WESTERN AUSTRALIA

Parliamentary Debates

(HANSARD)

THIRTY-FIFTH PARLIAMENT
SECOND SESSION
1998

LEGISLATIVE ASSEMBLY

Tuesday, 27 October 1998

Legislative Assembly

Tuesday, 27 October 1998

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

BILLS - RETURNED

1. Fire and Emergency Services Authority of Western Australia Bill.

2. Fire and Emergency Services Authority of Western Australia (Consequential Provisions) Bill.

Bills returned from the Council without amendment

UNITED STATES SENATOR JOHN GLENN

Statement by Premier

MR COURT (Nedlands - Premier) [2.05 pm]: Many members would have memories of the night in early 1962 when the residents of Perth spontaneously turned on their lights in salute to the American astronaut John Glenn as he completed his three-orbit mission around the Earth on board his space capsule *Friendship 7*. It was an event in our State's history which attracted the attention of people from around the world and which saw our beautiful capital dubbed "the City of Lights". It was also an event that people thought would never be repeated. More than 38 years on, at the age of 77, United States Senator John Glenn will this week return to space on board the space shuttle *Discovery*. Senator Glenn's decision to return to space presents the people of Perth with a truly unique opportunity not only to repeat their gesture of 1962 but also to mark the second space mission of a man who has a special place in the hearts of many Western Australians.

As I have already informed the House, a group of science teachers and science students from Western Australian schools will witness the launch of the *Discovery*, which is currently scheduled to take place on Thursday. I am pleased to say that earlier today science teachers Richard Rennie from the Presbyterian Ladies' College and June Gouldthorpe from Applecross Senior High School, along with year 11 students Clare Drake from Applecross Senior High School and Aaron Wyatt from Duncraig Senior High School, departed Perth on the first leg of their journey to Cape Canaveral in Florida. For each of the participants it will be a once-in-a-lifetime opportunity to be part of cutting edge space research. The visit will also foster a stronger relationship between Western Australia, the United States and the world's leading space program.

As the launch date draws closer this week, I hope that the people of Perth will rekindle the enthusiasm which the residents of our city displayed in 1962 in preparations to turn on the lights for Senator John Glenn. For some time my office has been in contact with National Aeronautics and Space Administration officials to ensure that we have the most up-to-date information about when will be the best time for Perth to turn on its lights. At this stage it is anticipated that Senator Glenn will have the best view of Perth early on the morning of Saturday October 31, at 32 minutes past midnight. NASA has undertaken to advise the State Government and the people of Perth via local media outlets of any changes to that time.

Despite the fact that Senator Glenn will be further north of Perth on that occasion and there is the possibility that his view from the *Discovery* may not be as good as it was from his spacecraft in 1962, the increase in the size of Perth and its buildings is expected to create an impressive display even for the most experienced astronauts on board the *Discovery*. The people of Perth will be able to monitor the reaction of those on board the *Discovery*, as NASA plans to broadcast live its voice communications with the crew. There is no doubt that as the people of Perth once again turn on their lights for John Glenn at the start of the weekend it will be an exciting and memorable occasion for our community. It will be an opportunity for all Western Australians to demonstrate their depth of spirit as a community and show people around the world why Perth is known as "the City of Lights".

ORGANISATION FOR ECONOMIC COOPERATION AND DEVELOPMENT CONFERENCE

Statement by Minister for Works and Services

MR BOARD (Murdoch - Minister for Works) [2.08 pm]: Last week I informed the House of the outcomes of the recent Australian Procurement and Construction Ministerial Council conference in Queensland which addressed electronic procurement issues across all Australian States. In my role as chair of the APCMC, I recently attended the Organisation for Economic Cooperation and Development Conference on e-commerce held in Ottawa, Canada. The role of the APCMC is to develop policies and a framework for the electronic procurement of government works and services as part of the wider issue of government services across the Internet, which is the focus of the online ministerial council. The OECD has decided to take a lead role and coordinate the growth of electronic commerce as a major evolution in world trade.

The purpose of the conference was to assess and report on the status of e-commerce initiatives worldwide. Among the significant subjects addressed at the conference were issues of privacy, taxation, consumer protection and authentication. The conference identified four main objectives as essential to the growth of international e-commerce -

building trust for users and consumers;

establishing ground rules for the digital marketplace;

maximising the benefits to both consumers and suppliers; and

providing universal and affordable access to telecommunications infrastructure.

In all of these areas, Australia is making good progress. In particular, Australia's self-regulated telecommunications initiatives were specifically recognised as a leading model for providing the required infrastructure. The conference agreed that there were important roles for both government and industry in providing these four keys to the growth of e-commerce.

There is vigorous debate about the level of legislation and regulation that Governments should apply to this market. The need to balance industry self-regulation and government legislation is the clearest message of all to come from the conference. The Europeans tend to favour a broad raft of legislation to regulate the industry as soon as possible. The North Americans generally support industry self-regulation, which promotes innovative technical solutions, rather than government intervention. The view of Australian Governments falls between those two extremes - our general belief is that legal frameworks should be established only where necessary. They should promote a competitive environment and should be clear, consistent and predictable. There is a consensus that Australian Governments should utilise their roles as e-commerce users, particularly in procurement, to gauge the true extent of regulation required.

The successful growth of e-commerce will depend upon the confidence of consumers and traders and this Government is committed to the constructive and proactive development of market confidence. The APCMC has taken a lead role in the development of e-commerce standards for government procurement activities and this will foster the confidence that the private sector is seeking. Therefore, I believe Australia and, in particular, Western Australia, will be well placed to take advantage of the enormous markets offered by electronic commerce.

HEALTH PRACTITIONER LEGISLATION, REVIEW

Statement by Minister for Health

MR DAY (Darling Range - Minister for Health) [2.12 pm]: I am pleased to table a very important discussion paper which provides a framework for the comprehensive review of a number of health practitioner Acts in this State. A review of such legislation was started by the Health Department of Western Australia in 1987 to improve protection for health consumers, to satisfy the National Competition Policy review requirements and to provide health consumers with effective and as far as is possible, uniform legislation. It also recognises the significant contribution made by the members of registration boards by providing them with legislation that facilitates administrative efficiency and incorporates appropriate indemnities and protections. I should point out that the NCP obliges the State to review all legislation by 2000 and remove all anti-competitive provisions when they cannot be justified on public benefit and necessity grounds. Health practitioner legislation which has been subject to review includes the Chiropractors Act, the Dental Act, the Occupational Therapists Registration Act, the Optometrists Act, the Podiatrists Registration Act, the Pharmacy Act, the Physiotherapists Act, the Psychologists Registration Act, the Optical Dispensers Act, and the Osteopaths Act. The Medical Act will be the subject of a separate discussion paper.

The review of the health practitioners legislation commenced some years ago on a collective basis. A model Bill was developed which, at the onset of the review process, was the chiropractors Bill. In 1997 the osteopaths legislation was accelerated and introduced into Parliament. With this initiative the model moved from the chiropractors Bill to the Osteopaths Act. All health practitioners are asked to interpret the Osteopaths Act 1997 as the template that will be used as a model for their own health professions, with relevant changes. The template legislation will be subject to NCP review and will be reformed if necessary. The terms of reference for the review of all health practitioner legislation are to -

clarify the objective of the legislation;

identify the nature of the restriction on competition;

analyse the likely effect of the restriction on competition and on the economy generally;

assess and balance the costs and benefits of the restriction; and

consider the alternative means for achieving the same result, including non-legislative approaches.

The Health Department will be holding a seminar soon for health practitioners and other interested parties to discuss the issues, implications and impact of the review - including the NCP review - on their professions. I strongly urged all interested parties to obtain a copy of the discussion paper "Review of the Western Australian Health Practitioner Legislation" from the Health Department of Western Australia or at its Internet address. Submissions close 11 December.

[See paper No 294.]

[Questions without notice taken.]

MAIN ROADS WA - STATE SUPPLY COMMISSION CONTRACT GUIDELINES

Matter of Public Interest

THE SPEAKER (Mr Strickland): Today I received a letter from the member for Armadale seeking to debate as a matter of public interest the following motion -

> That this House expresses concern at the Premier's inadequate response to the cavalier disregard for State Supply Commission guidelines and public sector standards shown by the Main Roads Department in letting and managing the private investigation contract and further calls for the immediate withdrawal of the Main Roads Department exemption from the State Supply Commission supervision and for the establishment of a comprehensive investigation into the contract management practices of the department.

If sufficient members agree to this motion, I will allow it.

[At least five members rose in their places.]

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

Points of Order

Mr RIPPER: Last week a precedent was created by the Deputy Speaker when television stations were given permission to use extracts from the video record of the debate on the matter of public interest. It would be appropriate for the Speaker to advise the House whether that precedent will apply to this and subsequent MPI debates.

Mr BARNETT: The Government has no objection to material being recorded and made available, but it should not be dealt with on an ad hoc basis. Perhaps, at your discretion, Mr Speaker, or through the Standing Orders and Procedure Committee, that may be considered.

The SPEAKER: There is no point of order. I have been made aware of the fact that the Deputy Speaker gave approval. That was his decision at that time. I was asked whether approval would be granted for the televising of this debate. I refused that approval, as has been the practice in this place unless we are confronted by exceptional circumstances, which on this occasion is not the case.

Debate Resumed

MS MacTIERNAN (Armadale) [2.56 pm]: I move the motion. The Main Roads private eye investigation has been a farce of epic proportions. It is up there with the other greats: Elle Racing and Global Dance. This is not an isolated tale of incompetence and mismanagement.

Mr Wiese: You should talk!

Ms MacTIERNAN: It is indicative of a number of profound problems now besetting the public sector of this State. First, we have the politicisation of the Public Service. Senior public servants see their job as preserving a Government in office. A Public Service run on short-term and acting contracts is very vulnerable to a Government seeking to politicise it. Secondly, we have seen a deskilling and demoralisation of the Public Service that has reduced the level of competence in many key areas. That process makes it easier for those with political agendas to subvert proper checks and balances.

The Leader of the House is in the Chamber handling this issue on behalf of the Government. He has commented from time to time on this matter and has expressed his concern about the deskilling of the Public Service. There is no greater example of that deskilling than this fiasco in Main Roads Western Australia. Many senior officers left after the announcement of the intention to contract out the department's services.

The third endemic problem is the obsession with secrecy and the suppression of dissent. It is the supreme irony that this coalition sold itself on the basis of open and accountable government. The member for Wagin interjected that the Labor Party should talk. The Labor Government did make mistakes in the 1980s. However, a royal commission was conducted and members on this side learnt from those mistakes. We have recognised that greater attention must be paid to ensuring the political neutrality of the Public Service and the maintenance of a more open and accountable style of management. For all its faults, the Labor Party never deskilled or demoralised the Public Service.

Mr Barnett: As you develop this argument, will you explain why the Labor Party in the upper House has moved to establish a Select Committee of Privilege against a senior and respected public servant?

Ms MacTIERNAN: I will not breach standing orders and reflect upon conduct in another place; I will leave that to the Leader of the House. People were proud to be public servants under a Labor Government; it respected the Public Service. The Leader of the House has commented on this issue.

This obsession with secrecy is ironic because the coalition achieved office by marketing itself as an open and accountable Government. The Royal Commission into Commercial Activities of Government and Other Matters and the Commission on Government made very strong recommendations about the changes required to bring the rules governing the secrecy required of public servants out of the nineteenth century. There has not been a single move by the Government, which has been in office for six years, to modernise those laws and bring them into line with the recommendations of the royal commission and the Commission on Government. However, when the Government was in opposition there was much jumping up and down about the need to protect whistleblowers.

This has been an example of the exact opposite! Not only has this Government failed to take on board the Commission on Government's recommendations to set up a proper regime of protected data but also it has gone to extraordinary lengths - new unprecedented lengths - to suppress dissent within the Public Service. School teachers have been suspended from duty for having the cheek to write a letter to their local newspapers, and an extraordinary witch-hunt has been embarked upon by Main Roads Western Australia.

I will now consider in a little more detail the Main Roads privatisation saga and the politicisation, deskilling and intimidation of the Public Service. In late December early-January this year, a series of Main Roads documents were leaked to the Opposition, and because they were documents that the public had a right to know about, the Opposition published those documents. They were reports that sounded grave warnings about the Government's proposal to contract out 100 per cent of Main Roads' road building and construction work. They could not in any way be described as commercially confidential; nor were they documents of a personal nature. They focused four square on government policy and they were critiques of that policy by some of the most senior engineers in that department. The policy being attacked proposed the complete dismantling of Main Roads' capacity to build roads and to maintain those roads. It was an interesting decision, because it was announced four and a half hours after Mr Drabble had taken up his position as Commissioner for Main Roads. Therefore, the policy decision was clearly thoroughly considered by the commissioner. Mr Drabble, obviously well prepared, had been approached by the then Minister for Transport to take on this job, no doubt because he had adopted a similar policy stance in the exercise of his duties as Commissioner for Westrail.

A day or two after the last document was published - 7 January - the commissioner met with two departmental officials and decided that action was necessary. First they contacted the Police Service. The public sector investigations unit was called in and told the story. Members of that unit said that they did not want anything to do with it. They said that the documents were not confidential or commercially sensitive, and the Criminal Code had not been breached. They asked what role they had to undertake an investigation for conduct that was clearly unlikely to be criminal. Nevertheless the Main Roads hierarchy was determined that it would proceed with this investigation. They have now acknowledged in evidence that their intention was not to find the person who had leaked the documents; their intention was to frighten the rest of the Main Roads' staff. They said they wanted to implement a reign of terror that would stop the further leaking of documents. Having spent approximately $200 000 on the investigation, they proudly announced to the Legislative Council committee the other day that they were very proud that they had succeeded and that no further documents had leaked to the Opposition since then. Little do they know!

The task to select a private investigator was given to Mr Gary White, the acting Human Resources Manager. He had been acting in that position for some three and half years, which is an interesting reflection on the departmental administration. Mr Kevin Kirk also selected the private investigator. They rang a few other government agencies and, not surprisingly, those agencies said that they had never engaged private eyes and could not provide them with any names. However, these gentlemen obviously watch television and did as they were instructed on the television: They let their fingers do the walking. They went to the Yellow Pages and found a series of advertisements.

Mr Thomas: What did he look under - "I" for private eye?

Ms MacTIERNAN: Yes, "I" for private eye. There are four pages of these advertisements. Mr Kirk and Mr White, being intrepid professionals - this is their own evidence - said that the basis on which they selected the companies to ring was, firstly, the size of their ads - so size obviously does count in Main Roads - and, secondly, their addresses, and they found that two of the private investigators had St Georges Terrace addresses. The advertisement which attracted them - they thought it was important they had St Georges Terrace addresses - reinforced the point with a picture of St Georges Terrace to make it absolutely certain that the firm was located on the terrace. We now know that they were absolutely sucked in. These private eyes know that there is one born every day, because although they provide a St Georges Terrace address, they do not have a St Georges Terrace office. The two gentlemen rang the first company but it did not answer, so they rang the second company. The second company answered and said, "Yes, we are very professional and very experienced. It just so happens that we have a little break in our usually busy workload and our two senior investigators can start immediately." They were called in that day and interviewed. None of the others - there are over 80 private eyes appearing on these four pages - was called, just this one. An interview was arranged and the intrepid pair interviewed Mr Kuriakose and Miss Hoffmann. They told us that they were very impressed with these people and wrote a memo to the commission which stated that they had interviewed them and the pair, firstly, had the experience to carry out the investigation and, secondly, were very competitive at $100 an hour.

When questioned by the Legislative Council committee, Mr White acknowledged that they did not check a single reference. Mr Kuriakose said, "We have done X, Y and Z and we are the best in the world." However, the Main Roads officers did not check a single reference. These two gentlemen were unleashing this mob on Main Roads and were giving them access to confidential information without doing a single check that their company had done any of the things that it claimed it had done. Mr White was asked how he could possibly have concluded that $100 an hour was a competitive rate when he obtained no other quotes. He said, "I just know HR specialists and they tend to get about $100 an hour. I guess that is all right." He went on to concede that engineers at Main Roads on contract receive $65 an hour. However, it is OK to employ a private eye at $100 an hour without any other quotes to conclude that it was a competitive rate. He sought to reassure us. He said, "You must understand that they said to us that it was normally $150 an hour, but for us they would do a special deal at $100 an hour. We thought we had such a good deal." Come in spinner! This is absurd.

The Commissioner of Main Roads gave approval for the contract to be awarded. The appointment letter was sent to the commissioner - this is an important point - and it was signed off by the commissioner. The letter approved the engagement of this outfit at the rate of $100 an hour, but no limit whatsoever was included in it about the value of the contract. At the end of the day, the firm was given a blank cheque. It might have been 8 January but the International Investigation Agency thought all their Christmases had come at once.

This atrocious performance has been glossed over in the report prepared by the Ministry of the Premier and Cabinet. It refers to the failure to meet Main Roads and State Supply Commission contractual standards for contracts under $5 000. For contracts under $5 000, there should be only three verbal quotes. The Premier's report excuses these people for getting only one quote. They say because of the urgency of the matter they could not have possibly obtained any further quotes. We know that is absolute nonsense, given that the selection procedure was simply going to the Yellow Pages. Given that they had the page open, quite obviously they could have, and should have, sought additional quotes. However, it is much worse than that because there is no evidence that there was ever any estimate that this expenditure would be less than $5 000. It is clear that this has been an ex post facto justification, a figure dragged up to try to minimise the extent of the breach of the State Supply Commission guidelines.

I will go through the evidence. There was no limit whatsoever placed on that initial letter of contract signed off by the commissioner on 8 January. The contract approval given by Mr Gary White to the procurement department was for $15 000. A note from Mr White at a later stage states that at the outset they had no idea what the final cost would be but set an indicative amount of $15 000. Of course, we know that at a cost of $15 000, written quotes would be required. Therefore, when the issue got hot, the sum of $5 000 was fabricated.

However, it gets worse. We do not have time to document it all, about how in February the Crown Law Department told the department to pull IIA out of the job that they had held since January because it was threatening the investigation and it was quite possible that its involvement had been unlawful. Also, notwithstanding getting that advice in February, why did the department not try to sack this mob until April and then, having sacked IIA in April, why the department continued to pay it at the rate of $12 000 a month until August? We know also that the licensing of these inspectors was never checked and that now investigations and criminal proceedings are afoot.

I will now go on to what happened in the conduct of IIA. As would be expected, having been handed a blank cheque for $100 an hour and all that its staff members could eat, by 16 June 1998 more than $50 000 had been paid out, not just clocked up. However, that left still approval of only $15 000. Mr White justified paying more than $38 000 without any formal approval by saying that at the outset he could have made it higher and because of that, it did not matter that there was no formal approval. However, it was only approved at $15 000 because if it had been approved at more than $50 000 it would have had to go to tender; and, of course, they wanted to avoid that.

The question that has not been explained in this report is how a procurement manager of an agency, responsible for paying out hundreds of millions of dollars of taxpayers' funds, could get away with writing cheques for moneys that had not been approved. Obviously embarrassed by past failures, on 15 June the procurement manager made efforts to have the matter regularised. When it became obvious that in excess of $50 000 would have to be approved, again special State Supply Commission guidelines came into force; that is, for amounts in excess of $50 000 there are two alternatives - it goes out to tender or the Commissioner for Main Roads makes a formal written waiver of this requirement. Of course, Main Roads did not bother to do either of those things.

Why did Main Roads not formally waive this requirement? At one time the commissioner, under examination, said that he did not know what level of approval was required or what were the requirements for a tender in excess of $50 000. If that is true, that is an absolute indictment on his capacity to do the job. However, it is far more likely that Mr Drabble knew very well what were the requirements, but he was seeking to distance himself from the responsibility. He wanted to do a classic hospital handpass to one of his underlings. He did not want his name on a piece of paper saying that he had been responsible and he had signed off this expenditure of in excess of $50 000. Again, that was absolutely glossed over by the Ministry of the Premier and Cabinet's report with no mention of Mr Drabble's involvement. In fact, it is studiously designed to write out Mr Drabble from the equation. However, we know from the documents and from the evidence given to the Legislative

Council Standing Committee on Estimates and Financial Operations that Mr Drabble did know that the expenditure had gone well beyond $50 000.

A note written by him to the minister dated 30 June 1998 stated -

> The final cost of the investigation is not available as yet. However, it is expected to be in the order of $70 000.

Therefore, he knew that. He has been seeking - and the Ministry of the Premier and Cabinet has been in complicity with Mr Drabble - to try to blame one of Mr Drabble's underlings. I understand that that is a course of action that is not unexpected in that quarter.

There are two options only in this matter: Either the commissioner did not know, and he should have known, what was going on; or he did know what was going on and he simply ignored his obligations under the State Supply Commission guidelines. As was demonstrated, it is clear that he knew that the contract had well exceeded the amount. He must have known. Having been the Commissioner for Railways for some four years and then taking up this very senior post of Commissioner of Main Roads, he would be well aware of the State Supply Commission guidelines.

I now get to the most serious point; namely, what confidence can we have in the administration of Main Roads to take care and to exercise stewardship in the $630m of taxpayers' funds that it expends each year when the commissiomer is either woefully ignorant of the State Supply Commission rules or, more likely, has completely disregarded those rules to meet an exercise in political convenience? This year Main Roads will spend approximately $630m, $450m on capital works and another $180m on maintenance. Eighty per cent of that is about half a billion dollars that is spent in contracts that are supervised by a department that has been demonstrated to be completely unable to deal with or respect the State Supply Commission guidelines that have been laid down.

What has been the Premier's response? It has been the wet lettuce treatment. First of all, he said the government will provide more training. The Commissioner of Main Roads has been with government agencies for 17 or 18 years. He has been at the top of the tree for the past six to seven years. It is not a case of the commissioner not knowing what are the rules; he has no desire whatsoever to live by those rules. The second thing that the Premier said will happen is that Main Roads will review its supply activity. Wow! That is incredible! We have demonstrated that a department has completely ignored the State Supply Commission guidelines and what will the Government do to fix it? It will tell it to review them! Wow! That is really powerful stuff! That really shows a Government in control. The response goes on to say that a senior supply officer will look at all contracts of more than $10 000. It is not someone from the State Supply Commission but simply another Main Roads staff member.

That is an extraordinary state of affairs. A department has demonstrated complete contempt for State Supply Commission guidelines and is administering more than $500m of contracts per year, yet the Premier's response to that is to say, "We'll give them more training and we'll tell them to go and look at their procedures again." It is absolutely pathetic. As the Premier fiddles, Rome burns. There are many problems with Main Roads contracting out. We know that private contractors now supervise other private contractors, with enormous conflicts of interest. We know that there are budget blow-outs. A practice is becoming endemic, and that is under-quoting, winning the contract and getting variations of more than 50 per cent. If we had time, I would list them. Finally, there are serious allegations of contract splitting so that tender guidelines can be avoided. We need a proper review of Main Roads' contracting capacity. We need to reinstate supervision by the State Supply Commission and we need a full investigation of its contracting out.

MR BOARD (Murdoch - Minister for Works) [3.21 pm]: For the record, I will deal with aspects relating to the State Supply Commission. I understand that, on behalf of the Premier, the Deputy Premier will deal with aspects relating to the Public Sector Standards Commission. I will take a short time to indicate where the State Supply Commission is going in order to dispel some of the member for Armadale's fears about contracting generally and some of her generic, wider points, particularly relating to Main Roads Western Australia.

Partnership between Government and the private sector was developed under the previous Government and it has become integral to our Government. These days, the public sector plays a strong role in contracting out procurement works and services in the order of $6b a year, including in its own work force. The role of the State Supply Commission has been to make sure that standards are understood, that policies are put out and that government agencies comply. Its role is also to make sure that contracting is an intrinsic part of the procurement of what agencies do. In fact, there is accreditation and education throughout agencies. Over the years, more and more government agencies have achieved accreditation so that they can contract in their own rights.

Main Roads has been a totally exempt agency since November 1996 and it procures hundreds of millions of dollars a year. In fact, I understand that each year it awards more than 1 200 contracts worth more than $10 000. Therefore, one would consider that Main Roads contracting is extensive. From that point of view, it is one of the leading agencies in contracting in Western Australia.

Ms MacTiernan: It is more important that it knows more than anyone else.

Mr BOARD: Of course it must know what it is doing.

As part of the accreditation process for Main Roads, which was given to it by the State Supply Commission, it has had to satisfy the commission on internal procedures, procurement training, compliance with policies, grievances, being able to deal with ethics and issues at higher and middle management level, risk management and audit record. Main Roads has satisfied all those issues to achieve accreditation. As a result of the inquiry into non-compliance, Main Roads and the State Supply Commission recognise that errors were made in the contract. In particular, errors were made in the management of that contract. I am sure that, at this very minute, Main Roads is addressing that issue.

Ms MacTiernan: Do you accept that Mr Drabble must accept responsibility -

Mr BOARD: May I respond? The member has had her say.

As I stand here, the State Supply Commission is having its regular meeting and examining the report by the Public Sector Standards Commission. The way in which the issue is being addressed by Main Roads goes to the heart of what the State Supply Commission is all about. It is believed that the incident is not typical of Main Roads' contracting, that it is an aberration, and that errors have been made. It highlights the continual need for training within government agencies and the continual need to monitor compliance with State Supply Commission policies. There is no doubt that errors were made. There was a failure on the part of Main Roads to adhere adequately to State Supply Commission policies. If those policies had been maintained, we would not need to defend incorrect decisions.

However, there is no question that Main Roads was not entitled to make those decisions or that the decisions were illegal. In our opinion, the monitoring and control of that contract was not adhered to; therefore, it is evident that additional skills are required in contract management within Main Roads. To that effect, Main Roads has acknowledged shortcomings in how the matter was handled, and in consultation with the State Supply Commission it has agreed to conduct a compliance audit against the accreditation compact and provide details to the commission before the end of 1998. The commission will consider the accreditation compact with regard to that audit. Main Roads will provide staff with appropriate contract management training and ensure that they are familiar with Main Roads' prescribed purchasing procedures. It will conduct annual audits of all sections of Main Roads to ensure conformity with supply processes, to be undertaken as part of the department's quality management system, with the initial audit to be completed over the next three months. A senior supply officer will review all cumulative contract payments exceeding $10 000 prior to release. There will be endorsement of all contracts exceeding $50 000 by either the manager, supply, or the executive director, corporate services, before they are recommended for approval. The State Supply Commission will review the need for further action following receipt of the accreditation assessment. A decision on further action in relation to procurement and the agency's level of delegation will be made at that time.

The State Supply Commission takes great pride in what it has achieved in getting agencies to accreditation level. Bearing in mind the hundreds of thousands of contracts that the public sector issues each year in Western Australia, contract management skills and education for people in contracting have been achieved well within the public sector. That is not to say that we cannot do better or that there is not a continual need to review those skills. With that in mind and in conjunction with the Victorian Government, I have recently bought a licence for the procurement and contracting centre for education and research program. The program will license particular training institutes in Western Australia, enabling them to conduct training courses to even further enhance the management and training skills of those involved in contract management.

One of the flaws in any system of contract management is that there has been accreditation for particular agencies; that is, agencies themselves are accredited to a certain level of contract. Although that is good in itself, we must make sure that those within the agencies have the skills to be able to contract and, of course, even more importantly as contracts become ever more complicated - particularly in the case of service contracts - that they have the skills to be able to monitor the performance of contracts and make sure that the contracts are delivering the required results to the agency and to the taxpayer. Those skills are not readily accessible through normal education programs; hence the need, with the development of more and more contracting, not only in Western Australia and Australia but right around the world, to virtually have professional contract managers within the public sector or available to it to ensure that government is able to monitor contracts.

Through the State Supply Commission and the Department of Contract and Management Services we are seeing more and more skill development within agencies. With the advent of the PACCER program - I believe Curtin University will be one of the early takers in delivering that program - we will see a higher level of skill. Main Roads, which is the subject of this debate, has already virtually received accreditation for its contracting regime from the International Standards Organisation. Main Roads has been able to satisfy international organisations as to the quality of its contract management. It shows that departments are only as good as their continual management of even small contracts. We have acknowledged today that flaws exist and that the State Supply Commission's guidelines were not met. Those matters are being rectified and Main Roads will comply with ongoing contracts.

We are making an ongoing effort to ensure that we can continue to take great pride in contracting in Western Australia. As

I said earlier, we will need to develop more and more skills as contracting develops, not only at the highest level of management, but also right down to those in the lower levels of the public sector. One of the issues before the Government is that difficult contracting decisions must be made every day. They involve not only ethical behaviour but also situations where people might need to remove themselves from involvement in contracts because of pecuniary interests, friendships or the like. Such decisions have not often needed to be made at the middle level of the public sector. As contracting has become an integral part of the operation of the public sector and is well received by the public - in fact the Opposition played a major role in developing contracts when it was in government - we need to continue to look at compliance policies. With that in mind, it is incumbent upon us to ensure we have high level policy review. It is my intention to refine even further the need for government to continually comply with government policy on contracting. Our intention is to continually devolve responsibility for contracting, to make sure that agencies are contracting in their own right and that they have the skills not only to initiate contracts but also to maintain them. I am sure the Auditor General in Western Australia will be taking an even greater role in reviewing the performance of contracts. From that point of view, we need to ensure that agencies have the skills to satisfy his needs as well.

In closing, to give the Deputy Premier the opportunity to examine the public sector management aspect of this response, we admit that Main Roads made an error in the management of this contract. Supply policy was not adhered to in this case. However, that is not typical of Main Roads. Main Roads, which handles approximately 1 200 contracts worth over $10 000 each year, is considered a model for contracting. This shows that we must be continually vigilant and maintain skills at all levels in the public sector. We will use this as an opportunity to increase education and monitoring. This time next year I will be in a position to indicate that Main Roads is able to continually monitor contracts and ensure that no errors of this type happen in the future.

