those children are not at risk?

Mrs PARKER replied:

When the department assessed the young lady's self-placement there was no risk and repeated offers of mediation were made to the child and to the parents. When the circumstances changed, the arrangement was assessed as unsuitable and alternative arrangements are now being made.

MENTAL HEALTH PATIENTS

Accommodation Charge

59. Mrs HOLMES to the Minister for Health:

Could the minister please provide the House with more detail about a case that was raised in the media last week relating to the charging of fees for accommodation at a clinic of the Bentley Health Services?

Mr DAY replied:

I thank the member for some notice of this question.

Since this issue was raised last week, I have inquired into the matter. My inquiries reveal that it is appropriate that the patient was charged a modest accommodation fee for the period that he was not an acute patient. As from 23 July, the patient was determined by his doctor not to have an acute need and it was therefore judged appropriate to discharge him from the acute accommodation within the hospital.

Mr McGinty: Was his mother told that? She was the one who received the bill.

Mr DAY: Mr Speaker, I am providing information in response to the issue raised last week. Members may wish to listen to the details of the matter.

The patient was accommodated at the Mill Street Clinic of the Bentley Health Service. It is standard practice for patients who do not have an acute need to be charged a daily accommodation fee. That is entirely appropriate because beds in acute sections of hospitals need to be kept for those acute patients and not taken up by people who do not need to occupy them. The patient was offered alternative supportive accommodation but that was refused. This arrangement is provided for through the Medicare Agreement between the Commonwealth and the State and also in the State's Hospitals and Health Services Act.

Mr McGinty: Why was his mother billed rather than the patient?

Mr DAY: It is not appropriate to reveal confidential information on the details of the case. There was certainly a good reason for the mother being sent the account.

Mr McGinty: What is that reason?

Mr DAY: It is interesting to note that the member for Fremantle is arguing not about the substance of the issue - whether it is appropriate that he be charged - but simply about some finicky little detail such as that.

The most fascinating thing for the House to realise is that the charges applied were brought about by a change to the hospital services' charges regulations that govern such cases. They were introduced in 1984 by the then Minister for Health, Hon Barry Hodge, who was a minister in the Burke Labor Government. Therefore, contrary to the implicated suggestion by the Opposition last week, the charge raised in relation to this patient was not brought about by some change in policy by this Government but put in place by a decision of a previous Labor Government.

FAMILY AND CHILDREN'S SERVICES

Psychiatrically Disturbed Girl

60. Ms ANWYL to the Minister for Family and Children's Services:

I refer to the report in today's edition of *The West Australian* of Family and Children's Services placing a 14-year-old psychiatrically disturbed girl unsupervised in a Derby pub for respite. Would the department not consider this girl to be at risk if she were staying unsupervised at the hotel in any other circumstances?

Mrs PARKER replied:

I have not yet been able to get full details on this matter. I will provide the member for Kalgoorlie with details of the matter when I receive the information.

Ms Anwyl interjected.

The SPEAKER: Order!

Mrs Roberts interjected.

The SPEAKER: Order! The member for Ningaloo.

Mrs Roberts interjected.

The SPEAKER: I formally call the member for Midland to order for the first time. I am up here calling order and there are some people who do not want to take any notice. If the member for Midland indicates so bluntly that she does not want to take any notice, I must react.

MURCHISON GAS PIPELINE

61. Mr SWEETMAN to the Minister for Resources Development and Energy:

I refer the minister to his statement in the House this morning outlining details of government assistance for Western Power to participate in the establishment of a new gas pipeline to the Murchison region. What impact will this gas pipeline have on power costs in the region? Will there be any real benefit to businesses in the towns such as Mt Magnet and Meekatharra?

