WESTERN AUSTRALIA

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(HANSARD)

THIRTY-FIFTH PARLIAMENT
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LEGISLATIVE COUNCIL

Thursday, 3 December 1998

Legislative Council

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THE PRESIDENT (Hon George Cash) took the Chair at 11.00 am, and read prayers.

STANDING COMMITTEE ON PUBLIC ADMINISTRATION

Direction to Inquire into Privatisation and Contracting Out Public Services - Motion

Resumed from 2 December on the following motion -

That the House direct the Standing Committee on Public Administration to inquire into the processes and outcomes of privatisation and the outcome of contracting out public services in the following terms -

(1) The extent to which state government enterprises have been privatised since February 1993.

(2) The economic and social impact of transferring state owned enterprises to the private sector.

(3) The cost and quality outcomes of privatisation in terms of the level of savings or additional costs that have resulted from the provision of services by private contractors instead of by government.

(4) The extent to which state government contracts or tenders have since February 1993 been awarded to -

(a) Western Australian companies or businesses;

(b) other Australian companies or businesses;

(c) foreign owned or controlled companies or businesses; and

(d) regionally based businesses.

(5) The extent to which risk is transferred from the public sector to the private sector and to which government companies or businesses are given government guarantees before agreeing to invest in large scale public sector projects.

(6) The extent to which policies have been introduced to guarantee the Western Australian public against financial default by private contractors.

(7) The extent to which "contracting out" of state public services has resulted in greater competition.

(8) The extent to which initiatives have been introduced to prohibit the practice of private companies acting as cartels, rather than competitors, and thereby combining resources to tackle large scale projects.

(9) The extent to which current tendering practices ensure that -

(a) the process is open and fair;

(b) proper procedures are being followed; and

(c) mechanisms are in place to check the qualifications, credentials and financial backgrounds of those seeking contracts.

(10) The extent to which appropriate checking mechanisms are in place to allow regular monitoring of the performance of contractors and that the Government has in place a set of procedures to deal with breaches of contracts.

(11) A set of criteria or conditions which would allow the Parliament to make judgment on what constitutes "confidentiality" when referring to government contracts.

(12) The extent to which the competitive nature of contracting out has led to employees of contractors being paid below usual rates of pay and conditions.

(13) The extent to which government departments and agencies are prejudiced in the contracting arrangements when private contractors are able to legally pay their employees lower wages and conditions.

(14) The extent to which the Government should specify certain minimum requirements of contracting, including the requirement to -

(a) pay to employees a wage not less than that of an employee of the Government doing comparable work might be paid;

(b) subject the work under contract to the same level of public and parliamentary scrutiny as applies in the public sector; and

(c) the same level or nature of good corporate citizenship as that expected of government departments or agencies.

(15) Any other matters relating to privatisation and contracting out of government services as the committee deems necessary.

HON J.A. SCOTT (South Metropolitan) [11.04 am]: Yesterday, I was speaking in support of the motion and pointing out that, despite the introduction of privatisation in this State, no benefits have been seen as a result of the flow-on effect. It is certainly not obvious that the community has received any benefits. People do not know whether any benefits are being received from the sale of public assets, or whether the funds received from the sales have been used to best advantage or have been distributed equitably. That issue has not been inquired into. In most cases funds received from the sale of assets go into consolidated revenue, and the sector from which the asset has been sold does not receive the funds. That is a government decision, but some of those decisions are questionable.

The other issue raised by Hon Ljiljanna Ravlich is the extent to which state government contracts and tenders have been awarded to Western Australian companies or businesses, other Australian companies or businesses, foreign-owned or controlled companies or businesses and regionally-based businesses. I ask Hon Ljiljanna Ravlich to consider one of my concerns which fits in with those issues, but is not listed as an item into which the committee should inquire. In the past there has been a policy of giving preference to local tenderers, or the word from the Government generally is that it uses local contractors where possible. Under some of the proposed changes at the federal level, this may no longer be possible because of the national competition guidelines and the proposals being worked through by the Federal Government in the multilateral agreement on investment. These federally imposed agreements are not truly agreements, because very little debate takes place in the community on these issues and how they will impact on various communities. It is very important that parliamentary committees inquire into these issues to consider those impacts. It is all very well for these issues to be discussed behind closed doors, but these are very significant changes to the way in which the nation will be run. It will result in this State being driven by decisions made by international organisations. They will decide whether this State is allowed to favour a local business when it awards tenders or contracts. It is important to consider this matter, and I do not know what the Government is doing in this area. The parliamentary committee should consider this aspect.

I also referred to the effect on regional businesses and the extent to which the tenders or contracts have been awarded to regionally-based businesses. It is an area of great contention in the bush, because many jobs have disappeared in regional areas as a result of the tendency to award contracts to Perth or nationally-based companies rather than employ people from local areas. This has a significant effect on small communities, because when one sector of the permanent population is removed it has a massive ongoing effect on the rest of the community.

Paragraph (5) of the motion states -

> The extent to which risk is transferred from the public sector to the private sector and to which Government companies or businesses are given Government guarantees before agreeing to invest in large scale public sector projects.

I am not conversant with the extent of some guarantees. The term "commercial confidentiality" is often thrown at us, and we find it difficult to define the background of some matters. Certainly, in Victoria there have been investigations into some deals. For instance, in Victoria if motorways proved not to be successful, taxpayers had a huge liability to cover. We must be careful about that.

Hon Max Evans: We are not doing that, as you know. We are not doing toll bridges, either, for the same reason. The tunnel in Sydney is subsidised by the Government for a guaranteed return on its money. Give us some credit.

Hon J.A. SCOTT: There is an issue before the House at the moment in which it is said that indemnities on certain land transfers were not covered in the way in which they were said to be covered, but that does not relate directly to this matter. It is an important issue to be considered by Parliament so that the taxpayer is not hit with huge amounts to pay. In the past, the economic future of the State was plunged into doubt because of such decisions by Governments. For example, in the early days of the north west gas development, the taxpayer ended up with a large bill because departments undertook to buy gas.

Hon Max Evans: The take-or-pay policy, which put it on the map. They now get revenue of $220m a year.

Hon J.A. SCOTT: It threatened the stability of the State at one stage.

Hon Max Evans: It did not. SECWA took up the liability.

Hon J.A. SCOTT: It had to flog off much of the gas at low prices - probably cost price. The worst of it was that prices were kept commercially confidential and nobody could prove much about them. Paragraph (6) states -

> The extent to which policies have been introduced to guarantee the Western Australian public against financial default by private contractors.

That matter should be examined. Paragraph (7) states -

> The extent to which "contracting out" of state public services has resulted in greater competition.

I have already mentioned that we do not seem to have had a huge drop in bus fares, sewerage rates and so on.

Hon Max Evans: No. Under the previous Government it cost $200m a year to run Transperth. It is a fact of life; read the annual report - $4m a week.

Hon Ljiljanna Ravlich interjected.

The DEPUTY PRESIDENT (Hon Derrick Tomlinson): Order! Perhaps the minister will allow Hon Jim Scott to complete his speech, and then Hon Ljiljanna Ravlich will not be encouraged to retaliate.

Hon J.A. SCOTT: Paragraph (8) states -

> The extent to which initiatives have been introduced to prohibit the practice of private companies acting as cartels, rather than competitors, and thereby combining resources to tackle large scale projects.

There is a liquefied petroleum gas cartel in this State. We pay twice as much for our own gas as people in Victoria pay. The same company sells gas here for twice as much as it sells it in Victoria. It tells us that infrastructure costs and so on are greater here and that there is less competition, but it sells the same amount here as it sells there. Buyers of LPG in Western Australia are not getting a very good deal.

Paragraph (9) states -

> The extent to which current tendering practices ensure that -
>
> (a) the process is open and fair;
>
> (b) proper procedures are being followed; and
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> (c) mechanisms are in place to check the qualifications, credentials and financial backgrounds of those seeking contracts.

I have been concerned about that matter for a long time. I am not a great fan of the preferred-tenderer process in this State, particularly as we see the same names pop up time and again. There is broad community suspicion that we are developing another WA Inc, with large contributors to party funds being seen to be favoured. It is time to examine the process and to have a more open tendering system. I have asked questions about high tenders being received and poor reasons being given for not accepting much lower tenders. I recall a case in which an experienced tenderer quoted about $25 000 and the winner quoted close to $200 000. I would like a much broader explanation. I was given a poor explanation which did not relate to the facts as I knew them. Perhaps there were matters that I did not know about, but we should know about them. That issue concerned a Department of Transport tender for safety manuals. As I have said, there was a huge discrepancy between the tenders and the very high one happened to win the contract.

Paragraph (10) states -

> The extent to which appropriate checking mechanisms are in place to allow regular monitoring of the performance of contractors and that the Government has in place a set of procedures to deal with breaches of contracts.

The question of performance certainly arose in regard to the construction of the southern section of the Kwinana Freeway. It was certainly below standard, and considerable community disruption was caused when the road basically collapsed and had to be repaired. We should consider not only whether the contractor's terms of reference spelt out that it must do the repair free of charge but also whether account was taken of the community disruption that was caused by additional roadwork repairs needing to be carried out at a later date.

Paragraph (11) states -

> A set of criteria or conditions which would allow the Parliament to make judgment on what constitutes "confidentiality" when referring to Government contracts.

Again, the Commission on Government will be disappointed at the way in which, in most cases, commercial confidentiality rubbish is trotted out to avoid giving an answer in this place. We are dealing with taxpayers' money; they have a right to know what is going on. I would like to see the Government move on the same basis as those councils in New South Wales which, under the Ted Mack principle, have moved to precinct committees, whereby any contractor who wants his terms to remain confidential does not get a contract. It is as simple as that. I have spoken directly with Ted Mack, who presided over that arrangement for a long time, and who said that the requirement did not create a problem. When people want to do business they must be prepared to have their bid submitted for comparison with everyone else's so that there is a check on government to ensure that nothing unusual is occurring in the contracting system. As I said, I do not like the preferred-tender option here, which creates a great deal of suspicion in the community about the way in which contracts are let.

Paragraph (12) reads -

> The extent to which the competitive nature of contracting out has led to employees of contractors being paid below usual rates of pay and conditions.

I do not object to the committee's examining this issue, although it is probably a fairly difficult area for it to address. However, I am concerned more about employees' conditions being eroded to the point at which they may not be working safely. That must be examined. One example is bus drivers being obliged to drive for long hours without breaks and consequently putting passengers at risk. Another example, as some drivers have told me, is very noisy buses which have not been properly maintained and which affect drivers' hearing. I am keen to see safety issues examined rather than just wages because health is equally important.

Paragraph (13) reads -

> The extent to which Government departments and agencies are prejudiced in the contracting arrangements when private contractors are able to legally pay their employees lower wages and conditions.

Once again, in the rush to privatise many areas in this State some unusual incidents have occurred; for instance, we were told that contracts let to the then Western Australian Water Authority to undertake the sewerage program were not accepted because the Government felt the authority had advantages over private contractors. That was never fully explained. I wondered at the time whether many restrictions were placed on some of the government-run agencies which prevented them from competing fairly with outside contractors. For example, Health Care Linen provided services for hospitals at a cheaper unit cost than anyone else in the State. If that firm had been able to sell its surplus ability on the local market, it would have put a number of private businesses out of business.

Hon Max Evans: It was losing huge sums of money with its cheap prices. The equation is simple. We could do that all the time and put the whole world out of business. We would be like Russia.

Hon J.A. SCOTT: I am saying that we should be examining the other side of the coin and considering what restrictions are placed on certain bodies. No attempt is being made by those implementing competition policy to ensure a level playing field is provided for all grocers, for example, so that small grocers can purchase their products at the same price as Coles Supermarkets and Woolworths (WA) Pty Ltd.

Hon Max Evans: I agree.

Hon J.A. SCOTT: Until it is fair for everybody, we will not have a truly competitive environment. That is an area in which huge savings could be made in this State. Private wholesale businesses are required to have a fair system.

Hon Max Evans: It does not work that way. Coles and Woolworths want to put all the small businesses out of business so that they can sell cheaper goods.

Hon J.A. SCOTT: It is all very well for us to say that it is anticompetitive to restrict Coles, for example, through Liquorland, from having a larger share of the market. Until small businesses can buy their products at the same prices as Coles and Woolworths it is not a level playing field. The same goes for government departments. Restrictions should be placed equally on competing interests. However, I am digressing from the issue.

My concern about private contractors paying lower wages and offering reduced conditions is as much about the safety factors as the lower pay, although that is an issue, but it can be negotiated. However, we cannot negotiate the return of our health if we are struck by a permanent disease, for example. The bus contracting situation is a good example of that because research overseas has shown that drivers of diesel buses suffer high levels of colon and bowel cancer as a result of prolonged exposure to diesel fumes.

Hon Max Evans: We have huge pressure for diesel buses.

Hon J.A. SCOTT: A large number of diesel buses are on order at present. If we are making people sit in them for long hours, obviously they face greater repercussions. Many issues are attached to that paragraph which should be examined.

Paragraph (14) reads -

> The extent to which the Government should specify certain minimum requirements of contracting, including the requirements to -
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> (a) pay to employees a wage not less than that of an employee of the Government doing comparable work might be paid;
>
> (b) subject the work under contract to the same level of public and parliamentary scrutiny as applies in the public sector;. . .

Once again, that relates to fairness so that both sides are treated equally. It should be in line with competition policy. I know that the Government finds the wages side of that difficult to deal with, but we must be careful. As I said earlier, I am not against contracting out. However, we must be careful about how it is undertaken and that the outcomes are beneficial to the community rather than to the contractor or the Government. The wages issue is a sticky one. We must be careful not to get caught in the trap of lowering wages for the sake of competition resulting ultimately in most of the community being worse off. It is all very well to be competitive, but it should not be at the expense of most people in the community.

Paragraph (c) refers to the same level or nature of good corporate citizenship as that expected of government departments or agencies. The Prime Minister has recently been asking corporations to engage in more charitable work. However, I am not sure how the committee could deal with that aspect.

Clause (15) of the motion refers to "any other matters", which seems like a reasonable reference. This committee could do some very valuable work. An investigation is taking place at the federal level into the effects - particularly social impacts - of competition policy on the broader community. We would not be doing our jobs properly if we did not examine the effects of decisions made in this place on the community. Therefore, I support the motion moved by Hon Ljiljanna Ravlich.

HON SIMON O'BRIEN (South Metropolitan) [11.31 am]: I have been looking forward to having my say on this motion. From time to time, some interjection has been made on speakers by various members - me included. Even a little feeling arose yesterday about some of the matters canvassed by a certain speaker. I am enjoying the debate. I am especially looking forward to the minister's response, which will come fairly soon.

Hon Ljiljanna Ravlich: So you have promoted me - thank you.

Hon SIMON O'BRIEN: I refer to the minister's response to the motion.

Hon Ljiljanna Ravlich: He has already spoken.

Hon SIMON O'BRIEN: I was not promoting the member, who has already reached her level of incompetence.

Hon Ljiljanna Ravlich: Coming from an intellectual lightweight like you, that is rich.

Hon SIMON O'BRIEN: I wanted to check that members opposite are awake - indeed, she is! I do not want to get personal. People tend to become ratty, tired and cranky by this time of the parliamentary year, but my approach will be to be irritatingly cheerful. If that is a difficulty for anyone opposite, that is that member's problem.

I quite like some of the members opposite. I like Hon Tom Helm and enjoyed his contribution yesterday. I did not agree with a single word of it, but I enjoyed it! He has such a down to earth and refreshing manner about him, and he cheerfully let slip some of the things which really motivate the Parliamentary Labor Party which some of his more cagey colleagues seek to hide from us. He tells it as he sees it and calls a spade a spade.

Hon Ljiljanna Ravlich: What did he tell you that we hide from you?

The DEPUTY PRESIDENT (Hon Derrick Tomlinson): Order! If Hon Simon O'Brien steered his remarks to the motion, rather than looking at the characters involved in debate, we might avoid such vituperative comments from Hon Ljiljanna Ravlich.

Hon SIMON O'BRIEN: I am simply entering into the spirit of the debate on this motion so far, which has allowed a range of considerations about ideology and other matters to intrude. I will address myself to the motion. My remark about liking Hon Tom Helm was sincere. He is a good man. I also like other members opposite, although in some cases in a fairly superficial and insincere way.

In this debate some members opposite have taken the opportunity to lecture the House on matters about which they know nothing. Some observations were expressed on privatisation and outsourcing, even touching on competition policy. This motion refers to privatisation and the outcome of contracting out, and it draws a distinction between the two areas of policy.

Another matter which strikes me about this motion is that it is very long. It reminds me of another one on the Notice Paper some time ago moved by the same member which extended over several pages.

Hon Ljiljanna Ravlich: It is the same one! That is how alert you are. It had to be brought back and moved again as Parliament was prorogued. Why not wake up and start making intelligent comments?

The DEPUTY PRESIDENT: Order! I am waiting for a little order to return so I can surrender the Chair to the President.

Hon SIMON O'BRIEN: I will restore order so the change can take place. The member who just interjected does not appreciate irony. The House spent some time debating a motion of similar length some time ago. We are doing it all over again. This motion attempts to have a go at the Government again about things which the mover in many cases does not understand. The motion has nothing to do with having the Public Administration Committee conduct an inquiry. Government members would like to see many matters in the motion investigated, and the results promulgated widely.

Hon Ljiljanna Ravlich: Why have you not done it?

Hon SIMON O'BRIEN: When the Government points out such things or broadcasts some good news, it tends to be accused by members opposite of wasting money in gathering such figures.

Hon Ljiljanna Ravlich: We would never accuse you of that.

The PRESIDENT: Order! Hon Ljiljanna Ravlich has had her chance.

Hon SIMON O'BRIEN: We can look forward to the contribution the Minister for Finance will make shortly in which he will answer some points raised by the mover of the motion and others. He will look at each clause of this motion in detail. That will address many points raised in the motion on the spot. No inquiry by the standing committee will take place. The minister will give us some answers on the spot. I hope he takes the full time allocation so he can give back to the member the time we have had to suffer through her moving the motion.

Hon Bob Thomas: We've had the pain and suffering of listening to you twice.