MR RIPPER (Belmont - Deputy Leader of the Opposition) [3.36 pm]: I have listened with interest to all that the Minister for Works has had to say. His argument has one real flaw; that is, senior people in Main Roads signed off on this contract. Those senior people will be responsible for the remedial measures and for the reports to the State Supply Commission to which the minister referred. Main Roads has an accreditation from the State Supply Commission which exempts it from State Supply Commission supervision because it is supposed to be able to properly manage its contracts. This incident demonstrates that the most senior people in Main Roads are not responding adequately to that responsibility. What does the Government propose? It proposes to allow Main Roads to continue to have those same senior people, who have shown a total disregard for their supply and contract management responsibilities, conduct the reviews and audits, and report to the State Supply Commission.

Mr Board: Are you seriously suggesting that, bearing in mind the hundreds of millions of dollars in contracts that Main Roads manages for roads and its core business activities, based on this incident it should have its responsibility for contract delegation removed?

Mr RIPPER: The minister would not answer an interjection from our side but I will pay him the courtesy of taking his interjection. Yes, the most senior person in Main Roads signed off on this contract and the flimsy proposal that arose to employ the International Investigation Agency. Admittedly he put the wrong year when he dated the contract. He dated it 8 January 1997, when the memorandum was dated 8 January 1998, so perhaps he was not paying much attention to the paperwork in front of him. However, he signed off on it. I do not regard that as satisfactory, given that he sets the tone for the organisation for which he is responsible.

Let us look at a few points about Mains Roads. It has a capital works budget of $443m a year, and as I understand it, a maintenance budget of $180m a year, 80 per cent of which is contracted out. That means this organisation is contracting out work to the value of more than $500m a year. The minister said that annually Main Roads lets 1 200 contracts valued at over $10 000. That is an enormous amount of contracting out. The man at the top who is charged with leading that organisation and who sets the tone for the behaviour of the rest of its employees, is the man who signed off on this very bodgie process which has been followed in the employment of IIA. With contracts worth more than $500m a year being let, given that some contracts roll over from year to year, the total amount for all of the contracts under management must be much larger.

The process which has been followed with this contract is appalling. I now quote from a memo from Scott Spicer to Gary White dated 15 June 1998 -

> I discussed this contract with John Taya some time ago and he was to organise the Commissioners approval as expenditure had exceeded the award price of $15 000. Current expenditure is $50 870 however with the above payment of $12 700 the total expenditure is now $63 570.

Members should look at the memo. The total expenditure even at that stage was four times that allegedly originally set by Main Roads. The next sentences is the killer -

> John also mentioned a formal agreement was to be signed with the International Investigation Agency.

The contract had blown out to four times the original limit. A valid argument was made by the member for Armadale that $15 000 was an artificial limit placed by the considerations of those involved. They had not even signed a formal agreement! That is not adequate contract management. I find it to be particularly appalling that the Commissioner of Main Roads and his most senior officials were responsible for this state of affairs. The minister's proposal is that all people responsible for this situation are now to conduct future audits, training and reviews and to report to the State Supply Commission. It is a whitewash, minister. It is not good enough!

MR COWAN (Merredin - Deputy Premier) [3.42 pm]: Occasions always arise in Parliament in which the Government must acknowledge that procedures and practices laid down in the public sector are not necessarily followed. The Premier has already acknowledged that the report into this incident indicates clearly that a number of processes were not followed. It seems that the Opposition is content with only one procedure; namely, to look for a victim for that fault.

Ms MacTiernan: There is a victim all right. It is the poor bugger you have had down there under the microscope for 10 months! We need not go looking for a victim. It is disgraceful!

Mr COWAN: The member for Armadale reinforces my comment that the Opposition wants the Government to find a victim who can be placed on some crucifix for the satisfaction of members opposite. The Government will not do that; however, it will ensure that certain procedures are put in place. I am sure my colleague the Minister for Transport will make further announcements about these procedures. My ministerial colleague the Minister for Works has already given an indication of some findings of the inquiry and what was put in place immediately.

Also, a series of matters must be dealt with concerning the way Main Roads does business. As all members know, Main Roads is moving away from being involved in the construction and maintenance of roads to merely being involved in contract management. Those contracts will be required to meet standards, and Main Roads must manage projects as contracts are fulfilled. Therefore, Main Roads is turning away from its previous practices, and a change must occur in its operations. The Government has made it clear to the Commissioner of Main Roads that this change must take place.

One thing must not change. I do not want to get into debate about whether the information contained in the Matson report was commercially sensitive. I do not think it was, and I do not know that it really matters a great deal whether it was public information. However, it is a matter for regret that there seemed to be such dogged pursuit of the individual who leaked that report. I am sure that the member for Armadale agrees with me that it is imperative that Main Roads have an unequivocal capacity to ensure that commercially sensitive matters in project tendering can be delivered on a commercial-in-confidence basis. Tenderers are not filled with a great deal of confidence when they see somebody, or a group of people, in Main Roads prepared to release information. Tenderers do not feel confident that the provision of commercially sensitive information relating to a Main Roads contract will be respected.

Ms MacTiernan: Many contractors do not have that confidence all right, but it has nothing to do with the leaking of the document. It relates to the way the contracts are handled. Of course, a difference exists between the two classes of document. Why not put in place the recommendations of the Commission on Government which separated those classes of data?

Mr COWAN: I acknowledge that a differences exists between the two types of document - in fact, I went to great pains to explain that difference. I am pleased that the member indicated that some contractors have reservations about Main Roads' capacity to maintain commercial confidentiality. This episode only exacerbates that doubt, which is a great disappointment. In the announcement to be made by my ministerial colleague the Minister for Transport later this week, reference will be made to contracts and tenders. The issue will be addressed.

All I need say in this debate is that the Government acknowledges that information was leaked which was supposed to be internal. I do not regard the material as being commercially sensitive, although other people might make another judgment. However, it was certainly an internal document for the benefit of the organisation and probably for the minister and ultimately the Government, and it was inappropriate for that information to be leaked. The Government acknowledges that the rules were broken in the pursuit of the identification of the person or persons who leaked that information. As the Minister for Works indicated, steps have already been taken with the performance indicators within the commissioner's contract to require him to be a little more meticulous about issues of the nature under discussion for the last hour.

Ms MacTiernan: It's a hit with a wet lettuce; it's a joke!

Mr COWAN: The difference between the Opposition and the Government is that the Government is prepared to acknowledge that mistakes were made in this case. It has already indicated that it wants an immediate variation in the Commissioner of Main Roads' performance indicators. The Minister for Transport will follow up this matter later this week. However, the Government will not go looking for a victim.

Ms MacTiernan: The Government has a victim.

Mr COWAN: No, it has not.

Ms MacTiernan: It has. It has that poor man who has been languishing in there for 10 months because it is too politically embarrassing for the Government to recognise that no basis exists for a charge against him.

The DEPUTY SPEAKER: Order!

Mr COWAN: I just wish the poor man who has been sitting in this office, as the member for Armadale said, would spend less time telephoning the Leader of the Opposition or the member for Armadale and more time doing his work.

Mr Carpenter: The Deputy Premier does not mean that.

Mr COWAN: I do mean that. There are always two sides to an argument. It became quite clear that an individual within Main Roads, aided and abetted perhaps by others, became focused on providing information to the Opposition as opposed to performing the tasks required of him. We need to deal with this matter.

Mr Carpenter: The Government is embarrassed by the whole situation.

Mr COWAN: Embarrassment is not the word that I would use. Everybody on this side of the House is concerned when an incident occurs in which a standard or a rule is broken. In this case, there was non-compliance with the requirements. We acknowledge that. I repeat that the Government will not look for a victim in this case, and this motion deserves to be rejected.

Question put and a division taken with the following result -

Ayes (16)

Mr Carpenter	Mr Kobelke	Mr McGowan	Mrs Roberts
Dr Edwards	Ms MacTiernan	Ms McHale	Mr Thomas
Dr Gallop	Mr Marlborough	Mr Riebeling	Ms Warnock
Mr Graham	Mr McGinty	Mr Ripper	Mr Cunningham *(Teller)*

Noes (27)

Mr Ainsworth	Mr Day	Mr McNee	Mr Sweetman
Mr Baker	Mrs Edwardes	Mr Minson	Mr Trenorden
Mr Barnett	Mrs Hodson-Thomas	Mr Omodei	Mr Tubby
Mr Barron-Sullivan	Mr Johnson	Mrs Parker	Mrs van de Klashorst
Mr Board	Mr MacLean	Mr Pendal	Mr Wiese
Dr Constable	Mr Marshall	Mr Prince	Mr Osborne *(Teller)*
Mr Cowan	Mr Masters	Mr Shave	

Pairs

Mr Grill	Mr Court
Ms Anwyl	Dr Hames
Mr Brown	Mr Kierath

Question thus negatived.

SESSIONAL ORDERS - TIME MANAGEMENT

MR BARNETT (Cottesloe - Leader of the House) [3.55 pm]: In accordance with the sessional order for time management, I move -

> That the following items of business be completed up to and including the stages specified at 5.30 pm on Thursday, 29 October -
>
> (1) Western Australian Land Authority Amendment Bill - all remaining stages;
>
> (2) Occupational Safety and Health (Validation) Bill - all remaining stages; and
>
> (3) Titles Validation Amendment Bill - all remaining stages.

Only three Bills are to be under time management this week. The Western Australian Land Authority Amendment Bill is not considered by the Government to be contentious. It contains 26 clauses. The Western Australian Land Authority Act sunsets at the end of 1998; therefore, this Bill will need to be passed before the end of the year. The Occupational Safety and Health (Validation) Bill is also a small Bill of only three clauses, although I understand there may be some debate on that Bill. Obviously, a number of topical issues are associated with WorkSafe WA. However, they do not relate directly to the Bill before the House. The final Bill under time management is the Titles Validation Amendment Bill. Although this is obviously an extremely important issue, the Bill itself is only 15 pages and eight clauses long. The remaining time on

Thursday will be used to commence debate on the Native Title (State Provisions) Bill, although this legislation will not be under time management this week.

I hope also that we might be able to conclude the Address-in-Reply debate. I remind members that consolidated revenue Bills remain, which will be a general debate. Therefore, it would be convenient if we could conclude the Address-in-Reply debate and then continue with a general debate. I also remind members that the trial arrangement for alternative sitting hours will again apply during this week.

MRS ROBERTS (Midland) [3.56 pm]: The Opposition does not support the guillotine motion being used in this routine fashion from week to week. The past couple of weeks have exemplified the fact that it is entirely redundant and superfluous. These matters can be resolved by negotiation rather than the big stick approach that is always taken by the Leader of the House. I note that last week we finished all the Bills listed for the guillotine well before the guillotine was due to come down, and the week before we finished some half an hour before the guillotine was due to come down. The Opposition can come to arrangements with the Government to pass legislation through this House in a timely fashion without having this time management sessional order in which the Leader of the House adopts this big stick approach and says that this is what we shall debate. The fact that the Government also chooses to withdraw motions from the guillotine is an indication of how stupid it is to move the guillotine in the first place, because, in practice, if it is demonstrated that it is unreasonable to guillotine a Bill because there has been insufficient discussion on the clauses, the Government of its own volition removes Bills from the guillotine. Rather than this nonsense, we could actually agree at the start of the week on a reasonable program and endeavour to cooperate on it. Should the situation eventuate where we fail to cooperate in getting legislation through in a timely fashion, that is when the Government might have an excuse for a guillotine. Nothing that has occurred this year in the Opposition's cooperation with the legislative program of the Government indicates any need for a guillotine to be used in this House.

Question put and a division taken with the following result -

Ayes (25)

Mr Ainsworth	Mrs Edwardes	Mr McNee	Mr Sweetman
Mr Baker	Mrs Hodson-Thomas	Mr Minson	Mr Trenorden
Mr Barnett	Mr Johnson	Mr Omodei	Mr Tubby
Mr Barron-Sullivan	Mr MacLean	Mrs Parker	Mrs van de Klashorst
Mr Board	Mr Marshall	Mr Prince	Mr Wiese
Mr Cowan	Mr Masters	Mr Shave	Mr Osborne *(Teller)*
Mr Day			

Noes (17)

Mr Carpenter	Mr Kobelke	Ms McHale	Mrs Roberts
Dr Constable	Mr Marlborough	Mr Pendal	Mr Thomas
Dr Edwards	Mr McGinty	Mr Riebeling	Ms Warnock
Dr Gallop	Mr McGowan	Mr Ripper	Mr Cunningham *(Teller)*
Mr Graham			

Pairs

Mr Court	Mr Grill
Dr Hames	Ms Anwyl
Mr Kierath	Mr Brown

Question thus passed.

CULTURE, LIBRARIES AND THE ARTS BILL

Second Reading

MRS EDWARDES (Kingsley - Minister for the Environment) [4.01 pm]: I move -

That the Bill be now read a second time.

This Bill operates with the Culture, Libraries and the Arts (Consequential Provisions) Bill, and the Government will seek to debate them cognately. The Government's vision for culture and arts is for a society in which they flourish and are recognised as integral to the social, economic and cultural vitality of the Western Australian community. Arts and culture constitute an important industry for the State. They employ an estimated 25 000 people. The national production of cultural goods and services totalled nearly $20b in 1994-95, according to figures from the Australian Bureau of Statistics. In this context, the Government has fostered a climate in which Western Australia's creative potential is maximised and artists are

able to develop their individual talents to the maximum. It is an important objective of the Government to maintain this climate. The Government values artistic endeavour and believes that the structures put in place have already assisted the industry and individual creativity to flourish.

This Bill, together with the Culture, Libraries and the Arts (Consequential Provisions) Bill, will make the changes consequential to the formation of the Ministry for Culture and the Arts. The ministry was first announced in April of last year following a recommendation by the machinery of government advisory committee and was created on 1 July 1997. The six agencies that now make up the ministry have become service agencies. However, their separate identities continue within this new structure. These are the Art Gallery of Western Australia, ArtsWA, the Perth Theatre Trust, the Library and Information Service of Western Australia and the Western Australian Museum.

Members will recall that the Government established the ministry to promote the development of culture and the arts in a coordinated and cooperative manner. Already there are clear signs that the new arrangements are paying dividends; and indeed, the changes made have been generally welcomed by the arts community. Both Bills make changes that can be effected as a result of this major reform.

The Bill has three major objectives: It establishes the minister as a body corporate - the corporate minister; it defines the powers and responsibilities of the body corporate; and it establishes the Libraries Council of Western Australia.

The corporate minister: It is intended to replace a number of bodies corporate with one body corporate: The Minister for the Arts. All property will be vested in that body corporate, which will have prescribed limited powers. This means that all property will be vested in the same authority, which will facilitate easier management of land such as the crown reserve which is commonly known as the Cultural Centre. All other property, such as the collections of the current statutory authorities, will also be formally vested with the corporate minister. The corporate minister has the necessary powers to undertake the functions outlined in clause 8 of the Bill. These functions include the requirement to consult with the Art Gallery Advisory Board, the Museum Council and the Libraries Council. While the new boards will be advisory, the Bill provides a number of simple mechanisms that will ensure their advice is sought prior to the corporate minister taking certain actions such as the disposal of collections. These specific prescribed actions will be further developed in regulations which will be drafted in consultation with the specific agencies and advisory board/councils. This will provide an improvement on the current situation. Members will recall the dispute over the sale of the Percy Markham collection by the Museum trustees. This Bill will include a provision that acts as a brake on such decision making. Once this written advice has been provided, the corporate minister must, if he disregards it, place a copy of it on the Table of each House of Parliament. This mechanism will provide a check or balance on the corporate minister's powers and will ensure that decisions on the collections are transparent. The Bill also specifically defines the role of the corporate minister with regard to library materials, public access and information services in order to guarantee that collections are maintained.

The department: The Bill refers to but does not create a department of the public service and the appointment of a chief executive officer to assist the minister in the administration of the Act and to ensure compliance with the Financial Administration and Audit Act. The Bill allows the corporate minister to delegate certain functions to the chief executive officer and to other officers. It does not deal with the minister as a member of the executive because his powers are derived from the general law relating to executive government. The Bill specifies also that a state librarian shall be employed and shall be the principal executive officer of the Libraries Council.

The Libraries Council of Western Australia: The Libraries Council will be constituted under this Bill and will have an advisory role. The council shall consist of seven people appointed by the minister. This body was created at the request of local government and deals principally with the State Circulating Library. Because of the significance of local government in the provision of state library services, three members of the council will be appointed from a list of nine submitted to the minister from the Western Australian Municipal Association. The minister will also be entitled to appoint three persons representative of the public who in his opinion have expertise or experience relevant to the council's functions. The Minister will appoint the council's chairman, who shall be a person with standing in the community with an interest in libraries. Public sector employees, including local government employees, will not be eligible for appointment as chairman. While the State Librarian will be able to attend council meetings, that person will not be able to vote. The Bill also requires the chief executive officer to ensure that the council is provided with any support services that it may reasonably require.

We are fortunate to have one of the best circulating library systems, devised by an earlier State Librarian, Mr F. A. Sharr, and it is fitting that with this council we recognise the partnership between state and local government. The Library Council will have the power to formulate policies and standards for the provision of library and information services to the public. Significantly, it will also be responsible for promoting and encouraging the provision of free public library services to all Western Australians. A key function of the Library Council is to provide advice and to make recommendations to the minister on matters relating to public libraries and the current collections. It will have general powers that enable it to perform this function, and it will be required to consult as appropriate with the community in the process of formulating advice to the minister. If the minister exercises his power to give a direction to the council, the text of that direction must be published in the annual report of the council. The Libraries Council, despite the absence of obligations under the

Financial Administration and Audit Act, will be required to publish an annual report of its operations as soon as practicable after 1 January each year for tabling in Parliament. The Bill provides for the deposit of Western Australian publications which shall become the property of the State and be vested in the corporate minister. This capacity was lost with the repeal of the Copyright Act 1895 in 1994.

His Majesty's Theatre Performing Arts Foundation: Western Australians in general and the business community in particular have a well deserved reputation as generous benefactors of the arts. The Bill establishes a new fundraising body to be known as His Majesty's Theatre Performing Arts Foundation. The foundation will become a focal point for community involvement in the theatre and the performing arts. The establishment of the foundation is an important acknowledgment of the potential of key institutions such as His Majesty's to bring in additional funds from new sources. An effective foundation that draws considerable support from individuals and philanthropic minded businesses will be of lasting benefit to the theatre and the performing arts. A trust account will be established for the foundation which will come under the control and direction of the chief executive officer. However, the Bill makes it clear that the intentions of the members of the foundation must be followed by the chief executive officer and the funds can be used only for the purposes of the foundation. The Bill also provides for the minister to make rules with regard to the foundation, including meeting procedure, appointment of members and an appropriate constitution. The structure of the foundation has been established to ensure that it achieves tax deductible status for gifts, donations and bequests consistent with the Income Tax Assessment Act.

Review of arts Acts: A review clause will apply to the new structures proposed in the arts Acts; that is, the effectiveness of the Acts will be evaluated by the minister five years after the Acts become operational and a report on that review must be tabled before each House of Parliament. The review must examine the effectiveness of the operations of the Art Gallery Board, the Libraries Council and the Museum Council, as well as the respective foundations.

Both Bills will markedly improve the legislation that applies to culture, libraries and the arts. I commend the Bill to the House.

Debate adjourned, on motion by Mr Cunningham.

CULTURE, LIBRARIES AND THE ARTS (CONSEQUENTIAL PROVISIONS) BILL

Second Reading

MRS EDWARDES (Kingsley - Minister for the Environment) [4.10 pm]: I move -

That the Bill be now read a second time.

The Bill deals with the amendments that can now be made to the Art Gallery Act and to the Museum Act as a result of the process began over a year ago to ensure that the Art Gallery of Western Australia and the Western Australian Museum become service agencies of the new Ministry for Culture and the Arts. The Bill removes the corporate status of these statutory authorities and creates two statutory advisory bodies, the Art Gallery Advisory Board and the Museum Council. The Bill also re-establishes the Art Gallery Foundation and creates the Museum Science and Humanities Foundation. Finally, the Bill repeals the Perth Theatre Trust Act and the Library Board of Western Australia Act.

I now turn to the amendments made to the Art Gallery Act provided in part 2 of the Bill. The principal objects of the amendments are to abolish the Trustees (Art Gallery Board) as a body corporate, to transfer all property rights and responsibilities to the corporate minister and to create mechanisms and structures to ensure the continuity of the Art Gallery of Western Australia's services and functions.

The intention, as with the Library and the Western Australian Museum, is to remove the corporate body as it is no longer needed because the Art Gallery is now a service agency of the Ministry for Culture and the Arts. However, I hasten to add that the name Art Gallery of Western Australia will be maintained in order to preserve the Gallery's identity and trading name and its cultural identity. I also make the point that the Government's commitment to the Gallery is and will remain an ongoing commitment. At the moment, the Art Gallery Act makes no reference to the chief executive officer of the department or the corporate minister. The amendments insert references to both of them. The Bill also repeals the Art Gallery Board as the corporate entity and replaces it with an Art Gallery Advisory Board. The advisory board is to be appointed by the minister and is to consist of five members. Appointment of members will be on merit and will require applicants to demonstrate experience, skills, qualifications and interest in the Art Gallery.

The primary role of the board will be to provide advice to the minister on all Art Gallery matters. For those in the community concerned that the new advisory role will mean a diminution of local input into the operations of the Art Gallery it is important that it be realised that the amendments give the new board a clear and unambiguous brief to provide advice on strategic directions for the Art Gallery, on all issues related to branch and regional galleries, on acquiring, preserving, displaying and disposing of works of art, and on attracting gifts including bequests.

As far as the Art Gallery is concerned, I wish to acknowledge the contribution of past foundation members to ensure the State maintains a collection second to none. Since its creation, the foundation has secured financial contributions in excess of

$2.2m and donations of works approaching $5m. The amendments to the principal Act provide for continuity of the work of the foundation. The Art Gallery Foundation continues as a separate body corporate. It has perpetual succession and a common seal and can sue and be sued. However, the functions and powers of the foundation have been revised to ensure consistency with the Art Gallery's current service agency role and increased participation by private individuals and the corporate sector. As is the case with the other foundations, a trust account is established to receive moneys and gifts for the benefit of the Art Gallery and the funds can be used only for the purposes of the foundation. The new structure as proposed in the Bill will provide the safeguards necessary to ensure the foundation can play, albeit at arm's length, a critical fundraising role on behalf of the Art Gallery. Its tax deductible status for gifts, donations and bequests will be maintained.

I now turn to the amendments to be made to the Museum Act provided in part 3 of the Bill. Like the Art Gallery of Western Australia, the principal objects of the amendments are to abolish the trustees as a body corporate, to transfer all property rights and responsibilities to the corporate minister and to create mechanisms to ensure the continuity of the Western Australian Museum's services and functions. To ensure this occurs, this Bill amends the Museum Act to make the corporate minister the new vesting authority and body corporate and inserts references to a chief executive officer and department.

The definition of the Museum is also amended to finalise its current status within the umbrella authority of the Ministry for Culture and the Arts. Again I reiterate that the intention of the amendments is in no way to diminish the identity and status of the Western Australian Museum as one of the State's core cultural institutions. Like the Art Gallery, the Museum is already a service agency within the Ministry for Culture and the Arts. The amendments remove an entity no longer required and reflect the administrative changes implemented in July 1997.

The current Museum Board will be replaced with a Museum Council which will have an advisory function similar to the new Art Gallery Board and the Libraries Council. The amendments to the Museum Act repeal the board and its body corporate status and replace it with a council of between six and 10 members to be appointed by the minister. Appointment will be on the basis of experience, skills and qualifications and interest in museum matters.

The Western Australian Museum was established in 1891 and it can claim to be one of the oldest scientific institutions in the State. The functions of the new Museum Council build on the history, expertise and achievements of the Museum. While its primary role will be to provide advice to the minister and the corporate minister on all museum-related matters, its functions are all embracing. It is to provide advice on strategic directions, on a multiplicity of museum education, display and collection issues and importantly on preserving collections that tell the story of our State's history. These include collections representative of Aboriginal peoples, the history of the exploration, settlement and development of the State, the natural history of the State and other museum collections. The council will also provide advice on any remains, wreck, archaeological or anthropological site and on research related to museum activities. In addition, the council is expected to advise on appropriate facilities to house the collections as well as methods of encouraging public interest in museum matters. As is the case with the Art Gallery Board the amendments to the principal Act provide the council with additional powers to do anything in connection with the performance of its functions.

The Western Australian Museum Foundation was established in 1995 and already has a number of impressive achievements to its name. I acknowledge the foundation's fine work under its patron, Sir Charles Court. This legislation will provide the basis for the continuation of the foundation to add to the Museum's capacity to generate community support.

The amendments to the Museum Act create a body corporate to be known as the Museum, Science and Humanities Foundation. The foundation has perpetual succession, a common seal and may sue and be sued. Its functions are principally to encourage public interest and financial support for the Museum. A trust account is established to receive moneys and gifts for the benefit of the Museum, and funds received by the foundation will be credited to this trust account. These funds can be used only for the purposes of the foundation. Importantly, the structure, like that of the other two foundations, has been created to bolster the Museum's sponsorship opportunities although all moneys ultimately come under the reporting responsibilities of the chief executive officer. The amendments have been fashioned to ensure that the advice of foundation members on expenditure of foundation funds must be taken into account. The foundation's tax deductible status for gifts, donations and bequests will be maintained.

The consequential provisions Bill repeals the Art Gallery Regulations 1979, the Library Board of Western Australia Act and the Perth Theatre Trust Act. The establishment of the new ministry and, in particular, the creation of service agencies necessitates the repeal of the Library Board. I place on record the Government's appreciation of the work of the boards over the years. It is the Government's view that the venue management aspect of the trust's operations can be more effectively managed from within the new ministry rather than by a separate statutory body. The repeal of the Perth Theatre Trust Act clears the way for an approach to theatre management which is less hands-on but which still retains government strategic management of these important cultural facilities. The Culture, Libraries and the Arts Bill and the Culture Libraries and the Arts (Consequential Provisions) Bill will markedly improve the legislation applying to culture, libraries and the arts. I commend the Bill to the House.

Debate adjourned, on motion by Mr Cunningham.

BAIL AMENDMENT BILL

Second Reading

MR PRINCE (Albany - Minister for Police) [4.20 pm]: I move -

That the Bill be now read a second time.

In so moving I remind the House of a number of comments the Attorney General has made when introducing other Bills, in particular the Criminal Law Amendment Bills, Nos 1 and 2, of 1998, as those comments are as applicable to this Bill as to the earlier Bills. Specifically, it has been remarked to the effect that the criminal law of this State is a matter of great importance to those involved in law enforcement and, perhaps more importantly, to members of the community. These are sentiments which the House would share, and they are sentiments underpinning the current Bail Amendment Bill.

Secondly, reflecting this, the Attorney General has previously announced a significant review of the criminal and civil justice systems by the Law Reform Commission, which has been asked to look at the laws, procedures and practices relating to criminal trials and civil litigation, including the role of the legal profession, and to make recommendations on what changes are necessary to provide the community with a more accessible, affordable and less complex legal system. This is important in the present context because not only does the review reflect the community's interest in our system of laws, but also the outcomes of the review will form the backdrop against which ongoing legislative reform will be occurring in the area of the criminal law.

Thirdly, it has been previously pointed out that the Government will seek to ensure the relevance of the criminal law by bringing to the Parliament as diverse a range of amendments to the criminal law as is necessary to achieve this objective, often in the form of Criminal Law Amendment Bills. Such Bills are aimed at achieving a considered response to a range of more pressing issues of concern to the community, and facilitate the more effective enforcement of the criminal law. The Bill now before the House sets out to achieve these objectives.

Before progressing to comment on the key features of the Bill, I will make a number of observations on the Bail Act so as to set the backdrop against which this Bill can be better understood. The Bail Act was assented to on 18 November 1982. The broad aim of the Act is to create uniform procedures that will apply to all bail considerations and decisions. The Act is also intended to ensure that all parties to the bail decision are made aware of their rights, obligations and duties. Interestingly, the Act was not proclaimed to come into operation until early February 1989, and while there has been a number of amendments over recent years, the Act has remained essentially unchanged since its proclamation.

The Bail Act is one of the core procedural Acts in our system of criminal justice, as it essentially serves the purpose of ensuring that alleged offenders, who have not yet had their cases adjudicated by a court, will present themselves to court at the time of their trial. It is in this sense that the system of bail has much to commend it as an integral part of an effective system of criminal justice. That said, the Bail Act and the processes which relate to it continue to attract a high degree of community interest, and community animosity. Flowing from this, the Government recognises that there is a community expectation that important components of the justice system will be amended as necessary to reflect emergent problems and issues.

I would also like to take this opportunity to bring to the attention of the House the fact that the Government is now moving on several fronts in order to ensure that the system of bail in this State reflects best practice.

First, the Bail Amendment Bill now before the House reflects a considered response to a number of problems with the operation of the law of bail as it now stands. Secondly, a further Bail Amendment Bill will later be introduced into Parliament. This second Bail Amendment Bill reflects the fact that almost from the outset in 1989, certain procedural difficulties became apparent as having a detrimental effect on the operations of the Act. Therefore, unlike the Bill now before the House, the proposed second Bail Amendment Bill very much reflects procedural and administrative amendments to the Act which are neither a fundamental policy change nor a law and order measure. Thirdly, the Attorney General has requested the Ministry of Justice to initiate a ground-up review of the Bail Act with a view to bringing a major Bail Amendment Bill to Parliament at some later stage. The actual timing of this will be very much dependent on the consultation required and the degree of change.

Part of the significance of the Bail Act review which has been initiated is that the Bail Act, having been developed in the late 1970s and early 1980s, remains one of the few pieces of core justice legislation which have not been reviewed and significantly amended in recent years. The Bill now before the House, and the procedural Bill which I have indicated is likely to come before the House later in this session, are important for what they seek to do, in the community interest, in the area of bail. However, these Bills do not derogate from the need for a more fundamental review of the purposes, role, aims and objectives of bail as an integral part of our system of criminal justice.

The Bill now before the House is aimed at significantly improving the operation of the system of bail in this State. Members would be aware that a number of recent incidents have raised important questions concerning the operation of the system

of bail. These include the capacity for offenders to be released on bail on a number of successive occasions, often referred to as the "revolving door" phenomenon. In response, the Bill will serve to address a range of community concerns and to enhance protection of the community. Against all of this background I will now comment on the key features of the Bill.