Mr BARNETT replied:

I thank the member for member for Ningaloo for the question and also for his support and assistance in bringing the project to fruition. The impact is in two parts: First, Western Power has responsibility for supplying town power

supplies to Yalgoo, Cue, Mt Magnet and Meekatharra. The losses that Western Power incurs in those areas are around \$3m annually. To put it in a sharper context, the cost of power generation to Western Power is in excess of 40¢ per kilowatt hour. Under these new arrangements, I expect the cost of power generation to be in the order of 10¢. That will be a very dramatic saving in these townships, which will benefit by a more reliable, cleaner and greater capacity of power supply. With respect to mining companies in the area, the big energy users, currently a mining company with a stand-alone diesel power generation unit would have costs of generation of perhaps 12¢ to 15¢ per unit. Although it would depend on contracts negotiated, we expect that the price of gas fuel compared with diesel fuel would be about half and that once new investment in generation is allowed for, mining companies would save somewhere between 20 and 30 per cent on their power costs. Clearly there are big savings for existing firms and the townships in the area, but, more importantly for the future, this new 500 kilometre mid-west pipeline will see a lot of new development take place throughout that area.

SALARY PACKAGING

62. Mr KOBELKE to the Minister for Labour Relations:

I refer to yesterday's statement by the Western Australian Industrial Relations Commission that the minister's Government's salary packaging policy is unfair; discriminates unfairly against employees covered by awards; and if applied by public sector employers, means that they may have acted unlawfully as well as unfairly.

- (1) Will the minister immediately require all public sector employers to act fairly and lawfully and to cease discriminating unfairly against award employees?
- (2) Will the minister suspend or vary her Government's policy on salary packaging until the completion of a review in order to ensure fair and lawful treatment of all government employees?

Mrs EDWARDES replied:

- (1)-(2) The Industrial Relations Commission held a couple of days of hearings last week as a follow-on from an appeal, the decision on which is to be handed down within the next few weeks, as I understand it. The work that the commission undertook is very helpful. The thoughts that the commission has expressed will assist us, as have the thoughts it expressed in other pay disputes, such as the nurses' dispute. We have underway meetings with the Australian Taxation Office on the taxation liability. I have indicated that following those discussions and the appeal being determined and the decision handed down, I would further consider our policy in the light of those decisions.

Mr Kobelke: Will you suspend or vary the current policy?

Mrs EDWARDES: The decision on the appeal is about to be handed down in the next couple of weeks. The meetings with the Australian Taxation Office will be held in the next week. It is appropriate to wait for the outcome of those before further considering the policy.

WESTERN AUSTRALIAN DRUG ABUSE STRATEGY

63. Mr BAKER to the Minister for Family and Children's Services:

The minister has responsibility for the Western Australian Drug Abuse Strategy. Can she advise what the Government is doing to combat drug abuse in our schools?

Mrs PARKER replied:

When the Government developed its approach in response to the problems of drugs in our community one of the critical areas that it wanted to address was schools. Apart from re-writing the curriculum to put in a comprehensive across-school curriculum, where we have developed some national firsts in some material to be taken home for children to do with their parents, homework for parents, which is being noted across Australia for its initiative, on Sunday the Minister for Education and I launched the new school drugs policy document, which encourages and supports schools in developing a comprehensive drug policy. I will table that document today. It is important to note the feedback that we are getting from teachers, parents and also the student bodies that have gone through this document and developed the school drug policy. We are getting very strong feedback supporting this document in the process. The students themselves are very pleased to have defined very clearly what is acceptable in school and are finding that at last they find themselves entitled to a drug-free school environment. I table the document. The Government is committed to a very comprehensive response in schools. That new curriculum work is going very well and the school drug policy initiative has been strongly supported by government schools, the Independent Schools Association and the Catholic Education Office.

[See paper No 97.]

ARMADALE-KELMSCOTT MEMORIAL HOSPITAL

Privatisation

64. Ms MacTIERNAN to the Minister for Health:

- (1) Can the minister confirm that one of the two remaining tenderers for the privatisation of the Armadale-Kelmscott Memorial Hospital is a company that owns a substantial private hospital in the area?
- (2) Does the Government accept that this company could have a substantial conflict of interest in managing a public health facility, particularly in managing waiting lists?