The PRESIDENT: Order! We are dealing with a motion which calls on the House to refer certain matters to a standing committee. We should debate the reasons for the House referring or not referring these terms of reference to the committee. What I have heard so far is a long way from the substance of the motion.

Hon SIMON O'BRIEN: I do not think we need to refer this matter. I do not think it is even the intention of the mover that this be done. This is simply being used by the Opposition as an opportunity to lambast the Government, from its own ideological view. Opposition members are not interested in having an inquiry. If they were interested in some of the answers, they would listen to the minister and take some of those answers on board. I do not anticipate they will. We heard it said yesterday that when questions are asked they are never answered; therefore, according to the mover of this motion, one cannot get information.

Hon Ljiljanna Ravlich: We cannot get information.

Hon SIMON O'BRIEN: Hon Ljiljanna Ravlich will get some information. However, that does not stop her from deciding that she knows everything about everything. She thinks she does. However, she does not know about the matters that she is trying to speak of now. Perhaps if she listens to the minister she might learn something. Perhaps then she might change her view.

As I said a moment ago, I will enter into the spirit of the debate on this motion in the same way that speakers opposite have done. I want to address some of the points that they have made about their perverse ideology. The first thing that comes to mind is the splendid contribution that we had relating to, and reflecting upon, the accounting ability of the Minister for Finance. The Minister for Finance is one of the finest occupants of that position that this State has seen. He is also recognised throughout the community as a leading professional in accountancy.

Hon Ljiljanna Ravlich: We have not said anything about the Minister for Finance.

Hon SIMON O'BRIEN: I challenge the short and selective memory of Hon Ljiljanna Ravlich, who keeps interjecting, and point out to her that I can recall two occasions, one being as recently as yesterday. On that occasion the Minister for Finance was offering information by way of interjection - as invited to do so - on fairly straightforward matters of accountancy. Heavens above, if anybody is qualified to do that, he is. The response by interjection from Hon Ljiljanna Ravlich on both of those occasions was, "You wouldn't know what you were talking about." It is like a mosquito trying to knock over Nelson's Column with a fly swat. It is pathetic. The point is that the same degree of credibility exists in so many of the member's interjections. I think she should give credit where it is due. I am not proposing to go through this motion, which is in 15 parts plus subparts.

Hon Ljiljanna Ravlich: The member should go through it because it will give him something of substance to talk about, because so far he has said nothing of substance.

Hon SIMON O'BRIEN: This is the inconsistency of the interjector. Last time when we debated her long-winded motion, I did that, and she spent the whole time saying, "You don't have to do that. Stop that. You don't know what you are talking about."

The PRESIDENT: One of my difficulties is in seeing a member concentrating his efforts on dealing with the substance of the motion and then being distracted by interjections, but, worse than that, replying to the interjections. If Hon Ljiljanna Ravlich and Hon Simon O'Brien have some private reasons for getting on each other's nerves, perhaps they might be able to do it outside the House and not cause the rest of the House to have to bear that pain. We are discussing whether we should be referring this matter to a standing committee.

Hon SIMON O'BRIEN: As I said in my maiden speech, I have known the President for many years, and I know him as a good, kind, Christian man. I suffer enough from Hon Ljiljanna Ravlich's interjections inside this place. Why would the President seek to inflict them upon me outside as well?

The PRESIDENT: When it comes to promotions, both the Minister for Finance and I will obviously be in your corner.

Hon SIMON O'BRIEN: Having achieved that, I will now move on to the motion.

I will give some credit where it is due. I would like to see the answers to a lot of these clauses canvassed and responded to by the Government. In particular, there are probably some areas in which we can improve. In any large undertaking there are always ways in which one can improve. Therefore, I would be quite happy to see a dispassionate examination of all these areas. Indeed, it should be going on as we debate this motion; I think it probably is. No doubt the responsible minister will be able to advise us of that. I will be interested to hear the minister's comments about paragraph (6) in particular, which relates to the extent to which policies have been introduced to guarantee the Western Australian public against financial default by private contractors. I certainly share the Labor Party's concern about that, although it might have been better if it had adopted that concern 10 years before it has now manifested concern.

The other interesting thing about the contributions from all speakers is that there seems to be general agreement that where a better service can be provided to the public of Western Australia by way of a private contractor providing that service rather than a government instrumentality, that avenue needs to be explored. If it is seen to be valid, that is the way that things should proceed. I noticed in yesterday's uncorrected *Hansard* that Hon Jim Scott made some observations along those lines, which he qualified towards the end of his contribution. However, it comes down to a fundamental ideological difference of whether most services provided to society and the community should be owned and operated by government, or whether we should embrace the principle that, in the interests of providing better services, the Government should provide essential services only if there is no other way of reasonably providing those services to the public.

Hon J.A. Scott: How does one judge whether it is better?

Hon SIMON O'BRIEN: The first thing to consider when talking about privatisation of a service is that for some time now the Government has been providing the service, presumably because at the time the service was established it was considered to be necessary and that there was no other way of making it available to the public. If it had been a commercial proposition from day one, someone would have been providing it to the public already. Of course, as times change, and as populations grow and other factors manifest, one can ask whether a service can be provided more cheaply; that is, without requiring the public purse to subsidise the provision of that service or, as is the case with transport, whether it should subsidise it to the extent that it is already being subsidised.

The minister mentioned by interjection that part of the reason for privatising many metropolitan transport service was that it was costing $4m a week in subsidy to run. Significant savings can be made which can then be applied to other important areas, such as health or education. Savings are not necessarily the prime reason to go to privatisation. We must ensure when providing services to the public that those services adequately meet those needs and are properly delivered. There is no advantage in providing a bus service which does not work, which is unsafe for passengers or which is even killing them. It is appropriate to monitor privatised services to ensure that the standard does not slip. In many cases of privatisation, benefits arise from a better service. I will touch on the subject of public versus private hospitals.

Hon J.A. Scott: Do you not think you should be looking at the other impacts as well? Small towns are losing some of their populations due to privatisation.

Hon SIMON O'BRIEN: That includes social impacts. There is a package of issues. I do not disagree with the broad proposition which the member has advanced. However, we should not have an ideological mind-set which says that government should always run services which, to date, it has traditionally provided. I would never agree to the privatisation of some areas of government activity, such as the Police Force. In many areas which have been privatised - there are not as many as some people like to think - a very strong case can be made for that privatisation on the basis of financial and operational efficiency, and without adverse social impact. The whole purpose of providing a better and cheaper service is to have a net positive social impact for the public at large. It is legitimate to ask the question when the Government proceeds with its policy: Why is the Government in the business of running a laundry? That argument has been aired in this place before and no doubt will be again. It is not a core part of government business, nor is it a core part of hospital business. Members should think back a few years, before we had a centralised hospital laundry and linen service, to the days when the major hospitals had their own laundries and would clean their linen, which is a large part of the laundry workload, on-site. It was quite a cultural change to then remove those functions from the hospitals and transfer them to a centralised laundry and linen service. All change makes people a little uneasy, especially those who are involved in the activity. That is the nature of change and it is one of the difficulties in society today.

Another question which has been aired before is: Why does the Government need to run a printing works when there are many printers - big, small and in between - with a range of capabilities in this State? We will not resolve those questions because some members have the view that that is not the sort of activity in which the Government should be involved. Other members have the view that these are the sorts of activities in which the Government has a role. Perhaps we can move some way towards resolving that impasse by answering the questions which are contained in this motion so we can see some of the benefits. I look forward to hearing what the minister has to say about that.

The issue of public hospital waiting times was raised yesterday and I was surprised by a couple of the points that were made by members. For as long as I can remember, we have always had excessive waiting times, especially for outpatient treatment at large public hospitals; that is the nature of the beast. I do not know how many members opposite have the view that they should not have private health insurance as a matter of principle because, regardless of their income, they have a right to expect that they can turn up at a public hospital and receive medical treatment. It is interesting to hear members opposite say at the same time that we have a public health system and, because they pay their Medicare levies, they can turn up at a hospital and expect treatment. Like other people who go to a hospital for outpatient or in-patient treatment, they believe that they should not have to wait for hours to receive that treatment. It is because people are taking that option that the queues at public hospitals have blown out.

The PRESIDENT: I know Hon Simon O'Brien said he wanted to respond to a comment made yesterday about public hospitals, however he must not now go off on another tangent and start discussing the capacity of public hospitals as a separate issue. He can respond to what was said, but briefly, so we can return to the motion.

Hon SIMON O'BRIEN: I will do so, but with regret. I had to sit in this place yesterday and be lectured about these matters by members opposite. Perhaps I will be able to find a more appropriate opportunity to canvass these issues.

The PRESIDENT: That gives me an opportunity to raise some issues. Debates which are framed in this way tend to invite members to roam all around the countryside, so to speak, in attempting to refer to the substance of the motion. It is not for me to tell members how to frame motions, but one paragraph would have been adequate to raise the issue of whether privatisation and contracting out should be referred to this standing committee. The way the motion has been written, with 15 separate points, invites members to address every point on why it should or should not be referred. I am here only to listen. Regrettably, because I have let this debate cross the bounds of whether it should be referred or not, we have reached this difficult position. I must keep members well and truly to the substance of the motion so that other members will understand what the motion is about. The motion is to refer or not to refer. Hon Simon O'Brien has required me to address that issue. These comments are not directed solely at Hon Simon O'Brien by any means. However, the fact that he raised that issue allowed me to express my concern at the way in which these motions are being dealt with.

Hon SIMON O'BRIEN: I will respond to that concern by coming immediately to my point: I oppose the motion. I thank you, Mr President, for your guidance and I look forward to the minister's comments.

HON MAX EVANS (North Metropolitan - Minister for Finance) [12.01 pm]: We are getting onto a terrific subject because it will enable all members to heap a lot of praise and congratulations on the Government for its achievements. I will be educating members on what they are. I have a whole learning curve ready on the problems of the past before these achievements occurred. I will be happy to give members a lecture on that. I look forward to tomorrow. I do not think I will speak as long as Hon Ljiljanna Ravlich's three hours, but I will try for two hours and 59 seconds.

Debate adjourned, pursuant to standing orders.

COMMITTEE REPORTS - CONSIDERATION

Committee

The Chairman of Committees (Hon J.A. Cowdell) in the Chair.

Standing Committee on Ecologically Sustainable Development - Second Report - Management of and Planning for the use of State Forests in Western Australia: The Regional Forest Agreement Process

Resumed from 26 November on the following motion -

> That the committee recommends the Legislative Council endorses the findings and recommendations of the Standing Committee on Ecologically Sustainable Development - Second Report.

Hon NORM KELLY: I was winding up my comments when debate concluded last week. I am well aware that we have another eight committee reports to deal with after this one. This issue has been well and truly covered in the debate over the past few weeks. I reiterate the urgency of this motion and the reason it is worded in the way it is. It is because there is a need to take action before a Regional Forest Agreement is signed. I learnt today that, contrary to what the Minister for the Environment has been telling everybody, a draft RFA report is available and is with the Crown Solicitor's Office for advice. For those reasons it is important that we take action on the RFA process. It is right that this Chamber should go further than simply noting the report and that it should recommend endorsing the findings of the report. It is a very good report and I am proud of the work my colleagues and I have done in putting it together. I encourage members to support the motion.

Hon GREG SMITH: I want to familiarise my colleagues with some of the findings in the report and explain how the committee arrived at some of those findings. Recommendation 1 reads -

> that the WA Minister for the Environment ensure that the intention of the "Scoping Agreement for a Western

> Australian Regional Forest Agreement", Attachment 1, Paragraph 5, be carried out by release of a draft RFA for public comment and assessment by the State Environmental Protection Authority.

That recommendation came from the scoping agreement. Mr Chairman, you must tell me if I go beyond the bounds when talking about deliberation. The scoping agreement asked that the EPA be involved in the RFA process. I believe that it has been involved and consulted all the way through the process. I do not have the scoping agreement with me, but it was never said in that agreement that there had to be a draft RFA - it was a draft RFA report. There is some level of conjecture as to whether the three different scenarios drawn up of the levels of forest reserved constitute a draft report. As other speakers have said, we were told that one of the reasons that no map was produced with lines drawn on it showing what was to be reserved and what was not to be preserved was that a debate would inevitably develop about whether it was Sharpe block, Hawke block, or Giblett block - I think people are camped in other blocks now - they want to be reserved.

Recommendation 2 reads -

> That the Minister for the Environment note that much of the conflict and mistrust surrounding the RFA process stems from the lack of acceptance of generally agreed definitions for terms used in the RFA process.

That came about mainly through the conservation movements, such as the Forest Alliance and the Conservation Council, not being prepared to accept the federal definition of "old-growth forests". That forest area was to have minimal disturbance. That decision was federally agreed by all sorts of environmental and conservation bodies which came up with the definition for those forests. For some reason, whether political or not I am not sure, the Forest Alliance and the other small representative groups that seem to hang off it would not accept the definition because it did not suit them. That is the only reason I can think of. As I have said, the generally agreed definition used in the RFA process has been used Australia-wide. One of the problems with the RFA process was some expectation that the RFA agreement would be between environmental groups and the timber industry. It was never intended to be an agreement between those groups. It was to be an agreement between the Federal and State Governments, with the Federal Government handing over responsibility for forest management to the States, and involving such things as woodchip licences.

Recommendation 3 reads -

> That the RFA process establish credible, repeatable baseline data and generally agreed, consistently used definitions.

This came about by having the forest management plan. Data compiled by the Department of Conservation and Land Management was used for assessing forest management for the timber industry. CALM had different areas put down for karri, marri and jarrah. Its plan was not as specific as the RFA process, which was far more specific about every definition of how the forest was made up. It meant that when groups of people who wanted to look at the RFA process put the two sets of data next to each other, they saw no correlation between them. That left a lot of room for people who wanted to denigrate the RFA process. The forest management plan covers about 485 000 hectares and the RFA process covers about 650 000. The two cover different areas because the RFA process takes in heath land and other types of forest with wood used for timber production. It meant that when the environmental groups compared what was happening, nothing added up. It was not until the end of the report that we got an answer to that question.

I do not know whether it was a trump card that someone was holding up his sleeve, but it was brought up that it was all lies, and we were being misled. However, once the facts were made available to us it all made sense. The baseline data and the definitions are specific. It is excellent data; never before has that sort of data been compiled about Western Australia's southern forests. We can thank the RFA process for producing good data and a lot of information about the forests that we did not have. I hope that future debates will utilise the definitions contained in the RFA and that the data collected is based on those definitions, so that when we refer to a forest type or area we will all be talking about the same thing. That will stop the conflict and mistrust that occurs. There is a feeling among the different groups who are opposed to the process, or who want to discredit the process, that the wool is being pulled over their eyes when different sets of data and definitions are put up. I sincerely hope that recommendation 3 will be taken up, because it will remove some of the mistrust that crops up. If we all use the same descriptions to describe different forest types, we will be able to compare the data from the RFA with data that is collected 20 years from now.

Recommendation 4 is -

> That information produced in the remainder of the RFA process be clearly presented and explained so that interested members of the public can come to an understanding of how the information relates to current forest management.

The RFA process has produced specific and technical data. If we try to simplify the data and refer only to karri and jarrah, people will say that we are not specific enough. It is a no-win situation. To the best of my knowledge the people involved in the RFA process travelled around the country with a road show explaining what had been done and what they were doing, and answering questions. Any member of the public who does not understand the RFA process probably has not sought out

the information. There is a limit to the public education process. If we had to take responsibility for educating every member of the public on exactly what the process is, the cost would be prohibitive, and the exercise would be impractical.

Recommendation 5 is -

> That the baseline data established in the Comprehensive Regional Assessment be adopted for all forest-related materials and information produced by Western Australian Government in the future, particularly the Forest Management Plan which will allow the RFA.

The CHAIRMAN: Order! I must put the question. The question is that the motion be agreed to.

Hon GREG SMITH: I hope the Government will use some of that data. However, I do not think the forest management plan is quite as specific as the RFA process. There may be small areas in a forest - one hectare or five hectares - that may have more of one type of tree than another type of tree. The forest management plan will cover different areas - the southern, northern and central forests, and jarrah, karri and marri forests. The forest management plan covers production forests, and the RFA covers all the forests, the heathlands and the scarp. It would be worthwhile if a footnote on the forest management plan indicated which areas incorporated different forest types, so people would know what type of forests were in a particular area. However, if they refer to a karri or a jarrah forest they will not identify the biodiversity in every area. That is not as important to a production forest as it is in the RFA.

Recommendation 6 is -

> That the Government support the proposed RFA outcome of improving the timber industry's resource security by implementing a 20 year Forest Management Plan, to promote better forest management, long term industry planning and investment and workforce security in timber-related industry.

That is what the RFA is all about. We consistently heard from the timber industry that it felt under constant attack. If an industry is investing millions of dollars in infrastructure on kilns and mills to start value adding, but feels under constant attack and that it will lose its resource, it will lose the confidence to invest large sums of money. The timber industry said that every time a plan was completed there would be a protest and people would want it reviewed, and it was never sure how much resource it would have. As a result of the forest management plan the industry is structuring itself to handle 300 000 cubic metres of jarrah, for example; whereas at the moment it is cutting 460 000 cubic metres. It was agreed the industry would reach that target by 2003, when the quota will be reduced. I will not go into the debate on logging today; I will save that for another day. I hope the Government will support the proposed RFA; it will improve timber management.

Recommendation 7 is -

> That in conjunction with Recommendation 6, the Government introduce legislation to allow for independent scrutiny and regulation of:
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> . Forest management; and
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> . The formulation, implementation, assessment and review of Forest Management Plans.

CALM has been closely involved with the RFA process. Those people who are trying to discredit the process keep saying that we need independent advice. However, it is obvious that all the people with the expertise are in CALM. All the experts on Western Australian forests and forest management have been or are associated with CALM. There are people with ideas and theories, but that is more of hobby for them than a profession.

Hon Christine Sharp: A few professors might find that derogatory.

Hon GREG SMITH: They may, but they are theorising about the forests; they do not have experience. I have a pastoral property and have been running sheep for 17 years and I have read papers written by academics about growing twice as much wool on a sheep, but it does not work in practice. I would be surprised if the professors who come up with theories about the forests had spent 20 or 40 years in the forests watching them grow, and seeing them harvested.

Hon Ljiljanna Ravlich: Has the RSPCA visited you?