Removal of the presumption of the right to bail: Currently in the Bail Act there is a presumption of a right to bail, especially, as I have previously commented, given that the principal purpose of bail is to ensure that alleged offenders present themselves for trial. Reflecting this, it is obvious, and simple notions of justice dictate, that many cases do not justify keeping people in gaol for a lengthy period before trial. Even when the charge is serious, the refusal of bail can lead to questions about its appropriateness. The recent case of the three US Navy personnel charged with rape, and then acquitted, caused such questioning. It is equally obvious that there is a broad range of occasions where it is appropriate to change the presumption. The first and second schedules of the Bail Act set out some of those occasions. The second schedule in particular contains a list of serious offences where, if a person is already on bail for a serious offence and is arrested on another, there have to be exceptional reasons to permit release on bail. In the current Bill this concept has been extended in a number of areas.

The first extension relates to when the accused is on parole, work release or home detention. Currently, as mentioned above, schedule 2 applies where the person is on bail for a serious offence. The Bill extends the rule to the case where the person is on parole, work release or home detention for a serious offence. The second extension relates to when the offence is a breach of bail conditions.

Currently, although the bail undertaking can impose a wide series of conditions aimed at preventing further offending by the accused, the breach of these is not an offence. The only breach that results in an offence is a failure to turn up at the court on the required day. The requirement to turn up in court is seen as the principal reason for bail conditions. Under the Bill, not only can additional conditions be imposed as part of bail, but also the breach of some of these conditions is made an offence in its own right. Although I will comment later on the specifics of these new conditions, I draw the attention of the House to the fact that the new "breaching" offence is included in schedule 2. This is an important change because many people, especially the elderly, are afraid to report offences because they fear repercussions. These repercussions may escalate into actual violence but often start as abuse and threats.

The court already has power to impose conditions on bail which keep the person accused away from the victim and which enable police to act against the person if he is found in a district or area from where he has been forbidden, without having to wait until actual violence is offered to the victim. At the moment, all the police can do is bring the defendant before a judicial officer to reconsider the question of bail. In view of the presumption in favour of bail, this has been of little effect. As I indicated, the Bill provides that such a breach is a second schedule offence, which means that there is a greater chance of success in having bail refused.

This is also important in the area of domestic violence. Many victims, especially women, are afraid to make complaints or commence proceedings against violent partners because of the repercussions. Police find that they are often powerless to intervene until a further act of violence is offered. This leads to an unsatisfactory state of affairs for both victims and police. In the past, police have also been reluctant to involve themselves in protective orders because there were few avenues for enforcement open to them. Now, under the Bill, the fact that the breach of these conditions is not only a breach of bail but also a second schedule offence will hopefully encourage police to take a more active role in preventing further violence.

Restrictions on granting of bail in urban areas: Although the Act provides a clear distinction between schedule 2 offences and the rest, in practice this distinction has little effect. The Act permits the granting of bail by authorised officers and justices of the peace. It is fair to say that the judicial balancing act that is required of a person granting bail is not an appropriate one to place on a police officer. Nor, for that matter, is it an easy one for a justice of the peace. Also, if bail is granted by a police officer, it is then hard for the police to oppose bail when it later comes up before the court. When the bail decision comes up for renewal in a court it is seldom re-examined. The usual practice is for bail to be renewed, as it is unlikely that, having previously granted bail, the police would then argue against a re-grant of bail.

However, just as there are very good reasons for having a system of bail, so too are there very good reasons for some of the current practices to be occurring. Specifically, the recommendations of the Royal Commission into Aboriginal Deaths in Custody encourage the granting of bail and this has certainly reduced the number of Aboriginal and non-Aboriginal deaths in custody. Police standing orders recognise this, and do not allow a police officer a great deal of discretion or latitude to refuse bail despite the specific terms of the Bail Act. Rather than attempt to draft standing orders which would more minutely describe the circumstances that should lead to a police officer refusing bail in these circumstances, or further restrict the grounds upon which a person on a second schedule offence can be refused bail, this task is now placed upon the court.

The Bill significantly departs from current practice in removing the right of both police officers and justices of the peace to grant bail on repeat schedule 2 offences, although this departure is limited. Specifically, it is recognised that such a departure is practicable only in what are termed "urban areas". For the time being, the Bill provides that the Perth metropolitan region is the only urban area, but provision is made for further areas to be prescribed. The recognition by the Bill that a different regime is needed outside urban areas, and in particular in the north west and other remote areas of the

State, means that the Parliament may be able to improve the bail regime so that it is tighter for the bulk of the cases in the metropolitan area - while recognising the particular difficulties of remoter areas and the different community controls in those areas in relation to bail consideration. Specifically, the consideration of bail will be made by a court only where the person is charged with a serious offence in an urban area, where, firstly, the defendant is either already on bail for a serious offence; secondly, the defendant is a parolee in respect of a serious offence; or, thirdly, the defendant is on another form of early release order for a serious offence.

Importantly, under the Bill, a breach of a violence restraining order, whether or not the defendant is on bail, and which occurs in any part of the State, will require that bail cannot be considered until the defendant is brought before a court. That provision places significance on the role of violence restraining orders as part of the Government's domestic violence strategy, as no longer will a justice of the peace or an authorised police officer be able to consider bail for such offences. Currently such decisions are made by a court, a justice of the peace, or an authorised police officer, which as I have previously observed is not usually the case.

An important aspect of the Bill is that it introduces the concept of classifying certain bail conditions as "protective conditions" for bail undertakings. They are those intended to protect persons who may be in fear of their safety or property, and they also extend to conditions in a violence restraining order. However rather than doing that by means of introducing the concept of a specific protection condition, the approach taken is in part by referencing existing provisions of the Bail Act - specifically sections 2(2)(c) or (d) of part D of schedule 1, which relate to a court's power to impose conditions aimed at protecting the safety, welfare or property of alleged victims. Importantly, by those means, the Bill includes a capacity to specify protective conditions in favour of people who may not be named in the complaint relating to the alleged offence; for example, children who may be living with the complainant/victim. Such provisions are important from the perspective of the Government's domestic violence strategy, as the bulk of serious personal assaults occur within the family situation. Police are relatively powerless to prevent recurrences of family violence and an enormous amount of police effort is spent in attending such incidents. Their present powers seriously limit their ability to deal with such violence until after a serious assault, which in some cases may involve murder, has occurred. The approach taken in the Bill will allow police to charge where there has been a breach of protective conditions in bail, whereas at present all they can do is ask for further conditions to be imposed or request that bail be revoked.

As I have mentioned, further to strengthen the position of the police, a breach of such a condition will become an offence in its own right - and a serious offence under the Act. Importantly, the court will also be required to treat any breach of a protective condition as serious, even if, on the face of it, the conduct complained of may apparently be trivial in nature. Likewise, when bail is being considered for serious offences the court will be required to have regard to the purpose of the protective conditions. It is too late, as far as the community, the police or the victim are concerned, if the police can act only after a serious breach of the peace has occurred. It is legislative policy that it should be possible for the court to circumscribe an accused's activities so that the police can act once the accused starts along the path that can lead to a breach of the peace. Protective conditions are imposed to enable police action before serious harm or alarm occurs.

That is already the law, but courts have a tendency not to act unless a serious offence has resulted from the breach. That defeats the purpose of the order, which is to place a block to prevent the accused from getting back to commit the offence, rather than waiting for the offence to occur. If the accused crosses that block, the police can act without having to wait for a further serious breach of the peace.

I now refer to the creation of new offences to deal with persons who breach conditions of bail. Currently, section 51 of the Bail Act provides that offenders who breach their bail undertaking by failure to attend court commit an offence. However the Act does not provide that breaches of other conditions of the undertaking constitute an offence. The Bill amends section 51 of the Act so that a breach of a protective condition contained in a bail undertaking will also become an offence. A penalty of $10 000 or three years' imprisonment will apply to any breaches, including breaches of protective conditions. Breaches of violence restraining orders and protective conditions contained in bail undertakings will become offences for which the granting of bail will be restricted. The Bill also provides that the references in schedule 2 of the Bail Act, limiting the types of burglary and car theft which are defined as serious offences, are to be amended so that all burglary offences and car theft are deemed serious offences.

I now refer to the refusal of bail on grounds of seriousness of the alleged offence. Another important aspect of the Bill is that it will make the granting of bail inappropriate where the alleged circumstances of the offence amount to wrongdoing of a serious nature. While it may be that a person charged with a particularly vicious crime is likely to appear in court in accordance with his or her undertaking, and is unlikely to commit further offences or endanger witnesses or any other person or otherwise obstruct the course of justice, there are clearly times when the sheer seriousness of the circumstances of the crime itself make it inappropriate to release the person on bail.

The Bill provides that a court is to consider whether a restraining order should be made when it is deliberating on bail. While the Restraining Orders Act already allows for that, a specific reference in the Bail Act will direct the court specifically to consider the issue. That is especially important where the bail is granted by a police officer because he cannot issue a

restraining order and must consider whether a telephone order should be applied for. The power conferred by the Restraining Orders Act is not available to those persons who most frequently grant an original bail application.

I now refer to the broadened range of bail conditions. Presently the Bail Act has provision for a defendant to undergo various forms of treatment or examination. The Bill provides for a person to be given bail conditions to attend counselling. Although not limited to, it is specifically aimed at domestic violence matters where the defendant may be required to attend, say, a domestic violence treatment program. The Bill provides that service providers be gazetted by regulation to ensure that the court is better placed to select courses or other interventions which have the best chance of achieving the objective being sought by the court in making the order in the first instance. At present the court has the difficult choice of either depriving an accused of liberty or risking an escalation of violence. Experience in South Australia has shown that early intervention helps to avoid the escalation of domestic disputes which, at worst, have so often led to murder in Western Australia. If intervention waits trial, by the time that occurs the situation may have become irrevocably antagonistic.

It can be expected that the number of remandees in lock-ups and prisons will increase as a result of these amendments. Although the financial and other impacts are unknown, they will be monitored by the Ministry of Justice. Based on the South Australian experience, the police should experience a freeing-up of resources due to more positive controls over, or approaches to, domestic violence incidents. Those disputes have proved to be among the most dangerous for police to attend and they lead to a high number of serious personal crimes. Although the limitation on the ability of police to grant bail will cause extra cost to police in conveying prisoners before magistrates, it is the police who presently consider that there is wasted effort on their part where serious offenders are quickly returned to the streets.

The Bill reflects a number of creative approaches to addressing a vexed area of the criminal justice system. As noted earlier, the Bill is but one of a number of steps to address community concerns, community perceptions, and operational efficiencies in the system of bail. I commend the Bill to the House.

For the information of members, I table the explanatory notes that go with the Bill.

[See paper No 297.]

Debate adjourned, on motion by Mr Cunningham.

ACTS AMENDMENT (VIDEO AND AUDIO LINKS) BILL

Second Reading

MR PRINCE (Albany - Minister for Police) [4.38 pm]: I move -

> That the Bill be now read a second time.

The Government recognises that efficiencies within the court system must be fostered if it is to satisfy the community's reasonable expectations of it. One means of fostering efficiency improvements is through the utilisation of new technologies, including innovative approaches to the use of video technology. The Bill is concerned with enhancing the application of such technology in the Western Australian court system. To date, Western Australian courts have demonstrated a commitment to that technology and a capacity to employ it in practical and innovative ways. In March 1996 video systems with the capacity to conference intrastate, interstate and overseas were installed in the Supreme Court, Central Law Courts and the CW Campbell Remand Centre. Those systems were principally established to enable persons on remand and in custody to appear before the court by video. This was permitted under sections 12 and 86A of the Justices Act which enabled judges and magistrates to adjourn and remand matters by video link. Additionally, the Supreme Court rules enabled judges to deal with applications by telephone or video link for civil matters in the superior courts.

The application of video by the courts produced immediate benefits to the justice system. These benefits include the facts that -

> first, security associated with prisoner transport has improved as many court appearances such as bail applications and remands are now dealt with by video - now, alleged offenders considered inappropriate to release on bail can remain in the prison environment, which minimises the risk of escapes and subsequent threat to the community;
>
> secondly, the number of prisoners processed by the Police Detention Centre at Central Law Courts has reduced by about 10 per cent - more than 1 000 prisoners are appearing before the courts by video each year, which alleviates pressure on police and prison officers in the transportation and handling of prisoners; and
>
> thirdly, witnesses from outside the Perth metropolitan area, and from outside the State and the country, have been able to give their evidence by video in civil matters, and that has reduced the cost of justice in that litigants do not have to pay travel and accommodation expenses for remote witnesses.

With the advent of the use of video in Western Australian courts of law, it became evident that a number of legislative amendments were required to maximise the use of video. Presently, there are no legislative provisions that enable evidence

to be heard in criminal matters or for persons to be sentenced by video link. Also, current legislation permitting the use of video applies only to certain courts. Therefore, legislation is required to empower any court or tribunal in Western Australia to hear virtually any matter by video link. The Bill before the House will, in essence, provide these powers.

Legislative Reforms: The origin of the current Bill is sourced to a model Bill which was developed and tabled before the Standing Committee of Attorneys General. The model Bill established necessary powers and safeguards when evidence is given, via video or audio links, to other courts in Australia or received from witnesses interstate. It was also designed to progress the enactment of similar legislation in all States of Australia.

The Western Australian Video Technology in Courts Steering Committee, with representation from the judiciary, the legal profession, the Police Service of Western Australia and the Ministry of Justice provided input into the model Bill before it was endorsed by the Standing Committee of Attorneys General. The committee also sought to broaden the scope of the model Bill through recommending that in Western Australia powers be enacted to enable courts and tribunals to use video and audio links both intrastate and overseas.

The committee also endorsed the use of audio links to enable courts to use telephones for the taking of evidence or submissions. Although telephones have not been widely used in the court system in this State, the Bill provides the flexibility to do so. This will be of greater importance for courts that do not presently have video systems in place. The Bill also incorporates the reciprocal provisions required when courts in the eastern States use telephones to receive evidence from witnesses in this State. I now address the key components of the Bill in a summary form.

Amendments to the Criminal Code and the Sentencing Act: Currently, in broad terms, the Criminal Code provides that the defendants must be present during their trial unless they act inappropriately within the courtroom. The Bill therefore amends the Criminal Code to enable the court, at its own discretion or upon application by a party to the proceedings, to use video and audio links for indictable matters before the superior courts. Under the Sentencing Act there are similar provisions to those now contained in the Criminal Code, referred to previously, relating to the offender's attendance in court.

The Bill provides for the Sentencing Act to be amended to enable courts to sentence offenders by video link. Importantly, the discretion to sentence an offender by video link rests with the court, taking into account the interests of justice, and both parties can make submissions on this issue. It was decided that audio links were inappropriate for sentencing and this is not provided for in the Bill. Taken together, the proposed amendments to the Criminal Code and the Sentencing Act will improve court security and the operation of courts by enabling potentially dangerous offenders to remain in prison during the hearing of trials and sentencing.

Amendments to the Evidence Act: The Bill also provides for a series of amendments to the Evidence Act which will enable Western Australian courts and tribunals to receive submissions and evidence by video or audio link from witnesses intrastate, interstate or overseas. The provisions of the Bill are intended to apply to all judicial proceedings in this State so that consistent practices are adopted across the board. The Bill in this regard makes provision for -

> first, prescribing States and countries - or even specific courts or tribunals within those States and countries - to which this legislation is to apply;
>
> secondly, empowering judicial officers in the various courts and tribunals to make orders, where the interests of justice are preserved, that evidence or submissions be taken by audio or video link;
>
> thirdly, prescribing the place to which the court is connected by video or audio link as being part of the court so that powers can be exercised at the remote location; and
>
> fourthly, authorising lawyers in other States of Australia to practise in a legal capacity when evidence is being given by video or audio link before a Western Australian court.

A further group of amendments to the Evidence Act prescribes powers and safeguards effectively to administer the giving of evidence by people in Western Australia to participating jurisdictions and recognised courts interstate or overseas.

The Bill in this regard makes provision for -

> first, empowering participating jurisdictions and recognised courts to exercise all their powers except for punishing by contempt or enforcing or executing its orders or process which will, by the force of this legislation, be enforced by the Western Australian Supreme Court as if it were its own orders;
>
> secondly, enabling proceedings to be heard in camera, requiring persons to leave the place where evidence is being given in this State, and to restrict publication of names or parts of the evidence;
>
> thirdly, assigning judicial officers, legal practitioners and witnesses the same privileges as if they were participating in a Western Australian Supreme Court proceeding;
>
> fourthly, administering oaths in accordance with the practice of the recognised court and providing for testimony

to be recognised as being testimony in a judicial proceeding under the Western Australian Criminal Code so that perjury charges can be laid; and

fifthly, according recognised courts the capacity to request assistance from Western Australian courts when persons are giving evidence.

Amendments to the Justices Act: The Bill also provides for amendments to the Justices Act to make it automatic for prisoners on remand to appear before the court by video. Experience has demonstrated that prisoners on remand actually prefer to use the video system. However, due to a number of operational and technical issues, their legal representatives are still requesting personal appearances for some remands. Although there were a number of teething problems, the Ministry of Justice has now corrected the technical issues and is currently working with the Legal Aid Commission and the Criminal Lawyers Association to resolve the operational issues with the aim of also making the video option the preferred choice by the legal profession. The new changes will significantly increase the number of video appearances. As a result, the consumption of police and prison resources in the transportation and handling of prisoners will be further reduced, as will the risk of escapes from custody. As a safeguard measure to protect the rights of prisoners, judicial officers, on their own initiative or upon application by any party, will still be able to order personal appearances if they consider that it is in the interests of justice.

Conclusion: The Bill recognises that court efficiency demands the adoption of appropriate technology. In Western Australia the court system continues to foster innovative applications of technology. Members may be aware that on 9 September 1998 the first video system in a country court became operational at Kalgoorlie, and the Ministry of Justice will be expanding the video technology to the Bunbury and South Hedland courthouses early next financial year.

Additionally four new District Court courtrooms presently being constructed in the May Holman building will be equipped with video capabilities. The benefits of this technology, given the size of Western Australia, are significant. The Bill aims to reduce the cost and resources consumed in transporting prisoners statewide, both adult and juveniles. Additionally, the Bill has the capacity to reduce expenses to the Crown and other parties to court proceedings, by minimising the requirement to travel to and from remote locations. At the same time inconvenience and disruption to witnesses living in remote locations will decrease significantly through not having to travel long distances to participate in the court process. The Bill will facilitate maximum use of video in our courts of law, with resultant benefits to participants in the court process and the community generally. I commend the Bill to the House. For the information of members, I table explanatory notes for the Bill.

[See paper No 298.]

Debate adjourned, on motion by Mr Cunningham.

COMMERCIAL TENANCY (RETAIL SHOPS) AGREEMENTS AMENDMENT BILL

Returned

Bill returned from the Council with amendments.

WESTERN AUSTRALIAN LAND AUTHORITY AMENDMENT BILL

Second Reading

Resumed from 15 October.

MR KOBELKE (Nollamara) [4.50 pm]: The Opposition will support this amendment to the Western Australian Land Authority Act 1992. As the title indicates, the Western Australian Land Authority was established by legislation in 1992, through the amalgamation of three existing government agencies that were involved in the development of land. They were the Joondalup Development Corporation, which people automatically associate with the excellent development at the city centre of Joondalup and surrounding suburbs; the organisation known as LandCorp, which was a government agency involved in land development in many parts of the State; and the Industrial Lands Development Authority, which was the government agency responsible for the development of industrial lands in order to meet the needs of industry in Western Australia. As with all marriages, sometimes difficulties are experienced in the settling down period, particularly when a new organisation must take over three quite different organisations, albeit they may be involved in similar areas of land development. By all reports, the Western Australian Land Authority has worked very well. It has returned revenue to the State, produced land developments of high quality, and ensured a supply of land in areas where, without its involvement, there could have been considerable problems or shortage of land supply. One must place on the record the considerable achievements of the Western Australian Land Authority.

When WALA was established in 1992, as the amalgamation of those three existing organisations, it had to meet a number of challenges. At that stage Western Australia was in the middle of a recession, particularly with respect to land development. Residential land development fell into a deep hole for three years, and that created a number of difficulties

for a new organisation starting up in a period of such reduced activity. In addition, the WA Land Authority was established at a time of strong movement in government across the whole of Australia, and perhaps the western world, to ensure that government organisations operated in such a way that they had no advantage over private sector agencies. The whole concept of competitive neutrality and changing structures, whether it be corporatisation or different methods of reporting, was around at the time and the Land Authority got caught up in them to some extent. In the amending Bill a number of changes address matters relating to that area.

This Bill arose from a review required by the Act to take place within five years of the establishment of the authority. I should also mention that there was a sunset clause in the Act to terminate the operation of the Western Australian Land Authority by 31 December 1997. This Parliament extended that deadline to 31 December 1998 and the minister initiated the review, as required. On 1 April 1997 the terms of reference for that review were determined. The report was submitted to the minister in November 1997. I am not sure of the exact date, but the minister released the report late in 1997 after it had been to Cabinet. In May 1998 the minister tabled his response to the report in this place, and on 15 October he made the second reading speech on this amending Bill. Those reports are not very thick but I will not take issue with the recommendations. The review was driven more by government policy than by an objective assessment of the Western Australian Land Authority and the needs of government land development agencies. The Government has the right to do that. It clearly wants to set down its agenda with regard to land development agencies under government control. The approach adopted has placed more emphasis on the Government's agenda rather than on an objective and thorough review of the needs of land development.

The involvement of government in land development has a long history, and I will comment on some aspects of that in the limited knowledge I have. What comes through is that Governments have continually reviewed and changed the organisations and the approach they have taken to involvement in land development. The Government of the day, quite rightly, has the obligation and duty to do that to meet changing needs. In that light, I accept what I have surmised to be the Government's approach to these amendments. Before I comment on the specifics of the Bill, I will comment on land development, the Government's involvement in land development and some of the agencies that have been involved over past decades. One must refer, of course, to the fact that the Western Australian Land Authority is not the only government agency involved in land development. Although the primary objective of the Department of Land Administration is the issue and control of titles, it becomes involved in land development, particularly in small country towns. It is a minor player as a government agency involved in land development. In addition, Homeswest is a major land development agency. From time to time, some element of conflict occurs between the role Homeswest should play and the role that should be played by the Western Australian Land Authority. I will not enter into that debate. The announcement has been made, with respect to this legislation, that the Land Authority will move away from some of the broad-acre residential development and that Homeswest will take a larger responsibility in that area. As part of that, large parcels of land have been sold to Homeswest. I mention this to indicate that, although the WA Land Authority is an important agency, its charter is different from that of DOLA and Homeswest, and there is an element of crossover in this area.

The involvement of the Government in land development is quite contentious from time to time. Western Australia has a very good private sector land development industry, which is very efficient and produces high-quality land developments. However, I believe there is still a strong case for the Government to be involved, and some matters of disagreement or conflict will always arise about the boundary between projects that should be developed by the Government and those that should be left to the private sector. The Government must be involved as a developer of land in Western Australia, through LandCorp or other agencies, for two key reasons. Firstly - and this is taken up in some ways in the minister's second reading speech - it is necessary to ensure that the strategic goals of the Government are met, and the provision of adequately serviced land in appropriate areas is very important to meet wider strategic plans. Whether those strategic plans be the needs of industry or the availability of good quality and cheap land, the Government, in the interests of the whole of Western Australia, must play a role in residential land development for those strategic purposes. The second reason is that people are always very concerned about the level of services the Government can provide and the problem of raising the revenue for that. Over the decades, the Government has been able to earn a large amount of money for the development of serviced land which can be sold in the commercial marketplace. The development of land has been an important income generator for State Governments when other avenues are further restricted to them. If the Howard Government implements the goods and services tax - this is not a political point; it is a fact - the State Government's areas from which to gain revenue will be further restricted. In that climate, being able to gather income from land development, although a minor contribution, is important.

The record shows that throughout the years, although there has been conflict over specific issues, generally government involvement in land development agencies has been bipartisan in this State. Although the emphasis has changed, neither Labor nor conservative Governments have made a major withdrawal from involvement in land development. For example, the conservative Playford Government in South Australia, which was in power for a record period - too long for me to remember -

Mr McGowan: It was 36 years.

Mr KOBELKE: - had an extremely high involvement in land development. It set up a range of manufacturing industries where, as a land developer, it built new suburbs and industrial estates and in some cases factories and shopping centres, thereby ensuring the infrastructure was in place to attract industry and migrants for the benefit of South Australia. Although the effect of some planning decisions and aspects of development in one sector has been a problem over the past decade, overall it was successful. That is reflected in the length of time in which the Playford Government remained in power.

I refer now to some of the history of the Government's involvement as a land developer in Western Australia. I do not pretend to be an authority on this, nor do I claim that my comments will be comprehensive. However, I will give some idea of the longstanding involvement of government in land development and its importance to the growth of Western Australia. The important Kwinana industrial strip and residential areas behind it were developed under the Industrial Development (Kwinana Area) Act 1952. Another development authority was set up to establish Kewdale in the mid 1960s. At that time the Industrial Lands Development Authority was established. That was one of the organisations that formed the Western Australian Land Authority.

In the late 1960s - I am not sure how far it went into the early 1970s - a severe land supply crisis occurred in Western Australia. The then Tonkin Government in which Sir Charles Court was a member, almost lost government at an election in which the key issue was spiralling land prices due to the shortage of residential land. The conservative Government clearly had to address the matter. In about 1968 it used the then state-owned R&I Bank to become involved in a major way in the development of land to ensure land at a moderate price was available for families.

In the 1970s industrial estates such as Henderson and Canning Vale were developed. They were major developments that provided a large amount of land for industrial and commercial enterprises in Perth. In 1976 then Minister June Craig of the conservative Government established the Joondalup Development Corporation which sought to provide quality development for the urban expansion of the northern suburbs of Perth. As I indicated, that project, commenced under a conservative Government and given a huge kick along in the 1980s by the Burke and Dowding Governments, was extremely successful.

The 1970s also saw the establishment of the Urban Lands Council. The Whitlam Government introduced a new emphasis on urban development throughout Australia and federal money became available. The State Government was able to use some of that for development through the Urban Lands Council in the 1970s. I understand that became the Land Bank which then became part of other government agencies.

The key issue is that as a result of all these changes government involvement, through land development agencies, must be reassessed continually to check that it is meeting the needs of the people and of government. Government involvement must be appropriate rather than stifling for the private sector. It must maintain competition to ensure that land is developed to a high standard at the lowest possible price. In some areas no real competition exists. In areas of industrial land the Government may have clear strategic goals for the establishment of industries. If the Government expects industry to expand without the land being available it will not reach first base.

It makes good, sound sense to ensure that a government agency can provide industrial land in appropriate areas prior to many industries being ready to take up land. That can mean that long lead times are involved. As such the commercial viability of those developments may be questionable or simply not bankable. Developers will not put in place the important infrastructure required on greenfield sites in the hope that industry will come along later. For clear, strategic reasons the Government must be involved in providing industrial land ahead of what might be the demand for it.

The development of industrial land with a long lead time does not provide the yield to the developer. Although the Government must show clearly that it is not wasting money and must be accountable and open to indicate what carrying costs are involved, the Government should be able to make clear, strategic judgments that it will carry that cost for the development of industry. It may be an opportunity cost whereby the money is tied up. In some cases it may be a real cost whereby the Government commits the money. The development north of Geraldton for the iron and steelworks is an example of how the Government has leapt in and put the money up-front because the project is important to downstream processing in this State. I have no problem with that.

I am told that since the establishment of the Western Australian Land Authority in 1992 the dividend return to government is $80m which is a reasonable contribution, given that for the first few years of its life it operated in a difficult marketplace as a result of the recession throughout Australia, which was particularly severe for land development in Western Australia.

I will refer to some of the projects, not comprehensively, but to give an indication of their importance. I have already mentioned Joondalup where I recently visited a friend in hospital. I am continually impressed with the developments there. It is a fine city centre which will be a node for residential development through a much larger area in the north metropolitan part of Perth. The city north project, with much smaller lots of terrace housing, has been successful and won awards. It caters for people who want houses that offer more than the minimum standards, but who no longer want large blocks with lawn at the front and back because they are involved in a range of pursuits that do not allow time for gardening.

I referred to the development at Oakajee to which the Government has made a commitment because of the importance to

Western Australia of downstream processing. Having an agency such as LandCorp enables the Government to get developments like that progressing quickly. If the Government did not have an agency such as LandCorp and wanted to provide support it would either have to hand over the money to the proponent, which would be neither good business sense nor politically acceptable, or commence contracting out planning and development. However, LandCorp can take control of it. It does not have to do it all in-house, but the Government has the expertise to ensure that the project is completed in the required time frame and to meet those objectives at minimal cost to government. People may make adverse judgments about a range of other matters because of the lack of demand.

The industrial estates in the Pilbara, Mungari in Kalgoorlie and Meenaar near Northam, have been initiated because of a need to ensure that all of industry does not come to Perth and that we provide jobs out of Perth. If jobs are to be created outside Perth, industry must be provided there. Real incentives are available to industries that locate in these regional centres. However, companies face additional overhead costs when they locate out of Perth. We are all aware of the problems with the fringe benefit taxing that have been created for developments in these remote areas. If the Government can provide well-serviced land at cheap or very reasonable prices, the Government can partially counterbalance the disincentives for industry establishing in these areas. I am supportive of the work being done there. I believe it has been done well by the Western Australian Land Authority. I do not accept the criticisms that the land has been underutilised, as it clearly has in most areas, and that the Government should not be doing this because no-one will be ready to move in for some years. If people believe in Western Australia and its fantastic potential, and they want to ensure that a quality of life is enjoyed by the community throughout Western Australia, the opportunity must be given for industries to establish outside Perth. If the land is not available for development in appropriate areas for industry, it clearly will not happen. For very important strategic reasons, LandCorp has been involved in a range of those. A successful major one that I have not mentioned, although it still has a long way to go, is Kemerton. It was established by the last Labor Government. It provided the opportunity for industries to establish next to our very important regional city of Bunbury. One hopes that Kemerton will continue to grow as new industries come along. The current Government has taken steps to expand the area available to Kemerton. It has encountered some problems with the buffer areas, which are required to ensure that other land users are not adversely affected by some of the industries that are established, and may establish, at the Kemerton site. It is very important that a centre such as that exists and WALA has been an appropriate agency in establishing those.