Mr DAY replied:

- (1)-(2) One of the companies that has submitted a proposal for the redevelopment of the Armadale-Kelmscott Memorial Hospital does own another hospital in the area. So what?

Several members interjected.

Mr DAY: We will assess -

Several members interjected.

Mr DAY: Talk about a scare campaign! Members opposite are whipping up public emotion in the area and trying to scare local people - the elderly and the sick - into believing that they will not be able to receive public treatment in the area. They will be able to get that treatment.

Ms MacTiernan: What about managing the waiting list? If there is a private hospital down the road, would there not be an incentive for the managers to allow the waiting list -

Several members interjected.

Mr DAY: We should wait until the next election to see the Labor Party put up a sign indicating that it will do it, but by that time this Government will have already done it.

The department will assess all the proposals and look at the track records of the companies involved. The Opposition has absolutely no credibility in this area. As I have said, the previous federal Labor Government sold Hollywood Hospital.

Ms MacTiernan: You were offered that. We have explained that. Perhaps your predecessor -

Mr DAY: Who was offered it?

Ms MacTiernan: The state Health Department was offered the hospital.

Mr DAY: When?

Ms MacTiernan: Before it bought it.

Mr Court: Was that before you pulled the sign down at Armadale?

Ms MacTiernan: No. You tell us when it was.

Mr DAY: When the member for Armadale can be quiet for long enough, I am sure she will be interested to know that this matter was the subject of discussions between the State Government in 1992 - that is, a Labor Government - and the then federal Labor Government. As I said, it was a federal Labor Government that made the decision to sell Hollywood Hospital and it was a state Labor Government that decided that it did not want to acquire it and that it was appropriate for it to be sold to the private sector.

Let us consider what the Minister for Health at the time said about the issue on 24 September 1992 -

However, we were not averse to the Commonwealth department's entering into any tender negotiations with private interests for the hospital to be sold and to be operated in future as a private hospital.

Ms MacTiernan: That is a different issue; that related to veterans - a declining group.

Several members interjected.

The SPEAKER: Order! We have had enough of six, seven or a dozen members getting involved. Perhaps the minister can bring his answer to a close.

Mr DAY: I am moving towards that point. However, the more the member for Armadale says on this issue, the bigger the hole she digs for herself. I will refer again to what the 1992 Labor Minister for Health, Keith Wilson, had to say -

Ms MacTiernan interjected.

Mr DAY: The member should be quiet for a minute. The then Labor Minister for Health said -

In fact, in my view that deal should be offered to all pensioners in Australia, not just to veteran pensioners; that is, if they cannot be accommodated accessibly in the public hospital system the Commonwealth Government should purchase services for them in the private system.

COASTAL EROSION

65. Mr NICHOLLS to the Minister for Planning:

- (1) Does the minister regard coastal erosion as an important environmental issue in Western Australia?
- (2) If so, will the minister indicate whether any strategies are currently in place to manage and/or prevent coastal erosion causing substantial damage?

Mr KIERATH replied:

- (1)-(2) In Western Australia coastal erosion is an important environmental issue for some areas of the coast. Most of the coast is under good control, but in some areas it is an important issue. As far as statewide environmental priorities are concerned, it is not listed in the state of the environment report as one of the 22 important environmental issues. Responsibility for management of the impact of coastal erosion lies with the agency in which the foreshore is vested. In many cases, that is the local authority. With regard to state strategies, if coastal erosion causes substantial damage, the Department of Transport is responsible for emergency beach protection works.

The Western Australian Planning Commission is developing a long-term coastal development control policy. It has released a scoping paper called "Coastal Planning and Development: Towards a Policy Framework", which is currently being incorporated into a draft policy.

The State Government has a substantial commitment to coastal improvement, and its biggest program is the Coastwest/Coastcare program which is handled through the Planning portfolio. There are numerous examples of beach and dune rehabilitation throughout the State which have been funded by this program. It is a tremendous program of cooperation between community groups, local groups and the State Government. It is one area of spending from which we receive the biggest value for the dollar because the Government provides money for the resources and many community groups provide labour free of charge. The results being achieved are outstanding.