The CHAIRMAN: We are straying from the motion.

Hon GREG SMITH: I have never had the RSPCA visit my farm, and I do not give money to it either, because it is against live sheep exports, which are important to this State.

Recommendation 9 is -

> That the Government ensure that the Department of Premier and Cabinet is given lead agency status for the remaining stages of the RFA process, to overcome the perceived conflict of interest that CALM is both the key agency affected by the RFA process and also the lead agency in the RFA process.

One of the main criticisms that was levelled at CALM is that, because it is responsible for selling and conserving the timber, it has a perceived conflict of interest. I could not find any evidence, nor was I given any, to prove there was any truth in that, but some members of the public have that perception. Plenty of accusations have been made, but at no stage could anyone come up with any evidence that CALM was compromising the forests in order to make more money out of them rather than emphasising the conservation responsibilities it has to the forests. Many people from the tourist industry told us how important forests were and that we should maintain forests, but the timber industry provides an enormous subsidy to the tourist industry. The Treetop Walk, which is a magnificent tourist attraction, is an example of a project which was built using money generated by timber production. Being a fully integrated department leaves CALM open to criticism, but some of the things it is achieving through that integration are beneficial to the south west. I believe the Premier must eventually sign off on the RFA anyway.

Recommendation 10 is -

> That the Minister for the Environment seek to enhance the acceptance of the RFA process by establishing and adequately funding an accord process to assist in the minister's review of the RFA process thus far and in the preparation of the agreement itself.

One of the problems with the RFA from the outset was that it was boycotted by the environmental groups. After discussion with the groups, I do not believe we will ever obtain a resolution of the conflict that exists in the forests. I have said before and I will say again, if we fix all of the problems in the forests as far as the Greens (WA) are concerned, it will not have a political platform to stand on. From the Greens' point of view the forests are its political platform. If we lock up all the forests, there will be no problems, and the Greens will have nothing to represent so it will no longer have a reason to exist. The Greens will not be happy until the forests are totally locked up. I do not believe that will ever happen. We already import $10b-worth of timber products a year.

Hon N.F. MOORE: This motion was placed on the Notice Paper on 8 September. A number of other reports are now on the Notice Paper to be dealt with during this one hour of the week that we set aside for reports. Again, I recommend to members, following our vote on this report, that we go down the path of noting reports during this one hour of the week so that all the other reports have a chance to be debated. I can understand Hon Christine Sharp's enthusiasm for having the Committee agree to the contents of the report and to endorse it. If this sort of motion is moved again, we will debate the whole issue thoroughly which, I suspect, will take a vast number of one-hour periods on Thursdays. It is just and fair that members have a chance to debate these issues at length. It is difficult to do so in the committee stage because members have only 10 minutes to speak, and it ends up being a very disjointed debate. If Hon Christine Sharp wants to have a serious debate about the RFA or any issue that is the subject of committee deliberations, she should move a substantive motion in the Chamber so that everybody has a fair and reasonable go at it. The Government will oppose the endorsement of the report for a number of reasons, not the least of which is that it would rather not endorse reports during this session of the Chamber's program. Hopefully we can get a decision on this and do something else.

Question put and passed.

Standing Committee on Public Administration - Government Domestic Air Travel and Associated Reservations Contract - Report No 8

Hon KIM CHANCE: I move -

> That Report No 8 of the Standing Committee on Public Administration be noted and that the committee's recommendations in 7.6, 7.7, 7.10 and 7.11 be adopted.

Since 8 September I have been sitting here waiting for the discussion on this report to occur. I have listened to the debate as to whether a report should be noted, adopted or endorsed, which was relevant to the committee report that we have just dealt with regarding the RFA. During that process I think I have redrafted the motion four or five times.

Hon N.F. Moore: And your speech has become twice as long, which is also a bit of a problem.

Hon KIM CHANCE: I can assure the Leader of the House it will not be.

It was an interesting discussion and relevant to the consideration of this report, which is the third report tabled by the Standing Committee on Public Administration. It has arisen from consideration by both that committee and the government agencies committee of the broader question of outsourcing, contracting out and privatisation.

The two earlier reports related to contracting arrangements within the Egg Marketing Board trading as Golden Egg Farms, and the rights of licensees in the dairy industry prior to its amendment three and a half years ago. By comparison with those two inquiries, which were legally complex and exhaustive in their demands on the resources of the committee, this inquiry into government domestic air travel and associated reservations contract arrangements - referred to as the DATC - was relatively straightforward. It involved the committee consulting extensively with regional travel agencies and government departments, in particular with the State Supply Commission and the Department of Contract and Management Services.

The committee's inquiry began after consideration of a letter received from Hon Tom Stephens, who raised the issue on behalf of constituents in the Mining and Pastoral Region.

The committee's inquiry into the broad question of privatisation, contracting out and outsourcing is moving towards a conclusion. It is almost a theme rather than a specific inquiry. The committee's broad and specific inquiries in this area have been conducted so far without terms of reference. In a sense, for some years the theme, if I can call it that, has been the picking up of specific instances. The committee's resolution to travel to the United Kingdom last year was part of an attempt to focus the inquiry. I think I am permitted to say that the committee hopes to report in the near future on an extensive study which has been undertaken into the broader administrative effects of privatisation, which include the committee's consideration of the matter in the United Kingdom. The interest of the committee was to try to analyse and relate to Western Australia the results of privatisation a decade or more after the Thatcher wave of privatisation was introduced as a matter of standard public policy in the United Kingdom.

One outcome I would like to see from the report, and I believe all other committee members share this view, is that at this stage we can be more specific about the terms of reference of our inquiry. It will cease to be a theme which picks up matters from time to time and will become more focused. I have not been in a rush to get to that point because we needed to learn the scope of the issue before determining the terms of reference so as not to exclude something that is important to the future considerations, but equally so as not to include issues that might take us down paths that were more or less irrelevant.

The contract which forms the focal point of this inquiry is known as the domestic air travel contract. Its nature is for government travel to be sourced through two companies - American Express International Inc, referred to as Amex, and Business Travel International, referred to as BTI. The contract enables the Government to achieve the maximum possible value for money in what is a very considerable investment that the Government and its agencies make annually in moving people from place to place in the conduct of their services provided to the State of Western Australia. A secondary, although very important, objective of the contract is to try to improve the level of accountability in this very important area of expenditure.

Country members will identify with the difficulties that arise. All of us are acutely aware of the problems that have a risen in the Commonwealth Parliament in respect of members' travel and the accountability arrangements associated with that. Recently I spoke to a representative of the Ministry of the Premier and Cabinet about the current arrangement in this regard. I must say that in terms of the way I relate to the arrangement, I am not at all sure it offers any greater guarantee of accountability than the previous one. I wonder whether the new arrangement is as good. When air travel was done on a local purchase order arrangement, I signed the LPO on the day the travel was booked. Now I get from BTI a statement which I am required to sign to the effect that I undertook the travel at the date and on the route specified. The problem is that I get that statement of accountability between two and a half and four months after the travel takes place.

I do not travel a great deal, so it is not too bad for me. I can generally manage the system okay, particularly when Parliament is sitting long sessions and I am not flying backwards and forwards to Geraldton on a regular basis. For members like Hon Greg Smith and Hon Tom Helm, it creates a considerable difficulty. Perhaps Hon Greg Smith will contribute to the debate a little later. My accounting system is not particularly good. I make a diary entry once the travel is booked and I detail the flight number, the flight time, the destination and arrival time. That entry is made in my diary prospectively. If I decide sometime after making the entry that I will not undertake the travel and cancel the arrangements and do not strike them out of the diary and I come back to rely on the diary as the authority for the travel having been taken on the basis that it has not been crossed out, it could mean that I will sign a certification that I undertook travel that I did not undertake. I do not know how it can be fixed. It seems to me that the certification of travel should be done as near as possible to the time travel is undertaken; otherwise I can see members inadvertently certifying something that they have not done. That is a personal outcome. It is only marginally relevant to the issue being raised.

Since accountability is an important secondary reason identified by the officers to whom we spoke from the State Supply Commission, it is relevant to raise it. If it is a problem for members of Parliament, it is also likely to be a problem for police officers, the Education Department of Western Australia, the Health Department of Western Australia and a range of public servants who travel on a regular basis. It could lead to some difficulty and is not adding to better accountability in that area. Nonetheless, the committee entirely understands and fully supports the desire by the Government to achieve both the objectives of accountability and value for money in the contract process.

However laudable the objectives, we frequently find that in practice the best planned initiatives can have entirely unintended consequences which can detract from, or even obliterate, the benefits that first seemed apparent. This seems to be the case with the domestic air travel contract. As I said, we were alerted to the consequences for constituents in the Mining and Pastoral Region by the letter from Hon Tom Stephens. The committee found that this policy affects local small businesses typically in towns which perform regional services and thus have government departments in them but which are not big towns.

Hon Greg Smith has hit the nail on the head. Towns like Wyndham and Derby are affected, and Kununurra could be another one. Regional travel agencies in those towns have been severely hit. In a larger town, Kalgoorlie or Broome, perhaps, the

effect is not so great because there is more non-government travel going through the agencies which has tended to dilute the effect of the reduction in government travel booked through the local tourist agency.

Sometimes some of the work we do on committees is of a nature that we wonder whether anybody takes any notice of it at all. It gives me pleasure to say that our report was published in August 1998 and quite by accident I came across a letter from the Department of Contract and Management Services which was written on 12 October 1998, a few months later. The letter reads -

> CONTRACT NO. 73/96
> FOR THE PROVISION OF DOMESTIC AIR TRAVEL AND ASSOCIATED RESERVATIONS
>
> 1. Please be advised that Contract and Management Services (CAMS) has approved the extension of the above contract for a further 12 month period to 12 October 1999 under the same terms and conditions as originally accepted.
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> . . .
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> 2. The Standing Committee on Public Administration recently tabled a report into the Government's Domestic Air Travel and Associated Reservations Contract that raised various matters concerning the Regional Buying Compact and its application to the contract.
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> Please note that the Regional Buying Compact does apply to this contract -

That is something I will develop. It is a very important point to note. The letter continues -

> - and the Buyers Guide is currently being reviewed to include this and other updated information. The revised version will be distributed in the near future and will be available on our website . . .

As I said, we often believe that our report will make no difference and have no impact, so it is gratifying to see that shortly after the report was published, and even before it had been brought before this House for discussion, it had had an impact.

The letter from the Department of Contract and Management Services points to one of the key issues. To some extent the damage which has been caused to travel agencies in regional towns need never have happened. It is possible that, without any amendment to the contract at all, some of that business can be won back. After the adoption of the contract, government agencies in embracing the contract forgot that the regional buying compact had any effect on it. They had assumed that the contract now meant that there was centralised travel booking and that they were not able to go to their local travel agent and book travel. In fact the regional compact does apply. The advantage that the local travel agencies have under the provision of the regional buying compact still exists. Unfortunately, that is not the whole issue.

Hon Murray Montgomery: Was it part of the interpretation by senior bureaucracies?

Hon KIM CHANCE: Yes.

Hon Murray Montgomery: That is something I would like to touch on at some stage.

Hon KIM CHANCE: I will not be much longer, so the member will be able to do that soon. Hon Murray Montgomery is dead right. There was an interpretation by senior management that that was the effect of the contract. Indeed, it may have been a deliberate interpretation because it was more administratively simple to do it that way. However, there is another factor and that is what I was leading on to; it is not entirely removed from the point made by Hon Murray Montgomery.

Some agencies - I think Health and Education may be two of them - have decided as a result of the contract, and possibly for their own administrative purposes, to book all their travel centrally. Therefore, travel originating from Wyndham, Derby or Kununurra is not being booked in those towns; it is being booked centrally from East Perth. That takes away the advantage provided by the regional buying compact because it is not work originating in the Kimberley; it is work originating in East Perth. That has been done for reasons best known to themselves; however, I imagine it was done for administrative simplicity and ease of complying with the terms of the contract. The effect has been that those agencies in Wyndham, Derby, Kununurra and other regional towns have missed out on business that would otherwise have been provided to them.

I do not intend to go on with that discussion. I have not actually taken anything from the report itself. I have dealt with the findings only in a superficial way because I am sure that other members will want to make a contribution on specific parts of the report. With this, as with other reports, the committee is extremely grateful for the support we had from our staff in completing this report. I am not saying this entirely because the staff are in the public gallery today waiting to have lunch with us; however, their efforts are often not properly recorded. They do an enormous amount of first-class work for us. I think I speak for all committee members and all committee chairpersons when I say that at a time like this, when our committee staff are under immense pressure, and probably will be more so in the next couple of weeks than they will ever have been in the history of this Parliament, it is appropriate to salute their dedication and skill.

Hon MAX EVANS: The member has already acknowledged the change that has been implemented as a result of the report. I want to make some comments in support of the Minister for Services. I quote -

> The Standing Committee on Public Administration report, although acknowledging that CAMS underwent a consultative process prior to the award of the contract and that government agencies have discretion in applying the Regional Buying Compact, was of the view that "the Domestic Air Travel and Associated Reservations Contract, combined with government departmental practices, has had a negative impact on regionally based travel agents". It was recommended that CAMS remind agencies that the Regional Buying Compact applies to the DATC.
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> The Committee also made recommendations relating to Chief Executive Officers' responsibilities to review agency administrative practices and policy directions in the use of the Regional Buying Compact and the DATC, highlighted the importance of small business in regional areas and the need for government agencies to "ensure that local suppliers are given the opportunity to compete."
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> CAMS has issued a circular to government agencies advising that the Regional Buying Compact applies to the DATC and has also advised Chief Executive Officers.
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> The DATC Buyers Guide has been reviewed and the following statements included:
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> > *"The Regional Buying Compact applies to this contract. Agencies located in regional areas have the choice of using local travel agents for their travel requirements and applying the 10% preference up to $50,000 per line item.*
> >
> > *If you wish to buy your domestic travel outside of the existing common use contract, competitive quotations should be sought from your designated Travel Service Manager (AMEX or BTI) and from local travel agents.*
> >
> > *A value for money decision should be made with due consideration being given to your Department's requirement for reporting on domestic travel expenditure etc.*
> >
> > *Regional agencies should refer to the Regional Buying Compact (www.ssc.wa.gov.au) and other State Supply Commission policies."*
>
> In practice, regional travel agents will be able to compete with AMEX and BTI on non-competitive routes (ie single airline routes). CAMS has in fact been actively encouraging agencies down this path. However, on competitive routes, local travel agents will be unlikely to match the prices of AMEX and BTI, even allowing for the 10% preference due to the substantial rebates negotiated using aggregated government travel expenditure. Nevertheless, agencies may still choose to buy locally.

That document has been sent to all agencies.

Hon BARRY HOUSE: I was interested in this inquiry for two reasons: Firstly, because it is an aspect of the committee's general investigations into outsourcing and contracting-out; and secondly, because of its effects on rural areas of Western Australia. All members who represent rural areas know about the impact on rural areas of certain decisions that are made by not only Governments but also by banks and various other organisations throughout Australia. There is widespread concern in Western Australia and throughout Australia about certain decisions of this nature. Therefore, I found it particularly interesting to look at some data and make some investigations about this aspect of government and its impact on travel agents in regional areas. The committee conducted its investigation in a very professional way by sending out questionnaires to travel agents in regional Western Australia. We had about a 30 per cent response rate, which is a pretty good response to a survey.

Hon Kim Chance: Yes. We sent out 130 surveys.

Hon BARRY HOUSE: I want to enlarge on the points made by the Minister for Finance and the chairman of the committee, Hon Kim Chance, about the Government's response. In this case, it should be recorded that the Government made a very prompt and positive response. In addition to the information that came to the committee, I obtained a copy of a general information sheet put out by the Minister for Contract and Management Services, Hon Mike Board. I am not sure to whom these sheets are made available, but the information sheet to which I refer is headed "Domestic Air Travel and Associated Reservations Contract". In that information sheet, the minister outlines the points that have just been made by the Minister for Finance. The information sheet also mentions the Standing Committee on Public Administration's report and the responses that have been made on the domestic air travel contract. Therefore, it should not go unreported that the minister in this case has responded promptly and positively, and that the committee has inquired professionally, extensively and successfully into an area that is important for regional Western Australia, in particular businesses in regional Western Australia.

Hon MURRAY MONTGOMERY: It is pleasing to see this report and its recommendations, and to see that it focuses on regional air travel, which is a fairly expensive item for any business and even for government. About 12 or 14 months ago, when this issue started to bite in country areas, including my home town of Albany, I was approached by a travel agency that represents the only airline that flies into Albany, which said that it was costing that agency about $500 a week in lost revenue as the agent for Sky West. That represented the additional staff person that it required. However, it did not diminish its workload, because it still had to service the plane when it came into Albany twice each day. The agency said that it also had to deal with the ticketing arrangements and to fix up any problems that were created by the American Express International or Business Travel International system at the local level. It found that very difficult, particularly when it was looking after its own customers, because people would ask," Where is my ticket?", or, "Why is my ticket not made out for tonight or this morning's flight?", and it gained nothing out of that, particularly when it was dealing with government agencies.

That matter was causing some concern. Therefore, in January, I approached the Minister for Contract and Management Services, Hon Mike Board, who said in a letter to me that in the case of a single-airline route, as applies in Albany and some other major country centres in Western Australia, travel agencies can tell government agencies and departments that they can deal with them direct and do not have to go through BTI or AMEX. That enabled the agents for Sky West to regain about 80 per cent of their customers. It is interesting that they were able to offer an equal, if not better, price, so the Government was saving money rather than the people who were flying out of Albany. That was good for Albany and the agents.

It is interesting also, as I raised with Hon Kim Chance by interjection, that it was not the local people but the chief executive officers in Perth who perhaps needed some directing to take advantage of the good opportunities that were available on the single-airline routes into those regional towns. I cannot speak for places like Kalgoorlie, Karratha or Port Hedland that are serviced by other airlines.

Hon Kim Chance: In their defence, perhaps many of the CEOs were attracted to the administrative simplicity of doing it centrally, even though it may not have delivered the desired results in the regions. I can understand why the CEOs may have done that.

Hon MURRAY MONTGOMERY: I agree. They probably did not look at the broader issue but saw it as a very simple way of handing their airfares. Hon Mike Board said in our discussions that if that is the way we want to go in a local town that is serviced by a single airline, we may continue that process, so I still follow the same process that I have followed for the years that I have been a member. It makes the book work much easier.