I understand that LandCorp is involved with the development of the Mandurah marina. The Labor Party tried to foster that, but it ran into many difficulties. It is a project with a very long history. I am not sure if it is a project that will be financially successful for the Government; however, I will not make a judgment on that. If it turns out to be a financial success from which WALA derives a profit, well and good. The people who know Mandurah are aware that it is a wonderful place, and that it is an area which can attract much tourism. It has excellent access to the water through the estuary and the ocean, and the provision of a marina would be a boon, to not only Mandurah but also the whole south west region of Western Australia. If that is the Government's strategic purpose - I am assuming it is - it makes good sense to have an agency that can put that in place. I recall that problems existed with the land holdings which were broken up - issues dealing with the environment in that area and the integration of the planning into greater Mandurah. We have seen in the media some of the problems the Government has encountered with the people who have been living in the caravan park for a long time. These matters should be handled with considerable sensitivity to the needs of the local people, particularly those who have been there for a long time. I think LandCorp generally has a good reputation and it is important that the Government has an agency to help in matters such as that.

The Minister for Resources Development and the Minister for Commerce and Trade have been involved in the developments at Jervoise Bay for a considerable time. That initiative was supported by the union movement and by industry. A very important ship construction industry has already been developed there. The project offers the potential for greater involvement by Western Australian companies in resource development projects. That is important to Western Australia, to the creation of jobs and to the creation of wealth in this State. A project as large as that has risks associated with it. It is appropriate that the Government is involved and that WALA is the agency which has responsibility for the management of that site and its development. The Department of Resources Development and the Department of Commerce and Trade may be driving the issue, but LandCorp can pick up the land management and development side. That is a very important reason for the Government to have such an agency available.

The involvement in residential projects has been important. The development on the fascine at Carnarvon has run into many problems. Mr Acting Speaker (Mr Sweetman), you would be aware of its importance; and it is good to have LandCorp involved in that. While Carnarvon has had its hold-ups, the Albany foreshore seems to be having more than its fair share of hold-ups, and perhaps a few headaches for the minister. This Government has an important role to play in helping to pursue what would be an important project for Albany on the foreshore. The redevelopment of Marlston Hill at Bunbury appears to have been a great success. Bunbury is a very important port. Its potential to growers makes it an even more important port. The port facilities that were close to the town were past their useful life. The area was ripe for redevelopment. Those projects which involve government land have a complete history to them which must be understood and unravelled for the development to proceed. I believe it has been pursued successfully. I think commonwealth money for the Better Cities program was involved at one stage; I do not know whether it was taken to fruition. It not only gave the

Government an agency to take up the development which would have a range of difficulties which would have to be resolved, but also meant that commonwealth funds could be called upon to help that project.

Another aspect of the role which is taken up in this amendment is to establish LandCorp as the key government agency for the disposal of assets. I am not sure how that will change from the past because I have always considered that LandCorp tends to do that anyway. However, I am not sure whether it will take up more than what it and some of the other agencies have in the past - DOLA et cetera - and move out of some areas. I know that LandCorp has already been involved and perhaps the changes in this amending Bill are a clear statement of the current situation, or they may indicate that the Government is taking it further. Perhaps the minister can explain what I think is a fine distinction when he rises to speak at the end of this parliamentary debate. LandCorp has been involved with the realisation of the land asset from the Mt Henry Hospital. Members on this side were totally opposed to the Government's move to close down the hospital. It was an excellent site and an excellent institution. The buildings were a problem; they were old, and the Government had to determine how it could provide better accommodation for the people of Mt Henry in a way that would cover the costs. It looked more to covering the cost by realising the land asset than it did to providing better accommodation for those at Mt Henry Hospital. This debate addresses the role that LandCorp has played. It is appropriate that the Government used it to realise that asset at the Mt Henry Hospital.

I will mention two other examples. One development that has been very positive is the disposal of the land at Mt Claremont. I am not sure whether all of it belonged to the Health Department, but a significant portion did and it was clearly underutilised. It was in an area where land values were towards the upper end of the market. We now have a high quality development that has produced a considerable return. That was the right approach to take and I commend the Government and LandCorp.

Not every development has been as successful as we might like. The Minim Cove development on the river is very concerning. I am not suggesting that the Government should not have been involved. However, some problems have arisen with it and I will refer to them later. That development does not detract from what has been an excellent record. Land development is always problematic. A developer must face the vagaries of the market and the need to make the development work. Even private organisations from time to time get it wrong, and we must see any criticism in that context.

LandCorp is playing a major role in the developments further up the coast at Alkimos-Eglinton. I hope that the quality of those developments will match or exceed that of the Joondalup development.

It is important that we plan for further urban expansion. More people are now saying that we should limit the growth of the metropolitan area. We must consider that, but we cannot do it in an artificial way by trying to stop people moving to Perth or by not providing land at a reasonable price so that families can establish their homes. It is not appropriate to address that issue now, because it relates more to planning. We have seen a big change in lot size and the styles of houses being built.

Any development in northern metropolitan Perth must aim to establish industries and jobs in the area. The northern area already faces the problem that it comprises largely dormitory suburbs; that is, people live in the area but they cannot find work there. That problem must be addressed by the provision of industrial and commercial land appropriately placed and developed ready to go onto the market to generate jobs. Without the provision of that industrial land and its take up by industry, Perth will develop as an elongated city. We will face difficulties with transport, the time people take to get to work and a range of environmental factors. The smog that will issue as a result of our use of motor vehicles will add to the growing list of problems facing the metropolitan area. In meeting the Government's strategic objectives in the northern suburbs, LandCorp has an important role to play not only in planning but also in ensuring that the right mix of land is provided. Residential and industrial land must be provided so that those who choose to live there can also work in the area.

The Bill addresses the problem the board has had in meeting its requirement to act commercially. As I have mentioned in the examples I have provided, land developments can relate very much to meeting the Government's strategic objectives. In some cases that may not result in a profit. If the board is given a clear direction that it must act commercially, it can find itself in difficulty. The board may feel it is in conflict in trying to make decisions and balance the organisation's community service obligations and the demand that it act commercially. That conflict is addressed in the Bill. It puts in place a mechanism whereby, if the Government wants community service obligations to be paramount, such a direction can be issued. It appears to be a workable mechanism, but only time and practice will tell how effective it will be.

I do not want to point to any minister, but in the past some ministers have not been open and accountable. That creates big problems when the minister gives directions to the board. If the direction is a clear statement from the Government that it wants industrial land in the area for strategic purposes and it is happy for that to be done at a financial loss, that is clear and the board can do that as effectively and economically as possible, and in the knowledge that it is meeting the Government's strategic objectives. If it is not commercially viable, that is okay because the Government has made a clear statement about its intention.

The problem arises when the Government is seen to have backed a loser and does not want to say that it gave the direction to develop the land. The development might be a hot potato because of commercial or environmental factors or local

objections. In that case, the Government might not want to follow the proper processes and issue a clear direction about what it wants to happen. That is a concern. We have had examples of ministers of this Government not willing to be up-front. If the mechanism works as it is intended to work, we will not have a problem. It must be made to work, and hopefully the minister - whoever it is - will ensure that it does.

The Bill provides a very broad definition of "community service obligation". It is -

> . . . a commitment that arises because -
>
> (a) the Minister specifically requests the Authority to do something or specifically approves of the Authority doing something;
>
> (b) the Authority could not do the thing and comply with section 19(1)(c);
>
> (c) things of that kind are not required to be done by business in the public or private sector generally.

For the purposes of this Bill, the Government is describing community service obligations as anything that steps away from being commercial. It is a broad definition, and I do not have a problem with that. However, it varies the definition a little from the meaning it might have in normal, everyday parlance.

A booklet issued by LandCorp in July 1998, which has some wonderful photographs and outlines the structure of the organisation and so on, has the following quote from Ross Holt, the chief executive officer -

> LandCorp is made up of a small professional team committed to quality land development outcomes. Given the large scale of LandCorp operations, we outsource much of our work to the private sector. This combination is highly successful and a good example of the public and private sectors working closely together.

On the whole, I agree with that; it is an effective way of operating and of being able to work on a contract basis with the private sector and, in some cases, in joint ventures with the private sector, but we must always be careful that LandCorp is not taken for a ride. All organisations make mistakes. I and most other individuals, make mistakes, and organisations make even more mistakes. However, I shall refer to the development at Minim Cove because there is concern that things have not been done as they should for the clear advantage of LandCorp and the Government as a stakeholder in that development. I will not mention concerns about environmental issues - perhaps another speaker will take up those - but LandCorp was aware that it was dealing with contaminated land. On 2 April 1996, in a question on notice, I asked -

> Was the WA Land Authority aware that Octennial Holdings was a two dollar company holding an option on the land, which was known to be contaminated?
>
> What checks, if any, were made as to the substance of the company and the record of both the company and its principals to perform the requirements of the joint venture?

I do not want to go into the answer in fine detail because I do not have time, but, in part, it stated -

> Octennial Holdings held an option to purchase lot 416 from the University of Western Australia.

It went on to state -

> Octennial Holdings was subject to the normal financial checks and has provided financial security to meet its proportion of costs estimated for the clean-up of its land.

That does not answer my question. The Government, through the answer that it gave, perhaps on behalf of LandCorp, did not face up to this issue. It is a joint venture in which it seems that the Government is carrying all the costs and risk and the private developer will walk away with a huge profit if it turns out to be successful. I also asked -

> Are the costs and the potential rewards being shared equitably between the WA Land Authority and Octennial Holdings given the percentage of land which both joint venturers are contributing to the development project?

The answer to that was yes. That might seem all right on the surface, but I asked some other questions about the actual costs, and it turned out that the total cost of all the work done or under way amounted to nearly $6m and that anticipated further costs were more than $7m, so total costs for the project at the time I asked the question in March were nearly $13m. That is LandCorp's commitment to the land development at Minim Cove.

Mr Barnett: It's a good thing that the best blocks will go for more than $1m.

Mr KOBELKE: Hear me out. I then asked -

> What is the amount of money actually receipted by LandCorp from Octennial Holdings or any other company on behalf of Octennial Holdings as part of their contribution towards the costs of the Minim Cove development?

Does the minister know the answer? LandCorp is committed to nearly $13m, it has already paid nearly $6m, and Octennial Holdings has contributed $186 358 - not even $200 000 - and a bank guarantee of $256 500. It is a $2 company which simply had an option on contaminated land, and it got into a deal with LandCorp. LandCorp foots the bill, with the profit to be shared with Octennial if it is a great success, and we all hope that it will be, but if it is a failure because of extra costs involved in the remediation of contaminated land, all we will have is a $256 500 bank guarantee and the $186 358 that has been paid. Octennial's contribution is less than $500 000, yet LandCorp's contribution so far is nearly $6m, with total costs of about $13m. That is one example of working with the private sector and the private sector putting LandCorp in jeopardy. That should not happen.

I am not happy to make that negative comment, because I support LandCorp - it does a good job - but the facts speak for themselves. It is of concern that things have not gone as one would have hoped in the development at Minim Cove.

I now refer to a few of the main features of the Bill. Obviously, we can take up some of them in committee. The Bill provides for the authority to prepare an annual statement of corporate intent and a strategic development plan. They must be approved by the Minister for Lands and be agreed to by the Treasurer, and that will be done by regulations. The second reading speech states -

> These documents will provide greater accountability and transparency of the authority's operations to the Government, and will ensure that its operations are congruent with government policy.

I certainly hope that they will ensure that the operations are congruent with government policy. They should follow government policy, and the mechanism will be effective to that end. However, it would require a leap of faith to believe that somehow it will make it more accountable and transparent. The member for Cockburn has taken issue with the Minister for Energy many times with respect to statements of corporate intent. Although the Government makes high-sounding statements about providing accountability and transparency, under this Government that simply does not happen. The minister's statement might be for political purposes, but no-one will place too much faith on those provisions having that effect. Clearly, one hopes that the operation of the agency is in keeping with government policy.

Other provisions relate to giving effect to the need for competitive neutrality. I have already commented on that matter. The authority has been exempt from state taxes and charges, and that exemption is to be removed. It remains exempt from local government rates, except where it owns land jointly with another non-government organisation or leases or lets out land. It will be given an obligation to pay tax equivalent to payments in lieu of paying taxation to the Commonwealth. Its power to lodge memorials and to make by-laws is to be repealed, again in keeping with the thrust to ensure that it competes on an even playing field with private land developers. Although that is a good objective, I would be concerned if the way in which it was implemented meant the authority simply became another bureaucracy - that it was a matter of doing a range of accounting procedures simply for the purpose of dressing up the books to make it look as though there were competitive neutrality with developers in the marketplace.

As is clear from my contribution, the Western Australian Land Authority has an important role in meeting the Government's strategic objective. That objective is different from ensuring that there is competitive neutrality. We need to find a way to manage the two. It will not work if we try to push everything into competitive neutrality. It is an important objective, but there must be efficiency. If the operations of an agency are hidden away and hampered by a number of special arrangements, we will not produce the most efficient organisation. Benefits can flow from ensuring that competitive forces are at play, but to make competitive forces the paramount criterion is unworkable and it will not serve the objectives of the Western Australian Land Authority.

My final comments relate to existing sections 3 and 6. Section 6 covers the board of directors and, to paraphrase, states that the authority is to have a board of directors comprising not fewer than five nor more than seven members, each of whom in the opinion of the minister has knowledge of and experience in any of the fields of town planning, housing, industry, commerce, finance, engineering and land development. If the amendment goes through, there will be no requirement for any such knowledge or experience for people to be appointed by the minister. I seek from the minister details about that. I fear that the Government is setting this up so a whole line of Liberal Party hacks can be placed on the board of the Western Australian Land Authority. I understand that that was in the recommendations that came forward from the review. The existing section states that these people will have knowledge and experience in the opinion of the minister. That does not seem to be limiting. Let us look at the people who are currently on the board. Although they do not all necessarily have professional qualifications or many years of experience in the area, they would meet the criteria in the Act. Mr Hughes is a licensed valuer and property consultant. Mr Bill Griffiths has been involved in this area for many years. Mr Bob Mickle has been involved in the Industrial Lands Development Authority. Stuart Morgan is a businessman.

Mr Thomas: He is the mate of the Minister for Energy.

Mr KOBELKE: He may have good connections with the Liberal Party. Let us say then that he does not meet the criteria. There is also Dr Ernie Manea, who has been involved in local government and will know about planning and land development. Anyone who has served in local government has experience in those areas.

Mr Shave: Mark Christie is a licensed valuer.

Mr KOBELKE: Mr Christie is a new member on the board. He is a valuer. Mr Muirhead is the chief executive officer of the Department of Commerce and Trade. He would meet the criteria. The clause merely states that the appointee is a person who in the minister's opinion is suitable. It is not stretching the imagination to say that someone who heads a government department manages assets, people and real estate, therefore, meets the existing criteria. Similarly, Des Kelly, the chief executive officer of the Department of Resources Development, is managing a whole range of projects to do with land.

Mr Shave: There is a person from Minister Barnett's department and one from Minister Cowan's, too, for that specific reason. A lot of the projects involve their departments. That is why those people are there.

Mr KOBELKE: I am not criticising them. I am suggesting that they would meet the criteria under the current Act. After all, it requires only that in the opinion of minister, they have knowledge of and experience in any of those fields. Clearly Des Kelly has experience of industry and, in managing a department, would have some experience of land development. Under clause 7 these appointments are made in line with only the minister's opinion; it is not an objective test of people having a degree or having worked in a relevant area for a number of years. That is my concern about removing that provision. Anyone who has held a senior government position could be said to have had that experience, in the view of the minister. We are dealing with an organisation that has a fairly clear objective to deal with land development. Existing section 6 states that these people should have experience in any of the fields of town planning, housing, industry, commerce, finance, engineering and land development. I am not confident that there is good reason for removing that provision. I await the Minister's response to that.

In conclusion, I refer to existing section 3, which covers the objects of the Act. They include, firstly, the provision and development of industrial, commercial, residential and other land in a range of localities to meet the social and economic needs of the State. That does not change. The second object refers to the completion of the Joondalup centre project, which is to be deleted because it is to be finished and there is no ongoing job beyond completion. The third object is reworded. At present it states -

> (c) the identification and development of other urban and regional centres of population and the provision of infrastructure and facilities for those centres.

What is new is the identification of not only the development but also the redevelopment; that is, the provision of and the improvement of infrastructure. LandCorp will have the ability to get involved in the development of the centres, and then to enhance them, to extend them and to improve them. I do not have any problem with that; however, that is a turnaround from this Government's policy of a year or two ago. When this Government came to office in 1993-94 - not necessarily straight after it was elected - and Hon George Cash was the minister responsible, there was a clear directive that took LandCorp out of that involvement in the improvement of projects. Some criticism was made that under the former Labor Government, LandCorp had been involved in some improvements in the Rockingham city centre. People who are now in government said that we should not have done that. Under this provision, we are now allowing LandCorp to do it again. It seems to be a change in the policy of 1993-94 which limited LandCorp in its involvement in redevelopment or improvement. That ability is being added to the objects.

Under clause 5, existing section 3 is amended to establish this organisation as the primary agency for the development and disposal of surplus government land assets to maximise the financial return to the State. The Opposition supports the amending Bill, and looks forward to the answers from the Minister so we can assure ourselves about some aspects of the legislation.

MR McGOWAN (Rockingham) [5.47 pm]: I reiterate that the Opposition is keen to support this legislation. I have looked at the Bill and the second reading speech. The Bill sets out a good framework for the operation of the Western Australian Land Authority, LandCorp. Importantly it sets out a very good balance. The Bill provides for an important planning framework in which Governments should get involved in the strategic provision and development of industrial land for a number of decades. I suppose that takes care of problems of short-term planning, in which the market could fail to take account of the State's long-term needs and requirements. As I say, it sets a good balance.

The member for Bunbury commented upon the planning by the Playford Government. He stated that the Playford Government put in place some industrial landholdings which formed the basis of the great car industries and a number of other industrial developments in South Australia. The member for Bunbury indicated that the Playford Government was in office for 26 years and I mentioned that I thought he was incorrect; that it was in office for 36 years. For the first time ever, the member for Bunbury was right and I was wrong. He took particular pleasure in pointing out to me that the Playford Government was in office from 1938 to 1965. He was correct. My assertion that it was 36 years was wrong. On the issue of the Playford Government, he was the longest serving Premier in this nation's history. He served for 26 years. He was followed by Sir Joh Bjelke-Petersen who served as Premier of Queensland for 19 years.

Mr Shave interjected.

Mr McGOWAN: Richard Court may unless the member for Alfred Cove gets in first. The member for Alfred Cove may be the shortest Premier in history.

Mr Shave: I am very comfortable.

Mr McGOWAN: He will be in *The Guinness Book of Records* as the shortest Premier in the history of the Commonwealth.

The ACTING SPEAKER (Mr Sweetman): The member for Rockingham will address the Chair.

Mr McGOWAN: I raise a point relevant to this Bill. If the historical truth be known, the Playford Government went too far. It was a very socialist government. It invested state money into butcher shops and fish and chip shops, not just industrial land developments. The member for Alfred Cove is going back to his socialist roots of the late 1970s in Fremantle. He is following the lead of the Playford Government in putting money into picture theatres.

Mr Shave: Do not go crook at me.

Mr McGOWAN: He is following his great visionary, Sir Thomas Playford, who had state-run butcher shops and fish and chip shops in South Australia.

Mr Thomas: Do you think he will rename one of his towns "Elizabeth"?

Mr McGOWAN: He may.

Mr Thomas: Maybe you can call one of yours "Phillip".

Mr McGOWAN: I think the member for Alfred Cove will call his the "Elle" State. The member for Alfred Cove is following in the ghost of Sir Thomas Playford. Butcher shops and fish and chip shops will no doubt be run by the State in Joondalup in the future. The member for Alfred Cove will do whatever is required to hold the marginal seats.

Mr Bloffwitch: You started the Joondalup thing. Why are you blaming us?

Mr McGOWAN: The member for Geraldton should go back to sleep. I was talking about the theatre in Joondalup. I will give the member for Bunbury a correct historical record of the Playford Government. The Playford Government was one of the longest serving Governments in state history. However, the actual longest serving Government in the history of this country, in party terms, was the Tasmanian Labor Government. I think it served for 60 years with a short break over the period of the Great Depression until 1982.

Mr Shave: I will give you a wager: I bet you our Premier lasts longer than your leader. I will give you 5/1.

Mr McGOWAN: I bet the member for Alfred Cove is wrong. Is it in the standing orders, Mr Acting Speaker? Can we take a bet across Parliament on these sorts of matters? He is a minister.

The ACTING SPEAKER (Mr Sweetman) I would like the member for Rockingham to address the issue. The Minister for Lands is forgetting where he is.

Mr McGOWAN: He is getting me off the track. He is setting up a smokescreen for his secret plotting, but we all know what he is about. The Tasmanian Government served for about 60 years until 1982 when it lost office to Robin Gray. I will return to the Playford Government because the member for Bunbury is interested. Sir Thomas Playford was defeated by Don Dunstan in 1965. Three years later Don Dunstan was defeated by Steele Hall who took over as Premier of South Australia for three years. To his credit he brought an end to the terrible gerrymander in South Australia and put in place a fair electoral system. Don Dunstan was followed by Des Corcoran, who held office very briefly until 1979. At that point, a Liberal chap by the name of Tonkin took over as Premier of South Australia. Is the member for Bunbury listening? This is for his benefit.

Mr Johnson: What has this got to do with the Bill?

Mr McGOWAN: I am informing members. I am sure that members know nothing about the history of South Australia and it is important that they know. A gerrymander, or a malapportionment, can result in a misappropriation of the resources of the State. South Australia had a shocking gerrymander in place. South Australia had a system in place in which the Government drew up the boundaries. It did not have a separate system. At one stage in the 1960s, Sir Thomas Playford drew up the boundaries to abolish Don Dunstan's seat because he knew that Don Dunstan would beat him.

Mr Thomas: That is how Charlie Court did it.

Mr McGOWAN: Did he? The Queensland Government also did it from 1949 onwards, originally under a Labor Government until 1957 when the conservatives took over. It was refined by Sir Joh Bjelke-Petersen. When such electoral systems are in place, there is a misallocation of resources into areas that should not have such a serious amount of effort put into them. Because such a small number of people elect so many members of Parliament, their relative weight means an unfair distribution of resources of the State to the few as opposed to the many. That is an important point in the context of

this Bill. I support the concept of LandCorp. The electoral system in place in this State sets up a system of government which can misapply public resources into marginal seats, particularly when so many of them -

Mr Barnett: Will you provide some examples of this?

Mr McGOWAN: I will. As the member for Rockingham, I represent the same number of people as the members for Mandurah and Dawesville combined. They receive two votes in this Parliament and I receive one, although the people in my electorate are just as good and decent as the people in the members' electorates. The resources which are poured into Mandurah, which has two voices in Parliament, against the resources poured into Rockingham, which has only one member -

Mr Shave: What have we poured into Mandurah?

Mr McGOWAN: The member for Cottesloe asked me for an example and I am providing him with one. It is a distinct disproportionate provision of the resources of the State in those two electorates. It is a result of the electoral system. That is very obvious. If members are driving to Mandurah, they should have a look. I am sure the member for Cottesloe agrees with me. He thinks we should have a fair electoral system.

Mr Barnett: You should look around your electorate. The Warnbro Community High School, along with Ballajura Community College, is the best equipped and best structured senior high school in the State.

Mr McGOWAN: I agree.

Mr Shave: Is that in your electorate?

Mr McGOWAN: No, it is not.

Mr Barnett: What electorate is it in?

Mr McGOWAN: It is in Peel. We should have a fair electoral system in this State and I am sure that the member for Cottesloe agrees with me. Will the member for Cottesloe answer me?

Mr Barnett: I am not here to answer your questions.

Mr McGOWAN: He asked me the question.

Mr Barnett: You are not my favourite member of Parliament at the moment. In fact, you are in the sin-bin for three months.

Mr McGOWAN: I will send him a Christmas card and he will get over it. Is anyone lower than me or have I attained that dubious honour? Members opposite are taking me off the Bill. On balance, I support the Bill.

Sitting suspended from 6.00 to 7.30 pm

Mr McGOWAN: This Bill is the result of a ministerial review into the Land Authority that was instituted by the Minister for Lands. The Land Authority was set up in 1992. The original Bill had a five year review clause. That expired in 1997, and last year we debated, and passed, a Bill to extend that review for a further year. This Bill will ensure that the Land Authority continues in operation, largely in its current form.

LandCorp is an amalgamation of three functions that had been carried out by three previous government organisations that controlled various aspects of land development in the residential, commercial and industrial fields. That amalgamation performed a range of useful functions. It is obvious from the Bill and the minister's second reading speech that he has adopted virtually all of the recommendations of the review that he put in place.

The Bill states that as a principal objective, LandCorp in its current form will be retained, which is a good thing. It indicates three principal priorities for LandCorp in various areas of development. The first priority is the continuing development of industrial land in this State in various locations, and in particular planning for the future. Part of my philosophical commitment is that the Government should be planning for the future and putting in place mechanisms and, in this case, land, which will provide future opportunities for Western Australians to work, and will provide for investment in industrial projects. It is good to plan for the future, even if there does not appear to be a direct need at present. This Bill addresses one form of market failure.

The second priority of LandCorp will be to engage in special projects in the interests of local communities. One project that is mentioned in the documentation that I have read is marinas. Those special projects will take place primarily in rural areas and regional towns. The third priority of LandCorp is urban renewal which involves a broader social and economic outcome. LandCorp will hand over to Homeswest most of its responsibilities with regard to housing, but in certain areas, particularly in regional towns, it will take on urban renewal to meet a specific economic outcome. These projects have been undertaken in the past in Bunbury in what is known as Marlston Hill, which is designed to revitalise the town centre. Anyone who visited Bunbury 10 years ago and recently will know that that revitalisation has been very good for the City of Bunbury.

I will relate this Bill to some of the activities of LandCorp in my electorate. It is obvious to me that, historically, planning

in the City of Rockingham has been a big failure. It is very sad that the foresight that is envisaged under this authority was not exercised in the City of Rockingham 20 or 30 years ago. The most obvious manifestation of that failure of planning in Rockingham is that no provision has been made for a transit route through the city. I am not sure whether that would have come under the bailiwick of LandCorp in its current form, but historically provision should have been made for a transit way to run through the centre of Rockingham to cater for public transport in the form of buses and trains. That means that if one day a railway were built through the centre of Rockingham, it would be at major public expense. I have spoken to a range of people about this planning failure, and it is ascribed to various bodies, whether local council or the State Government of the day 20 or 30 years ago. They are probably all responsible. Planning in Rockingham has been fairly poor.

LandCorp has invested some money in Rockingham. One of those investments has been into the wool scouring precinct in East Rockingham. That appears to be going fairly well, and the scientific studies that have been undertaken show that it will not have a detrimental effect on Rockingham. I hope it will provide a major employment benefit for the town of Rockingham. In the last state budget, provision was made under the Premier's allocation - I do not think it came out of the budget of LandCorp - for streetscaping and roadworks to create a commercial heart in the City of Rockingham. LandCorp has also put some money into two light industrial estates in Patterson Road on the north-eastern side of Rockingham. One of those estates is known as Challenger Park; I cannot remember the name of the other. However, at this stage both of those industrial estates appear to be failures. No investment of private money has been made into those estates, and they are basically unoccupied and unused. I believe those estates are not necessary at this stage. I am not sure how much they cost - I believe it was hundreds of thousands, if not millions, of dollars. LandCorp has an obligation to plan for the future. However, it has the potential to cause come heartache for the many small businesses that are already occupying this sort of land in Rockingham. Rockingham has an excess of shop space and light industrial land. These two developments are exacerbating that situation. The money invested there would have been better spent in the city centre, or on a range of other developments I could name should the minister ask.

One only has to read last year's state budget to see that LandCorp has put, and is continuing to put, a large sum of money into Joondalup to develop residential and commercial areas. The potential exists for a degree of favouritism in how LandCorp allocates money. Some councils seem to be more fortunate than others. What was formerly the Wanneroo city council, but is now the Wanneroo Shire Council and the City of Joondalup, currently has a large land bank. That enables the authorities to sell and develop land and to have an ongoing income stream which they can invest in Joondalup. Many local authorities do not have that land bank, and, as a result, they do not have as much money as those authorities to put back into their communities. I do not have a solution to this. However, some local authorities do have an advantage over other local authorities. For instance, my local authority does not have that sort of land bank.

I am pleased that LandCorp will move out of the development of residential land; that Homeswest will take up part of that role; and, more importantly, that private sector land developers will take up the slack left by LandCorp. Western Australia has some good land developers, and I can name a few who are prominent in my electorate because it is a fast developing area: Peet and Co, Summit Realty, and Taylor Woodrow Australia Pty Ltd, to name but three. Western Australia has a range of developers who do their work well, and take account of the environmental and planning considerations. In the current competitive market it is good that LandCorp will take itself out of that area. However, it is important that LandCorp continues its planning role to identify the future needs of industry and job creation; that should be its principal objective.

The minister indicated in his second reading speech that LandCorp will not undertake residential developments, but will keep its special responsibility in major regional towns. Does that mean that LandCorp will retain its urban residential focus in major regional towns but not in cities, or will it focus only on special projects like marinas and developments of former industrial sites?

In his second reading speech the minister raised the issue of rate equivalent payments. When LandCorp is exempted from local government rates, it will pay a rate equivalent payment to the Treasury rather than local government rates. Will rate equivalent payments be the general thrust of government policy, in relation not only to LandCorp payments but also to other private developments which may have special Acts to bring them into operation? I know that local government and local government representative organisations will be interested in the answer. I support the Bill.