WESTRAIL

Sale of Freight Business and Rail Network

66. Ms MacTIERNAN to the Leader of the National Party:

I refer to the National Party's policy on the privatisation of Westrail and the claim by the Deputy Leader of the National Party yesterday that the majority of farmers support the decision to sell off Westrail's freight business and rail infrastructure.

- (1) Given the trenchant opposition of the WA Farmers Federation, and its estimate that 90 per cent of its members oppose it, what is the basis for the National Party's view that the majority of farmers support this decision?
- (2) In what way will handing over the narrow gauge rail network to a private monopoly assist the grain industry?

Mr COWAN replied:

- (1)-(2) One of the assumptions made by the member for Armadale, which is incorrect, is that the WA Farmers Federation is representative of Western Australian farmers. If she wants proof that this is not the case, she should ask the Farmers Federation for its membership numbers to see how unrepresentative it is.

Ms MacTiernan: Do you think it is representative of the grain industry?

Mr COWAN: No, I do not. I suggest its level of representation is in decline and is at the lowest level for a long period, possibly because of its lack of representation of the direct interests of the farming group.

At the moment it is possible for the five major customers of Westrail to enter into negotiations with outsiders who may, through the mechanism of the national competition policy, require Westrail to give track access to third parties through the operations of the Trade Practices Act. One of the issues that concerns Westrail, and also concerns primary producers, is that if those five major customers of Westrail succumbed to the wiles of other third parties and accepted contracts of a lower value - which they have every right to do - and if Commissioner Fels supported them through the application of the Trade Practices Act, Westrail would lose the majority of its business. All that would be left are areas of track from which no profit could be generated for Westrail's operations.

In that sense, primary producers are concerned that if all the highly productive and profitable areas of Westrail are taken out of the system as a result of the national competition policy, when Westrail puts up its hand and asks for financial support from the Government for lines that do not generate as much profit as others, given there is a greater demand for health, education and law and order, it would be very much at the bottom of the queue. In that respect the farming population, particularly grain producers, has an interest in identifying whether it would be advisable for Westrail to be sold as a profitable entity, under certain conditions and principles, which might reduce the overall value of Westrail to the purchaser but would guarantee the delivery of a rail freight system throughout rural Western Australia.

OPEN RAIL ACCESS PLAN

67. Ms MacTIERNAN to the Deputy Premier:

Is the Leader of the National Party aware that the Government's open rail access plan does not include provision for access or competition on the State's narrow-gauge system, on which most of the grain freight is moved?

MR COWAN replied:

I understand that, irrespective of Western Australian legislation, third-party access can be obtained by appealing to the Trade Commissioner, provided he believes the application has merit and is within the rights of the Trade Practices Act. I do not think it matters whether the state legislation contains certain provisions. As I said, what is important is that Westrail as an entity is a profitable operation.

The capacity of the State to prop up those non-profitable areas of Westrail will not be achieved. We have the option of examining Westrail to see whether we can sell it as a profitable entity with principles and standards applied or whether we allow third parties to pick off all of the profitable rail runs and allow the non-profitable areas to be closed down. Nobody wants that, not even the member for Armadale.

CANNING VALE SUBURB NAMES

68. Mrs HOLMES to the Minister for Lands:

As a result of the meetings I have attended on behalf of my residents in Canning Vale with the Geographic Names Committee, will the minister please advise whether -

- (1) the suburb names of Livingston and Nicholson will not be suburb names in the area known as Canning Vale; and
- (2) Canning Vale will remain as the suburb name?

Mr SHAVE replied:

I thank the member for some notice of this question.

- (1)-(2) Yes.

I am also happy to advise the member that the name Ranford can now be used as the name for the new primary school due to open at the commencement of the 1999 school year. Furthermore, processes have been put in place to ensure that any future suburb name change originates from the community in consultation with the local member of Parliament - that will make the member for Armadale very happy - the local authority, local groups and any relevant historical societies.