Hon Kim Chance: You do not make mistakes that way.

Hon MURRAY MONTGOMERY: There is less opportunity to make mistakes, but we still need to watch what goes on. I compliment the Government for its response to me and to the report.

Progress reported.

Report

Resolution reported, and the report adopted.

Sitting suspended from 1.00 to 2.00 pm

STATUTES (REPEALS AND MINOR AMENDMENTS) BILL

Introduction and First Reading

Bill introduced, on motion by Hon N.F. Moore (Leader of the House), and read a first time.

Second Reading

HON N.F. MOORE (Mining and Pastoral - Leader of the House) [2.02 pm]: I move -

That the Bill be now read a second time.

This is the fourth Bill introduced by this Government to revise the statute law by repealing spent, unnecessary or superseded Acts and by making miscellaneous minor amendments to various Acts. Its aim is to make Parliament more efficient by reducing the number of amending Bills dealing with relatively minor legislative amendments and repeals. Amendments and repeals included in the Bill are required to be short and non-controversial. In addition, they must not impose or increase any obligations or adversely affect any existing rights.

The Bill contains amendments and repeals initiated by ministers and also contains recommendations by the Parliamentary

Counsel's Office for miscellaneous clerical corrections and amendments discovered when drafting other Bills or compiling reprints of Acts. It is proposed to refer the Bill to the Standing Committee on Legislation for detailed consideration.

Some of the specific provisions of the Bill are as follows:

The Bill provides for the repeal of the Dried Fruits Act 1947. This Act contains a large number of redundant restrictions and has been inoperative for some years. Its repeal is consistent with policy related to regulatory reform. Legislative review of the Act for compliance with national competition policy principles included consultation with the Dried Fruits Board of WA, the Australian Dried Fruits Association, a number of Western Australian growers and the Swan Settlers Packing House. The Dried Fruits Board agreed to cease operations from February 1998 and appointed a caretaker subcommittee until the Act is repealed. All parties agreed to return any surplus accumulated funds to the Australian Dried Fruits Association (WA Branch) when the Act is repealed.

The Bill also repeals the Snowy Mountains Engineering Corporation Enabling Act 1971, which was enacted to enable the Snowy Mountains Engineering Corporation to carry out work for the State Government and for private organisations in Western Australia. In the previous year the Commonwealth had passed an Act to establish the corporation in order to preserve the expertise created during the development of the Snowy Mountains hydro scheme, particularly the construction team comprising experts in tunnelling and matters relating to hydraulics. In 1989 the Snowy Mountains Engineering Corporation was converted to a public company and was privatised in 1993. The State Enabling Act, which has never been used, has become redundant and should now be repealed.

The Wundowie Works Management and Foundry Agreement Act 1966 is repealed by the Bill. The 1966 Act was to come into operation on the day the Wood Distillation and Charcoal Iron and Steel Industry Act Amendment Act 1966 came into operation. This did not occur and the latter Act was subsequently repealed in 1991. Therefore, the Wundowie Works Management and Foundry Agreement Act has never been operational and should be repealed.

The Bill amends the Beekeepers Act 1963 in order to permit a person to use a disposable "bee tube" for pollination of crops for a limited period of eight weeks without the need to become a registered beekeeper. Research has shown very large increases in production of fruit and improvement in quality after using pollination techniques and demand for the bee tube device is expected to expand dramatically.

The Bill also makes a number of amendments to the Electricity Corporation Act 1994, including changing the name of the corporation to Western Power Corporation, thereby making the Act consistent with the corporation's corporate name. This change will not affect the corporation's corporate identity or its rights and obligations.

The Strata Titles Act 1985 is amended by the Bill to correct an unintended consequence of the universal application of the resolution without dissent rule in strata management. In the case of two-lot strata schemes, it was intended that rule amendment be by unanimous resolution rather than by one owner calling a meeting, and then leaving it open for it to be argued that a resolution without dissent has been passed if the owner does not attend a subsequent meeting. The change returns duplex owners to their previous position but allows a majority of owners to administer in larger developments.

I commend the Bill to the House.

Debate adjourned, on motion by Hon Bob Thomas.

STANDING COMMITTEE ON LEGISLATION

Report on Weapons Bill

Hon W.N. Stretch presented the forty-fourth report of the Standing Committee on Legislation on the Weapons Bill, and on his motion it was resolved -

That the report do lie upon the Table and be printed.

[See paper No 549.]

SURVEILLANCE DEVICES BILL

Committee

Resumed from 2 December. The Chairman of Committees (Hon J.A. Cowdell) in the Chair; Hon Peter Foss (Attorney General) in charge of the Bill.

Progress was reported after clause 24 had been agreed to.

Clauses 25 to 33 put and passed.

Clause 34: Possession of surveillance device for unlawful use -

Hon NORM KELLY: I move -

> Page 44, line 5 - To delete "or principally designed".

The clause currently reads -

> A person shall not possess a surveillance device in the knowledge that it is intended or principally designed for use in contravention of any of sections 5, 6 or 7.

The Australian Democrats believe that the intention should be the offence, not the design of the device. A number of scenarios arise in which a device can be principally designed for covert surveillance which is legal. The inclusion of "or principally designed" rules out the possession of a number of surveillance devices. We have no idea what these devices may be; I have heard nothing from the Government specifying the types of devices under consideration. It could be that a person in possession of something which is designed for this purpose, such as a miniature camera, could be found to have committed an offence by its possession without any intention of contravention of the provisions being proved.

One scenario is a miniature camera recording activity at a day care centre. The proprietor of the business may want to survey workers to make sure no child abuse is taking place, which is a perfectly legitimate use of the surveillance device. I understand that such use is adequately covered under this Bill. However, that device could also be used in contravention of these provisions if a person chose to do so against the legislation. The critical point is that the intention should be the offence rather than the design of the object.

Similarly, we have recording devices which can be hidden in a pen or hidden in various other ways and which can legitimately be used under this Bill. The Australian Democrats are not against the devices being available or used by people who have authority, or by people who wish to use them for proper intentions as legitimately outlined in the Bill.

Hon PETER FOSS: The member has short-cut this wording. He said that the element of the offence is that a person shall not possess a surveillance device which is intended or principally designed for use in contravention of the Bill. The provision reads -

> A person shall not posses a surveillance device in the knowledge that it is intended or principally designed for use in contravention of any of sections 5, 6 or 7.

It states that things can be used in contravention of proposed sections 5, 6 or 7. One could use a home video camera or a security camera for a shop in contravention of the provision. However, it refers to being principally designed for use in contravention as it seeks to allow the clandestine recording of activity or conversation. Another example is an eavesdropping device which works by reflecting sound off a window. This enables someone to listen to sounds in a room. It is unlikely that such device could have a purpose other than for use in contravention of those provisions. People in an official capacity are entitled to hold such devices because they know that they are designed not to be used in contravention of the provisions, but by the officials legitimately in the course of their work. That is permitted under proposed subsection (3) in each of the outlined proposed sections.

The legislation states that citizens should not have in their possession highly sophisticated eavesdropping equipment when no logical reason exists for that possession other than to offend proposed sections 5, 6 or 7. In addition, it must be possession in the knowledge that it was in contravention of the measure. Therefore, if one merely had a device which could be used in contravention, or perhaps was intended for use, on the face of it, for legitimate reasons, one would not breach the legislation.

Also, members should keep in mind the public benefit test. It is not intended by part 5 of the Bill that creches should keep on hand highly sophisticated eavesdropping equipment just in case reasonable grounds turn up for its use as a matter of urgency. If it is believed that something is happening at the creche, which is not a matter of urgency, the police should be called to take appropriate action. That should be done if it is believed that somebody is interfering with children. If they suddenly believe that something is happening there and then, they must use whatever comes to hand. We do not expect every creche and child care centre to keep on their premises highly sophisticated surveillance devices just in case of an emergency.

Hon Norm Kelly: Would it be okay for a private investigator to normally carry them?

Hon PETER FOSS: If he carries something which could be used in the ordinary course of his business, and he can legitimately say it was designed for use in his business, it would be all right. However, he could be carrying a device which he could not possibly be using except in contravention of the provisions; that would not be permissible.

Hon Norm Kelly: How would you discern that?

Hon PETER FOSS: If it cannot be discerned, the person will not be caught. I do not know whether a device exists which one could say clearly is designed for these purposes. If something is found, that person will be asked the question: How could that device possibly be used other than in contravention of proposed sections 5, 6 and 7? If the only way it can be used is in contravention of those provisions, he cannot say, "I am a private investigator; therefore, I can carry it." He can

carry devices only to be used in a manner not in contravention of proposed sections 5, 6 and 7. We do not want to encourage citizens to have in their possession devices which can only be used to breach those provisions.

Also, such people must know about the contravention, as knowledge of that intent must be proved. One must keep in mind that the person may be keeping the device on the off chance that the opportunity may present itself to use it legitimately. However, people should not have arsenals of these surveillance devices in their possession. It is not legitimate for citizens to have them.

Hon NORM KELLY: I appreciate the Attorney General 's comments. However, when considering contravention of these proposed sections, and whether consent was given, whether one is in contravention of the provisions may depend upon whether the required consent was given. I cannot see how the device can be designed purely for use in contravention of the legislation. The important point, which the Attorney General mentioned, is the reference in the earlier part of the clause to "it is intended". That is a sufficient safeguard or test to find somebody guilty of an offence, because in doing that, one is taking the circumstances into account. The Attorney General gave the example of a microphone which picks up vibrations from glass to record what one assumes is a personal conversation inside a room. That can still be used for legitimate purposes under this Act. If an investigator is investigating a babysitter and he wants to listen to what is happening in the room, there are ways to surveil that as well.

Hon Peter Foss: Why a babysitter?

Hon NORM KELLY: I am referring to the situation in which a parent has commissioned an investigator to check on a babysitter to make sure that no abuse is occurring.

Hon Peter Foss: What clause is the member talking about?

Hon NORM KELLY: I am not too sure of the exact clause.

Hon Peter Foss: That would have to be urgency; one would have to call the police.

Hon NORM KELLY: No, it would not be urgency. There is a clause which relates to the protection of minors and the like. I remember noticing this.

Hon Peter Foss: That is clause 26(3). However, under those circumstances I would hope the person would call in the police.

Hon NORM KELLY: Quite often that may not be sufficient, because the police may not feel that there is sufficient evidence to permit them to act, whereas a personal investigator who is contracted would act. What I am trying to say is that, irrespective of what the device is, under this Bill there are good opportunities for it to be used; however, there are also reasons why it may not be used, or may be used in contravention of the legislation. That can come down to whether proper consent has been given to use that device. As I said before, if this clause were to focus on the words "in the knowledge that it is intended for use", that is a sufficient test and safeguard against possible offences. If anybody is picked up on the basis that a device is "principally designed for use", I would like to think that the police would be able to prove that there was an intention to use it in contravention of the Act. That is why I feel that it is a stronger safeguard.

Hon PETER FOSS: Now that I have heard Hon Norm Kelly's argument, I do not see how he can even allow the words "it is intended", because "intended" qualifies the words "for use". Therefore, "intended" for use or "principally designed for use" would both pick up the circumstance that the member is talking about. Anything that is principally designed for use would be, I imagine, intended for use. However, I think the member is trying to say that perhaps he cannot think of anything which would be so obvious from its design that it could only be used for breaches of clauses 5, 6 and 7. I think the member is almost changing what the rest of clause 34 says. The member is almost reading the clause to say that a person shall not possess a surveillance device with the intention of using it in contravention of clauses 5, 6 or 7. That is the example that the member is giving, and that is not what this clause says. The idea is to stop people having collections of devices which they know are intended or principally designed for use in contravention of clauses 5, 6 or 7. It is not there to pick people up prior to their committing an offence on the basis that they intend to use a devise for that purpose; it is knowledge about the type of use that that particular object has. The member's objection is probably a more fundamental one. It is stopping people from having possession of these items; it is not dealing with the question of a person forming the intention to go off and use them. It is actually possessing them that is the offence. Therefore, I have a problem. I do not think that merely taking out the words "or principally designed" helps the member's argument. All it does is render the clause less effective. However, I do not think it gets over the member's problem in relation to a private investigator with such an object.

It may well be that it will be difficult to prove that an object has such an intended use or that it has such a principal design. That is an evidentiary problem that will be faced by the police when they prosecute. When one considers that they have to prove both knowledge and intention - and in the case of design, the intention of the designer - it may be an extremely difficult offence to prove. I think, nonetheless, it should be there, because the intent is to stop the public from making collections of such objects.

Amendment put and negatived.

Clause put and passed.

Clauses 35 to 46 put and passed.

New clause 45 -

Hon NORM KELLY: I move -

Page 52, after line 30 - To insert the following new clause -

Review of Act

45. (1) The Minister is to carry out a review of this Act as soon as is practicable after the expiry of 5 years from its commencement.

(2) In the course of that review the Minister is to consider and have regard to -

(a) the operation and effectiveness of this Act;

(b) the need for it to continue its operation; and

(c) such other matters as the Minister thinks relevant.

(3) The Minister is to prepare a report based on the review and is to cause it to be laid before each House of Parliament as soon as is practicable after the report is prepared, and in any event not later than 6 years and 6 months after the commencement of this Act.

It is not the Australian Democrats' intention to insert a review clause into every piece of legislation that comes before this Chamber. However, we believe it is important, particularly in matters where we are broadening the powers of the police, that we keep a close check on the effectiveness of increased powers of this sort. The history of this Bill is that it has taken a year or so to reach this stage. It has undergone many changes. Having read the debate in the other place and having listened to the debate here, I think there are sufficient concerns on matters such as public interest and right to privacy that it is important we have a review of this Act after five years to ascertain its effectiveness and to ensure that the Government's intentions, as outlined in these debates, have been followed through. For those reasons, I urge members to support this new clause.

Hon PETER FOSS: One might say that review clauses are neither here nor there in may cases, because reviews can take place without them, and the way they work is often merely to set a time line for what will happen anyway. This is one of those Bills which will probably, as far as the practical aspects of it are concerned, be constantly under review, because as soon as it comes into operation it will be receiving operational review. As for listening devices, the Bill really restores us to the position that we were in with the Listening Devices Act prior to Coco. To that extent I do not think it is a major change.

The most important part is a new provision which gives private citizens a right of privacy from optical surveillance, which we did not have prior to this Bill. There was nothing to prevent the use of optical surveillance devices prior to this Bill. It does not provide a major increase in police powers. It goes back to what people thought was the case prior to Coco and the way in which the law was exercised prior to Coco. The Government intends to keep the matter under review, but the addition of a review clause is not necessary.

Hon NORM KELLY: I appreciate that the Police Service undertakes a continuing review of new legislation that affects it. However, another reason for the review is to give Parliament, which is giving these powers, an opportunity to assess those powers in the form of a report. The minister of the day can always make that report and review as detailed or as simple as he or she chooses. As Parliament gives out these powers, it is important that it keep a check on them afterwards.

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

Ayes (4)

Hon Helen Hodgson	Hon Christine Sharp	Hon Giz Watson	Hon Norm Kelly *(Teller)*

Noes (23)

Hon Kim Chance	Hon Ray Halligan	Hon Simon O'Brien	Hon Bob Thomas
Hon J.A. Cowdell	Hon Barry House	Hon Ljiljanna Ravlich	Hon Derrick Tomlinson
Hon Cheryl Davenport	Hon Murray Montgomery	Hon B.M. Scott	Hon Ken Travers
Hon Max Evans	Hon N.F. Moore	Hon Greg Smith	Hon Muriel Patterson *(Teller)*
Hon Peter Foss	Hon Mark Nevill	Hon Tom Stephens	
Hon N.D. Griffiths	Hon M.D. Nixon	Hon W.N. Stretch	
Hon John Halden			

New clause thus negatived.

Title put and passed.

Bill reported, without amendment.

Leave granted to proceed through remaining stages.

Report

Report of Committee adopted.

Third Reading

Bill read a third time, on motion by Hon Peter Foss (Attorney General), and passed.

GAS PIPELINES ACCESS (WESTERN AUSTRALIA) BILL

Second Reading

Resumed from 2 December.

HON N.F. MOORE (Mining and Pastoral - Leader of the House) [2.36 pm]: I thank members for their contributions to the second reading debate on this Bill. I do not propose to deal with the committee stage of this Bill today. I need to discuss with the relevant minister a number of matters which were raised in the debate yesterday. I will sum up on behalf of the Government and then delay the committee stage until next Tuesday. The next order of business will be the Western Australian Land Authority Amendment Bill.

Hon Mark Nevill spoke at some length in fairly broad terms about a number of issues related to the gas industry in Western Australia. He also spoke about the Bill in some detail. I do not propose to become involved in an argument with him about whether we pay too much for gas; he can have that argument with the appropriate minister. I will endeavour to respond to the issues he has raised about the Bill and indicate the Government's response. I appreciate his support for the Bill and the obvious knowledge he has of this industry. It is refreshing to hear his point of view on these matters from time to time.

He asked what unique conditions might apply in Western Australia for our need for a state-based regulator and what was so unique about the Western Australian industry. I interjected and said that one of the unique conditions was that we do not have any pipelines which cross state borders. He referred to the Northern Territory's not having any cross-border pipelines although still using the Australian Competition and Consumer Commission. When I go through the differences between Western Australia and the other States, he may be inclined to think that Western Australia is unique. One unique issue is that no Western Australian pipeline crosses a border. There is certainly no prospect in the short term of that occurring. The Government will review that decision in the event that a transmission line is built across state borders. The Northern Territory effectively has no gas distribution to trigger the need for a state-based regulator and is not concerned with different regulators for interconnected distribution and transmission. The Northern Territory also anticipates a gas transmission pipeline for Timor Sea gas into North Queensland.

There are some slight differences between the Northern Territory and Western Australia. Western Australia already has multiple pipelines into its distribution centre. Western Australia has a number of gas fields and gas producers already connected at a number of input points and management, including gas quality impacts on both gas transmission and distribution. The Western Australian industry overall, particularly the resources sector, consumes 96 per cent of all the gas in Western Australia. The Western Australian industry consumes more than double the amount of gas that industry in any of the other States consumes. In Queensland, which is another resource-based economy, industry consumes only one-sixth of the amount of gas that Western Australian industry consumes. There are a number of differences between Western Australia and the other States in the way in which our gas industry goes about meeting the needs of our economy.