DR EDWARDS (Maylands) [7.45 pm]: This Bill came about as a result of the sunset clause contained in the 1992 Bill which said that a review had to be undertaken in five years. Mr Gauntlett conducted that review in 1997; the minister received that report about a year ago and subsequently made his own findings; and we now have this Bill, which members on this side of the House welcome.

The Opposition supports the role that LandCorp plays. As the opposition spokesperson for the environment I want to make the perhaps surprising comment that LandCorp has an important role in managing contaminated sites. LandCorp has expertise in that area. In some ways one would not wish on other people the problems that LandCorp has faced when it has cleaned up contaminated sites. We have been told that this State has potentially up to 30 000 contaminated sites. If we are to clean up all of those sites LandCorp will be around for a while.

Government has a need for an agency like LandCorp. Historically, one good development that has not involved LandCorp but another government agency is the Ellenbrook development. That development was ahead of its time in many ways. It was an example of government - in this case Homeswest - working in a joint venture arrangement with Sanwa Vines Pty Ltd on a development that otherwise probably would not have gone ahead. The marketplace needs not only people who want a quick return on their investment and who proceed quickly with their developments, but also people who look to the longer term and are more innovative. I wish the proponents of the proposed development at O'Brien Road in west Gidgegannup good luck with the concepts they are trying to push forward. Those concepts will produce an innovative and ecologically sustainable development. However, as they go through that process they are facing many challenges.

The Opposition welcomes what was said in the Gauntlett report and the way that has been expressed in this Bill. I now make some brief comments on what the minister referred to as the findings of the Gauntlett report, and on what he intends to do about them. The minister's first comment was that the authority's operations were seen to be effective and should continue, but there was a need to increase its effectiveness in particular areas. This legislation, and the work that has flowed from that, is an attempt to do that. The new long title reflects the focus of the Bill - that is, that industrial land be provided, major metropolitan and regional projects be facilitated and the return from the disposal of surplus government assets be maximised. They are all important areas.

A number of comments have been made to me in my opposition roles about the land banking in which LandCorp is perceived to have been involved. The minister has said that land banking of residential land will now be a minor role for LandCorp, and its focus will shift more towards the development of industrial estates both in metropolitan and regional areas.

Mr Barnett: That is good because, historically, land banking exercises have shown it to be destabilising rather than stabilising. Therefore, it is speculative and anti-stability.

Dr EDWARDS: Yes. At the moment there is a need for a great deal of stability in that market. If there is a GST, there will be even more need.

I want to make a comment about industrial land development. Perhaps the minister will take this up when he responds. LandCorp's latest annual report refers to this issue and to a survey done of stakeholders. It must have been an interesting survey because the report refers to it being an attitudinal assessment with input from key people. I guess that indicates that it was qualitative as well as quantitative. People were asked to say whether the present supply of industrial land was too much, enough, or not enough. Six out of eight of the stakeholders surveyed said there was not enough industrial land. That is a serious planning issue. If people who are perceived to be the key stakeholders think that there is not enough industrial land, down the track we may be looking at a very serious problem. Fortunately though, of those only two respondents six felt that this had constrained the State's industrial development. Nevertheless, if they are thinking that, then it is something we should consider in the future.

I was also interested to see that the majority of respondents indicated that the areas of concern to them were Canning Vale, the Pilbara, Kwinana and Forrestfield. Again, I would say that LandCorp has its work cut out for it, particularly if one considers Kwinana and Forrestfield, and perhaps also Canning Vale. If the minister could make some comments on that, I would be pleased to hear them. I am also interested in what is now being undertaken with the disposal of surplus residential land going to Homeswest. What does the Minister for Lands see as the role for Homeswest in that area? I think I have the gist of it, having read the latest report of LandCorp. Nevertheless, it is not entirely clear and any further clarification would be appreciated.

One area about which I take issue with the Government is the comment by the minister that the Government wishes to maximise the return on its surplus land and that the authority, LandCorp, will be the agency of first choice to acquire surplus land at market value. We may have a philosophical difference on this point. Homeswest will be developing land at Bibra Lake, land referred to in environmental circles as the parkway bushland. The Cockburn City Council was happy to purchase the land and then manage it forever so that the bushland could be retained. Unfortunately, it was not able to afford the market value at which it would have been sold to it. From the point of view of locally significant bushland that other arms of government had actually funded to assess and do up, it is a pity that different arms of government were saying it must be sold at market value. Ultimately, of course, it went to Homeswest and will now be developed by the private sector.

My next question relates to the minister's comment that there will be full competitive neutrality reforms to remove the advantages and disadvantages of being a government owned trading agency. The Opposition will support that. I assume that that means that all barriers will be removed even if they disadvantage the government agency. I ask this of the minister because when he was the Minister for Fair Trading I raised a similar issue about the Department of Conservation and Land Management which is yet to be resolved. There is no doubt on the issue I raised with the minister that CALM had an unfair commercial advantage compared with other people in the caravan park sector.

I turn now to specific comments on one particular development; that is, the Minim Cove development in Mosman Park. This is an example of a very contaminated site being cleaned up and developed by LandCorp in association with a company called Octennial Holdings. The site had on it an old fertiliser factory from 1910 to 1969. In the course of fertiliser processing

works, the area was heavily contaminated with heavy metals. When it was first looked at as a development proposal it was known to be contaminated with mercury, arsenic, cadmium and other heavy metals. There was also suspected ground water contamination. A study by Rockwater in 1980 suggested that there was a plume of contaminated water as a result of the industrial activity previously conducted there.

The first environmental assessment took place in 1987. This has been part of the problem that we have seen with the site. The first assessment was conducted to standards of 1987 which, it is fair to say, are not the standards of 1998. Unfortunately, in the first assessment it was thought that the contaminated soil could be taken away and placed in a quarry. I think the preferred site was in Williams. As will be no surprise to members, the shire kicked up and ultimately that course of events did not proceed. Subsequently, LandCorp and Octennial Holdings resubmitted a proposal to the Environmental Protection Authority and in 1993 it was said that the contaminated waste could be stored on site in a containment cell. Since then, about 240 000 cubic metres of that waste have been stored in a limestone cell.

Unfortunately - this shows the difficulties with contaminated sites - it proved to be very hard to work out the extent of the contamination and no sooner did the developer have all the approvals for the containment cell than they needed an extra 20 per cent to cater for the increased volume of contaminated soil. Following on from that, more room was needed in the containment cell because more contaminated soil was found. When we are dealing with a contaminated site, there will always be these sorts of uncertainties and perhaps more margin must be left at the beginning for coping with these contingencies. Recently the Minister for the Environment has said that the contaminated soil from the foreshore must be taken off site and will be transferred ultimately, I believe, to Red Hill. However, it presents a conceptual difficulty in two lots of contaminated soils being treated differently, one because of an earlier decision for it to be buried on site and the other because of later decisions, and perhaps more awareness of the problem, for it to be forced to be taken off site. These problems will continue to bug the site.

I want to comment about the role of Octennial Holdings because it has been somewhat of a puzzle. Octennial Holdings owns 3.8 hectares in the middle of the site, the site being around 18 ha. It would seem unfair that LandCorp has carried almost all of the costs of the clean-up, contributing public open space and the landscaping for the project. Some valid questions have been asked about Octennial Holdings, given that it has two $1 shareholders and not exactly a long track record in this area. I hope that when the development is finally concluded, LandCorp gets a return. I am aware from the Auditor General's report that initially it was estimated that the cost of the clean-up would be about $4m. However, according to that report, the total cost is estimated now to be about the original sale price of $12.2m. That is a huge sum of money and I hope the minister's constituents appreciate the view and pay top dollar for the blocks so that there is a return.

Mr Barnett: I agree that the more contaminated material clearly should have been removed, and would have been had all the material been described as low-contaminant. The reality is that a whole lot of Mosman Park has exactly the same material through it, beneath roads and under parks, and it is probably not unique in the northern area.

Dr EDWARDS: Yes. We are dealing with the same issue in Bassendean at the CSBP site. The council is now saying that to treat it on-site is unacceptable. It is an issue of risk management. Part of the problem here and part of the problem that has occurred at the Omex site is that that risk is not communicated well to the public.

Mr Barnett: Yes. The point that I make is that there is no argument about the high level toxic material. However, it is acceptable that the low level toxic material could have been adequately put in containment cells with public open space above it, not housing.

Dr EDWARDS: Only time will really tell us. The problem is that no-one could take us to another containment cell containing the same material and say that it happened 20 years ago and it works really well. We surfed the Internet and did all sorts of things and could not come up with the same model. If someone is the first with the model, other people will always watch to see what happens.

Some planning issues are also involved with this site, one of which is access to the foreshore. The Swan River Trust along with other bodies and people has commented on the need for good access to the foreshore in our city. It has expressed concern that developments like these can impede access to the foreshore. It is a little disappointing that the design of the blocks does not give a great deal of access to the foreshore. Another problem that has not been highlighted is that people who live there will experience some constraints about the type of vegetation that can be planted and the use of bores. I hope that all goes well and ultimately we can look back on this development as a model from which to learn. Having said that, it needs to be put on the record that, if it were not for LandCorp and Octennial Holdings undertaking the development, the site would not have been cleaned up. Presumably ongoing contamination would have occurred because the heavy metals would have been sitting there getting wet, acidifying and moving through the soil.

Mr Barnett: They have been leaching into the river for the past 80 years or so.

Dr EDWARDS: That is right, since at least 1910.

In conclusion I shall comment on two other developments that have been undertaken by LandCorp which I believe deserve

mention. The first is the Marlston Hill redevelopment at Bunbury. It is an example of a difficult site being turned into an asset for the people of Bunbury. The development at Joondalup has been very good also. Over the years I have found it interesting to drive through Joondalup and see the changes. I am pleased that it has been recognised with an award from the Urban Development Institute of Australia. The Opposition welcomes the Bill but it will continue to ask the minister some questions about it.

MR SHAVE (Alfred Cove - Minister for Lands) [8.02 pm]: I thank the Opposition for its support. I will endeavour to address all of the issues that were raised. The member for Nollamara talked about the Department of Land Administration's involvement and what the Government was doing in the land market. The simple fact is, as the member for Nollamara pointed out when he made some very good points, no-one wants to redevelop the land in many country towns because there is no money in it. DOLA will end up putting blocks of land on the market in Bullfinch, for example, and very often local residents express concern that a block of land is priced at $6 000, $8 000, $10 000 or $15 000 and the market value in the town might be $6 000 or $7 000 at the time. Unfortunately, frequently that is what it costs DOLA to develop the land. DOLA's desire is not necessarily to have a certain price on the land because it does not always try to make a profit. The Government should not be trying to make a profit in those areas but it is necessary to provide residential land. DOLA's involvement in remote areas will continue. It has nothing to do with its effectiveness to date or with this Bill.

I take the opportunity to thank the officers involved who have helped with the preparation of this legislation because it is delicate legislation which must be right. I also thank the board of LandCorp for its support.

A number of initiatives have been put forward. The member for Nollamara mentioned the Mandurah marina; the fascine development at Carnarvon; the Exmouth development, which we are in the process of trying to resolve; of course, the Marlston Hill development; and the Albany development. As the member for Nollamara pointed out, the Albany development has been difficult to get off the ground because of the diverse views that have been expressed. When DOLA goes into a small city or a country town to help with an upgrade, it is important it receives support from the local community. If it does not, it ends up going nowhere. If the community is divided, frequently it is better to do nothing rather than be caught up in a row, because if local people start denigrating the development or do not support it, DOLA may find it has a very poor asset on its hands.

In my second reading speech I mentioned the disposal of government assets and the member for Nollamara asked what DOLA proposed to do now as opposed to what it did in the past. Many developments took place in residential areas where LandCorp, as defined in its charter, felt that it should be involved in joint ventures to provide residential land at the middle and lower ends of the market to satisfy community needs. Homeswest certainly has the capacity to provide land at the bottom end of the market. If a reasonable tract of land is available, there is no reason that it should not provide land at the middle of the market, if that is not being done by the private sector. As the member for Nollamara said, government always needs to be in a position where, if a crisis occurs, it can bring land onto the market. The Urban Development Institute of Australia has always been concerned about LandCorp's involvement. The Government decided that it should get out of most of these general residential developments. Mr Gauntlett determined that in his review and we concurred with him. There were two ways to do that: We could have put all the land onto the market in a fire sale or a quick sale and considerably disadvantaged many people who are accustomed to a system where the Government does not do that, or we could have decided that the land will be needed in the future, that Homeswest is in a position to land bank the land, that is its charter, that it is looking for land, and that we will transfer the land to Homeswest. This would allow one agency to engage in the orderly disposal of that land.

Mr Kobelke: Roughly how many parcels of land are involved? Do you have a brief summary?

Mr SHAVE: I do not have the information on the parcels of land in front of me, but I will get that for the member. I think it is about five parcels at $10m.

The next pressing issue concerned industrial land. The member for Nollamara made the point that in many cases these industrial sites have a long lead-up time. That is true. In the present situation at Canning Vale, prices have gone up dramatically in the past couple of years. The member for Rockingham made the point that a lot of land at Rockingham is not being utilised. That may be the case at the moment, but I suggest that strategically Rockingham is in a very good position. The member said that LandCorp had checked on eight stakeholders and six had said the issue of industrial land needed to be addressed. The fact that Rockingham has that industrial land available will benefit people in that area. Although demand may be a little depressed at the moment, that industrial land will always be needed. Inevitably people will move there and use that land. The member for Nollamara also mentioned industrial land in the northern suburbs. I agree with the member for Nollamara on that issue. The population is growing in that area. If we could identify a suitable industrial area and facilitate people moving in and supplying jobs, that would be an advantage. The board of LandCorp is aware of that situation.

The member for Nollamara also raised the issue of Minim Cove. He must understand there is a little confusion about what is occurring there. Perhaps I may also clarify some points for the member for Maylands. The arrangement between Octennial Holdings and LandCorp is that they would contribute according to the degree of contamination on their respective

sites. It was not a case of one having a certain number of hectares and the other having a certain number, but rather the amount of contamination and the cost of getting rid of it. Octennial has met its pro rata responsibilities with the level of contamination. This is not a joint venture; people become confused about this. It is an overall development. Octennial will develop its land, LandCorp will develop its land, and the local council, the Government and the EPA rightly require that the site be cleaned up. As a matter of efficiency, an agreement was reached between LandCorp and Octennial that the company would effectively dispose of the material on the site, and pay the pro rata responsibility for the contamination on its site.

Mr Kobelke: I accept that, minister. The key point is whether it is paying its pro rata contribution progressively. You seemed to indicate it was. My understanding was that it will pay when it is all settled, which could be some time away.

Mr SHAVE: One of LandCorp's requirements was that Octennial be backed by a bank guarantee on the cost of removing this -

Mr Kobelke: That bank guarantee has become outdated.

Mr SHAVE: No, it is updated. If a further requirement arises, LandCorp requests that the bank guarantee be updated. I am advised by LandCorp that Octennial has met all its cost and responsibilities to date. It may be a week or three weeks over time, but I understand to date it has met its costs. If the cost was X dollars, and Octennial's share is a percentage of that figure, it has forwarded its share when required. When it received an invoice from LandCorp and the advice from the people conducting the clean-up about what is required, it has paid its money. Octennial has been backed by a bank guarantee and has met its responsibilities and we have not had a problem.

Mr Kobelke: Is it on a quarterly basis or less? Has it not drifted out?

Mr SHAVE: As far as I know, the company is up to date. It might have slipped behind, but I am not aware of it - I would be surprised if that were the case. My staff told me that it is up to date, with no moneys outstanding. I did not ask whether it fell behind over the last couple of years, but I can find that out for the member.

Dr Edwards: Is the public open space contribution on a similar proportion?

Mr SHAVE: I need to explain that. The member for Maylands raised the issue of landscaping. A number of issues are involved. Land on the foreshore does not form part of the site. The Government made a decision - I am not sure whether the council is contributing, but I suspect not - to beautify that area. That is a community service which is in the public interest anyhow. It is not on Octennial's land. Once the waste has been cleared off the site, Octennial get its land and LandCorp gets its land, and we will be responsible for beautification on our property and Octennial will be responsible for landscaping its property. If it does not landscape, it will not obtain the price for the blocks. That issue will resolve itself.

In the overall concept of the development, the public open space was to be determined at the end of the contamination clean up, and when a master plan was produced. I expect that LandCorp will ask Octennial to provide landscaping and public open space pro rata to LandCorp's provision. Some people may think it is a joint venture, and that Octennial has 3 hectares as opposed to LandCorp's holding, and that the company has been let off cheaply. That is not the case. It has been meeting the cost of removing its contamination.

The member for Nollamara raised the issue of board members. Under the national competition policy arrangements, constraints such as those applying in the existing Act on board members must be removed. That is the recommendation. This change is simply complying with the national competition policy. The requirements in the Act are neither here nor there, as no Government would put somebody onto the board who would be unsuitable and unqualified to contribute. Nevertheless, the change results from national competition policy, and is happening on many other government boards. That is the advice I have received. Also, it was the recommendation Mr Gauntlett made, not that he is necessarily right on every issue. However, the Government was prepared to accept that recommendation. Any minister who did not put people on boards with reasonable qualifications would not be properly administering his or her function.

A member raised a comment regarding my predecessor as minister, Hon George Cash; namely, about getting out of renewals and the upgrading of government land. I am not sure about the comments of the previous minister.

Mr Kobelke: It was my comment. It was not so much that Hon George Cash made the comment, but that my understanding was that he was the minister who initiated that change of policy.

Mr SHAVE: I do not know whether that was his intent or the perception. However, since he was minister, we have continued with Marlston Hill and other renewal projects.

Mr Kobelke: The point of the change of policy was not initiatives such as Marlston Hill, which was a total project, but whether existing infrastructure should be provided as an adjunct or a smaller part of a total project. The example was the Rockingham City Council's lovely city centre. LandCorp contributed. Some criticism was expressed by your people at the time that an improvement to an existing project, which was not a LandCorp project, should not be part of LandCorp's policy.

Mr SHAVE: I have some sympathy with that view. Shopping centres should be left to the commercial sector wherever

possible. That view was always expressed regarding LandCorp as a result of a previous Government's dealing; I do not wish to go into those matters. However, the view was that the private sector should handle such developments wherever possible. We will not be developing shopping centres.

Mr Kobelke: It is a civic centre.

Mr SHAVE: Every Government has contributed in some degree to civic infrastructure. One need only look at the new conference centre to which the Premier has referred, on which the Government will spend approximately $100m. Governments will never get away from such projects. However, sensitivity arose to Governments' involvement in areas such as shopping centre developments. Ever since the issue of the "Phillip Pendal Cinema" at Joondalup arose -

Mr Kobelke: When is the official naming?

Mr SHAVE: I will put up a little plaque for him! Since that issue arose, that member has given the Government a belting on the issue.

Mr McGowan: Can you think of a movie which represents him?

Mr SHAVE: We could have a video of him cutting the ribbon at the opening. However, the member for South Perth is not here to defend himself, and he would not think kindly of me if I made further comment. I am sure he will take my comments in the right spirit, as he always does.

I have outlined the issues which the member for Nollamara raised. The member for Rockingham referred to how Rockingham would have been developed if the Joondalup method had been adopted in the past. He is absolutely right: Governments have come a long way. Kwinana, knowing our environmental concerns today, would have been designed very differently in today's circumstances. Rockingham, unfortunately because of the time of its development along the Kwinana strip, became part of the prevailing philosophy. When something is established it is hard to suddenly say a master plan will be adopted because private people have bought land and partial development has occurred. Areas like Joondalup have opportunities. Councils are adopting plans with developments within their boundaries, and are putting parameters on developments. LandCorp had a little problem with Specialised Container Transport in developments at Canning Vale. Governments and others are trying to accommodate councils and local residents when proposing developments. A certain type of light industrial development in Kwinana is entirely appropriate. The community in that area suffers from a great deal of unemployment. I would think the local member would support reasonable development in that area, provided it is environmentally sensitive. However, a problem is faced when heavy industry pumping out pollution is located on the edge of the ocean. Hopefully we learn from our past experiences.

One of the problems faced by the people of Rockingham is that it was developed earlier than many other areas. The member for Rockingham raised some unfortunate points about the lack of support for his area. In the lead-up to the 1993 election, the previous Government used LandCorp to commit funds to improvements in the Rockingham central business district. That is a decision that Government made. It may have been thought that Rockingham was a vulnerable seat because the member for Rockingham appears to have a fixation about people spending money and favouring those in marginal seats, but I think LandCorp tries to be apolitical. I would like to think it makes decisions based on need.

Mr McGowan: Do you not make those decisions?

Mr SHAVE: No, the board makes the decision.

Mr McGowan: Do you not have any role?

Mr SHAVE: The board presents me with its recommendation. If a certain amount of money is to be spent and government approval is required, it will make a recommendation.

Mr McGowan: You make the decision.

Mr SHAVE: At the end of the day, the Government and Cabinet will decide where the funding is required, and that is appropriate. However, when a member such as the member for Rockingham wants a marina, the proposal is put forward, it is then evaluated by LandCorp, and the Government considers it and makes a decision. At the time the fascine development in Carnarvon was being considered, the member was a Labor member. It will also be found that the Marlston Hill development was supported by a Labor member. It has been argued that these developments have taken place in coalition seats, but it must also be recognised now that there is a predominance of those seats in outer metropolitan and country areas. I perceive LandCorp as having a responsibility in many of these outer seats. It is much easier to get developers to spend money in the city than to do so in Exmouth. We called for expressions of interest for the Exmouth marina and I think Axiom was the only company that applied. We had a few problems with the proposal that was put forward and it is now being re-evaluated.

Mr Kobelke: Is that completed?

Mr SHAVE: The project in Exmouth has not started. We are now looking at other proposals and ways to redefine that development so it can go ahead. The marina is there, but we are talking about the land development; the hotel site and the blocks of lands. A proposal has been put forward for an inland waterway and we are looking at the best way to resolve that.

Mr McGowan: Is that a LandCorp development?

Mr SHAVE: LandCorp is involved. The Government involves LandCorp in these developments because of its expertise, but it does not always make money. There was no money in that development. The harbour was built there because the Government agreed to do it, but there was no profit in it. It is good for the town, but it is not a moneymaker for the Government. A balance must be achieved as to what constitutes a community service. Many developments will not necessarily make money, whether we are looking at a $100m conference centre, an arts centre in Mandurah or Rockingham or the Mandurah marina. The member for Maylands asked about the general attitude of Government towards making a profit. It is terrific if an area of land is owned in, say, Exmouth and it can be utilised to create a pool of funds to establish the infrastructure. It is financially neutral in that the people in the metropolitan area or Exmouth do not need to contribute $1m or $2m for the development. A pleasing facility can be built and someone can be encouraged to buy the land at market value as a result of the infrastructure being established. That is an area in which LandCorp should be involved.

The member for Maylands also raised the concerns of the people of Kwinana, Canning Vale and Forrestfield. Canning Vale is a concern because of the huge build-up of residential land there. When heavy or medium density industry is allowed to develop in close proximity to residential land, problems occur and they must be addressed. The member for Maylands also spoke about competitive neutrality. It is easy for a government department to hold a large amount of land and not pay local government charges, but that creates an unfair advantage. If one accumulates land on which no rates or taxes are paid, and one waits long enough, a profit must be made. However, is one better off accumulating that land or putting it on the market and receiving rates and taxes from those who develop it? How much better off is the taxpayer? It could probably be argued that it is necessary to hold industrial land for long periods. However, I suspect if LandCorp had kept all the residential land that it transferred to Homeswest, and if it were faced with working out a rate that it should pay to Treasury each year for rates and taxes, as if it were in the private sector, a greater concern would be expressed about holding that land for a long period. Having that mechanism in place keeps one honest, because it keeps one competitive. Before it can be said that one is making a dividend of $10m every year, a figure of $2m or $3m may need to be sent to Treasury to offset what would be paid if the land were in the private sector. That is to be commended, because it keeps one disciplined in what one is doing. That is the idea behind that proposal. The member for Rockingham asked about rating exemptions and what happens with other government land.

Mr McGowan: Rate equivalent.

Mr SHAVE: As I understand it, no discussions have taken place in government about the land held by the Health Department, the Education Department or other groups. They may have had discussions with the Treasurer about the matter. At the end of the day, if the Education Department and the Health Department wished to pay equivalent rates and taxes on the land that they were holding, and that they had to hold for a certain time, we would need to give them back that money in Treasury funding every year anyhow. LandCorp is a slightly different issue and should be treated differently. That is what I have been concentrating on as the minister responsible for LandCorp. I have not been involved in what the Treasurer or the Minister for Finance is doing in those areas.

One member raised the issue of the Government doing renewals on land. As I mentioned in either the second reading speech or debate, the Health Department had a plot of land at Mt Henry, which is prime real estate. If LandCorp received a valuation that it would get $10m for that land but knew that if it went through the process of putting in some roads and subdividing that land it would get $15m, why should it not do that if it had the expertise and the capacity to undertake that development within a reasonable time?

Mr McGowan: You have said that under this Bill, LandCorp will not engage in residential development.

Mr SHAVE: I have said it will not buy residential land from the private sector to subdivide and sell and think it can make a bigger profit than the private sector can make. In the term of this Government, LandCorp will not buy a $10m block of land to subdivide it and make a profit with a joint venture partner. That has occurred in the past. I am not saying that was wrong and that LandCorp was not working to its charter, but the current minister and the Cabinet do not support that view, and it is now off the agenda. However, if the Minister for Education had a block of land in Hollywood, the Government needed funds to spend in Education or Health, and LandCorp made an evaluation that a certain profit could be made out of subdividing and selling that land and it had the funds to do that, I do not see a problem with LandCorp's doing that. That is basically what we are proposing. The overdraft of LandCorp 12 months ago was $107m and is now $45m.

Mr McGowan: I thought it was making money.

Mr SHAVE: It is making money, but it was running a significant overdraft. That was largely because it took a lot of land off BankWest, and it needed a Treasurer's guarantee to acquire that land. I do not think it would have bought all of that land

had it had a choice, but the Government had made a decision to privatise and to do that, so a large amount of that land went to LandCorp, and that required financing. I expect that in the next 12 months, LandCorp will sell its equity in Joondalup Shopping Centre, and, bearing in mind the sort of money we will get, we hope that by next June the overdraft of LandCorp will be significantly reduced again. That does not mean that if the Minister for Education had two school sites in prime areas - some of the land that is being talked about is in very good areas - needed money in the education area, and it was a sound proposal to subdivide that land, LandCorp would not consider undertaking those projects. We have told the other ministers that we are now in a position to look at those projects and we welcome the opportunity to evaluate them.

Mr Kobelke: If the stated policy of your Government is not to spruik for business against private developers, I understand that, and it makes good sense. It also makes good sense to allow LandCorp to dispose of assets to maximise the return to government. However, that does sit a little at odds with some of the decisions made by ministers of your Government which involved the private sector and which were done on the basis of a dogma rather than of what made good sense and would provide the maximum return.

Dr Edwards: What will LandCorp get out of that? I presume the money from the sale of the Maylands Police Academy -

Mr SHAVE: I am not sure that LandCorp will be involved in that proposal. It will evaluate the proposals. A minister may say, "I am not happy with the value that the Valuer General has put on this land. We cannot reach agreement. Therefore, I want to go onto the open market and auction that land." The minister in charge of a portfolio can make that decision. We cannot dictate to ministers what they do. All I am saying is that if a piece of land were sold to LandCorp at valuation for $10m, it might receive $12m by selling it on the open market, but receive $18m if it were to develop it, and at the end of the day, government would get the money back anyhow. We want ministers to be lateral in their thinking and to look at not just the small picture. The Minister for Health sold LandCorp the Mt Henry site. I am sure that if he had gone to the marketplace, 15 major developers would have loved to buy that site at auction. Fortunately, Health needed the money at that time to satisfy its requirements, and we had the money and were able to pay the money. I am sure the Government will benefit from that development at both ends.

Dr Edwards: The Maylands clay pits were developed by Satterley Real Estate and are a magnificent development. Satterley did an excellent job and went to a lot of trouble to consult and do the subdivision according to what the community wanted. How do you balance that? Is LandCorp in a position to go down that path, or does it sell its land much earlier? We are glad the city sold that site to Satterley, because we now have a fantastic development that the community really owns.

Mr SHAVE: Yes. If the private sector could do it, I would not have a hangup about LandCorp developing the Maylands Police Academy site, or the site in North Fremantle. I am told that developers are queuing up for that land. It will be a long process. One of the problems with government getting involved in a site such as the one at North Fremantle is that land on the waterfront will always be a contentious issue, and if the Government makes the decisions, there will always be a perception that the Government is trying to steamroll the public and it is not in the public interest. At least if a private developer undertakes the development, it will need to get approval from the Government and the council, and, although there may still be a fight, it will not be regarded as the Government standing over the public. That will always be an issue. I expect that the board of LandCorp will consider that matter when it decides whether to become involved in the sale or development of government land. At the end of day, the Government will always have sites like the Omex site, where the Minister for the Environment determines that LandCorp must be involved in the development. If LandCorp had not been involved in that site at Minim Cove, the nutrients would still be leaching into the river. Apart from all of the questions that the member for Maylands has asked in this Parliament about that site over the years, and which Mr Rogers, who lives across the road, has been kind enough to provide to her, at the end of the day that development will be good for the public of Western Australia because it will prevent those nutrients from leaching into the water. However, it will not necessarily improve the value of the property of Mr Rogers or of some of the other people who live on that side of the road, although I am sure that Mr Rogers argues as an environmentalist that that is not the reason for his involvement.

I could not sit down without clarifying some of the points made by the member for Rockingham. Prior to the 1993 election my good friend, Hon George Cash, the Minister for Lands at the time, agreed to continue with the undertakings given by the previous Government, which is what one would expect of a person of Hon George Cash's integrity. He honoured that commitment. Although the member for Rockingham has been aggrieved by some of the decisions of this Government, he should consider the investments made by LandCorp in the East Rockingham industrial park which involve millions of dollars. Rockingham is a Labor seat - it is Mr McGowan's seat. Having regard for the ability of the member for Rockingham, and recognising that he is a good local member who does a good job, LandCorp has been gracious enough not to let political issues sway its thinking and it has continued to put money into that area. If the member for Rockingham would like a briefing on the millions of dollars that have been spent by LandCorp since 1993 in the East Rockingham industrial estate we would be more than happy to provide that for him.