GOODS AND SERVICES TAX

*Essential Food Items***69. Dr GALLOP to the Premier:**

I refer the Premier to growing uncertainty about the social implications of John Howard's proposed goods and services tax. Do the Premier and the Government support the imposition of a 10 per cent goods and services tax on essential food items - such as bread, meat, fruit and vegetables - which are currently tax free?

Mr COURT replied:

We were promised a week of detailed questioning on the goods and services tax. We are now at the end of question time on the second day of this sitting week and we have just had our first question on the GST.

Several members interjected.

Mr COURT: I will tell members about yesterday.

The SPEAKER: Order! I am allowing some interjections from the Leader of the Opposition, who asked the question, but too many members on the opposition side are trying to get into the act.

Mr COURT: Yesterday was confession day - Bill came clean, and the Leader of the Opposition came clean that he supported a GST. For those who were in the Chamber, he said, "Yes, I did support the GST, but that was back when it was being supported by Paul Keating and Co, and we have now changed our position on this matter." Yesterday those opposite moved an amendment to the Address-in-Reply and when the question was put there was no support for the amendment; the amendment was negatived. Those opposite were so concerned about it that they did not even call for a division.

As well as that, yesterday Gareth Evans asked for a briefing on the GST package.

Mrs Roberts interjected.

Mr COURT: I will answer the question: Yes; in the context of the overall package, which includes a GST on food, I do believe the proposal is acceptable.

As I was saying, yesterday Gareth Evans asked for a detailed briefing. Why did he want that? It is because he thought there might be some good ideas in this package that he could incorporate in his own tax package.

On top of that, yesterday the Leader of the Opposition said that he could not guarantee the Labor Party's tax package would include a growth revenue provision for the States. It is no wonder when asking nearly the last question in question time - supposedly after two days of solid questioning - those opposite seem to want to drop the subject.

Dr Gallop: You could not answer them.

Mr COURT: Does the Leader of the Opposition want me to sit down now?

Dr Gallop: Just answer the question.

Mr COURT: I ask members to listen to this -

A consumption tax is simpler, helps reduce income tax, and catches cheats.

. . . There are three main advantages of the (consumption) tax:

- . First, it will allow a more rational indirect tax system than the current anomaly-ridden wholesale tax, which has multiple rates, numerous exemptions, and fails to tax the services sector.
- . Second, it will enable us to generate tax revenues to provide for a major reduction in the marginal rates of income tax. No other tax has the same potential for this purpose.
- . Third, it generates tax from those who will continue to evade or avoid income tax. That provides a useful "net dividend" for distribution to the rest of the community.

That is Paul Keating telling us why we should have a tax.

Several members interjected.

The SPEAKER: Order! That silence is much better!

Mr COURT: The firm supporters of a goods and services tax included Bob Hawke, Kim Beazley and Gareth Evans.

The federal Leader of the Opposition and the Deputy Leader of the Opposition were firm supporters of a GST proposal. John Edwards, who wrote Keating's biography, has been quoted in the newspaper in the past couple of days. In his book he states -

The trick was to impose a consumption tax as soon as possible. Income tax cuts paid for by the new sales tax had to be in place well before the next election if the government was to have a hope of winning it. It was also important to pass through the Consumer Price Index price rises induced by the new tax.

He also states -

Though Keating and Hawke were guarded in public, in private the option of a consumption tax was well developed.

We encounter a lot of hypocrisy on this issue. The question I have been asked is in relation to a GST on food.

Dr Gallop: You have answered it.

Mr COURT: No; I have not answered fully. Those opposite seem conveniently to ignore that there is already a wholesale sales tax in place on a number of food items. When they buy groceries at the supermarket, they conveniently forget that a lot of sales tax is already paid. It is very telling that this week, when we were to be subjected to rigorous scrutiny on the goods and services tax, on the second day in this sitting week those opposite wait until the end of question time before asking a question on it.