The member suggested that there was pressure on the State to ensure that there are commercial returns for private investors in transmission lines. The buyers of the Dampier-Bunbury natural gas pipeline and the goldfields gas pipeline are doing so at their own risk in regard to future tariffs. The State's decision to implement the National Access Code preceded both the sale of the Dampier-Bunbury pipeline and the WMC share of the goldfields gas pipeline. The Bill provides a strong regime to support the independence of the regulator and to deal with any conflicts of interest.

I will go through some of the processes that are envisaged in respect of the appointment of the regulator at the state level, to ensure that there is no conflict of interest and to ensure its independence. The regulator is appointed by the Governor. The suspension of the regulator from office by the Government must be confirmed by both Houses of Parliament. The terms and conditions of the regulator's remuneration are determined by the Governor and cannot be reduced during the term of office. The regulator takes an oath to perform functions faithfully and impartially. Clause 36 specifically states that the regulator is independent of direction or control of the Crown or any minister, excepting that the minister may issue directions in relation to general policies to be followed in matters of administration. The regulator is liable for a penalty of $10 000 for failure to inform the minister of a conflict of interest. The minister can either direct the regulator to resolve the conflict

of interest or disqualify the regulator from acting in relation to the matter. The regulator has the power to open a regulator bank account. The regulator is able to spend moneys as he or she deems appropriate within an annual budget limit set by the minister. The regulator is not a public servant and the Public Sector Management Act does not apply to the regulator's position. The regulator has full discretion to employ staff as he or she deems appropriate, provided that they are appointed under the Public Sector Management Act. The regulator is able to appoint consultants and contractors as he or she deems necessary. When members look at those particular aspects of the appointment of the regulator and the conditions under which the regulator is required to operate, there is a very good argument that there is the necessary degree of independence and that the capacity for conflict of interest is very minimal.

The member argued that the State has lost the opportunity for a second pipeline to the south west. The State is proceeding with a registration of interest for additional pipeline capacity to the south west.

Hon Mark Nevill interjected.

Hon N.F. MOORE: That may well be the case. One never knows. It was only a little while ago before the Asian crisis that we were looking at Woodside and Gorgon as two gas producers of very significant size. That is now more or less on hold until the Asian economies pick up. If that were to happen quickly and other circumstances happened in the international economy, things could change very quickly, as the member well knows.

The registration of interests for an additional pipeline to the south west is being considered, although none has indicated that it wishes to proceed immediately. The State is proceeding to expand the width of the Dampier-Bunbury natural gas pipeline corridor to ensure that the easement is available for any future pipeline capacity. That was part of our decision when we sold the pipeline. We believe that when the time is right for a second pipeline, companies will take up the opportunity. By making the corridor available and ensuring a proper easement will be available for a new pipeline, which we are doing now, we are putting in the necessary infrastructure for it to happen.

The member talked about AlintaGas not being ring fenced until July 2002. He asked why we should protect AlintaGas in the goldfields by not ring fencing. Ring fencing is a code requirement and may be necessary by 1 January 2000, as AlintaGas is to have an access arrangement under the code by that date. The franchise for AlintaGas in Kalgoorlie was an outcome of the competitive bid. That process was conducted prior to the code being put in place. We look forward to everybody in the goldfields having access to gas.

The member talked about the Energy Coordination Amendment Bill being incompatible with this Bill. That Bill was introduced in May 1997 in order to give the necessary powers to private gas distributors and retailers well before the State agreed to the national access code in November 1997. The Government proposes to introduce some amendments to the Energy Coordination Amendment Bill which will make it fully compatible with this Bill and the franchise provisions annexed to the intergovernmental agreement.

The member suggested that Western Australia has derogated its commitment to introduce the national access code and asked why the code cannot be applied from 1 January 1999? Other jurisdictions have given an in-principle agreement to the transitional measures, as appended to the intergovernmental agreement. The implementation of access arrangements under the code for the major pipelines in the distribution system by 1 January 2000 is a tight schedule.

Hon Mark Nevill: I was referring to the goldfields gas pipeline only. In the case that you gave me, in my judgment you cannot enforce any finding or a review.

Hon N.F. MOORE: I will go back and have a look at that. It is a tight schedule to make the necessary arrangements by 1 January 2000. It requires the submission processes, public consultation and the draft and final decision processes as required by the code. That is a pretty tight time frame as it is.

The member suggested the review of the tariffs under the Goldfields Gas Pipeline Agreement Act has taken too long and not been pursued adequately by the Government. I suggest that the introduction of the GPAL and the obligations from the goldfields gas pipeline to have an access arrangement under the code by 1 January 2000, which is only another 12 months away, will bring the pipeline under the uniform regime at the earliest practical date.

Hon Mark Nevill: What is the GPAL?

Hon N.F. MOORE: It is the Gas Pipelines Access Bill. Do forgive me for using all these acronyms. It is bad enough in the Training portfolio, where that one must be an expert on acronyms. I wish people would not use them because they do not help. This acronym is very similar to two names.

The member suggested that the position of arbitrator in Western Australia and the terminology used for the other bodies under the Act is confusing. I suggest that the arbitrator's position addresses a rationalisation with the existing gas referee position in Western Australia as well as providing arm's length independence of the arbitration function from the regulator and from the Government. The arbitrator is also an identified body for the gas industry to utilise for other dispute matters relating to gas. The separate arbitrator position will assist in gaining consistency in arbitration decisions.

The member indicated that he believes there is some lack of support and that the industry is indicating it supports the Australian Competition and Consumer Commission to regulate transmission. The Government is not aware of industry bodies or major stakeholders expressing support for the ACCC to regulate transmission, particularly in the hearings of the standing committee when it investigated this Bill. The Government understands that the Chamber of Commerce and Industry of Western Australia and the Chamber of Minerals and Energy of Western Australia both support a state-based regulator. Extensive consultation with stakeholders in Western Australia and nationally has not revealed the support for the ACCC which the member is claiming. Both the NCC and the ACCC participated in the framing of the code and the inter-governmental agreement which provides for a state-based regulator for transmission in Western Australia.

The member referred to the standing committee as identifying three advantages of having the ACCC as the regulator for pipelines. On the matter of limited availability of people from whom to choose a regulator, Western Australia is the largest oil and gas producer in Australia. WA now accounts for more than 50 per cent of total Australian crude oil and condensate production, and more than 55 per cent of total natural gas production. It consumes more natural gas than any other State, and in 1997 consumed 55 per cent of the total consumption of natural gas. As a result, several major energy firms - including Epic Energy and Woodside - and engineering design companies such as Halliburton Australia Pty Ltd have located their head offices in Perth. This provides a large pool of people within Western Australia with expertise in the gas industry. It is not essential for the regulator to have had experience in the gas industry.

The management of gas pipelines is similar to that of other infrastructure such as water, ports, roads, rail and telecommunications. Thus there is a pool of people with the necessary expertise available in Western Australia. The ACCC does not have members of its board with expertise in infrastructure. The members tend to be lawyers and economists, which is always a worry. They have experience in consumer protection and academia rather than management of infrastructure. It is not necessary for the regulator to have had prior experience in regulation, as has been shown by the appointment of an economics professor in South Australia.

The regulator may employ support staff with relevant experience and expertise. The regulator will also be able to employ consultants to advise on the more complex issues, and when evaluating a proposed access arrangement the regulator will have detailed reports with the opposing views of the pipeline owner and consumers, if there were to be any. The regulator's role will involve balancing those opposing views. Thus the experience and expertise of the person occupying the position of regulator is more related to high level negotiations and negotiating and a thorough understanding of issues facing the owners of infrastructure and the third party users of such infrastructure. Finally, the ability to rigorously apply the code is provided in the legislative support for the independence of the regulator, rather than the qualities of the person occupying the position. The Bill contains extensive measures to ensure the independence of the local regulator, and in some respects we believe it will be more independent than the ACCC.

The standing committee also said in its report that it was not necessary to have an interstate pipeline for the ACCC to be the regulator. While that is true it does not explain why the ACCC would be a better regulator than a local regulator. Similarly the comment that the ACCC would not detract from the powers and responsibilities of the minister is not an advantage in using the ACCC as a regulator as opposed to a local regulator. The member needs to make the case that having the ACCC as the regulator is superior to having a local regulator.

Hon Mark Nevill also expressed some concern at the process being adopted to identify a nominee for the position of regulator. The selection criteria being used to identify the nominee are: Proven experience with infrastructure industry such as gas, electricity or water; ability to demonstrate there is no conflict of interest with any aspect of the gas industry, including upstream or downstream and transportation; highly developed commercial skills, including major negotiations at senior management level; knowledge of contracts law and administration; financial management skills, including budgeting; sound administrative abilities; proven management and leadership abilities at a senior level; outstanding communications skills including interpersonal, verbal and written - the regulator must be able to express complex issues succinctly and clearly; proven ability to work successfully with the bureaucracy and a good understanding of the way government works; absolute independence and objectivity working in an area that requires strict confidentiality of information; and tertiary qualifications in relevant disciplines such as engineering, commerce or law.

Hon Mark Nevill: Leave lawyers out.

Hon N.F. MOORE: I would be happy to do that, but it is not for me to do that. There may be people with law and other qualifications as well. The process which is being used is a proper process. The persons engaged in making the decisions are senior public servants in Western Australia - Les Farrant and Des Kelly - and a retired senior public servant in Digby Blight. It is believed that these three individuals have the integrity to ensure that the right decision is made in respect of whoever is appointed. As I recall, Hon Mark Nevill indicated last night that he thought that the criteria had been drafted for a particular individual.

Hon Mark Nevill: As I read the criteria the glove fits the person, but I do not necessarily believe that.

Hon N.F. MOORE: As I said by way of interjection, it does not say he must have grey hair either, which would have made

it more obvious. Dr Kelly is one of three persons on the panel who will be making the decision, so he is not an applicant for the job. If he were he would not be able to be involved in the selection process.

Hon Mark Nevill also talked about the Government having to be cautious in its appointment to the board to avoid a conflict of interest, and expressed concern the Government might not exercise similar caution with the regulator. A conflict of interest is specifically dealt with in the Bill, and the Government considers it is a very important aspect of the Bill. We must do all we can to ensure there is no conflict of interest. There is a $10 000 penalty on the regulator if he fails to notify the minister of a conflict of interest. We believe that the quality of the persons who will make the recommendation for the appointment will ensure that.

Hon Mark Nevill referred to the standing committee's recommendation that there be an office of regulation to cover all access arrangements under the national competition policy. The Government needs to look at that in the future; that will happen. However, such an office would be a state-based regulator, so it is not inconsistent with having a state-based regulator for the gas industry as proposed under this legislation.

Parliamentary control over a state-based regulator as opposed to the ACCC will mean that the state-based regulator can be obliged to report to Parliament and will be under the budget appropriation control of the State Parliament. For customers it is more important there be consistency through the gas chain to their meter, and this cannot be assured with both the ACCC and state-based regulators involved. Thus it is better that there be consistency between regulation of transmission and distribution systems within the State than between transmission pipelines here and pipelines in other States. The local regulator will consider the regulatory outcomes for other transmission pipelines, and will be able to ensure that decisions involving the transmission pipelines and distribution system in Western Australia are consistent.

There are other advantages of a state-based regulator. One is that Western Australian bodies hear administrative and legal appeals and not Commonwealth bodies. These are the local arbitrator appeal board and the Supreme Court. There is significantly greater access to the local regulators for pipeline owners if the person is based in Western Australia. Similarly, for customers and the Government, key decision makers in the ACCC reside in the eastern States. Only the larger customers and pipeline owners can justify the cost of representing their views on a routine basis. When the ACCC holds hearings in Perth it is at the ACCC's convenience. It may not provide the flexibility we believe is necessary for local industry and consumers. The same regulator for transmission and distribution pipelines supports consistency between decisions in relation to transmission and distribution pipelines. One regulator for transmission and distribution pipelines is simpler and will cost less for pipeline owners, customers and government because they need only present their comments to one person. The pipeline systems that are classified as being a combination of transmission and distribution pipelines can amalgamate the access arrangements and make one submission to the same regulator and thus lower their regulatory costs. With a different regulator for transmission and distribution pipelines there is a potential for part of the pipeline system to be reclassified either as a distribution pipeline or a transmission pipeline.

If a party perceived that it would be a better outcome from a different regulator, it could seek to have the pipelines classified. This would introduce unnecessary confusion and additional costs. Again we come back to the local regulator, who we believe would understand Western Australia's unique conditions better than anybody else. Again I go through those conditions that have been indicated before, such as population density, a resource development based economy, standard delivered tariffs for residential and small business customers, and the importance of regional development. The eastern states regulator is more likely to be familiar with higher population densities, a gas market in which the majority of gas transported is sold to residential customers as opposed to industry, and single gas fields servicing pipelines. Certain eastern states gas transmission pipelines are unlikely to have access arrangements and allow a wide variety of services, such as back haul and inlet points, and address the different quality of gas issues. The local regulator can develop special skills and knowledge in regulating gas pipelines. The ACCC regulates many industries involving consumer protection issues, whereas a local gas regulator here could become an expert in gas regulation.

Hon Mark Nevill: They have a gas division.

Hon N.F. MOORE: It is part of an organisation. We think that having a local regulator with the necessary skills and knowledge relating to Western Australia would be a distinct advantage over a subdivision of the ACCC. The independent regulator can be more independent than the ACCC in that both Houses of Parliament are required to dismiss the local regulator whereas the Governor General can dismiss members of the ACCC. The local regulator is fined $10 000 for not advising of a conflict of interest. There is no penalty for ACCC members for not advising of a conflict of interest. We believe that there is a strong argument for the retention of a local regulator in Western Australia rather than going down the path of using the ACCC as the regulator here. Those comments respond to the matters raised by Hon Mark Nevill in his speech and I guess we will debate that in more detail when we come to the committee stage, as the member has some amendments on the Notice Paper to change the situation of the local regulator.

Hon Helen Hodgson raised a number of issues which I found interesting. Her understanding and knowledge of the tax laws is interesting to say the least, but she spoke about issues that are well beyond my comprehension because I do not get

involved in that level of taxation debate as a person who is very poor, like the rest of us here, and do not have to worry about taxation.

Hon Helen Hodgson: The Minister for Finance can give you advice.

Hon N.F. MOORE: When I need some advice I ask Hon Max Evans, which is why I continue to be poor!

The member raised some concerns about Tap Oil and its concern about having to provide access to third parties to the pipelines that it enjoys. We believe that it is better in the State's interest for the excess capacity, that one pipeline be utilised before a new one is built. The owners of the pipeline earn revenue for the use of the unutilised capacity rather than leaving it dormant while new reserves are being discovered. Gas exploration is a very risky business and there is no guarantee that further reserves will be discovered. This use of excess capacity is economically more efficient than requiring additional capacity to be built when excess capacity is already available. The argument is that we should endeavour to use what capacity there is pending the further discovery of gas. There is never any guarantee that any more will be found, so the excess capacity in the pipeline system should be used. Tap Oil is a 12.2 per cent joint venture partner in the existing pipeline from Varanus Island. It is understood that the other joint venture partners prefer to sell the excess capacity to third parties rather than leaving it dormant. Tap Oil, in its 1997 annual report, stated that the third party use of the pipeline reduced its operating costs and the company earned tolling revenue.

The member is concerned that the requirement to provide access to spare capacity will deter companies from exploring for more gas. The contrary will occur. The economic viability of small to medium gas fields is enhanced when they are in close proximity to existing infrastructure. Thus gas exploration is more likely to be increased. That is the case with the various gas discoveries off Winslow and Exmouth, where existing infrastructure is in place, which has encouraged smaller companies to explore for gas in what is a very expensive business.

The member expressed concern that the code and the Bill are being applied to the entire industry because of problems in the Cooper Basin in South Australia. The Cooper Basin is a mature field whereas Western Australia is a developing field and we must encourage exploration. We agree that the circumstances in the eastern States are different from those in Western Australia and that is one of the reasons we want a local regulator to regulate transmission pipelines. The issues to which the member refers are related to access to upstream processing facilities, which was excluded from this Bill.

The ring fencing obligations of the codes were discussed. Ring fencing may require companies to incur capital gains tax liabilities. It is the Government's understanding that capital gains tax will roll over relief when organisations are restructured to comply with the ring fencing obligations. When restructuring occurs for other reasons, such as minimising tax, that rollover relief will not apply. Notwithstanding this, we will look at Hon Helen Hodgson's amendment carefully before we do the committee stage next week. By then I will have had an opportunity to talk to the minister about the proposed amendment.

The member raised concerns that changes to the code will occur outside parliamentary scrutiny and that the changes will be published in the South Australian *Gazette*. Significant amendments can be made only by a unanimous agreement of all the relevant ministers, of all the jurisdictions, and other amendments can be made by a majority agreement of those ministers. It is not practical to have amendments to the code passed by each Parliament of each jurisdiction. This would create a document or a code document that was rigid and rarely, if ever, amended. The ability of amendments to be made by either the unanimous or the majority agreement of the relevant ministers allows the code to be more dynamic and more flexible and to be amended when circumstances change. It sometimes needs to be accepted that ministers make decisions on the basis of having been elected to government and they should be entitled to make decisions from time to time. The code registrar will be a national source of information on matters dealing with the code. Similarly, the local regulator and the Office of Energy will maintain up-to-date copies of the code. All of these bodies will maintain Internet sites by which people can obtain easy access to the code. Furthermore, the Office of Energy publishes regular newsletters on developments in the energy sector. Parties interested in the energy sector should have ample opportunity to become aware of any changes to the code. We believe that the problems raised by the member are not as serious as she has suggested.

The member noted that the local regulator needs to be independent, and the Bill states that the regulator is independent of ministerial control. She expressed concern at how the regulator was to be appointed. I have already gone through that when commenting on matters raised by Hon Mark Nevill. Clause 36(1) states that excepting for general policy matters of administration, the regulator is independent of direction or control by the Crown or any minister or officer of the Crown. In addition, the regulator takes an oath or an affirmation to perform the functions faithfully and impartially. I also referred to the process of appointing a state regulator. The selection panel is a group of highly respected senior Western Australian public servants who have worked for Governments of different persuasions over the years. Those three persons and the processes that have been put in place will ensure that anybody who is appointed will not have a conflict of interest and will operate independently of any minister or government agency.