Question put and passed.

Bill read a second time.

Committee

The Chairman of Committees (Mr Bloffwitch) in the Chair; Mr Shave (Minister for Lands) in charge of the Bill.

Clause 1 put and passed.

Clause 2: Commencement -

Mr KOBELKE: A requirement is in place for regulations relating to the strategic development plan and the statement of corporate intent. Does the fact that the amending Act will come into operation on the day it receives royal assent, which normally is something that the Opposition would argue for, not against, indicate that the regulations are already drafted and there will not be any problem in waiting for the regulations or, alternatively, that those regulations which relate to the statement of corporate intent and strategic development plans are such that the regulations do not need to be in place until towards the end of the financial year or the following financial year? There could be a potential problem if at royal assent the regulations are not in place.

Mr SHAVE: The member raises a valid point. The regulations are in the process of being prepared, and they will be ready at the time of royal assent. However, proposed new section 25C(2) states that the board must prepare and submit to the minister for his agreement as soon as practical after the commencement of the Act a draft strategic development plan and a statement of corporate intent, so potential exists for an interim strategic development plan if necessary.

Mr KOBELKE: I understand that an interim plan could be developed. However, proposed new section 25A(2) provides that the manner and form in which the board is to prepare, submit, revise or modify a strategic development plan or statement of corporate intent is to be in accordance with the regulations. Although the groundwork may have been done, if they do not meet the guidelines required by the regulations the potential exists for some mismatch or conflict.

Mr SHAVE: I am told that legally that does not apply to the interim plan.

Mr Kobelke: What then is the point of the interim plan, if it does not fit in with what you finally do?

Mr SHAVE: The interim plan is there in case there is a problem, but I do not anticipate a problem.

Mr Kobelke: Will this affect only the strategic development plan and statement of corporate intent or are there other areas in which regulations could have effect?

Mr SHAVE: I am told not.

Clause put and passed.

Clause 3 put and passed.

Clause 4: Long title replaced -

Mr KOBELKE: Why is there a change from the use of the word "agency" to "authority"? Also, the long title will have a new part inserted which gives as an intent the disposal of surplus government land assets. The previous long title related to the amalgamation of the other authorities and Acts which were subsumed under the Western Australian Land Authority Act in 1992, and therefore it made good sense to remodel the long title. It was my understanding that LandCorp had done that already. Will this statement in the long title simply put into the new Act what has been, and will continue to be, the existing situation or will it involve a new emphasis or some new aspect?

Mr SHAVE: It is basically what is in the previous Act. It is included so that those people who will administer the Act know what is the Government's will in regard to that agency. The change from "agency" to "authority" is a change of drafting practice, using different terminology.

Mr Kobelke: Will that become standard practice?

Mr SHAVE: Yes.

Clause put and passed.

Clause 5: Section 3 amended -

Mr KOBELKE: Section 3(a) and (b) of the current Act remain the same. Section 3(c) of the Act is deleted, which relates to the identification and development of other urban and regional centres of population and the provision or improvement of infrastructure and facilities for those centres, and proposed paragraphs (c) and (d) are substituted. I had some questions on proposed paragraph (d), which relates to the establishment of a primary agency for the development and disposal of surplus government land assets to maximise the financial return to the State. However, the minister's concluding remarks in the second reading debate and his earlier comments have adequately answered them for me.

Proposed paragraph (c) is a modification of the existing paragraph (c). It includes not only the identification and development of regional centres but also the redevelopment. In addition to the provision of infrastructure and facilities, it proposes to provide for the provision or improvement - I emphasise improvement - of infrastructure and facilities for those centres. Can the minister indicate what is the intent there? Does it mean that LandCorp is more likely to become involved in projects such as the Subiaco Redevelopment Authority or the East Perth Redevelopment Authority?

Richard Lewis, the Minister for Planning in the first Court Government, in introducing to the Parliament the Subiaco Redevelopment Authority Bill, told the House - I am sure my memory serves me correctly - that there were mechanisms for the establishment of an office of agents because it was all going to be contracted out to LandCorp. As the opposition spokesperson at the time, I followed that through and I never got a satisfactory answer about why LandCorp never got the job. I understand the Subiaco redevelopment and the Subiaco Redevelopment Authority Act is being administered by the East Perth Redevelopment Authority. I do not want to enter into debate on whether that is a good or a bad thing. However, clearly there is the potential for LandCorp, having the expertise that it does, to manage as a major contractor, or in some other way, some of those redevelopment projects of which, given the age of some of the suburbs of Perth, we may see more. Can the minister indicate why the words "redevelopment" and "improvement" are included in this proposed paragraph, and does it relate in any way to projects of the type of the Subiaco and East Perth redevelopment authorities?

Mr SHAVE: The existing Act provides that LandCorp could be involved in any of those particular areas. Proposed new section 3(c) specifically outlines the capacity for renewal of urban areas such as Marlston Hill and so on. It is not put in to supersede the redevelopment authority. The Government's view is that those redevelopment authorities have been working reasonably well. If a redevelopment authority is given a job to do and focuses in on one area such as East Perth or Subiaco, because of the requirement to deal with many agencies and local authorities and get the job done quickly, some ministers have a view that it is better to do it under the auspices of a redevelopment authority. It does not preclude or exclude LandCorp from being involved in that. The member for Midland has just left the Chamber. I had breakfast with members of the Midland Chamber of Commerce who asked me to take up this issue. I spoke to the Minister for Planning and I am having a meeting with him to talk about Midland to find out his views.

Mr Prince: Minister, I had breakfast with him last Thursday and they asked him exactly the same question.

Mr SHAVE: Yes. I will ask my advisers to take a note of that meeting that I must have with the Minister for Planning because we need to look at Midland to try to resolve that issue. However, the changes to the terminology in the Act are not intended to expand LandCorp's role but to clearly define, where possible, the parameters of what it should be involved in; and to give the board clarification so that it is under no misapprehension that when we refer to renewing residential land and giving it the ability to do that, we mean the renewal of land that is already owned by the Government or a percentage is owned by the Government and a percentage is owned by a private group such as Octennial or a local council. The changing of that wording is not to direct the board, but is merely to clarify for the board the Government's intent and desire on decisions on future developments.

Mr McGOWAN: Obviously, the principal aim of new paragraph (d) is to maximise the financial return to taxpayers.

Mr Shave: Yes.

Mr McGOWAN: The minister indicated previously that there was a debt of $125m.

Mr Shave: As I recollect, it was about $107m at the close of business.

Mr McGOWAN: Can the minister explain exactly what steps and projects are in place in order to maximise that financial return to the State and to get rid of that $107m debt and how that debt was acquired? The legislation provides that LandCorp will operate on a commercial basis as much as possible to maximise the financial return to the State. What about projects where there is social benefit to the community but, obviously, there is a lack of capacity for some groups to pay? For example, there is an RSL club in my electorate that would like some land for a clubhouse for the veterans and for the disabled who are totally and permanently incapacitated. It is struggling at present to obtain the financial resources to get that clubhouse together. Is there some sort of social mechanism by LandCorp to provide land for those sorts of groups, either by the board or under the direction of the minister?

Mr SHAVE: The current Act contains that provision. Section 3 states -

> The objectives of this Act are -
>
> (a) the provision and development of industrial, commercial, residential and other land in a range of localities to meet the social and economic needs of the State;

That provision remains in the Bill.

Mr McGowan: How does that fit in with the requirements that maximise the financial return to the State and all the statements about the commercial operation of LandCorp?

Mr SHAVE: The member should have listened to the comments I made earlier. If the Government carries out an urban renewal or a development, there will not always be a profit. I referred to the circumstances at Exmouth. The fascine development in Carnarvon will not be economically viable. That does not mean that the Government will exclude itself from those sorts of activities. In those circumstances we must obtain Treasury funding to cover the difference. If we know that, we are required to do things on a commercial basis. However, if we evaluate a process, such as the fascine or the Exmouth proposal, and it is not seen to be economically viable, we have a responsibility to go to Treasury and Cabinet and, if there is a shortfall, ask the Government to provide that funding. That happens on a regular basis. The member also raised the issue of the clubhouse.

Mr McGowan: For instance, the naval association in my electorate wants to set up a veterans' home.

Mr SHAVE: Quite often, various members from both sides of the political arena say that they need a block of land for crippled children. If we dispose of government land, we have a tolerance of about 10 per cent. If the Valuer General puts a value of $200 000 on it, I can transfer it through my department for $180 000. Other processes to give long term leases or give people security of tenure are available. Whenever a charity or a group which does not have enough funding is involved, and it is a worthwhile project, we will do what we can to help those groups. Graham Mabury has been leasing a building for the LivingStone Foundation. There was a proposal to extend the lease and then go to a commercial rent which clearly the foundation could not meet. It provides a very good service and we are trying to resolve that issue and I am sure we will resolve it. I went to Crown Law and asked whether I had the capacity as the minister to reduce that proposed rent. The verbal advice I received was that I did have that capacity, but I am waiting for the written advice from Crown Law.

Mr McGowan: If I came to you with the case of the RSL or the naval association and wanted to set up a retired veterans' home, under the terms of this Act, could LandCorp under your direction still lease my group a piece of land?

Mr SHAVE: With due respect to the naval association, I am not sure that I would categorise it as a very needy charity, albeit it might provide a good service for senior citizens. However, if the Department of Land Administration did not have an immediate use for a building or land in the area and was not looking at disposing of it and we could provide it on a lease basis, it would be considered. It would receive more favourable treatment if it were for the Association for the Blind of Western Australia or for crippled children. I have had requests from the RSL. Mr Roger Nicholls, the member for Mandurah, has approached me.

Mr McGOWAN: I would like to hear more from the minister.

Mr SHAVE: We will look at every proposal that comes forward. It is more a Department of Land Administration issue than it is a LandCorp issue. LandCorp does not hold a lot of land which has sat there for a certain period. It is more likely to be held by the Department of Land Administration. If the member has identified some land and it is owned by the Government, the department will evaluate it and provide the member with all of the options. The more needy the charity, the more likely the Government will be supportive of it.

Mr McGOWAN: I do not think the minister has answered the part of my question about the steps that he is taking to get rid of that $107m debt.

Mr SHAVE: I overlooked that. When BankWest was sold, a lot of government land had to be placed somewhere. LandCorp was seen as the appropriate agency to purchase that land. Under the provisions in the Act, it could have a certain level of overdraft. It took on that land which significantly contributed to its large overdraft. It was involved in other projects and it had been operating within a certain framework of overdraft of what it was allowed to do. Quite properly, the board made a decision to do that. Over the past 12 months, we have disposed of over $50m-worth of land to Homeswest because the Government felt Homeswest should be doing the land banking. Homeswest transferred a little bit of land to LandCorp. With the sales of some of the residential land around Joondalup and in other areas, currently the debt has been reduced to about $40m or $45m from the $107m. If we sell our equity in the shopping centre at Joondalup, which is proposed, I expect and hope that we will receive in excess of $40m. The program is to dispose of that within the next 12 months. Our joint venture partners are aware of that and there is quite a lot of interest in it. If we were to dispose of that interest, even though we have that overdraft facility, as a going concern we would be very liquid. Most businesses, including my businesses, seem to run on overdrafts all the time. LandCorp would have the capacity to undertake some of these urban renewals. If our overdraft went down to zero, and the Minister for Education disposed of $20m or $30m-worth of land around the metropolitan area and we were interested in it, it would be within our capacity to write out a cheque for him at the correct valuation and then undertake the urban renewal of that land.

Mr McGowan: When do you expect to be free of debt?

Mr SHAVE: There are a number of factors. One is reliant on the shopping centre being sold. Another factor is the decision that the board makes over the next 12 months. If I said to the member that as at 30 June next year we will not have a debt, and then he looks through *Hansard* and finds that we have a $35m overdraft, he would say, "This is not quite what the minister said." It will all depend on the decisions made by the board. I am not psychologically fixed on the view that the

business of LandCorp should not run an overdraft. It is quite capable of doing that. It has shown that it can make profits when it is running overdrafts of $100m. I am very comfortable when a company is in a solid financial position, does not have a high overdraft and is well placed to look at picking up land that the Government might want to redevelop. The Education Department cannot redevelop its land because it needs money. It will always be pressed for money, as will the Health Department. The fact that we picked up the Mt Henry site did not worry me at all. At the end of the day the Government - the taxpayer - will do very nicely out of that. The Minim Cove land is not a problem as far as I am concerned.

Mr McGowan: Are you saying it is partly an entrepreneurial decision?

Mr SHAVE: I see it, as the member for Nollamara said, as a logical extension of the Government's responsibility to maximise its equity in government-owned land. Government departments being entrepreneurial does not sit too well with me. I do not think maximising the profit in land which is a very safe solid investment and which we already own is necessarily entrepreneurial. It is more accurately termed as sensible, rather than entrepreneurial.

Mr McGOWAN: While we are discussing the Joondalup matter, I refer to the "Member for South Perth Cinema". When is it expected that we will dispose of that cinema, and what is expected to be received for it?

Mr SHAVE: "The Phillip Pendal Community Cinema" was part of the 1988 proposal, well before my time. Although the person after whom we are hoping the cinema will be named has raised the issue that the Government should not be involved in building cinemas, it was always part of the project, part of the commitment, that LandCorp had with its joint venture partners. The cinema, and hopefully not the plaque, to be erected there will go with the shopping centre. It is integrated as one development.

Mr McGowan: Is that part of the $40m?

Mr SHAVE: Yes. I do not think LandCorp will be interested in selling its equity in the development for $40m. I expect it to get in excess of $40m.

Mr KOBELKE: I will not take issue with the minister's spin on history that he likes to espouse with respect to the cinema being part of the project. I will let the minister get away with that interpretation for the moment. I will ask a question, although the answer may not be simple. From what the minister is saying, LandCorp does not have a zero debt policy and it is good to have no borrowings. That is not something I espouse, but I think that is a correct interpretation of the minister's statements. He does not see that as being a key component of any policy actively pursued by LandCorp; nonetheless, the minister would be keen to see debt managed. In simple terms, can the minister give what he sees as the broad criteria which would form part of the management policy of LandCorp for what is reasonable debt? I have taken on board the minister's statement, and I think it is good management that there be debt as part of the operation. I suppose this question will come up: At any given time in the future, given a whole range of factors, what will be considered as reasonable debt, as the management of that debt and at what stage will the minister have some concerns or alarm bells ring?

Mr SHAVE: I do not have in front of me the level of debt LandCorp is allowed to incur in relation to its overdraft. I hope someone will provide that to me in a couple of minutes.

Mr Kobelke: Is that fixed or can it be varied?

Mr SHAVE: For LandCorp the Western Australian Treasury Corporation has an approved loan facility or the capacity to draw $160m. At 30 September 1998 the approximate debt was $34m, which is well within its capacity. Any business involved in land usually runs on an overdraft. I do not know many people in business who do not use overdraft facilities and who do not mind paying interest, particularly in the current economic climate. When talking about a government agency dealing with other people's money in terms of debt, it is important to be very prudent. I would find the level of debt of $34m acceptable when we have assets that are reported to be worth $200m or $300m. I suspect they are worth probably $100m more than the current valuations. I know that on book valuation some are upgraded. If two or three valuers of repute were brought in, I suspect we could probably put another $100m on the assets on the books of LandCorp. Although the debt figure of $34m is not small, in those circumstances it is certainly very conservative. If we could get rid of the shopping centre tomorrow for $40m, we would be $30m in credit.

That would put LandCorp in a very strong position if the Education Department suddenly decided it needed $20m by 30 June next year to buy, say, the Hollywood Senior High School site, at whatever figure is placed on that land. I am very comfortable with that. If the board of LandCorp was to incur debt, provided it is to upgrade an existing government asset, quite obviously, the quicker it could do the job, the better. Of course, that is subject to the market not falling in a hole and LandCorp holding the land to get a better price when the market recovers; looking at that decision to buy the land on a commercial basis as if it was paying rates and taxes like everyone else; evaluating the situation and trying to make a reasonable profit in a reasonable time; and a recession not occurring. Without a high level of debt, an organisation can withstand those sorts of issues. It all depends on the investment in which the organisation is involved.

At other times it may incur debt by supplying potential industrial land, knowing that it will hold that land for 10 years, but

knowing also that doing so will be in the interests of the Government and the public because that bank of land will be available for the industrial needs of small and large businesses. It is a matter of evaluating the desire for the land; that is, why the land is needed. I would be very concerned if LandCorp saw the opportunity to buy some land because it thought it might make a profit on it and speculated on it. That would really worry me. I do not believe the current board has that mind-set and I would like to think the previous boards did not have that mind-set either. I was not associated with it. That is why I made the point that people on the board must have commercial experience and understand they have a responsibility to treat that money with the same respect as they would treat their own.

Mr KOBELKE: I appreciate the fact that the minister gave some figures and that he made a lot of comments that I could categorise as, not unkindly, the minister's point of view with respect to what are clearly key considerations for prudent management. They make a lot of sense; however, the minister did not give an answer as to the policy directives. I think the minister may have suggested one when he indicated there was a limit from Treasury. It may be that that prudent management is within the riding instructions of Treasury for what it considers prudent levels of debt. I appreciate what the minister said and it made good sense, but I would like him to comment further on general policies laid down for the management of the level of debt. Secondly, the minister mentioned the authorisation by Treasury. Must LandCorp borrow through Treasury or can it go to the open market to seek loan funds?

Mr SHAVE: The policy for investment and strategic development plans must be set out annually in the statement of corporate intent and it must be submitted to the Treasurer for approval. Under proposed new section 25A(1) the board must, at the prescribed times, prepare and submit to the minister a strategic development plan and a statement of corporate intent for the authority. If it were to put something forward that was of concern to the Government, Treasury, or the minister, that area of the legislation would provide that safety net. The board is charged with managing the debt level on a commercial basis and, with regard to borrowing, it is required to go through Treasury. The Land Authority cannot borrow money without the Government being aware of what it is doing.

Mr Kobelke: That is the approval, but are borrowings done on the open market with the approval of Treasury?

Mr SHAVE: No. All funding is obtained through Treasury because the Government knows that, as a result of its level of borrowing in other area and the rate that applies, the authority could not obtain the money more cheaply than the Government could.

Clause put and passed.

Clause 6 put and passed.

Clause 7: Section 6 amended and transitional -

Mr KOBELKE: The minister has already answered my questions on this clause, but I want to place my concerns on the record. The current Act has requirements for the board to comprise five to seven members, and five of those seven must, in the opinion of the minister, have knowledge and experience in any of the fields of town planning, housing, industry, commerce, finance, engineering and land development. This Bill contains no such qualifications - using the word in a loose sense - for board members. I understand the minister's earlier response about the competition policy and the move away from these restrictions. Clearly, a commercial company has a range of constraints in performance, price on the stock market of the shares of the company, levels of profit and so on. However, we are dealing with a government agency and the minister gives direction in a range of provisions. We all know that in government appointments there is always a level of patronage, as well as the appointment of people with the right qualities and backgrounds. I am not convinced that this amendment will improve the legislation by removing the need for the minister to make a choice whereby five of the seven members of the board have knowledge and experience in those given fields. This provides no check on the minister and requires only the minister's opinion. It stretches the definition of qualifications very widely. I accept the minister's answer that it is not the general policy approach these days to include these matters, but many things in the competition policy do not deliver and I have a vague suspicion that this will not improve the situation.

Mr SHAVE: I mentioned earlier that I have some sympathy with the member's view, but the advice when the Bill was drafted is that it must conform to the policy in the context of the State's obligation. The Commonwealth audits States' progress and can withhold payments if the State does not conform to the commonwealth policy, and that is the reason it is worded in this manner.

Clause put and passed.

Clause 8: Section 16 amended -

Mr KOBELKE: Some of the reasons for changes in the functions of the authority obviously flow from the changes which are part of the whole approach to reviewing and updating the Act. However, it is worth placing on the record that in some areas I need further explanation for what is happening. Proposed new subsection (1)(b) provides that one of the functions of the authority is to be an agency through which the Crown and public authorities may dispose of land. That seems to

extend the powers of the authority, but I am not sure to what extent. LandCorp is already able to do that. Does this change provide more breadth to the powers available, and does it also underlie a change of intention with respect to the powers of LandCorp?

Mr SHAVE: It is not intended that the powers be significantly expanded. This amendment clarifies the situation when land is owned by LandCorp and a public authority on a joint basis. It clearly defines the capacity of LandCorp to dispose of that land. For example, in Bunbury, LandCorp owns 66 per cent of an area of land and the City of Bunbury owns 34 per cent of the land. If a decision is made under which LandCorp is required to actively dispose of that property, this will clarify that it is doing so in a correct manner. It is clarification for those sorts of arrangements. I asked the advisers when the clause was produced whether it meant that every time a local authority wanted to dispose of land, the WA Land Authority would dispose of it for them. The answer was no. However, if the local authority asks LandCorp to dispose of the land on its behalf, LandCorp has the capacity to do so. A small local authority may have a contentious site, such as the Omex site, and not want to handle its sale. LandCorp would be in a position to handle it, but reluctantly. LandCorp has no desire to become involved. I mentioned the 66 per cent of land that DOLA has in Bunbury, which is presently managed by the City of Bunbury which owns 34 per cent of the land. LandCorp may get into a management situation with that land. It is known as College Grove in Bunbury, and this allows the board to know that the provision exists and LandCorp can dispose of it.

Mr Kobelke: Does it not have to be a joint venture? Can any agency seek LandCorp's involvement in disposal?

Mr SHAVE: The local council could own an Omex or Minim Cove site that it cannot get anyone to clean up. As a community service obligation LandCorp would get involved, although I would not actively encourage it - we have enough things to do with our own land. The provision is not in the Bill to expand its powers; it is there to provide a service.

Mr Kobelke: Is it not new in terms of the statement of the Act?

Mr SHAVE: The statement is there but under the Act LandCorp may well have been able to do that. This is just clarification.

Mr Kobelke: Could it do it for local government under the existing Act?

Mr SHAVE: I think it could, although I am not saying it would.

Mr KOBELKE: We are talking about enabling powers; but it would not be the policy of the day.

I refer to proposed subsection (1)(b). Are public authorities defined anywhere or do we take a general interpretation? These days, agencies that are not generally public authorities pick up a range of functions on contract from government. Where do we find the definition of public authorities, and what might be the boundary definition of organisations that may or may not be public authorities?

Mr SHAVE: It is at page 5 of the existing Act under section 4, "Interpretations". It is being transposed into the new Act. It reads -

> "public authority" means a Minister of the Crown in right of the State, Government department, State trading concern, State instrumentality, State public utility and any other person or body, whether corporate or not, who or which, under the authority of any written law, -

This is the important part that covers what the member for Nollamara is talking about -

> administers or carries on for the benefit of the State a social service or public utility.

Mr KOBELKE: Proposed subsection (1)(d) is not much different. I am referring to the development of the Joondalup centre where we see a change from "continued" to "complete". The minister has adequately explained the reasons for that change. Can the minister attach any time frame to when, for the purposes of LandCorp, there may be a clear point of saying its activities within the Joondalup centre are completed. I am referring to the whole development.

Mr SHAVE: There are two issues: One is LandCorp's retention of some residential land in the Joondalup development and whether LandCorp sees the need to provide support for various social needs in the area after it disposes of its interest in the shopping centre. I understand that the board's intent is to dispose of the shopping centre provided it receives a suitable offer by 30 June next year or thereabouts. It may be a couple of months out from that, but if we are paid a reasonable amount, we will get out of the shopping centre. That is a big step that we want to undertake. As far as the rest of our involvement goes, I am told that in three to five years the last commercial land will be released in line with market demand.

Mr Kobelke: That is anticipated release?

Mr SHAVE: Yes. Once we are out of equity in the land out there and we have sold it, we expect that the area will be no different from Rockingham or any other area. If we do not have a financial investment in the land it will be treated the same as every other area. First cab off the rank will be the shopping centre, within 12 months. We expect to get rid of the residential and commercial land in three to five years.

Clause put and passed.

Clauses 9 and 10 put and passed.

Clause 11: Section 17A inserted -

Mr KOBELKE: I am concerned that we will now provide that the $1m limit for which the ministerial approval is sought and from which other things flow will be varied to a prescribed amount by regulation. I am assuming those regulation-making powers are already in the Act. Does the minister know when that will be changed? Is consideration being given to changing the prescribed amount to other than the $1m; if so, what is envisaged?

Mr SHAVE: We may not revisit this Act again for some time. That provision merely allows for the Government, in line with inflation, to consider increasing the amount in five or 10 years. In 10 years, it may be more practical for the figure to be, say, $1.2m. Under new section 17A(4), if this were to happen, within 14 days of giving approval to do that the minister would need to cause the text of the approval to be laid before each House of Parliament to be dealt with under section 45A.

Mr KOBELKE: A fine point needs clarification. The minister appears to be saying that laying the matter before the Chamber related to the regulation. We have two different procedures: First, if a transaction exceeds $1m or the prescribed amount, whichever is the greater, the minister must within 14 days after the approval cause the text of it to lay before the Parliament and so on. What about the setting of a prescribed amount? That would be set by regulation under clause 47.

Mr Shave: That is correct.

Mr KOBELKE: That would be a separate process from the approval of a given transaction. The regulation-making powers would still be required to be laid before the House. Perhaps I misunderstood what the minister said. The change to the prescribed amount would be separate from approving any given transaction that exceeded the prescribed amount.

Mr SHAVE: What the member said is correct.

Clause put and passed.

Clause 12: Section 19 replaced -

Mr KOBELKE: Section 19 provides that subject to any direction given under section 24, the authority is to perform its function in accordance with prudent commercial principles. In his second reading speech, the minister indicated that that opened up an area of uncertainty for the board in that there was no clear delineation of when it could act in other than a prudent commercial manner in order to meet clear strategic objectives laid down by the Government. This clause provides a clear structure in the legislation. I think I have correctly interpreted this clause as imposing a primary responsibility on the board to act according to commercial principles, but if directed by the minister - under section 24 or section 16A - that direction is to have precedence over that responsibility. That is a good mechanism. However, we will have circumstances that are not so clear cut.

The minister referred to the development at Exmouth. Exmouth is a wonderful spot and has great tourist potential. The Government would clearly want to see further development in the area. The opening up of the land adjacent to the marina, along with various tourism facilities, would be a boon to tourism in that area. If at the outset, for strategic reasons - to promote development and tourism in the area - the Government directed the board of LandCorp to put together a proposal, keeping in mind the bottom line and the net cost or return on the investment, but with the overriding principle of strategic advantage, the board would have a written indication that it had that power. It would be covered and it could manage the development in accordance with that guidance. In that case there is unlikely to be a problem.

However, the Minister of the day might wish to promote a project, such as the development of the Exmouth marina and the adjacent land, and might believe it will be commercial. He therefore would not give a direction that for tourism-related or other reasons the project would be exempt from the requirement that the board act commercially. That is likely to create a difficult situation if the board comes back to the minister six months or a year later saying that the project was initially anticipated to be fully commercial, and the minister gave the nod, but that that now appears not to be the case. The minister of the day - thinking there is a political downside - and the board - thinking there is financial downside - have a problem. The best laid arrangements to separate the circumstances could come unstuck.

Major financial commitments, such as this development at Exmouth, often do not live up to initial expectations. A minister might be enticed to support a project because he believes it can be completed at no financial cost. However, an environmental or marketing problem might arise and it might no longer meet the commercial requirements, although the Government of the day might still support it for strategic reasons. The legislation then provides that the minister can give a direction. If there is a political downside for the minister, the relationship between the board and the minister might be strained.

Will the minister correct me if I have overlooked a part of the legislation covering that? On the other hand, does he believe that I have raised a valid point, and that any minister of the day will be required to manage the situation? In that case, the

Opposition and the public will then be required to rely on the openness and accountability of the process to be able to make a judgment.

Mr SHAVE: I refer the member to the fascine development. Because the board has been charged with being commercial and prudent in its operations, it does an assessment and gets costings. At the end of the day the proceeds from blocks might be $3m but the development costs might be $4.5m. There would be a $1.5m shortfall. The existing legislation provides that the minister is made aware of the shortfall. The board submits a proposal to the minister saying that it is prepared to go ahead with the development but that it is not viable. For the authority to be commercial it must take on commercial risk and it would need a community service obligation authority. The board would point out that it is important that the minister go to Cabinet and make it aware that there will be a $1.5m shortfall and that the development will be held up. That happened with the fascine development - there were problems with the tides and the dredging and the cost increased. We went back to Cabinet with a revised CSO proposal. If it is to cost any more than the board assesses as a commercial amount, it is incumbent on the board, which is required to adhere to commercial practices, to make the minister aware of that. Before the board makes the decision to go ahead with the project, funding must be approved through Treasury. The process contains that safeguard.

Clause put and passed.

Clauses 13 to 15 put and passed.

Clause 16: Section 24 amended -

Mr KOBELKE: Clause 16 amends section 24(3) by deleting the requirement to publish in the *Government Gazette* and inserts new paragraphs (a) and (b). The only variation is subparagraph (ii), which refers to the Statutory Corporations (Liability of Directors) Act. Will the minister explain whether that puts an additional requirement on directors or merely updates a requirement in other legislation?

Mr SHAVE: It synchronises the requirements with the Statutory Corporations (Liability of Directors) Act. It is not an addition.

Clause put and passed.

Clause 17: Sections 24A, 24B, 24C and 24D inserted -

Mr McGOWAN: Proposed new section 24A(2) states -

> The board must consult the Minister before the Authority enters upon a course of action that in the opinion of the board -
>
> (a) amounts to a major initiative; or
>
> (b) is likely to be of significant public interest . . .