GOODS AND SERVICES TAX

Analysis by Ministers

70. Dr GALLOP to the Premier:

Has the Treasury, the Minister for Family and Children's Services, the Minister for Education or the Minister for Housing completed an analysis of the goods and services tax so the Premier is a position to assess its consequences after he has already signed up for it?

Mr COURT replied:

Whoa! I will use the argument in reverse: Gareth Evans has slammed the package, and now he has asked for a briefing on it.

Dr Gallop: You are worse than Goebbels. You have no intellect. The Premier is a bottomless bit of inanity.

Mr Osborne: What a snob you are.

Dr Gallop: Absolutely. Especially when it comes to this fellow, there is no doubt about it.

Mr COURT: I readily admit that I am not an academic giant.

Mr Ripper: Can we have that in writing?

Mr COURT: Yes. In relation to the tax proposals, for some years the Government, with the help of Treasury, has been developing proposals.

Dr Gallop: You signed up before you analysed it. What a brilliant Government!

Mr COURT: I had a series of meetings with the Prime Minister and I had senior Treasury officials -

Mr Thomas interjected.

The SPEAKER: Order! We have sat for five days and the member for Cockburn has been extremely good. He has stopped his same old, inane interjections. I have heard his interjections about the Premiers' Conference about 10 times.

Mr Thomas interjected. He won't answer them.

The SPEAKER: Order! The member should not speak when I am on my feet or he will be in awful trouble. The Premier may get rid of the interjection before I have to start formerly calling the member for Cockburn to order.

Mr COURT: At the meetings we have had about the tax proposals, I have had Treasury people with me. When the proposal was put to us, prior to its public release, with the Treasury officials we worked through the options as they were presented to us and were able to make a judgment that there was a significant benefit in this package for Western Australia.

In relation to a detailed analysis, for which the member has asked, the Treasury people are preparing that. They have also sought advice. A senior accountancy firm has also come in to assist them, because there are many assumptions. I have said that when that analysis is available, we will put it out publicly. The Treasury people have advised us that the proposal will guarantee the States access to a major growth revenue. That is a more favourable position than we have currently.

Mr Ripper: It is not. It is a worse position.

Mr COURT: The Deputy Leader of the Opposition seems to want to ignore the fact that the High Court has ruled that we have lost access to tobacco and fuel taxes, and the like. However, even though we have lost access to those taxes constitutionally, the Federal Government is prepared to give to the States every cent of the taxes from that source. Before members opposite go too much further, they should come up with an alternative proposal and tell us what revenue base the State will have under that proposal.

Point of Order

Dr GALLOP: Mr Speaker, I wish to raise a matter with you about the conduct of question time. This matter is at the heart of the way we conduct question time in this Parliament. One tradition in the Western Australian Parliament that makes our question time significantly different from that in other jurisdictions, including the Federal Parliament, is that Ministers of the Crown answer the question that is given to them and focus upon the issues that are directed to them by that question. However, it has been clear to me since we have commenced this session that the Government has developed a strategy where, first of all, no matter what the question, it delivers its prepared answer on a particular topic. The second part of its strategy is that it spends a lot longer on delivering its answers to questions. As a result of those two factors, this matter is worthy of consideration by you, Mr Speaker, and by the Standing Orders and Procedure Committee of the Parliament, to see to it that this trend is stopped, and stopped quickly.

The SPEAKER: Order! That is not a point of order. The Leader of the Opposition has had the opportunity to put a point of view; some people may agree with it, and others may disagree with it. I have said on previous occasions that the situation is simply that members ask their question, ministers give the answer that they give, and we all individually judge the merit of that answer. Ministers must live with whatever answer they give. That is the way it has always been since I have been in this Parliament. However, I think we can accept the other point that the Leader of the Opposition made, which is that sometimes the answers are too lengthy. Yesterday we had 19 questions, if we include supplementaries. Today, we had 14 questions. That was partly because many people interjected, and some of the ministers took those interjections; and if we counted all those interjections as questions, we would end up with 30 questions. Perhaps all members will reflect on that.