This is a complicated and very difficult Bill, but it is an important Bill in the context of the gas industry and national competition policy in Australia. I thank the members for their contributions and look forward to the amendments they

propose in the committee stage. One can only hope that the arguments for the retention of a local regulator will prevail and Western Australia can continue to look after its interests in the best way possible. I commend the Bill to the House.

Question put and passed.

Bill read a second time.

WESTERN AUSTRALIAN LAND AUTHORITY AMENDMENT BILL

Second Reading

Resumed from 29 October.

HON MARK NEVILL (Mining and Pastoral) [3.10 pm]: The Opposition supports the Bill, which results from a review undertaken last year. That report was tabled and a ministerial response to that report was forthcoming. The review had only one major concern for the Opposition; it recommended that the Government vacate its involvement in residential land development. The Bill does not give any force to that recommendation. It is purely a statement of policy. The Opposition believes there is a role for Government and the Western Australian Land Authority in the development of residential land. We believe that authority and LandCorp have done well in their involvement in that area. In recent years we have seen a shift from sole development to joint ventures. My understanding is that those joint ventures have worked well, but for ideological reasons the Government now wants to move further and to leave joint ventures solely to the private sector. Homeswest will still deal with residential land for the lower income group.

Many members of this House will recall in past years that Governments have got into serious trouble when there has not been adequate residential land coming onto the market. There is nothing to suggest that history will not repeat itself at some time in the future and it is important that the Government has the power with respect to the provision of that land. We also have the still unresolved problems with native title. It changes with every court judgment and interpretation of the law. The issues relating to native title make the supply of land quite difficult, particularly in country areas. Given those uncertainties and the chance of history repeating itself, the Government has a role to play in land banking. As I say, the Bill does not preclude LandCorp from doing that; it is purely a statement of government policy. That is a better way to go because if we get into Government, we need not amend the legislation to accommodate our policy, for example, should we decide to return to joint ventures. It is good that the Government has not written into the Bill something that precludes that activity.

Hon Max Evans: When land is bought sometimes we do not know whether it is for residential or commercial purposes, or a bit of each.

Hon MARK NEVILL: There is always a danger of someone cornering the market in a town, or a region or in the metropolitan area. It is wise that some Government authority be involved because it keeps everybody honest. Hopefully bodies such as LandCorp are accountable. In my judgment the review did not recommend any drastic changes. They are subtle. Changes have been made to the objects and functions of the Act. The objects include that the authority is to be focussed on the provision of industrial land in a variety of areas. It will undertake projects where there is complicated land and associated infrastructure developments; for example, the Mandurah ocean marina. It will be involved in urban renewal projects, such as the Marlston Hill project in Bunbury. The authority is also to be the primary agency in the disposal of surplus government and public authority plant. The second reading speech also indicates that the Government believes the role of LandCorp in the Joondalup centre is nearing completion, and I understand it would like to see LandCorp phased out of that project. As I said, we do not agree with the reduced role of land banking and the provision of residential land in Western Australia.

The Bill also brings into effect some commercial principles which require the authority to act in a cost-effective manner and to ensure the projects it undertakes meet an expected benchmark rate of return. I am not sure whether the role of the Government is to get a 10 per cent return - or whatever the benchmark is - on every project it enters into. Some of those projects in towns such as Derby or Wyndham may never get that; however, the Government has a social and economic role, and in some cases those facilities are provided at a loss. It may be for Aboriginal communities or whatever. Commercial principles are desirable, but should not be at the expense of good social development.

The authority is to prepare annual statements of corporate intent and strategic development plans. My reading of the Bill is that the statement of corporate intent will be tabled, but not the strategic development plan. I suppose these are useful exercises and give the authority a more commercial orientation. There are some changes as a result of competition policy where the authority will now have to pay tax to Treasury at an equivalent rate to private companies so that the authority has no commercial advantage over other private operators in those areas.

Hon Max Evans: We need the money.

Hon MARK NEVILL: Yes. In some areas its powers to lodge memorials and make by-laws have been removed because these are not possessed by private companies.

That covers the content of the Bill. There are a couple of issues that concern me that I will go into more in the committee stage. One relates to the changes to directors. The Government is saying now that the board of directors will be appointed in writing by the minister. The clause that the new clause will replace refers to the Governor, on the recommendation of a minister, appointing a board of directors. I quote -

> They shall be persons each of them having in the opinion of the Minister, knowledge of and experience in any of the fields of town planning, housing, industry, commerce, finance, engineering and land development.

The existing provision is better than changing it to appointment in writing by the minister. That is getting away from the thrust of what the Auditor General said, and there is a lot of sense in what he said about consulting the board and having expertise. These provisions should not be seen as sinecures. They are jobs, particularly those in the Western Australian Land Authority, with a great deal of responsibility. It has had a good board during the years. LandCorp has been a success since 1992; I do not hear many criticisms of it. It gets stuck in the mud occasionally; for instance, with Minim Cove and Mosman Park. However, I am sure that if a private operator were undertaking the development of the land, a great deal of the contaminated soil would probably be buried out of sight and out of mind.

Hon Max Evans: It would still be there.

Hon MARK NEVILL: A private operator certainly would not have spent the money that LandCorp has spent cleaning up that site, simply because it might have gone out of business.

I am not sure that this is a very clever amendment. I would be very surprised if any of the current directors did not have experience in at least one of those areas - town planning, housing, industry, commerce, finance, engineering and land development. I think also that it would be a good exercise for the Standing Committee on Public Administration to consider recommending a "standard appointment of directors" clause, if there is such a thing, which would apply to the bigger statutory authorities that have onerous responsibilities to ensure that we get people who are suitable. I do not exclude politicians from those duties. Members of Parliament, perhaps more than many people, have a lot to offer in that area. We should not be so purist as to exclude ourselves.

Hon Max Evans: When I am looking for a job, I will come and see you.

Hon MARK NEVILL: I do not think I will be around that long.

The next area of concern relates to the power of the minister to delete commercially confidential material from reports. Proposed new section 25C, deletion of commercially sensitive matters from reports, is getting away from accountability to Parliament. A provision in the Financial Administration and Audit Act relates to commercial sensitivity. I asked a question on notice in relation to the Flying Doctor Service about the Health Department's failure to answer that question on the grounds that the information sought is commercially sensitive. Under section 58C of the FAA Act, that cannot be used as a reason not to provide information. This proposed section would appear to be an attempt to bypass that provision. I will quote from an article by Ross Holt, the chief executive officer of LandCorp. It is entitled "From My Perspective" and reads -

> We have identified $150m of our assets for disposal and between January and June of this year reduced our debt from $107m to $43m.

The period January to June has come and gone. If a government agency is disposing of $150m worth of land, the Parliament may want to know how that land has been disposed of. The power in this Bill for the minister to delete commercially sensitive material from reports is objectionable. That information should be published. I do not see what is to be gained by having that provision in the Bill. I ask the minister to outline the reasons for that amendment.

To sum up, the Opposition supports the Bill. We think that the Western Australian Land Authority has been successful. LandCorp has operated creditably during its seven or eight years of life. The review has generally reinforced the view that the authority performs a useful service to the people of Western Australian.

HON NORM KELLY (East Metropolitan) [3.29 pm]: The Australian Democrats also support the Western Australian Land Authority Amendment Bill. I will be brief, as Hon Mark Nevill summed up well the operations of the Land Authority. The Bill is the result of the ministerial review conducted by Mr Gauntlett and presented in November last year. The minister has tabled a report based on that review.

The concerns of the Australian Democrats are similar to those of the Australian Labor Party. We are concerned, firstly, about the clause that seeks to amend the membership of the board and the provisions for appointing members to the board. As Hon Mark Nevill said, the Act provides that the board of directors shall comprise not less than five nor more than seven persons appointed by the Governor on the recommendation of the minister. That provision is proposed to be changed to allow the appointment to be made directly by the minister.

Hon Max Evans: We are trying to make these things a formality to reduce the amount of stuff that goes to the Government.

Hon NORM KELLY: That is right. That is why we have no problem with that amendment. However, the Act states also that five of those members shall be persons who have, in the opinion of the minister, knowledge of and experience in any of the fields of town planning, housing, industry, commerce, finance, engineering and land development. It is difficult to imagine that the membership of the board will comprise members who do not have some form of expertise in those areas. The current board is chaired by Ross Hughes, who is a licensed valuer and property consultant, so he qualifies under those provisions. The other members of the board are Bob Mickle, who is a land administration and property consultant, and a former member of the Industrial Lands Development Authority; Stuart Morgan, who is chairman of the South West Development Commission and the Regional Development Council of Western Australia -

Hon Max Evans: He is also a former chairman of the State Energy Commission

Hon NORM KELLY: Yes. He is also a director of Western Aerospace Ltd. Ms Celia Searle is a solicitor specialising in corporate and taxation law. That may not be covered under the provision, but, as the Act states, only five of the seven members must have expertise in these fields. The other members are Des Kelly, the chief executive officer of the Department of Resources Development; Richard Muirhead, the chief executive officer of the Department of Commerce and Trade; and Mark Christie, who is, like Ross Hughes, a licensed valuer and property consultant. Therefore, the current board has the expertise that we would expect to find in LandCorp, and we do not believe that we need this proposed change to allow for a straight ministerial appointment irrespective of expertise. We believe the Auditor General is on the right track when he says that reasons must be given for why people are appointed to boards. Neither the Act nor the proposed section provides a safeguard against political appointment or nepotism.

Hon Max Evans: Perhaps the Auditor General could tell us why he does not have more chartered accountants on his own staff if he is looking for qualified persons to do the work.

Hon NORM KELLY: Perhaps the qualified ones are too busy being members of Parliament!

Hon Max Evans: Only five chartered accountants in the whole of Australia are in Parliament. We have more sense than the others!

Hon NORM KELLY: When they start to outnumber the lawyers, I will be happy!

The Democrats are concerned also about proposed section 25C, which refers to the deletion of commercially sensitive matter from reports. Section 58C of the Financial Administration and Audit Act reads -

> The Minister and the accountable officer of every department, and the Minister and accountable authority of every statutory authority, shall ensure that -
>
> (a) no action is taken or omitted to be taken; and
>
> (b) no contractual or other obligation is entered into,
>
> by or on behalf of the Minister, department or statutory authority that would prevent or inhibit the provision by the Minister to the Parliament of information concerning any conduct or operation of the department or statutory authority in such a manner and to such an extent as the Minister thinks reasonable and appropriate.

Proposed section 25C appears to be in contravention of section 58C of the FAAA, and I look forward to the minister's comment on that matter.

The Democrats also have a concern about schedule 1 of the Bill, which is headed "Miscellaneous amendments". I am not sure of the drafting convention, but the schedule appears to contain some substantial amendments that one would normally expect to be in the main part of the Bill. Clauses 3 and 4 of schedule 1 deal with the remuneration of directors. The current situation is that remuneration and other allowances are determined on the recommendation of the Public Service Commissioner. That will be amended to read, "after consultation with the Minister for Public Sector Management."

Hon Max Evans: The reason is that there is no longer a Public Service Commissioner.

Hon NORM KELLY: There may be a better way of doing it, perhaps through the Commissioner for Public Sector Standards, so that remuneration is not determined by the minister, and that will prevent a minister from being able to offer overly generous remuneration to favoured people; and in cases where it may be fair remuneration, at least it will remove some of the perception of favouritism.

The Democrats are concerned also about clause 13 of schedule 1, which seeks to repeal section 48 of the Act, which is the review section. The Australian Democrats do not seek to put a review clause into every Act of Parliament -

Hon Max Evans: You have not missed any yet!

Hon NORM KELLY: One or two have slipped through. However, recommendation 14 of the Gauntlett review states -

> That section 48 ("Review of Act") be reworded to provide for reviews of the operations of the Act at five yearly intervals.

In response to that, in point 19 of his report the minister gave his reasons for not including a rolling review clause. He said that because there will be annual statements of corporate intent and strategic development plans, there is no need to carry out reviews. Although the Democrats welcome the introduction of SCIs and SDPs into the legislation, we believe the review clause serves a different purpose. It is a way of the Parliament gauging how the Act is operating and, if it is used correctly, it can be an effective monitoring system for enterprises such as LandCorp. The Democrats will propose at the committee stage that a rolling review clause be inserted. It could be a straightforward process involving a simple review. If no obvious problems are occurring, a simple report can be made to the Parliament. At least it will enable the effectiveness of the Act to be scrutinised, and Parliament will be informed of that.

Last year some delays occurred in this review reaching the Parliament and, as a result, an extension was granted for the parent Act. If it had not been granted, LandCorp would have folded up on 1 January this year. If this legislation were not passed - I am sure it will be - as a result of a sunset provision in the Act, LandCorp would fold on 31 December this year. The Bill recommends that the sunset section be deleted from the Act and the Democrats support that. LandCorp will then become an ongoing concern rather than a finite concern. That is another good argument for including a review provision in the Act. On the one hand, LandCorp should be ongoing but, on the other hand, it should be reviewed and monitored. That is the sum of the Democrats' concerns on this Bill. They are minor concerns in relation to the overall support the Democrats have for the Western Australian Land Authority. Accordingly, we support the Bill.

HON J.A. SCOTT (South Metropolitan) [3.43 pm]: On the basis of earlier briefings on this Bill, it seems to be a move in the right direction. I was not in the Chamber at the beginning of this debate, and I do not know whether any other member has raised the matter I am about to raise. I am concerned that this House is now debating this Bill, for which an extension of one year has already been granted, when it is essential that the Bill be passed before the end of the year. I find it extraordinary that it has not been debated earlier when the Government knew more than a year ago that it had to be finalised by 31 December.

Hon N.F. Moore: You have three more weeks to go before the end of the year. Do you need more than three weeks?

Hon J.A. SCOTT: I do not need more than three weeks, but the Leader of the House said many other Bills must go through before the end of the year. This one is imperative.

Hon N.F. Moore: There are three weeks between now and the end of the year.

Hon J.A. SCOTT: The Leader of the House might note that he has already extended the sitting times in those three weeks, otherwise it would not be done in those three weeks.

Hon N.F. Moore: I have not extended it, and neither have I extended the hours for sitting at night. Back in the good old days we sat until three or four o'clock in the morning.

Hon J.A. SCOTT: The minister may think that is reasonable. I think it is a problem to deal with legislation at this time of the year that must be passed before the end of the year. It should have been debated six months ago. I have been worried about one aspect of the operation of this whole area of land development with government involvement.

Sitting suspended from 3.45 to 4.00 pm

[Questions without notice taken.]

Hon J.A. SCOTT: I am confused between the second reading speech and what I was told in a briefing on this Bill. I will quote a passage from the second reading speech on page 4 which provides the crux of the argument -

> The Authority will also act as the primary agency for the disposal of surplus government and public authority land, in order to maximise the return to the State. This adopts a whole of government approach, so that the Authority's considerable expertise and experience in land development and sales will be used to allow other Government departments and public authorities to maximise the return on the disposal of land surplus to their requirements.

That concerns me because one of the matters raised during the briefing that I attended was that previously there had been a practice in the department of pushing up land values. This goes back beyond the time of the coalition Government. When David Hatt was the chief executive officer of the land authority I remember reading articles in which he said that certain projects were pushed ahead. I think the Hillarys marina might have been one them.

Hon N.F. Moore: That was before LandCorp.

Hon J.A. SCOTT: They were pushed ahead to increase the value of the surrounding urban land and made a deal of extra money for the Government by that process. I was concerned about that approach at that time as I felt that the department should have been looking at something like the final paragraph on page 6 of the second reading speech. It reads -

> These documents will also provide the mechanism, through community service obligation arrangements with Government, by which the Authority will be able to undertake those financially undesirable, but economically and socially desirable projects I mentioned earlier.

In other words, I felt that the department had a role to provide reasonably priced land, particularly for first home buyers to set themselves up in those areas. There seems to be a deliberate policy of pushing golf course or marina development projects to push up the value of the land around them, as in Port Kennedy where LandCorp has a lot of land, which makes it more difficult for people to purchase land and creates inflation in land prices in those areas. I had been told in the briefing that the department would be moving away from that practice and handing over much of its role to private developers. However, I was not sure whether in those instances it would still provide the impetus to push land prices up first and then hand over to the developers - as in Port Kennedy - giving them the bulk of the profitability from the promotion of those projects using land grants or other measures. I would like the Government to clarify its views on that role.

I return to the objects of the Act. On the role of the authority, it says firstly that the authority is to -

> provide, or promote, the provision of, land, infrastructure, facilities and services for the social and economic needs of the State.

Of course, the Ministry for Planning is involved in these projects because how that land development takes place is often contentious, whether it is urban development, parks and recreation or industrial land. Currently, there are propositions before us in Cockburn Sound at Jervoise Bay with the Department of Commerce and Trade pushing a development in that area where both the Federal and State Governments have already promised more than $200m to subsidise the setting up of that facility. However, also it is the same government department that has a lot of land around that area as well and is actively seeking to purchase land to facilitate that project. That is in conflict with some of the other objectives of the department in the growing residential needs of that area. I wonder how it will balance these two demands, when it is being pushed along in partnership with the Department of Commerce and Trade, and I wonder just how much influence it will have in the development of that land, because I am quite concerned that in some cases we will end up with some of the pipedreams that have been put forward in the past by such departments and that have run into trouble.

Hon Max Evans: For example?

Hon J.A. SCOTT: Oakajee is heading that way. An-Feng Kingstream is being driven by Resources Development to relocate to Oakajee from its present location because it wants to develop that industrial area at Oakajee and cannot find anyone else to go in there. Every time I ask, I am told that no other people have shown any interest whatsoever.

Hon Max Evans: You would not want to put the Kingstream project in the suburbs of Geraldton, would you?

Hon J.A. SCOTT: No. WALA certainly has a role in carrying out such planning, but it should not try to drive a project by using taxpayers' money to provide subsidies, as it is doing at Jervoise Bay. The cost of that project is more than $200m at this stage, and not a single person has been prepared to throw in some private money to help develop it. There are major changes and conflicts about the land use in that area. Therefore, I am concerned that this is the authority's first priority. I do not know whether there is any order of priority in the way the Bill is written; I will take the minister's word that there is not. However, I would like to know how much influence the Department of Resources Development may have to sway the authority away from making the right decisions. I guess the Ministry for Planning will come in over the top of all of that anyway.