Earlier today we discussed whether the minister or the board makes the decisions in relation to the expenditure of money by LandCorp. Is that the guideline? Does LandCorp go to the minister if it is a major initiative or something of significant public interest so that he can make a decision? That is a broad guideline. What are the specific guidelines on a major initiative or something that is likely to be of significant public interest?

Mr SHAVE: It is an accountability requirement and it is in all other government trading enterprises as part of their Act and their charter. I reiterate what I said earlier: Basically, the decision to undertake a project, particularly a community service obligation, would be more likely to come from within government and be given to LandCorp. A local council might go to the local member and say, "Would you have the Government look at this?" The Government would then give the matter to LandCorp, whether it is the fascine, Marlston Hill or Exmouth. All those projects were generated by initial inquiries by local communities, local shires and local members of Parliament. LandCorp would then determine the costs involved, the issues to be faced and the problems involved. It would then give the minister a view of the matter. The minister would then go to Cabinet. It might be that the local member is a backbencher who, in the case of Marlston Hill, has had his local shire or town council put a proposal to him. We would say, "This just cannot work; there are these impediments," or, "We are prepared to look at it and we are progressing."

All the analysis and the determination of the cost involved would be done with LandCorp. It would be given to the minister and the minister would discuss it with other members, whether the project is in a Labor, Liberal or National seat, and he would go to Cabinet, probably with a recommendation and say, "This has been put forward; nothing has ever been done in that electorate; it will be good for tourism; therefore we propose to do it, but there will be a shortfall of $1.5m. Treasury, you and Cabinet must decide whether we will progress the project and, if so, you must put in $1.5m." That is how it would work.

Mr KOBELKE: Section 24A refers to consultation, section 24B refers to the minister being kept informed, section 24C

refers to the notice of financial difficulty, and section 24D refers to protection from liability. The minister spoke earlier about how the system worked in terms of when a problem arose and the minister having to go back to Treasury in some instances and indicate that there was a shortfall and seek support for it. It appears to me that if in a particular development a real financial problem arose, clearly what the minister said would follow, but the wording seems to relate more to a global situation, not to individual projects that may be fairly major. That is not correct with respect to initiating. Proposed section 24A requires the board and the minister to consult. Proposed section 24A(2) states -

> The board must consult the Minister before the Authority enters upon a course of action that in the opinion of the board -
>
> (a) amounts to a major initiative; or
>
> (b) is likely to be of significant public interest . . .

If a decision is already made, it is not caught by that; it may be caught by operating practice in terms of the example that the minister has already given, but we are considering the meaning of the Bill and its impact on the operation of LandCorp. It seems that once a project is up and running there is still the requirement or the possibility of consulting with the minister, which can generally be informally, but a project running into problems would not seem to be caught by proposed section 24B or even 24C. Will the minister explain that? Under proposed section 24B -

> The Authority must -
>
> (a) keep the Minister reasonably informed . . .
>
> (b) give the Minister reports and information that the Minister requires . . .

So the minister must play a role if he or she wants the report, but it goes on to state -

> (c) if matters arise that in the opinion of the board may prevent, or significantly affect, achievement of the Authority's -
>
> (i) objectives outlined in its statement of corporate intent; or
>
> (ii) targets under its strategic development plan,
>
> promptly inform the Minister of the matters and its opinion in relation to them.

A key matter will be the amount of detail contained in the statement of corporate intent or the targets of strategic development. If its targets under its strategic development were that so many lots would be produced from residential land development, and there will be a certain expected return, the fact that one project went sour would not necessarily be caught by proposed section 24B because the board could still be of the sound view that, although it will have a headache with that project, its overall statement of corporate intent or its strategic development plan in a global sense will be fulfilled. How much detail will be involved in a statement of corporate intent and development plans, and will it be of sufficient detail that one project that runs into considerable problems would be caught by proposed section 24B? In my view, it is not likely to be caught. My question does not go to what might be standard operating practice - the minister outlined that fairly clearly a moment ago - but simply to what would be caught by the words contained in the proposed section.

Mr SHAVE: For any strategic development plan, Treasury is required to be closely involved. On every project we would expect the Treasurer to be watching closely the issues involved. The directors have a responsibility not only to act in a prudent manner, but also to make sure the authority acts in a prudent manner. They may have put something forward to the Minister, the projected cost of which is $3m and it blows out to $4.5m. There will always be an imposition on the part of the directors to come forward to tell the minister what is happening. Under proposed section 25B half yearly reports are required, which must be given to the minister within a prescribed period or a period agreed between the minister and board. The board must also give a copy of each half yearly report to the Treasurer. I expect that if a project was getting into a bit of difficulty and the board did not make the Treasurer aware of that, there would clearly be concern that it was not acting in a prudent manner.

Clause put and passed.

Progress reported.

House adjourned at 10.02 pm

QUESTIONS ON NOTICE

Answers to questions are as supplied by the relevant Minister's office.

GOVERNMENT DEPARTMENTS AND AGENCIES

Compliance with Section 175ZE of the Electoral Act

657. Mr RIEBELING to the Minister for Primary Industry; Fisheries:

(1) Which public agencies within the Minister's portfolios are required to comply with section 175ZE ("the section") of the Electoral Act 1907?

(2) Which of those agencies included the required statement in their annual report?

(3) Which of those agencies did not include the required statement in their annual report?

(4) In respect of those agencies which did not include the required statement, will the Minister require the agencies to amend their annual report to include the required statement?

(5) In the case of those agencies which did not include the required statement, why did they not include it?

(6) What is the amount of expenditure incurred by or on behalf of each such agency in relation to the matters set out in the section 175ZE -

(a) in the 1996-97 reporting period;

(b) in the 1997-98 reporting period; and

(c) in the current reporting period to date?

(7) What is the name and address of each advertising agency, market research organisation, polling organisation and direct mail organisation on which expenditure has been incurred since 1 July 1996 by or on behalf of each agency?

(8) When was that expenditure incurred?

(9) What was the value of the expenditure incurred in each case?

(10) What is the nature and content of the advertising, market research, polling or direct mail services provided by each agency and organisation on each occasion?

(11) What was the name of the officer incurring each item of expenditure?

(12) What was the name of the certifying officer in relation to each item of expenditure?

(13) What is the name of the principal officer in each agency responsible for ensuring that the statement required under section 175ZE is included in the agency's annual report?

Mr HOUSE replied:

AGRICULTURE WESTERN AUSTRALIA

(1)-(2) Agriculture Western Australia.

(3),(5) Not applicable.

(13) The Chief Executive of Agriculture Western Australia is Dr GA Robertson.

FISHERIES WA

(1) Fisheries WA.

(2) Not applicable.

(3) Fisheries WA.

(5) The statement was inadvertently omitted.

(13) Executive Director of Fisheries WA is Peter Rogers.

RURAL ADJUSTMENT AND FINANCE CORPORATION

(1)-(2) Rural Adjustment and Finance Corporation.

(3),(5) Not applicable.

(13) Chief executive Officer, Agriculture Western Australia is Dr Graeme Robertson

AGRICULTURE PROTECTION BOARD

(1)-(2) Agriculture Protection Board.

(3),(5) Not applicable.

(13) The Agriculture Protection Board's Principal Accounting Officer is Ron Lucas, Director, Financial Management and Analysis, Agriculture Western Australia.

ALL AGENCIES

(4),(6)-(12)
Section 175ZE of the Electoral Act requires that all public agencies publish annually information on expenditure on advertising, market research, polling, direct mail and media advertising. This section came into force in October 1996 and has only operated since then. The Western Australian Treasury was advised a number of months ago by the Western Australian Electoral Commission of this requirement which was then noted in the instructions to agencies for the preparation of Annual Reports. In the Political Finance Report 1997, tabled 12 August 1998, the Electoral Commissioner recommended:

> That section 175ZE of the Electoral Act 1907 regarding reporting on electoral expenditure by public agencies be moved to a more appropriate piece of legislation such as the Financial Administration and Audit Act 1985.

The Government intends to give early and favourable consideration to this, and bring forward the necessary amendments to the Electoral Act. All agencies in my portfolio are now aware of the requirement to meet the provisions of section 175ZE of the Electoral Act, and henceforth will be providing the appropriate information. However, I am not prepared for agencies to devote the considerable resources necessary to retrospectively prepare this report, and in particular to provide the level of detail requested. If the member has a question in relation to a specific advertising contract I will endeavour to provide the information.

GOVERNMENT DEPARTMENTS AND AGENCIES

Compliance with Section 175ZE of the Electoral Act

658. Mr RIEBELING to the Minister for the Environment; Labour Relations:

(1) Which public agencies within the Minister's portfolios are required to comply with section 175ZE ("the section") of the Electoral Act 1907?

(2) Which of those agencies included the required statement in their annual report?

(3) Which of those agencies did not include the required statement in their annual report?

(4) In respect of those agencies which did not include the required statement, will the Minister require the agencies to amend their annual report to include the required statement?

(5) In the case of those agencies which did not include the required statement, why did they not include it?

(6) What is the amount of expenditure incurred by or on behalf of each such agency in relation to the matters set out in the section 175ZE -

(a) in the 1996-97 reporting period;

(b) in the 1997-98 reporting period; and

(c) in the current reporting period to date?

(7) What is the name and address of each advertising agency, market research organisation, polling organisation and direct mail organisation on which expenditure has been incurred since 1 July 1996 by or on behalf of each agency?

(8) When was that expenditure incurred?

(9) What was the value of the expenditure incurred in each case?

(10) What is the nature and content of the advertising, market research, polling or direct mail services provided by each agency and organisation on each occasion?

(11) What was the name of the officer incurring each item of expenditure?

(12) What was the name of the certifying officer in relation to each item of expenditure?

(13) What is the name of the principal officer in each agency responsible for ensuring that the statement required under section 175ZE is included in the agency's annual report?

Mrs EDWARDES replied:

(4),(6)-(12)

Section 175ZE of the Electoral Act requires that all public agencies publish annually information on expenditure on advertising, market research, polling, direct mail and media advertising. This section came into force in October 1996 and has only operated since then. The Western Australian Treasury was advised a number of months ago by the Western Australian Electoral Commission of this requirement which was then noted in the instructions to agencies for the preparation of Annual Reports. In the Political Finance Report 1997, tabled 12 August 1998, the Electoral Commissioner recommended:

> That section 175ZE of the Electoral Act 1907 regarding reporting on electoral expenditure by public agencies be moved to a more appropriate piece of legislation such as the Financial Administration and Audit Act 1985.

The Government intends to give early and favourable consideration to this, and bring forward the necessary amendments to the Electoral Act. All agencies in my portfolio are now aware of the requirement to meet the provisions of section 175ZE of the Electoral Act, and henceforth will be providing the appropriate information. However, I am not prepared for agencies to devote the considerable resources necessary to retrospectively prepare this report, and in particular to provide the level of detail requested. If the member has a question in relation to a specific advertising contract I will endeavour to provide the information.

Department of Environmental Protection:

(1) The Department of Environmental Protection.

(2) Statement included in 1997-98 Annual Report.

(3),(5) Not applicable.

(13) Mr G Ticehurst, Manager, Finance and Administration Branch.

WorkCover WA:

(1) WorkCover WA.

(2) The statement included in the 1997-98 Annual Report.

(3),(5) Not applicable.

(13) H Neesham, Executive Director.

WorkSafe:

(1)-(3),(5),(13)

WorkSafe Western Australia is a public agency required to publish an annual report under the Financial Administration and Audit Act 1985. However, no electoral expenditure has been incurred by WorkSafe Western Australia in 1997/98 or previous years and a statement as referred to in Section 175ZE of the Electoral Act will be included in next year’s Annual Report.

Perth Zoo:

(1) The Zoological Gardens Board.

(2) The statement included in the 1997/98 Annual Report.

(3),(5) Not applicable.

(13) The Manager Marketing, I Williams.

Department of the Registrar Western Australian Industrial Relations Commission:

(1) The Department of The Registrar, Western Australian Industrial Relations Commission.

(2)-(3) The Department will include the statement in its 1997/98 Annual Report.

(5) Not applicable.

(13) Acting Chief Executive Officer, John Spurling.

Department of Productivity and Labour Relations:

(1) Department of Productivity and Labour Relations.

(2) The statement is included in the 1997/98 draft Annual Report yet to be tabled in Parliament.

(3),(5) Not applicable.

(13) Chief Executive Officer, John Lloyd.

Kings Park and Botanic Garden:

(1) Kings Park and Botanic Garden Board.

(2) Statement not included in Annual Report.

(3) Kings Park and Botanic Garden Board.

(5) Board was not aware of the requirement.

(13) Chief Executive Officer, Dr S Hopper.

Department of Conservation and Land Management:

(1) Department of Conservation and Land Management.

(2) Statement not included in Annual Report.

(3) CALM.

(5) CALM was not aware of the requirement.

(13) Chief Executive Officer, Dr Shea.

Commissioner of Workplace Agreements:

(1) Commissioner of Workplace Agreements.

(2) Statement not included in Annual Report.

(3) Commissioner of Workplace Agreements.

(5) Commissioner unaware of requirement.

(13) Commissioner, Robert Cooper.

WESTERN POWER VEHICLES

Personalised Plates

736. Mr MASTERS to the Minister for Energy:

I refer to question on notice No 3738 of 1998 and ask -

(a) how many Western Power vehicles now carry personalised number plates;

(b) what was the initial purchase price of these plates;

(c) are there on-going costs associated with the use of these plates;

(d) does Western Power plan to purchase more personalised number plates; and

(e) if yes to (d) above, how many plates are likely to be purchased over the coming three years and at what anticipated cost?

Mr BARNETT replied:

(a) 1850 units now carry Western Power corporate plates.

(b) $198 000.

(c) No.

(d) No, but will replace damaged plates as necessary.

(e) Not applicable.

MID WEST GAS PIPELINE

745. Mr GRILL to the Minister for Resources Development:

I refer to the announcement on the Mid West gas pipeline that exposes the taxpayers of Western Australia for up to $28 million worth of subsidies largely for a private commercial undertaking and ask -

(a) who is the $1.4 million per annum subsidy payable to;

(b) who directly benefits from the subsidy;

(c) does the private transmission company AGL benefit;

(d) does the private company PMA benefit;

(e) is the new pipeline to Windimurra viable without the subsidy;

(f) if yes, why is it being paid as it is not needed; and

(g) if no, how does the Government justify a power subsidy to a private commercial undertaking in circumstances where no other similar company receives such a subsidy?

Mr BARNETT replied:

(a) Western Power will receive up to $1.4 million per annum assistance.

(b) Western Power directly benefits from the assistance.

(c) There is no direct benefit to AGL.

(d) There is no direct benefit to PMA. The realisation of the pipeline will also enable competitively priced gas to be sold to the PMA project which might not otherwise have been able to proceed at this time.

(e) Assistance for the pipeline from the Dampier to Bunbury Natural Gas Pipeline (DBNGP) to Mt Magnet is provided to the benefits outlined in (d) and to foster future developments in the region. There is no assistance provided in this package for any subsequent pipeline between Mt Magnet and Windimurra.

(f) Not applicable.

(g) The Government is not providing direct assistance to a private commercial undertaking. It is assisting Western Power to reduce its considerable losses in the Murchison area and to foster development in the region. In this process, gas should become available in the region at competitive prices for all potential users.

MID WEST GAS PIPELINE

748. Mr GRILL to the Minister for Resources Development:

I refer to the Government's commitment of up to $28 million taxpayer funded subsidy to the Mid West gas pipeline and ask -

(a) how can the Government justify the subsidy for supply from the Dampier to Bunbury pipeline when the Goldfields gas pipeline is 130 km closer;

(b) is the Minister aware that both Precious Metals of Australia and Anaconda have been completely frustrated in negotiations to obtain reasonable tariffs from the Goldfields pas pipeline operators;

(c) is the Minister aware that in desperation Anaconda has advertised nationally for expressions of interest for supply of gas from the Dampier to Bunbury pipeline even though it is 500 km further away from Murrin Murrin than the Goldfields gas pipeline;

(d) does the Minister now finally concede that the much touted Goldfields gas pipeline has failed to deliver cheap energy to the north and eastern Goldfields;

(e) does the Minister agree with the Managing Director of Anaconda that the Goldfields gas pipeline shall become a 'white elephant' unless it dramatically reduces its tariffs; and

(f) does the Minister now regret that the Government failed to insist upon a normal tariff review mechanism when it handed out the Goldfields gas pipeline licence?

Mr BARNETT replied:

(a) Although the Dampier to Bunbury pipeline was the lowest cost option available, the assistance is still required to make Western Power's participation in the Mid West gas pipeline viable.

(b) No. The Minister for Resources Development is not aware that there has been complete frustration in negotiations.

(c) The Minister for Resources Development is aware of Anaconda's advertisement.

(d) No. The developments that have occurred along the Goldfields Gas Pipeline are more than testimony to the benefits of this project.

(e) No.

(f) There is a tariff review mechanism which Parliament ratified when it enacted the Goldfields Gas Pipeline Agreement Act 1994.

AUSTRALASIAN CORRECTIONAL SERVICES' REPORT ON PRISONS

787. Mr RIEBELING to the Parliamentary Secretary to the Minister for Justice:

I refer to the report prepared for the Ministry of Justice by Australasian Correctional Services (ACS), entitled "assessment of Existing Prison Infrastructure and the Projection of Future Needs" and tabled in Parliament on 1 July 1998 and ask -

(a) does the Minister agree with any or all of the 16 key recommendations of the Report (as listed on pages 3 - 5 of the Executive Summary);

(b) if so -

(i) which findings; and
(ii) will the Government be implementing the recommendations as recommended in the Report; and

(c) if not, why not?

Mrs van de KLASHORST replied:

The Minister for Justice has provided the following reply:

(a)-(c) I really despair at the incompetent manner in which the member's office handles parliamentary questions. I had hoped the last time I raised this point that the member would institute some controls to avoid the flagrant waste of taxpayers' money in dealing with duplicated questions. I refer the member to my answer to Question on Notice 786.

ELECTRICITY SUPPLY, WYNDHAM

806. Mr BROWN to the Minister for Energy:

(1) Is the Minister aware that when power dropouts or other problems occur with electricity supply in Wyndham that it can take a considerable period of time to have those problems rectified as a result of staff being stationed in Kununurra?

(2) What steps is the Minister/Government taking to ensure such dropouts or other problems are rectified with a minimum of delay?

Mr BARNETT replied:

(1) Western Power employs the local Wyndham electrical contractor as the first response to power failures in Wyndham. This contractor is supported by Western Power's crew based at Kununurra, approximately one hour's drive time from Wyndham. This arrangement ensures a response to customer power failures that will generally comply with the standards set in Western Power's Customer Charter June 1998. These are:

75 per cent of customers reconnected in less than 2 hours;
85 per cent of customers reconnected in less than 4 hours;
95 per cent of customers reconnected in less than 6 hours.

There have been four power failures in Wyndham in the 1998 year, the longest of which was 70 minutes, the shortest 16 minutes.

(2) Not applicable.

GOVERNMENT DEPARTMENTS AND AGENCIES

Act of Grace Payments

833. Mr BROWN to the Minister for Primary Industry; Fisheries:

(1) In the -

(a) 1996-97 financial year; and
(b) 1997-98 financial year

did the Minister approve any act of grace payments up to a maximum of $2,000 from any department or agency under the Minister's control?

(2) Who were such payments made to?

(3) What was the amount of each payment?

(4) In the -

(a) 1996-97 financial year; and
(b) 1997-98 financial year

did the Minister seek the Treasurer's approval for any act of grace payments between the amount of $2,000 and $50,000 from any department or agency under the Minister's control?

(5) What was the amount of each payment?

(6) Who was each payment to be made to?

(7) What was the purpose of each payment?

(8) In the -

(a) 1996-97 financial year; and
(b) 1997-98 financial year

did the Minister seek approval from the Treasurer and/or Governor to make any act of grace payments over $50,000 from any department or agency under the Minister's control?

(9) How many such payments were approved?

(10) How many such payments were made?

(11) What was the amount of each payment?

(12) To whom was each payment made?

(13) What was the reason or purpose of each payment being made?

Mr HOUSE replied:

AGRICULTURE WESTERN AUSTRALIA

(1)-(3) Not applicable.

(4) (a) Yes.
(b) Not applicable.

(5) One payment of $4100 was made on 1 August 1996.

(6) John Leeds of Pardoo Station, Port Hedland.

(7) To compensate for live weight loss from Mr Leeds' cattle which were used for an Agriculture Western Australia trial in May 1995.

(8)-(13) Not applicable.

FISHERIES WESTERN AUSTRALIA

(1)-(13) Not applicable.

PRISONS, PRE-RELEASE PROGRAMS

871. Mr RIEBELING to the Parliamentary Secretary to the Minister for Justice:

I refer to the answer to my question on notice No 614 on pre-release programs offered in prisons in Western Australia, and ask -

(a) will the Minister explain what "pre-release information delivered in modular form is facilitated by Education staff" means;

(b) will the Minister confirm that there has been no increase in the total funding for pre-release programs for the past three years; and

(c) for each adult prison in WA how much is allocated in their current budgets for pre-release programs?

Mrs van de KLASHORST replied:

The Minister for Justice has provided the following reply:

(a) The Education and Vocational Training Unit in metropolitan prisons, work from a pre-release curriculum covering the following topic areas:

Topic	Delivery Agency	Nominal Hours
Parole	Community Corrections Officer	3 hours
Job seeking skills	Outcare	15 hours
Relationships	PASS (to men) Kindred (to women)	5 hours
Parenting	Kindred	5 hours
Transition	PASS	5 hours

The following modules are delivered by various community agencies as determined by the education pre-release coordinator at each prison eg Homeswest, Outcare, Centrelink, Community Legal Centres, etc.

Topic	Nominal Hours
Legal Matters	3 hours
Agency Support and Accommodation	5 hours
Health	5 hours
Living	5 hours

The regional prisons follow the above curriculum but have the scope to modify depending on the specific needs of the offenders in remote areas.

(b) The Education and Vocational Training Unit has received the same amount for the past three years to deliver these educational pre-release programs. It should be noted that five senior Community Corrections Officers commenced operations in March 1997 in a prison to community transition role. The operating costs of this initiative are approximately $280,000 per annum (includes 5 level 5s plus 3 vehicles).

(c) In the 1998/99 financial year the following funds have been allocated to each of these prisons:

Full Totals		
Broome Regional Prison	$8,000	
Roebourne Regional Prison	$8,000	
Eastern Goldfields Regional Prison	$8,000	
Greenough Regional Prison	$8,000	
Albany/Pardelup Regional Prison	$6,000	(an additional pre & post program exists)
Bunbury Regional Prison	$16,000	(coordinator and agency delivery funds)
Wooroloo Prison Farm	$17,888	(coordinator and agency delivery funds)
Bandyup Women's Prison	$12,944	(coordinator and agency delivery funds)
Karnet Prison Farm	$8,000	(staff member to coordinate)
Canning Vale & Casuarina Prison	$30,932	(combined coordination with separate delivery for each site)
Head Office	$6,236	(curriculum review, individual offender specific delivery where requested)

HERDSMAN LAKE, CONTAMINATION BY DIESEL SPILL

897. Dr CONSTABLE to the Minister for the Environment:

With regard to the contamination of Herdsman Lake by a diesel spill into the Selby Street drain, which was reported to the Water Corporation and the Department of Environmental Protection on 10 October 1997 -

(a) what information has come to light about the cause of the spill;

(b) what, if any, action has been taken against any person in relation to the spill, and what was the outcome of that action; and

(c) what was the outcome of the spill in environmental terms?

Mrs EDWARDES replied:

(a) An investigation of the catchment for the Selby Street drain by the Water Corporation, at the request of the Department of Environmental Protection (DEP), revealed that there was no sign of oil in the catchment and that it was likely that oil or diesel had been dumped directly into a road drain.

(b) The identity of the person or persons responsible for the oil or diesel entering the drain could not be established.

(c) An inspection of Herdsman Lake revealed that the spill had widely dispersed and that the quantity of oil or diesel involved did not require a cleanup. The DEP has requested the Water Corporation to investigate installation of a pollution control facility on the Selby Street drain.

WASTE TRANSFER STATION, GORDON RD, MANDURAH

924. Dr EDWARDS to the Minister for the Environment:

(1) What was the outcome of investigations by the Department of Environmental Protection (DEP) into complaints made by Mr J Costley regarding the City of Mandurah's actions in relation to the development of an integrated waste transfer station at Gordon Road, Mandurah?

(2) Has the facility been found not to comply with its licence conditions at any stage?

(3) If yes -

(i) on what occasions;
(ii) what were the details in each situation;
(iii) what action was taken by the DEP?

Mrs EDWARDES replied:

(1) The Department of Environmental Protection has investigated the complaints made by Mr J Costley and has determined that the Gordon Road integrated waste transfer station has operated in accordance with the site licence conditions.

(2) No.

(3) Not applicable.

GOODS AND SERVICES TAX

935. Dr EDWARDS to the Minister for the Environment:

(1) What impact would the proposed goods and services tax have on the functions of -

(a) the Department of Environmental Protection (DEP);
(b) the Environmental Protection Authority (EPA)?

(2) What effect would there be on the cost of licences and other charges raised by -

(a) the DEP; and
(b) the EPA?

Mrs EDWARDES replied:

(1) (a)-(b) Preliminary advice from the Commonwealth Government is that the introduction of a goods and services tax would have little impact on both the Department of Environmental Protection's (DEP) and the Environmental Protection Authority's (EPA) bottom line budget. In terms of the purchase of goods and services, the department would incur GST of 10% at the point of purchase. However, the value of the GST would then be recouped from the Australian Taxation Office, hence the net effect would be zero, other than the impact upon the department's cashflow. As the enabling legislation has not been drafted, the frequency of the recoups from the Australian Taxation Office has not yet been defined, therefore at this stage it is not possible to quantify the impact upon the agency's cashflow.

(2) (a)-(b) The introduction of a goods and services tax would have no impact upon the cost of licences and charges. The advice provided by the Commonwealth is that the GST will only apply to the supply of goods and services, where there is a direct charge for those goods or services.

ENVIRONMENT, LOCAL AGENDA 21

950. Dr CONSTABLE to the Minister for the Environment:

With respect to the initiative Local Agenda 21 (Sustainable Development into and Beyond the 21st Century), endorsed at the 1992 United Nations Conference on the Environment and Development in Rio de Janeiro (Earth Summit) -

(a) what, if any, funding or support has been provided by the State Government to facilitate the Local Agenda 21 process;

(b) to whom has that funding or support been provided;

(c) when was that funding or support provided; and

(d) what, if any, plans or projects does the Government intend pursuing in relation to the initiative?

Mrs EDWARDES replied:

(a) At present there is no State Government funding for Local Agenda 21. However, the Department of Environmental Protection provided a grant of $2500.

(b) The grant was made to the Western Australian Municipal Association to bring three experts from the eastern states here from Environs Australia for a series of lectures and a public meeting.

(c) The funding was provided in early March 1998.

(d) The Government is currently considering its position on Local Agenda 21 in the context of Environment Action '98: the Government's response to the State of the Environment Report currently being formulated.

MR C.W. HAYDEN

964. Mr RIEBELING to the Parliamentary Secretary to the Minister for Justice:

In relation to the employment of Mr C.W. Hayden -

(a) has there been allegations that Mr Hayden gave a cigarette lighter to prisoners in the Canning Vale prison;

(b) if yes to (a) above, have there been allegations that eye witnesses witnessed this delivery of the goods and, if so, is it possible to know the names of those eye witnesses; and

(c) has the Civil Service Association requested details of evidence, witness statements and records of interviews to enable them to represent Mr Hayden; and, if so -

  (i) why has that request not been adhered to;

  (ii) was Mr C.A. de Mello of the Internal Affairs Unit appointed to investigate the allegations;

  (iii) was Mr de Mello or the Internal Affairs Unit involved in the original compiling of data about the allegations against Mr Hayden; and

  (iv) is it normal practice for the Internal Affairs Unit to investigate their own complaints to show whether they are justified or not?

Mrs van de KLASHORST replied:

The Minister for Justice has provided the following reply:

(a) Yes.

(b) The allegations have been made by eye witnesses and it would be inappropriate to identify them at this stage of the investigation.

(c) The CPSU or Civil Service Association has not requested details of evidence, witness statements and or records of interview.

RETAIL TRADING HOURS DEREGULATION

1001. Mr BROWN to the Minister for Fair Trading:

(1) Is the Minister aware of comments made by the Lord Mayor of Perth about the impact of deregulating retail trading hours?

(2) Is the Lord Mayor's assessments of the impact of deregulating trading hours correct?

(3) If not, in what way is it incorrect?

(4) Is the Minister aware the Western Australia Council of Social Services (WACOSS) has expressed concern about the further deregulation of trading hours on the basis that owners and employees will have less time at home with their children?

(5) Are the views expressed by the WACOSS correct?

(6) If not, in what way are they incorrect?

Mr SHAVE replied:

(1)-(6) The issues raised by the member are currently being addressed by the Competition Policy review of the Retail Trading Hours Act. The review is being conducted by the Ministry of Fair Trading under procedures approved by the Treasury Competition Policy Unit. While I am not aware of the details of any individual submissions, I have been advised that a submission has been received from the City of Perth. Over 1600 submissions have been received and are currently being analysed by staff at Fair Trading.

MANDURAH MARINA DEVELOPMENT, MEMORIAL DOCUMENT

1032. Ms MacTIERNAN to the Minister for Fair Trading:

(1) When did the Ministry first receive complaints about Indemnity Settlements and Wooley and Associates in relation to failing to properly notify purchasers of memorial on titles associated with the Mandurah Marina development?

(2) Has the investigation been completed?

(3) If so, what was the result?

(4) Has the matter been referred to either the Settlement Agents Supervisory Board or Real Estate Agents Supervisory Board?

(5) If not, why not?

Mr SHAVE replied:

I am advised:

(1) The Ministry received an anonymous complaint in June 1997. The only formal complaint was received in September 1998.

(2) No.

(3) Not applicable.

(4) No.

(5) The investigation is not complete.