Hon Max Evans: The board must make responsible decisions and seek a commercial benefit.

Hon J.A. SCOTT: At the end of the day, if the authority can see that Resources Development and Commerce and Trade are putting large amounts of government subsidy into these industries to ensure they get off the ground, huge pressure will be placed on it to provide that land, which will thereby reduce the amount of land that is available for other land uses in a particular region. I would like to know how it works so that I will know who has the real power to decide whether the authority will provide that type of land. In the Jervoise Bay area there is significant concern about the conflict between recreation and the fishing and tourism industries that people are trying to develop in Cockburn Sound. I do not know how the authority will resolve those conflicts. From what I was told in the briefing, I am quite happy with the direction of this Bill. However I seek some clarification about the mechanics of it so that a lot of state money does not go into facilitating extremely large profits for developers and higher land and house prices for taxpayers, who are, after all, the original owners of the land.

The second reading speech states that -

> The authority's exemption from state rates, taxes and charges has now been removed. However, it does remain exempt from local government rates except where it owns land jointly with another non-government organisation or leases or lets out the land. Where it is exempt from paying local government rates, the authority is to pay a rate equivalent amount to Treasury.

Why is local government denied the rate revenue from that land? Clearly, when that money goes to Treasury, it goes into state coffers rather than local government coffers. I know from living in Fremantle that there has been great concern about the amount of government land in Fremantle that is not rateable. The council has been fairly vociferous in trying to obtain some sort of fair outcome on that land. What is the reason that that money will go to Treasury rather than to local government, to whom it should be paid?

I am happy with the direction in which I am told the Bill is going, although I am a bit unsure, because on the one hand the second reading speech states that the authority is trying to maximise the return to government, but on the other hand it states that it is looking to undertake projects that may be financially undesirable but socially desirable, which I believe is a key role. What is the explanation for that ambiguity? I support the Bill.

HON MAX EVANS (North Metropolitan - Minister for Finance) [4.47 pm]: I thank the parties for their support of the Western Australian Land Authority Amendment Bill. As Hon Mark Nevill said, the Western Australian Land Authority was established by the previous Government to facilitate the development of residential and industrial land. WALA took over a considerable amount of land from the Industrial Lands Development Authority and the Joondalup Development Corporation and developed that land, and part of the profits came from that very cheap land that ILDA had owned for 20 or 30 years. The original legislation did not mention council rates or land tax. We argued very strongly at the time that WALA should at least pay land tax, which is worth about $4m, to put it on a rate-equivalent basis with other developers, who do pay land tax.

The other matter is rates and taxes. The Fremantle City Council complains that neither the State Government nor the Federal Government pays council rates or water rates. That matter will be included in the reconsideration of state finances that will form part of the proposed goods and services tax, to see what we can do about that. I was talking to people from the Western Australian Municipal Association the other day, and they are certain that they want the Government to pay those rates. They want a win-win situation rather than a win-lose situation on council rates. They would like the council rates to be paid, but it could be at a cost to them. They are trying to work out what is best. That has always been the case. The Government does the same with Western Power and AlintaGas, both of which are paying the equivalent of council rates to the Government under the competition policy. I jokingly say that I would like Homeswest to do it, and its land tax liability is about $30m a year. That would diminish the amount it could spend on public housing, which would be a serious impediment to its development program. It has been there since the beginning of time. The Government is considering this, but I am not sure what the answer is. The Government was operating this on a tax equivalent basis - even before the introduction of the national competition policy - in order to put these bodies on a par with other organisations. No interest is paid on the money; there is equity; and there is capital from when the land was taken over from the Industrial Lands Development Authority.

Hon J.A. Scott interjected.

Hon MAX EVANS: I know what the member is talking about. It has been discussed many times. I spoke to Ron Yuryevich from WAMA the other day. It is not too certain which way it wants to go. The Town of Claremont, for example, which has the Royal Showgrounds and many private schools in its area, complains they do not pay council rates. It has been a quid pro quo situation on the benefits they receive.

Hon Mark Nevill talked about using this as a base for urban residential land. He was glad that the legislation was left open so that at some later date that body could go back into residential land. That was probably included because it could buy land at some stage, half of which was residential and the other half commercial. It could be ultra vires if it sold some land for residential development and the legislation did not provide for that. Some legislation is restrictive. There is an adequate land bank at the moment. Within the six months of this Government coming to office, Richard Lewis, as Minister for Planning, introduced the first major amendment to put more land on the market. It was rolled over every six months. The land bank is adequate now, although it had not been before this Government took office. The bureaucrats used to say that it took two years to enact a major amendment to make land available, but Richard Lewis cracked the whip and speeded up the process. There is a great deal of land available and time will tell whether it is enough for the growth in the population. At the moment that appears to be the case.

Hon Mark Nevill and other members also referred to changes to the qualifications required of directors. The Lotteries Commission Act, which comes under my portfolio, requires specific qualifications for directors, and I am not sure if that provision has been removed. It has been removed from other Acts. It is a question of whether it is necessary. Would people such as Bob Mickle, who is a former public servant, come into that category? Des Kelly and Richard Muirhead are also directors. The requirement for specific qualifications makes no reference to senior public servants, and they can make a worthwhile contribution. That is why the provision has been removed.

Hon Mark Nevill: You could overcome the problem by reducing the number of directors who need those qualifications from five to four. That is the effect of my amendment.

Hon MAX EVANS: Billy Griffiths and Ross Hughes were appointed by the previous Government. The Government has been fairly well served by these people, and I hope all Governments will be responsible when making appointments to boards

such as this. Members on this side had a difficult time when in opposition, because the previous Government appointed many Liberal-voting people as members of major boards, so the Liberal Opposition could not criticise them for their qualifications. That was Brian Burke's way of choosing them. Many board members of big public companies probably would not fit within the existing qualifications, although they have had years of experience on the boards of public companies. If the qualifications are specified, there can be restrictions or questions about why the Government has not complied with the requirement.

Another point was raised about the appointments going to the minister rather than to the Governor. It is simplifying the process. Almost half the matters dealt with by Executive Council relate to local government, the Department of Minerals and Energy and the Department of Land Administration. The Government has put them on a schedule, and many things have been changed. The appointment of the Deputy Registrar of Mining must be approved by Exco. These are in old legislation introduced at the turn of the century, and relate to the time the Governor was effectively presiding over the Government.

Hon Mark Nevill: It was back in the heady days when the Mining Act was the pre-eminent Act in the State, as it still should be.

Hon MAX EVANS: The member is absolutely right.

Hon N.F. Moore: And the Minister for Mines should be Premier!

Hon Mark Nevill: It has gone downhill since that has been changed.

Hon MAX EVANS: I have an interesting book in which Hon Mark Nevill might be interested. It contains stories about mining at the turn of the century.

On the question of commercial sensitivity, I listened to the arguments raised but advise members to read proposed section 25C under the heading "Deletion of commercially sensitive matters from reports". Someone referred to sales of $150m a year. Whoever made that statement was a bit rash, which is often the case. The sales for last year amounted to $124m, and for the previous year they amounted to $50m. It was an increase of $74m. The inventory at 1998 is $203m and in 1997 it was $248m. The inventory has not decreased by much and, therefore, there have not been rampant sales. Many of the sales this year involved the transfer of urban land to Homeswest. That is stated in the report. Again, on the question of commercial sensitivity, clause 18(2) states -

> The board must prepare and submit to the Minister for the Minister's agreement, as soon as is practicable after the commencement of this Act, a draft interim strategic development plan and a draft interim statement of corporate intent.

Subclause (3) states -

> When the board and the Minister, with the concurrence of the Treasurer, reach agreement on the draft interim strategic development plan and the draft interim statement of corporate intent, they become the strategic development plan and the statement of corporate intent for the remainder of the financial year in which this Act comes into operation, or until agreement is reached on a draft strategic development plan and draft statement of corporate intent, whichever is the later.

Some major decisions could be made on a new suburb or marina that might be two or three years ahead. If people saw that information, under the Freedom of Information Act, it would be nice for them to know what they should be doing for the future. I see this provision as a protection from those sorts of things. The strategic development plan should be kept in-house and perhaps access should be limited to a few people in the office so that the plan is not misused or exploited. That is why it is written under this heading. There is no commercial sensitivity about the sale of land and people can go to the Department of Land Administration at any time to carry out a search of land titles, to establish the price at which land was sold and the price at which it was bought. There is nothing confidential about that. Proposed section 25C relates to the short and long-term plans for DOLA to which the board and minister could be agreeing.

The current land held is valued at $203m, and when this Government came to office the landholding was valued at $209m. It is important to make strategic plans about where the department is going and it is just as important that not too many other people know because they could exploit the market. Hon Jim Scott was concerned about land prices increasing, and that would immediately push up the price of land.

I appreciate members' comments about deletion of the sunset clause. I have also noted the points made about a review every five years and a report to be made within 18 months of that review. Hon Jim Scott referred to the delay in debating this legislation. I cannot comment on that but I have similar problems with other legislation that is going through the Parliament late in this year. Members may recall that at the beginning of the session when we started the Address-in-Reply debate, this House was running out of legislation to debate. Now there are about 40 Bills on the Notice Paper. That is because of the timing that occurs.

It is said that it would be best if LandCorp stuck to industrial or commercial land - this goes back to the Industrial Lands Development Authority, as it was originally - and did not engage in urban development and that it should rest with Homeswest. Also, it has been said that urban development is where exploitation occurs when the price of land is rammed up and so on. Homeswest has done a good job. It sometimes sells land to developers because it has a large land bank. We are very fortunate that the State Housing Commission set up that land bank. Most other States do not have one; they rely on the consolidated fund to put in funds to match the Commonwealth-State Housing Agreement Act. It is of great benefit to the State that Homeswest can roll over funds and develop land without causing a drain on consolidated funds which can be used for other things. That does not happen in other places. Mention has been made of LandCorp, marinas and housing development. That has occurred in the past. We rely on the high price of surrounding land to pay the high costs of a marina. People who want benefits will pay for them. As we go further out, land prices will probably balance out. I am not an expert on marinas, but they are expensive to dredge and there is a large maintenance factor as well. The legislation has not been restricted not to include urban or residential land. Hon Mark Nevill is looking forward to their being included. I do not know whether that is necessary.

Hon Mark Nevill: If it is needed.

Hon MAX EVANS: I am simply saying that it could be done. Hon Jim Scott is worried about pressure from Des Kelly from the Department of Resources Development and Richard Muirhead from the Department of Commerce and Trade. Particularly with commercial developments it is important to have such people, in particular Des Kelly, who have an idea of what will happen in four or five years. With some large mining operations, only a few people including the Premier know that they will happen. That goes back to strategic intent and plans. Directors have a responsibility to maximise prices. If directors do not do that, under the Corporations Law they can be deemed to be irresponsible. We must have that provision to be more specific. It probably was not in the original legislation - I am not critical of that - but these days we want to make matters much tighter. Under the Corporations Law or the Companies Code, directors are automatically responsible for maximising profits and for not giving profit away. Normally they go to the Valuer General for a valuer and they usually get a second outside valuation.

Also, Hon Jim Scott is worried about the future. I would not worry about the future. There has been a good track record over six years and under two Governments. We are making legislative changes as a result of the review and we are changing the pattern. I am reasonably confident that matters will proceed as before. We are not in the business of giving land away; a reasonable price must be obtained. Hon Jim Scott said that housing prices might become too high. No developer will buy land at an excessive price because it will make no money out of it. As Hon Jim Scott probably knows, land development is very expensive. Developers must put in underground power, sewerage, water, roads and so on which form a huge charge in respect of every block. People do not realise that; they think they are just paying for the land.

Hon J.A. Scott: Is it still subsidised?

Hon MAX EVANS: Not developing land, no. Sometimes with industrial developments there can be head works charges, but in an ordinary development it is paid for by the developer, which could be LandCorp or another developer, and the cost would be shared. I commend the Bill to the House.

Question put and passed.

Bill read a second time.

Committee

The Chairman of Committees (Hon J.A. Cowdell) in the Chair; Hon Max Evans (Minister for Finance) in charge of the Bill.

Clause 1: Short title -

Hon MARK NEVILL: I want to respond to Hon Jim Scott's comment about the Burke Government wanting to build the Whitfords marina because it would increase land values in the area. I am absolutely certain that that was never the motive for building the Whitfords marina.

Hon J.A. Scott: That is what David Hatt said.

Hon MARK NEVILL: I do not care what David Hatt said. The Whitfords marina was built to provide an amenity for people in the northern suburbs so that they could travel to Rottnest and have a safe harbour. We were caned in the House and in the electorate for a couple of years because of that proposal. The environmental movement said that it would never work. Such developments are dicey from an environmental and engineering point of view, but the development has worked and it has been a tremendous success. I have been there only twice since it was built and it was crowded - in fact it was too crowded for my liking. That is how popular it is. At the same time, we saved the Whitford nodes, which are a wonderful environmental facility for people there. The previous Government planned to build houses to the high-water mark, and that was another good thing, but I will not recite the litany of great deeds of previous Labor Governments.

Hon J.A. SCOTT: During my second reading speech I forgot to mention community housing land. Several projects, such as the Subiaco redevelopment and the East Perth redevelopment, are subject to state agreements. The Government has not kept its commitment that a certain percentage of land would be set aside for community housing projects. I wonder whether the department considers that it has a role in ensuring that community housing projects will get the percentage of land that the Government promised in the past. From memory, it talked about 11 per cent of land in those developments. I know that it is way behind on those obligations. Will any attempt be made to provide this land? Groups with money are waiting to become involved in these projects and they are finding it difficult to get the land.

Hon MAX EVANS: Regarding Hillarys Marina, David Hatt is quite right to say that the construction of a marina has increased land prices. The population has increased in the area as a result. Mindarie Keys was probably developed a little too soon, but its value is slowly catching up. As I said in my speech in reply to the second reading debate, these developments affect the price of land and people want a return on their money.

Hon Jim Scott should put a question on notice to the Minister for Housing on the East Perth development priority. LandCorp will no longer be involved in residential development. I cannot say what will occur in the future, and the past is the past.

Hon J.A. Scott interjected.

Hon MAX EVANS: Homeswest develops community housing and sometimes it sells land to developers, although I do know what percentage.

Clause put and passed.

Clauses 2 to 6 put and passed.

Clause 7: Section 6 amended and transitional -

Hon MARK NEVILL: I move -

> Page 4, after line 7 - To insert the following new subsection -
>
> (2) Of the persons appointed under subsection (1) four shall be persons each of them having in the opinion of the Minister, knowledge of and experience in any of the fields of town planning, housing, industry, commerce, finance, engineering and land development.

The wording of the Bill provides that the authority is to have a board of directors comprising not fewer than seven persons appointed in writing by the minister. No constraints are placed on the minister. My amendment will return the constraints in the original Bill, but will apply to four persons rather than five. If the minister appoints a board of five, four must have experience in those areas. The fifth person can be a retired public servant, a social engineer, an environmentalist or someone from whatever other range of categories that are not included. Reducing the number from five to four solves the minister's problem and puts more constraint on a fairly unconstrained power of the minister to appoint anyone he wants regardless of experience or knowledge.

Hon MAX EVANS: I know what the member is saying. Neither I nor the Minister for Lands has strong feelings against the amendment. The other three members can be the people with real knowledge and experience who make a quid. The Government accepts the amendment.

Hon NORM KELLY: The Australian Democrats will support the amendment, which is why I did not move to delete the clause; nonetheless it is a loose provision whereby only four of the seven people are required to have expertise. Expertise in town planning, housing, commerce, finance, engineering and land development is extremely broad. As I said in the second reading debate, it is difficult to imagine how we can constitute a board of seven people in which four do not have that expertise.

Hon Mark Nevill alluded to the need to closely examine board structures and appointments. That has been pushed by the Democrats previously and by the Auditor General in his recent report. There is still scope to finetune and strengthen board appointments in this State. I think Hon Mark Nevill referred to the Standing Committee on Public Administration as a vehicle for examining the way in which board appointments are made so that retired old party hacks are not necessarily given appointments that they do not deserve.

Hon J.A. SCOTT: The Greens (WA) support the amendment. Initially I was not in favour of five persons because it removes flexibility. I felt there would be times when the board would need the expertise outside of those areas, such as in developments in wetland areas or local government.

Hon Norm Kelly: Are you supporting development of wetlands?

Hon J.A. SCOTT: No. Obviously developments are carried out near wetlands. The former minister, Hon Richard Lewis, felt they should be filled in. I hope we have moved passed that type of thinking, although the Creery development is

proceeding. The requirements in the amendment are specific to building and development aspects. Social impacts must also be considered. It is important that the legislation provide flexibility so that people with other abilities are appointed to the board.

Hon MAX EVANS: I caution members not to be too specific with these requirements. Soon we will be requiring people to have spent a number of years at university or to have made a dollar, or even not made a dollar - if we have nothing in the bank account we will not face criticism. We could face the prospect in 10 years' time of requiring, say, 25 of the 34 members of this House to have specific expertise and only nine to be ordinary people. The secret is to achieve a balance. Where the minister is required to recommend that people are qualified, that does not mean they must have degrees. We should not be too specific about these "qualifications".

Following the appointment of a chief executive officer to one of my portfolios, the Public Sector Standards Commissioner pointed out that the person had no qualifications, but he said, "That's great, you have the right man." I am referring to Ray Bennet, who made a huge impact on the turnover of the TAB. He went through the school of hard knocks, and occupied the No 2 position at Challenge Bank, but he did not have a university qualification. I am not shying away from the fact that I have no university qualifications, but I can add two and two to make four.

Hon Mark Nevill: It shows!

Hon MAX EVANS: Thank heavens it does show; I would not like to be put in the same category as all the university graduates. People should use commonsense about these appointments, otherwise people might define who should or should not be in Parliament. God knows who we might get then.

Amendment put and passed.

Clause, as amended, put and passed.

Clauses 8 to 10 put and passed.