GLOBAL FINANCE, COMPLAINTS

1033. Ms MacTIERNAN to the Minister for Fair Trading:

(1) When did Mr Willers of the Finance Brokers Business Unit begin investigating complaints made by each of the following investors against Global Finance -

(a) Pan Las Pty Ltd; and
(b) Rick Lens?

(2) When did Mr Willers first interview Global Finance regarding each of the above complaints?

(3) Has Mr Willers examined the files of Global Finance?

Mr SHAVE replied:

(1) (a) 6 July 1998.
(b) 29 July 1998.

(2) (a) Mr Willers has not yet interviewed Global Finance regarding complaints by PenLas Pty Ltd.
(b) 14 October 1998.

(3) Mr Willers has not examined Global Finance's files relating to PenLas Pty Ltd. Mr Willers examined Global Finance's files relating to Mr Lens on 14 October 1998.

MINISTER FOR LOCAL GOVERNMENT, TRIP TO CAIRNS

1035. Mr CARPENTER to the Minister for Local Government:

In relation to his refusal to table details of his trip to Cairns last year -

(a) is he aware that every other Minister who has been asked to table an itinerary of an interstate or an overseas trip has done so;

(b) if yes, does he still refuse to table his itinerary of his visit to Cairns in July/August last year; and

(c) if yes, to (b) above, why?

Mr OMODEI replied:

(a)-(c) As previously advised, I am required to attend many Commonwealth/State meetings and I do not propose to set a precedent whereby Ministers would need to regularly table details of these itineraries. However, if the member has any specific enquiries about my visit to Cairns from 28 July to 2 August 1997, I would be pleased to elaborate.

CANNING VALE PRISON MUSTER

1036. Mr RIEBELING to the Parliamentary Secretary to the Minister for Justice:

(1) Will the Minister confirm that he is now thinking of building an additional wing at Canning Vale prison to accommodate an extra 150 prisoners?

(2) If yes, what will this bring the total muster at Canning Vale Prison up to?

(3) Does this mean he will no longer proceed with the combining of the existing Canning Vale Prison with the CW Campbell Remand Centre?

Mrs van de KLASHORST replied:

The Minister for Justice has provided the following reply:

(1) As part of planning for the proposed combined remand, receival assessment and treatment centre at Canning Vale 60 additional cells will be added as part of the current approved works. Forty-five will be standard accommodation and 15 will be for medical purposes. The design will accommodate future additions, subject to demand and funding.

(2) The total muster (i.e. number of prisoners) and remandees at the Metropolitan Prison Complex at Canning Vale will vary depending upon demand.

(3) No.

CASUARINA PRISON, INCREASE IN BEDS

1037. Mr RIEBELING to the Parliamentary Secretary to the Minister for Justice:

(1) Will the Minister confirm that his plans of providing an extra 150 temporary beds at Casuarina have now been abandoned?

(2) Will the Minister explain why he changed his plan from that which he announced on 25 March this year?

Mrs van de KLASHORST replied:

The Minister for Justice has provided the following reply:

(1) Yes.

(2) The 150 interim beds proposed in March are being provided throughout the prison system in a more cost effective way.

LAND RESUMPTIONS

1101. Dr EDWARDS to the Minister for Lands:

(1) Under what Acts does the Minister for Lands become involved in the resumption of land?

(2) What in general are the processes for resuming private land?

Mr SHAVE replied:

(1) Under the Land Administration Act 1997 (LAA) for the most part; and sometimes in conjunction with other Acts which authorise taking of land under the LAA, such as the -

Western Australian Land Authority Act 1992
Local Government Act 1995
Marine and Harbours Act 1981
Town Planning and Development Act 1928
Government Railways Act 1904
East Perth Redevelopment Act 1991
Subiaco Redevelopment Act 1994.

(2) Processes for taking land are detailed in sections 170, 171, 175, 177, 178 and 179 of the LAA. In general terms these consist of the following:

A notice describing the affected land, the proposed use, any third party grants intended, reasons why this land is considered suitable for the proposed work, and including other relevant details, is lodged with the Registrar of Titles.

Following registration, the notice is published in "The West Australian" and served on the landowner, the occupier, any native title holders, holders of any mining rights, and the Department of Minerals and Energy.

Parties are informed of procedures for taking land, compensation, appeal, and rights in relation to future disposition of the land. Parties may object within 60 days from registration of the notice of intention to take the land (or such further time as the Minister may allow), and the Minister must then consider such objections. He may then cancel or amend the notice, or decide not to proceed.

Where the Minister decides to proceed with the taking, a taking order is lodged with the Registrar of Titles. Such order identifies the affected land and the interest taken, designates the land for a particular public work, specifies any interests preserved, cancels existing designations, and may provide for specified interests to be disposed of to specified persons (eg. The acquiring authority).

After registration of the taking order, a copy is published in "The West Australian" and served on each proprietor (including native title holders) and occupier of the affected land, and on any holders of mining rights, advising procedures for claiming compensation. A copy is also served on the Department of Minerals and Energy.

On registration of a taking order every interest in the affected land not specifically preserved by the taking order is extinguished, and converted into a right to compensation.

Part 10 of the LAA then spells out in some detail procedures for determining and settling compensation.

QUESTIONS WITHOUT NOTICE

LEEUWIN-NATURALISTE NATIONAL PARK, ENTRY FEE

288. Dr GALLOP to the Premier:

I refer to the Government's decision to impose an entry fee for people visiting beaches within the Leeuwin-Naturaliste National Park. What is the difference between the attempts by the Cottesloe Town Council to force visitors to pay to park at Cottesloe Beach and the Government's decision to force tourists and local visitors to pay to visit beaches in the south west?

Mr COURT replied:

As I understand the decision, for the popular beaches in the south west no fees will be involved, the same as at Cottesloe Beach.

WORKERS LEGISLATION AMENDMENTS

289. Mr OSBORNE to the Minister for Labour Relations:

Some south west businesses are receiving advice that their workers compensation premiums are set to rise by up to 300 per cent. Amending legislation has been passed in this Chamber, but is currently stalled in the other place. What can the minister do to hasten the passage of these amendments so that relief for many companies and the workers they employ can be given?

Mrs EDWARDES replied:

The Standing Committee on Legislation of the Legislative Council handed down a report last week in which it made a number of recommendations. For the past couple of months I have been meeting with a consultative group comprising all stakeholders. We have already considered the concerns and recommendations in the report and will continue to meet to work out a solution to this legislation in an endeavour to address the escalating costs and some of the concerns that have been raised. The idea is to have the legislation through the Parliament this year.

SENATOR KNOWLES - ALLEGATIONS AGAINST MR CRICHTON-BROWNE

290. Mr MARLBOROUGH to the Minister for Police:

I refer the minister to the proceedings of the Supreme Court last week in which Senator Knowles unreservedly retracted her allegations that Mr Noel Crichton-Browne had made death threats against her. As the minister will know, Mr Ray O'Connor was charged and convicted of criminal defamation after making untrue allegations against a colleague. Will the minister refer the allegations of Senator Knowles to the police for investigation?

Mr PRINCE replied:

I thank the member for some notice of this question. This is an interesting question.

Dr Gallop: It is more than interesting.

Mr PRINCE: No. The criteria for criminal defamation under the Criminal Code are to be distinguished from those for a civil action for defamation, which is what Noel Crichton-Browne brought in the Supreme Court. Whether any ground exists for considering any form of criminal defamation, I do not know.

Mr Marlborough: Will you look at it?

Ms MacTiernan: Will you refer it to the DPP?

Mr PRINCE: No. I will not. I will look at it now that it has been raised. It is not something that has occurred to me, or to anybody else in government.

KINDERGARTEN FEES

291. Mrs HODSON-THOMAS to the Minister for Education:

I understand that as of the year 2000, kindergarten-age children will be attending four sessions a week, rather than two. If this is the case, does the minister foresee an increase in the fees being implemented to offset this added pressure on resources?

Mr BARNETT replied:

I thank the member for some notice of this question. As of next year, all four-year-olds - that is, all kindergarten children - will have two sessions available. Four sessions will become available on a universal basis in 2001, and that will be an important step forward. It will apply to all children born before 1 July. The year 2001 will be the first year of the change to the starting age of school children. There is no plan to increase fees at all.

SENATOR SUE KNOWLES - ALLEGATIONS AGAINST MR CRICHTON-BROWNE

292. Mr MARLBOROUGH to the Premier and Leader of the Liberal Party:

I refer the Premier to the proceedings last week in the Supreme Court which have been widely reported, in which his Liberal colleague Senator Sue Knowles unreservedly retracted her allegations that Mr Noel Crichton-Browne had made death threats against her. I refer in particular to the provision of Senator Knowles' settlement which specifically prohibited Mr Crichton-Browne from publishing her retraction and apology on or before 3 October, the date of the federal election. Is it Liberal Party policy to condone its members' deliberately deceiving voters by not disclosing lies to the public and the media about an allegation of serious criminality?

Mr COURT replied:

The member uses the word "lies". I have been in Parliament long enough to know that when the member for Peel, like others opposite, becomes involved in an issue using such words, he needs to do his homework. Private action was taken through the courts which resulted in apologies. The member for Peel has commented about lies, et cetera. However, when the member becomes involved in an issue in that way, I know it is time for him to do some homework.

Mr Marlborough: What a weak answer!

Mr COURT: We have not heard from the member for a while.

The SPEAKER: Order! The member for Peel had his go in his question.

AUTOGAS

293. Mr MASTERS to the minister representing the Minister for Transport:

A constituent has informed me that some two months ago, the price of autogas in Melbourne was 15.9¢ a litre as opposed to about 34¢ a litre in Perth and 44¢ a litre in Busselton.

(1) Do the discrepancies in pricing accurately reflect the differences in production costs between the two States?

(2) What is the Government's understanding of the economic discouragement that the high WA prices must create for our vehicle drivers who might otherwise be keen to convert from petrol to autogas?

Mr OMODEI replied:

The Minister for Transport has provided the following response -

(1)-(2) The 15.9¢ a litre price is low even for Melbourne. Discount prices in Melbourne are generally around the 20¢ a litre mark. The Melbourne market is characterised by a number of competing oil refineries supplying liquefied petroleum gas, and its closeness to one of Australia's largest offshore natural sources of LPG. Also, a number of LPG users are found in Melbourne. The competitive supply chain and the large number of users see both gas wholesalers and retailers working much lower wholesaler and retailer price margins than those found in the Western Australian market. Regular complaints are received about the price of autogas in Western Australia. As a result, the Australian Competition and Consumer Commission is conducting an informal inquiry into the LPG autogas industry, with a final report to be completed in December 1998.

LEEUWIN-NATURALISTE NATIONAL PARK BEACH FEES

294. Dr GALLOP to the Minister for the Environment:

I refer to the new charges the minister has decided to impose on people visiting beaches in the Leeuwin-Naturaliste National Park.

(1) How much revenue are the new fees expected to raise annually, and will they be introduced by way of regulation?

(2) What new works, which are currently not funded, are expected to be provided for by the new fees?

(3) How will visitors be expected to pay the new entry fee?

(4) What is the anticipated non-compliance rate?

(5) What will be the penalty for non-compliance?

The SPEAKER: Order! I am pleased that the Leader of the Opposition gave notice of this whole host of questions.

Mrs EDWARDES replied:

I thank the Leader of the Opposition for some notice of this question.

(1) Approximately $250 000 per annum is expected to be raised, although this figure is expected to increase when tour operator fees are included in November 1999. The fees are set by the minister in accordance with clause 57(1) of the National Parks Authority Regulations. The Shires of Busselton and Augusta-Margaret River are to issue park passes for every ratepayer in their shires.

(2) The revenue will contribute to a five-year program of park improvements. Therefore, the current funding allocation will not be reduced; it will be a continuing re-investment. The five-year program includes the provision of roads and the enhancement of the Cape to Cape walk trail; Conto's expansion; Three Bears' car park and toilets; Moses Rock, roads and car park; South Point, steps and boardwalk; Injinup, beach steps and boardwalk; Hamelin Bay, toilets; access to Quinninup Falls; and some other works. The program of works will be implemented in consultation with the Shires of Busselton and Augusta-Margaret River and the Leeuwin-Naturaliste National Park Advisory Committee.

(3) Visitors can purchase day passes and extended annual or holiday passes from the Department of Conservation and Land Management offices and tourist bureaus throughout the State. Visitors can also purchase passes from re-sellers at convenient locations in and around the Leeuwin-Naturaliste National Park.

(4) The provision of park passes to local ratepayers is expected to ensure local compliance is very high. Compliance from tour operators is high throughout the State, and this is expected also to be the case at the Leeuwin-Naturaliste National Park.

(5) The penalty for non-compliance is a maximum fine of $200. However, people who have not paid fees elsewhere in the State are advised of the requirement, and they generally pay the fee. That is expected to be the approach in this case, which will limit the need for prosecution.

NEEDLE AND SYRINGE DISPOSAL UNITS ON ANSETT AIRCRAFT

295. Mr BAKER to the Minister for Family and Children's Services:

I refer to the recent announcement by Ansett Australia that it will be installing needle and syringe disposal units in all toilets on all intrastate, interstate and overseas flights. Is this decision by Ansett in any way consistent with the Government's approach to the drug abuse problem in the community? How does it accord with the Government's concept of partnerships with the private sector in the fight against illicit drug abuse?

Mrs PARKER replied:

I am aware of Ansett's decision and I have written to the executive chairman of Ansett expressing my concern at the company's decision. I table the letter. The first policy principle of the Government's approach is opposition to drug abuse with efforts to reduce the supply of and the demand for drugs. The second policy principle reflects compassion for those who are continuing to use drugs with well-targeted, harm-reduction programs and initiatives, taking care that such initiatives do not encourage or normalise drug abuse. These strategies do not and never should be a substitute for the greater aim to reduce the supply of and the demand for drugs. They should not be so broad as to inadvertently send a message of acceptance of drug abuse. While I understand and support Ansett's desire to protect its staff and passengers, I am disappointed that a company of its standing in the community would make a decision that is clearly a step towards the normalisation of drug abuse.

[See paper No 293.]

BIKIE FUNERAL, COST TO POLICE

296. MRS ROBERTS TO THE Minister for Police:

(1) How many police officers, vehicles and ancillary support units were involved in the bikie funeral fiasco last Thursday?

(2) What was the total cost to taxpayers?

(3) Will the minister provide a complete cost breakdown including the staff costs and all other costs?

(4) How many officers were present from each individual section of the Police Service?

Mr PRINCE replied:

I thank the member for some notice of this question.

(1)-(4) I have been provided with only a partial answer. The Police Service has not been able to answer the question in full, but it will, and I will ensure that the member receives an answer when the complete answer is provided to me.

However, I can answer the first question by advising that the Police Service is of the view that it provided an adequate number of police officers and other resources to cover the conditions of the permit. All of the resources came from the Gallipoli Task Force budget. It cannot tell me of the total cost or the breakdown of such costs. It will take a considerable time to calculate because it depends upon the pay rates for each individual officer who was involved. It will also take a considerable time to determine how many officers from each section of the Police Service were involved because additional work was done throughout the day and night after the procession - the setting up of the two booze buses, the road blocks and the laying of 58 charges. I agree with the editorial of *The West Australian* in which it was stated that the process was handled in an exemplary manner by the police.

Dr Gallop: Is that the view of the Police Service?

Mr PRINCE: Yes, it is.

Dr Gallop: Is there not an enormous conflict within the hierarchy of the Police Service about the way it was handled?

Mr PRINCE: No.

Dr Gallop: I am telling the minister it certainly is the case.

Mr PRINCE: No, there is not.

Dr Gallop: Is there no conflict about the way that was handled?

Mr PRINCE: Anything that has been done could be done better; things can always be done better. I am sure the debrief afterwards has brought out some useful lessons. However, they did a very good job, and, as *The West Australian* editorial said, what else could have been done? What they did was first class.

Dr Gallop: I will ask my question again: Was there a conflict in the police hierarchy about the handling of that event?

The SPEAKER: Order! The Leader of the Opposition did not see me stand. He will have an opportunity to ask that question next if he wants to.

Mr PRINCE: If the Leader of the Opposition wants to talk about fiascos and cost, he should think of a couple of Trades and Labor Council marches on this Parliament last year. The cost was phenomenal. If the Leader of the Opposition wants to talk about a fiasco, he will remember what happened in the public gallery here and in the other place. If he wants to talk about a fiasco, he will remember that it was Tony Cooke - I give him full credit - who called off the goons to let the President of the Legislative Council into this Parliament. That was a fiasco.

Mrs Roberts interjected.

Mr PRINCE: By the way, I have the member for Midland's brochure here about section 8.

LANGUAGE LEARNING CENTRES

297. Mr SWEETMAN to the Minister for Citizenship and Multicultural Interests:

Recently a friend of mine was trying to learn to speak Italian. She was fortunate enough to tap into the resources of the language learning centre at the local library in Carnarvon. Can the minister inform the House if these centres are widely available?

Mr BOARD replied:

I thank the member for some notice of this question. I take the opportunity when answering this question to formally acknowledge the completion of a successful program, one which has seen $900 000 from the Lotteries Commission and the Ministry of Citizenship and Multicultural Interests establish 93 language learning centres throughout Western Australia. These are in public libraries and have been accessed by thousands of Western Australians each year. I acknowledge the role that the member for Warren-Blackwood played in the establishment of this program. It has been one of the most outstanding successes of the Ministry of Citizenship and Multicultural Interests, because those facilities have been accessed not only by the intended users, those people wanting to learn English, but also young people at school, the elderly, and people wanting to travel. Businessmen wanting to trade have also been brushing up on various language skills. It is a self-help program in which the libraries themselves can identify the types of programs they want to run. The purpose of my mentioning it today is that it is the conclusion of a successful program, one which is now entrenched for language development in Western Australia. It puts Western Australia in a good position to compete in the global market in that people can now learn whatever language they want, at the rate at which they want to learn, free of charge.

MINISTER FOR POLICE - COMMENTS ON BIKIES

298. Mrs ROBERTS to the Minister for Police:

How does the minister explain the misleading information that he has been peddling inside and outside this House, including -

(a) maintaining for a week, without volunteering to correct the record, that a bikie who assaulted a police officer at a murder scene was a brother of the deceased;

(b) saying on the Kennedy program on radio last Wednesday that the procession permit granted to the Coffin Cheaters would extend to police escorting bikies from Karrakatta Cemetery back to their clubhouse for a wake; and

(c) claiming on television news reports last Friday evening that the police would be charging bikies with traffic offences committed the previous day, when a police spokesman, Sergeant Tony Potts, is now claiming bikies will be charged only if members of the public make formal complaints?

Mr PRINCE replied:

In answer to the third point, the member has misreported Sergeant Potts again. That is not what Sergeant Potts said. He said if complaints are made, they will be followed up. I have said if the bikies can be identified, they will be charged.

In answer to the second point, it was my understanding that a procession permit was to be sought to go both to and from the cemetery. That was not the case. What was sought was a procession permit to go to the cemetery, but not from it. The police therefore could not, under any form of law that we have, regulate a procession away. Of course, the bikies and others left, not just in one group, but in several groups.

With regard to the error I made about referring to the man as a brother, that occurred because I misunderstood the information that had been given to me. I said so in this House last week when -

Mrs Roberts: You were told the day before, by your own admission, and you proffered the information only when the member for Pilbara asked you.

Mr PRINCE: I was told late in the day before, and I was able to say so in this Parliament last Thursday. It was the first opportunity I had to do it.

PEEL ESTUARY FISHERY

299. Mr MARSHALL to the Minister for Fisheries:

Following the success of the fisheries adjustment scheme, will the minister please inform the House -

(1) How many Peel Estuary fishing licences were bought back and at what cost?

(2) Will this now mean that the previously sustainable allocation quota of crab traps to existing professionals will be extended?

(3) How is the formula for crab traps per professional fisherman evaluated?

Mr HOUSE replied:

(1) Some nine licences have been repurchased in that adjustment scheme to which the member refers, at a value of $730 000.

(2)-(3) With regard to the crab fishery, the department is still talking with the fishermen in that area about the adjustment. It is trying to achieve an equitable adjustment so that the new system is accepted by the fishermen in a positive way. I am sure it can be done, although it is taking some time to negotiate that. The department is trying to move to a better form; in other words, away from the tangle net system, which has been used, to a trap fishery.

LANE AND WATTLE FOREST BLOCKS

300. Dr EDWARDS to the Minister for the Environment:

I refer to the temporary control areas gazetted yesterday for Lane and Wattle forest blocks and ask -

(1) How can the minister claim that logs from these coupes are needed urgently in Pemberton, when there are substantial stockpiles of karri and marri logs in nearby forest blocks?

(2) Exactly what are the minister's reasons for declaring the temporary control areas in Lane and Wattle blocks?

Mrs EDWARDES replied:

(1)-(2) The temporary control area has been declared for the safety of both the foresters and the protesters currently in that area. The logging started in Lane block before winter, but was stopped when the protesters camped there. The protesters have been requested on numerous occasions to leave the site. There is a need for logs in the Pemberton mill, and the protesters stopped the logs which are currently on the ground from being collected. Although alternative camp sites have been suggested, it was to no avail, because the protesters are still there. The temporary control area has been declared. The protesters have been asked to leave and the police are still negotiating with them.

MARMION AVENUE UPGRADING

301. Mr MacLEAN to the minister representing the Minister for Transport:

Will the minister please advise whether there is any plan to further upgrade and widen Marmion Avenue north of Burns Beach Road; and, if so, the cost and time frame of this upgrade?

Mr OMODEI replied:

The Minister for Transport has provided the following response: Responsibility for Marmion Avenue north of Burns Beach Road rests with the City of Joondalup and the Shire of Wanneroo. I understand that the City of Joondalup plans to construct a second carriageway on Marmion Avenue between Burns Beach Road and Kinross Drive. The project is expected to commence in February 1999 and to be fully funded by the Joondalup City Council at a cost of around $1.59m.

In addition, the Shire of Wanneroo plans to construct a second carriageway on Marmion Avenue between Anchorage Drive

and Baltimore Parade, at an estimated cost of $3.58m. This work will be carried out over the 1998-99 to 2000-01 financial years, with a state funding contribution of around $2.09m.

AUSTRALIAN FINE CHINA, PARLIAMENT HOUSE CONTRACT

302. Mr RIPPER to the Premier:

(1) Is the Premier aware that local company, Australian Fine China, has supplied china to the Parliament House dining room for the past 20 years?

(2) Is the Premier aware that the company has now been told that the locally made china in the dining room is to be replaced with an English product?

(3) Does the Premier agree that Western Australian taxpayers' money would be better spent supporting Western Australian companies?

(4) What action does the Premier intend to take to support Australian Fine China in retaining its contract with Parliament House?

Mr COURT replied:

(1)-(4) I received a letter from that company last week and made some inquiries. I advise that a decision has been made by the Parliamentary Services Committee of this Parliament -

Ms MacTiernan: The committee does not make decisions.

Mr COURT: I have been advised that the committee made the decision that that crockery would be purchased.

Mr Ripper: Do you intend to do anything to help the company?

Mr COURT: The opposition has representatives on that committee.

Mr Ripper: We were not there.

Mr COURT: That would not surprise me!

Ms MacTiernan: It is an advisory committee. Look at the terms of reference. It is not a decision making committee.

Mr COURT: The member for Armadale is on that committee. Did she discuss the matter?

Ms MacTiernan: Absolutely not. We were not there.

Mr COURT: Why not?

Ms MacTiernan: Because we had two other committees on at the same time.

Mr COURT: I would prefer a Western Australian product to be used. Since we have come to government, my office has purchased china from that company. We inherited some imported china from the previous Government, but we have purchased the local product. That company is in my electorate. I am very supportive of what it does, and I would much prefer the Parliament buy the local product. I suggest that if members opposite were to attend some committee meetings, they might know the answer.

HUNGRY HOLLOW TAVERN LICENCE

303. Mr OSBORNE to the minister representing the Minister for Racing and Gaming:

The Hungry Hollow tavern and brasserie was recently awarded a tavern licence by the Liquor Licensing Court after being incorrectly advised by the City of Bunbury that it was zoned for that purpose. The popularity of that tavern is now causing grave concern to local residents. What changes can the minister make to the Hungry Hollow tavern licence to give some belated relief to my constituents?

Mr COWAN replied:

I thank the member for providing some notice of the question. The Minister for Racing and Gaming has provided the following advice: Under the Liquor Licensing Act 1998, the Minister for Racing and Gaming has no legislative authority to intervene in any matters to be determined by the Liquor Licensing Authority. However, the minister has advised that following the lodgment of complaints with the Director of Liquor Licensing pursuant to the provisions of section 117 of the Liquor Licensing Act, a hearing was held in Bunbury on 14 and 15 October 1998 before the Deputy Director of Liquor Licensing. The deputy director found the complaints substantiated, and conditions were placed on the licence to resolve the complaints.

BIKIE FUNERAL, TRAFFIC INFRINGEMENTS

304. Dr GALLOP to the Premier:

Has the Premier spoken to the Police Service and expressed his concern and the concern of his Government that the streets of Perth were taken over by the bikies after the funeral last week; if not, why not?

Mr COURT replied:

I have been kept informed by the Minister for Police about this matter. I repeat what I said earlier: I am very proud of what the police did in that situation last week. As I have said in the media, it is very easy for members opposite to sit in their office in the comfort of their lounge chair and criticise officers who need to handle a very difficult situation. We can be very proud of what our Police Service did last week. The police are often put in a difficult situation, and the Leader of the Opposition's constant knocking and carping about what the Police Service is doing is doing him and his party no good.

BIKIE FUNERAL, TRAFFIC INFRINGEMENTS

305. Dr GALLOP to the Premier:

Does the Premier think it appropriate that the bikies took control of intersections in Perth after the funeral last week?

Mr COURT replied:

It is appropriate that the police controlled a volatile situation well and ensured the public safety in a difficult circumstance.

Dr Gallop: You have not answered the question. You are not supporting the police.

Mr COURT: If the Leader of the Opposition wants to keep knocking what the police are doing -

Mr Ripper: You are the one who is knocking!

Mr COURT: No. At a time when the police needed some community support last week, the Leader of the Opposition decided to kick them.

COASTAL MANAGEMENT

306. Mr MASTERS to the minister representing the Minister for Transport:

In past years the Government has provided funding on a 1:3 basis with local government bodies for coastal management and stabilisation action.

(1) Is this scheme still in force?

(2) If not, what scheme now exists to ensure that local government does not have to foot the entire cost of coastal stabilisation and related works?

(3) Is money available for research into processes along sections of vulnerable coastline such as Geographe Bay as a precursor to the preparation of management plans?

Mr OMODEI replied:

The Minister for Transport has provided the following response -

(1)-(3) The Department of Transport is reviewing state government policy regarding coastal protection work, and the evaluation of the existing 1:3 local-state ratio of funding assistance is a component of that review. The department allocates substantial resources for the monitoring and evaluation of coastal processes, including survey monitoring, evaluation of coastal movements and monitoring of tides and waves. When it has been agreed with local government that a more comprehensive study is required to manage a section of the coast, the department will endeavour to allocate additional resources and seek funding assistance from state Treasury where necessary.

MR WAYNE MARTIN QC, REPORT ON MR BARTHOLOMAEUS

307. Mr KOBELKE to the Premier:

This is a question of which some notice has been given.

Last Thursday the Premier told the House that Wayne Matin QC had been employed to investigate and prepare a report on former WorkSafe chief, Neil Bartholomaeus.

(1) What are the exact terms of reference or parameters of the brief given to Mr Martin?

(2) What is the estimated cost to taxpayers of Mr Martin's appointment?

Mr COURT replied:

(1) Wayne Martin has been briefed to advise the Premier, having regard to Mr Bartholomaeus' response and all other relevant matters, on what, if any, further action the Premier should take under section 81 of the Public Sector Management Act.

(2) The estimated cost is $2 000.

WAYNE MARTIN QC, REPORT ON MR BARTHOLOMAEUS

308. Mr KOBELKE to the Premier:

The Premier's answer to the previous question was less than specific. What was the actual matter for which the Premier asked former WorkSafe chief Neil Bartholomaeus to apologise, which his refusal to do so led to this investigation?

Mr COURT replied:

He was given all the information on this matter including the response that Mr Bartholomaeus made to me. So that it cannot be said by members opposite that I am not being independent in this matter, he will give advice.

Mr Kobelke: What matter?

Mr COURT: What does the member for Nollamara mean? What has he been doing for the past couple of weeks?

LAKE JOONDALUP BAPTIST COLLEGE

309. Mr BAKER to the Parliamentary Secretary for Sport and Recreation:

The Lake Joondalup Baptist College requires additional land to enable it to expand beyond its present site due to the ever increasing pressure of new enrolments. Will the Western Australian Sports Centre Trust consider entering into negotiations with the school's board for the disposal of surplus land at Arena Joondalup to enable this fine school to meet the ever increasing demand for enrolments?

Mr MARSHALL replied:

I thank the member for some notice of the question and for his zealousness in asking questions about his electorate. The minister has provided the following answer: The WA Sports Centre Trust has had discussions, and is prepared to continue them, with the Lake Joondalup Baptist College regarding the college's desire to expand its school into land owned by the trust at Arena Joondalup.

NEEDLES FOR HEROIN USERS

310. Mr McGINTY to the Minister for Family and Children's Services:

(1) Why does the Government provide needles free of charge to injecting heroin users?

(2) Is the minister not concerned that this could lead to acceptance of injecting drug use as normal or acceptable behaviour?

Mrs PARKER replied:

(1)-(2) The Government has consistently maintained the two policy principles which I outlined in a previous answer today. First and foremost, is the opposition to drug abuse, for which we have policies and programs to reduce the supply of and demand for drugs. Second, is a compassionate response to those people in the community who have drug-abuse problems. Those programs are well targeted and localised. We ensure at all times that they are not so widespread as to inadvertently send out a message of normalisation of drug abuse. The Government has a sophisticated and multi-layered approach; for example, it has education programs for parents, for students, and for drug users. However, programs for drug users are well-targeted and localised, so that acceptance of drug abuse is not encouraged.

The SPEAKER: We heard 23 questions in 35 minutes.