Clause 11: Section 17A inserted -

Hon MARK NEVILL: I move -

Page 8, line 4 - To insert after "in" the designation "(i)".

Page 8, line 4 - To insert after "and" the following -

(ii) section 20; and

Section 17A(5) contains a definition of "transaction". The definition does not acknowledge the circumstances of accountability by the minister or the authority in the instance of a compulsory taking of land under section 20 of the Act. That transaction refers to section 17(2)(c) which states that the authority enters into a contract or arrangement with a person that is a value or liability that exceeds $1m. Under section 20, the taking of land can also involve amounts of money greater than $1m. One case which has recently been drawn to my attention is from the Kemerton industrial estate where LandCorp resumed 152 hectares of dairy land at Wellesley on 14 June 1996. The matter of compensation has not been finalised some two and a half years later which is a concern. Would the minister be satisfied if his land were compulsorily resumed and compensation had not been settled for two and a half years? I am sure he would be very agitated about that. In this case, the Crown has retained the land's mineral rights - it must be a pre-1889 grant wherein the mineral rights are part of the freehold.

Hon Max Evans: Probably there are no minerals there and they do not want to pay for it.

Hon MARK NEVILL: I suggested in my maiden speech that the Government resume all minerals to the Crown. I regret that it was never taken up. There was no point in our passing a Bill in the Legislative Assembly because it would never have passed through this House. I have always believed that minerals and petroleum should belong to the Crown. It is one of the strengths of our system. That anomaly should be wiped out. The Wran Government resumed all the coal rights in New South Wales about 15 years ago without any compensation and it seems to have been successful. The conservative members of this House have never had the will to do that. It can be done with a transition arrangement through which, if minerals are found within the first 10 years, the royalty can be kept, but if no minerals are found within 10 years, it reverts to the Crown. In that way, large payments of compensation are avoided. However, that is another issue. The point about this is that the land was worth over $2m and there is no requirement about disclosure to Parliament of this acquisition. The contract is more than $1m and it should be included in the definition of "transaction" so that ministerial approval is required and it can be laid before the House.

Hon MAX EVANS: We agree with the amendment. I will ensure that the minster replies to Hon Mark Nevill within a few days with the information about that land at Kemerton, as it is valued at over $1m. The issue of compulsory acquisitions over $1m can be expedited.

Amendments put and passed.

Clause, as amended, put and passed.

Clauses 12 to 17 put and passed.

Clause 18: Divisions inserted and transitional -

Hon MARK NEVILL: Is the minister aware of section 58C of the Financial Administration and Audit Act? I will read the section to refresh the minister's memory. It is headed "Secrecy of operations prohibited" and states -

> The Minister and the accountable officer of every department, and the Minister and the accountable authority of every statutory authority, shall ensure that -
>
> (a) no action is taken or omitted to be taken; and
>
> (b) no contractual or other obligation is entered into,
>
> by or on behalf of the Minister, department or statutory authority that would prevent or inhibit the provision by the Minister to the Parliament of information concerning any conduct or operation of the department or statutory authority in such a manner and to such an extent as the Minister thinks reasonable and appropriate.

This clause deals with commercial in-confidence material. Does the minister believe that this material should be withheld from Parliament?

Hon MAX EVANS: The member has said "no action is taken or omitted to be taken" and "no contractual or other obligation is entered into, by or on behalf of the Minister, department or statutory authority . . . ". Proposed section 25C(2) states -

> The board must prepare and submit to the Minister for the Minister's agreement . . . a draft interim strategic development plan and a draft interim statement of corporate intent.

There is no obligation or contracts involved. This has been drafted - I do not know whether town planning has something similar - to protect this information on the basis that if it got into the wrong hands, it could be misused or could be given to someone who was corrupted. That interpretation is different from section 58C. This directly relates to the board and the minister on the issue of strategic development plans and strategic corporate intent about what they want to do. That is a wise decision. Those involved must believe it is necessary to include it in the Bill to protect these matters because some people do not want that to be subject to freedom of information. If the strategic development plan is released it might muck up the important planning that has been done for an area of development on which other people make a killing. I do not see a conflict with section 58C.

Hon MARK NEVILL: It is clearly a conflict with section 58C. Is the minister saying that if Parliament wants a copy of that report, but without any material deleted, we would be required to summons that report? Is that the thinking and the intention of the minister under this clause?

People may want to request those things. I am told that similar wording is found in the Port Authorities Bill and the Electricity Corporation Act. Certainly, matters relating to contract price arise. A matter came up the other day in which we could not give out prices because a competitor was involved. The diesel fuel rebate originally stipulated that one had to give the name and address of a person to be supplied and the price charged. BP was supplying to company X, which was supplying to others. If BP had been supplied that information, it would have undercut the price. Therefore, we change the legislation to protect such business. We have to change these things as matters evolve. In this case, it relates more to plans. In almost every land dealing, one can search for and ascertain the price for which the land was bought and sold. The on-costs would not be known, but they can be estimated. Nothing is secret about the price of land dealings. I can see exposure to infill sewerage, but that cost is common knowledge.

Hon J.A. SCOTT: I have a diametrically opposed position to the minister's on commercial confidentiality in these dealings. A fair system is one in which everyone knows what is going on, so anyone can invest. I give an example of problems with strategic developments and what can be perceived to happen, or actually happen. This is not something in the Bill, but a similar example. Recently the State Government has been involved in the redevelopment of Victoria Quay, which is the subject of a lot of interest in Fremantle. The week before that plan was announced, considerable land purchases were made by a close development to take advantage of that quay development. This was by a very prominent member of the Liberal Party. A great deal of concern was expressed that the plan might have been told to certain people beforehand, but not everybody. The best way to prevent that conjecture, if that is all it was, or to prevent insider trading, is for everybody to know equally so that no-one has an advantage.

Hon NORM KELLY: The more I re-read section 58C of the Financial Administration and Audit Act, the more it increasingly appears that the minister is already in breach of it by having introduced this Bill into Parliament in this condition. It can be argued that it is in contravention of the provision which states that no action shall be taken which would prevent or prohibit the provision of certain documents. We are at a late stage of the year's sittings. If we defer this measure

until next year, there will be no LandCorp next year without this proposed Act in place. We can an appreciate the urgency to pass the Bill. I agree with other members that it seems that this proposed section 25C could be in breach of section 58C of the FAAA.

Hon MARK NEVILL: The minister in his reply seemed to be referring only to half-yearly reports under section 25B. However, proposed section 25C(1) reads -

> The board may request the Minister to delete from the copies of a report under section 25B or under the *Financial Administration and Audit Act 1985* (and accompanying documents) that are to be made public, a matter that is of a commercially sensitive nature.

It will enable the minister to delete any section of any report to be provided under the FAAA, one of which is the annual report. Is that the intention of the provision? It gives the minister such power. The Government should not even contemplate giving the minister the power to delete material from copies of reports under the FAAA, including the annual report.

Hon MAX EVANS: Legislation will always be passed over by other legislation. Nothing in the FAAA prevents Parliament from taking further action. Parliament always has the power to vary any legislation, which obviously happened with Western Power and the port authorities. That legislation contains a similar statement that matters not go into annual reports. The FAAA can say one thing, and other legislation can be passed saying something different. If one cannot do that, one will have a hard time in government.

Hon MARK NEVILL: What documents does the minister contemplate will come under this umbrella of the Financial Administration and Audit Act in the subsection outlined?

Hon MAX EVANS: The information that Joondalup Shopping Centre was negotiating to sell a property, or one close by, could be excluded from the report. It may involve delicate circumstances in putting something up for tender or sale. One will not disclose what one expects to receive for the property. I had a report the other day into which I put some fairly bland information at that time, because to do otherwise would have affected other people. In other words, if one normally submits a half-yearly report, one would normally state all the deals being done and what was and was not expected. One might be in the middle of negotiations to sell a major property, so the report at that stage may not include what the property is expected to fetch, or with whom one is dealing. It is an operation which involves big sums of state money. Some of the information released could disadvantage the State and cost it money. It is protecting assets. A normal corporation would not have this problem, as it would not state what it might sell and what it expected to receive for it.

Hon MARK NEVILL: This section refers not to material not put in a report because negotiations are under way, but to matters to be deleted from copies of a report tendered under the Financial Administration and Audit Act. Is that the correct interpretation?

Hon MAX EVANS: I understand that section 58C of the Financial Administration and Audit Act requires that information on contracts be included. It might be that at, say, Joondalup, one is thinking of selling something for a higher price than would be expected, and that would normally be contained in a report. However, that can be deleted from the report under the proposed section. The FAAA requires that report. The information can be excluded from the report while that deal is in progress. I think that is just commonsense.

Hon MARK NEVILL: Therefore, is it correct that if Parliament wanted a copy of that material undeleted and summonsed that material, it would receive the material undeleted? If a parliamentary committee or the Parliament wanted to access these reports, which can potentially have material deleted from them under either the half-yearly reports or reports under the FAAA, it would be required to summons those reports to obtain the undeleted material as a part of that report?

Hon MAX EVANS: I do not want to be held to this, because the member is asking for a legal opinion, which I cannot give. However, the answer is probably yes, Parliament could do it. One would still want some fairly close guards on the information, particularly if one were selling a shop or a big operation like that. The main issue is deleting it from these reports. One would need the FAAA to protect the operation.

Clause put and passed.

Clauses 19 to 26 put and passed.

New clause -

Hon NORM KELLY: I move -

> Page 23, after line 25 - To insert the following new clause -
>
> **Section 48 replaced**
>
> **25.** Section 48 is repealed and the following section is inserted instead -

Review of Act

48. (1) The Minister is to carry out a review of the operation and effectiveness of this Act within 6 months after every 5th anniversary of the commencement of the *Western Australian Land Authority Amendment Act 1998.*

(2) In the course of that review the Minister is to consider and have regard to -

(a) the effectiveness of the operations of the Authority;

(b) the need for the continuation of the functions of the Authority; and

(c) such other matters as appear to the Minister to be relevant to the operation and effectiveness of this Act.

(3) The Minister is to prepare a report on the review within 6 months after the review is carried out and cause the report to be laid before each House of Parliament as soon as is practicable after it is prepared.

This is not the version that is on Supplementary Notice Paper No 18-2; it is a newer version which I have circulated to some of the members involved in the debate. There are a couple of additions in handwriting on that version. In the second reading debate I put the arguments forward, and what appeared on the Supplementary Notice Paper received some level of government approval, but in a reworked way. Unfortunately, I did not receive the Government's preferred version until late this afternoon. That is why I have not moved the version on the Supplementary Notice Paper. I ask members to support this new clause.

Hon MAX EVANS: The Government will support this new clause.

Hon MARK NEVILL: The Opposition supports this amendment. It is important that Acts be reviewed. However, it is also perhaps timely to note that there are now so many Acts with review clauses that in a few years time we will be permanently reviewing Acts. I think we are creating a new industry. Reviews of Acts do not have to result in a massive tome at the end of the review. Some reviews need be only brief.

Hon MAX EVANS: I think these reviews should be fairly brief; otherwise, one will make a whole new industry of reviewers - professionals making a lot of money.

New clause put and passed.

Schedule 1 -

Hon NORM KELLY: I move -

Page 27, lines 3 and 4 - To delete the lines.

This amendment is consequential to that new clause being inserted. It is just a tidy up of the schedule.

Amendment put and passed.

Schedule, as amended, put and passed.

Title put and passed.

Bill reported, with amendments.

PEARLING AMENDMENT BILL

Second Reading

Resumed from 10 November.

HON TOM STEPHENS (Mining and Pastoral - Leader of the Opposition) [5.47 pm]: This legislation has the support of the Labor Opposition. As members will know, the pearling industry is of great importance to the people of this State. It is an industry that has grown in size and strength over recent years. Members who have been here for a while will recall that it was only a few years ago that I showed to the House some very stunning pieces of pearl jewellery that had been produced by that industry operating in our north west. The jewellery designed by those producers has continued to surprise and delight the customers of the world as they have taken up this magnificent and valued produce. I see that my colleague Hon Kim Chance is now available to speak on this legislation; therefore, I will leave him to make his comments.

HON KIM CHANCE (Agricultural) [5.50 pm]: The Opposition is pleased to support the Bill. I thank the Leader of the Opposition, Hon Tom Stephens, who, as a local member with an intimate knowledge of Broome and its pearl coast generally,

is far better qualified than I to speak. Indeed, it could well be why circumstances dictated that he led the Opposition's contribution on this Bill; the other possibility is that I had urgent business elsewhere!

This is another of the Bills that I am inclined to say the Opposition supports in letter and spirit and then take my seat. That is virtually what I will do, but I took the opportunity of reading the contribution in the other place by the member for Eyre when putting the Opposition's view on this Bill. As a former Minister for Fisheries, he is intimately familiar with the growth and development of this great industry, which is a spectacular success, particularly among its peers in the aquaculture industry in Western Australia. The pearling industry has shown the aquaculture industry how to develop an industry of this nature.

The effect of the Bill is administrative only and relates to providing the capacity for fees and charges for the pearling licences to be paid over a period of time rather than as one up-front package. They are very substantial charges, in the order of $100 000 a year. It is an entirely sensible and warranted initiative, which the Opposition is pleased to support.

HON HELEN HODGSON (North Metropolitan) [5.53 pm]: The Australian Democrats also support this Bill. Basically it merely ensures that the fees and licence charges currently raised for pearling licences can be paid by instalments. In view of the size of the licence fees, it is not inappropriate. It brings those fees into line with fees for many other types of licences in other industries. We are happy to support the pearling industry in this way.

Question put and passed.

Bill read a second time, proceeded through remaining stages without debate, and passed.

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

Power to Confer with Assembly's Select Committee on Crime Prevention - Assembly's Message

Message from the Assembly received and read acquainting the Council that it had agreed to the following resolution -

> That the Select Committee on Crime Prevention have power to confer with the Legislative Council Standing Committee on Estimates and Financial Operations regarding the alternatives to prison as a means of punishment.

Accordingly, the Assembly requested the Council to give the Standing Committee on Estimates and Financial Operations power to confer with the Legislative Assembly Select Committee on Crime Prevention regarding the alternative to prison as a means of punishment.

ADOPTION AMENDMENT BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon N.F. Moore (Leader of the House), read a first time.

Second Reading

HON N.F. MOORE (Mining and Pastoral - Leader of the House) [5.55 pm]: I move -

> That the Bill be now read a second time.

This Bill is to amend the Adoption Act 1994 to achieve two objectives. One objective is to give effect, through Western Australian legislation, to the Hague Convention on Protection of Children and Cooperation in Respect of Intercountry Adoption; and the other objective is to provide for the recognition of adoptions under bilateral agreements with prescribed overseas jurisdictions.

At the outset the Minister for Family and Children’s Services would like to thank the Opposition for its offer of bipartisan support for this Bill. Adoption has touched the lives of many thousands of people in Western Australia. Since 1896, when the first adoption legislation was passed in Western Australia, the state adoption laws have tried to reflect the social thinking of the times and have sought to balance and protect the rights of those affected by adoption. The last century has seen many changes to community attitudes and practices in adoption. In particular, recent decades have witnessed a worldwide growth in intercountry adoption. In the financial year 1997-1998, intercountry adoption accounted for approximately 70 per cent of unrelated children adopted in Western Australia. Children adopted from overseas need special care and protection so that they are not exploited and their rights are not abused. Unfortunately there is potential for abuse with intercountry adoption.

The minister had discussions with the shadow spokesperson for Family and Children's Services on this Bill, and the prevention of trafficking and sale of children is a high priority for not only the international community, but also this Government and the Opposition. Extreme poverty and child abandonment in third world countries, together with an increasing demand from couples in western developed countries wanting to adopt, has created an environment in which exploitation, trafficking and sale of children can flourish.

The Hague Convention on Protection of Children and Cooperation in Respect of Intercountry Adoption is an internationally

agreed mechanism to protect the best interests of children who are unable to either remain within their biological families or find a substitute family in their country of birth. In 1988, at the sixteenth session of the Hague Conference on Private International Law, a proposal was accepted to develop a Hague convention on the issue of intercountry adoption.

The Hague conference established a special commission to undertake the preliminary work. The special commission sat in sessions in 1990, 1991, 1992 and 1993. Australia was actively involved in this process and had a high profile in international discussions to develop the convention. Western Australia, and other States and Territories of Australia, had input into the development of the convention through the Australian delegation, which included a representative appointed by the Council of Social Welfare Ministers of Australia, of which Western Australia is a member.

The Hague Convention on Protection of Children and Cooperation in Respect of Intercountry Adoption was finalised on 29 May 1993 and entered into force on 1 May 1995 after being ratified by three countries. All States and Territories have been negotiating for some time with the Commonwealth Government to develop and agree on the infrastructure required for Australia to be in a position to ratify the convention. In July 1997, the Council of Community Services Ministers agreed that the Commonwealth ratify the convention and implement it by way of regulations to the commonwealth Family Law Act 1975 with the inclusion of a savings provision allowing States and Territories to implement the convention by state law.

The Commonwealth Government of Australia lodged the instrument of ratification in the Netherlands on 25 August 1998. This means that the convention entered into force for Australia on 1 December 1998. The commonwealth Family Law (Hague Convention on Intercountry Adoption) Regulations 1998, which implements the convention under commonwealth law, also entered into force on the same day.

Ideally this Western Australian Bill would also come into force on 1 December 1998 so as to preserve and continue Western Australian legislative responsibility for adoptions. Since this deadline has not been met, commonwealth law will apply to intercountry adoptions under the Hague convention while state law and process will apply to all other intercountry adoptions as well as local adoptions until we have passed this Bill.

Prior to ratification of the convention, the Commonwealth Parliamentary Joint Standing Committee on Treaties scrutinised the convention and completed a national impact analysis which included seeking the views of State and Territory Governments, non-government organisations and other interested groups.

The Western Australian Government contributed to the consultation process by distributing draft documents to organisations considered to be interested in intercountry adoption. In addition, a newspaper advertisement advised of the availability of documents and invited comment. In Western Australia, written submissions were received from 10 groups, six of which had a direct interest in adoption. The vast majority of submissions supported ratification of the convention.

The convention is important for Australia because it establishes legally binding standards and safeguards to be observed by all convention countries which participate in intercountry adoption. The convention has the objective of establishing international procedures, standards and cooperative mechanisms between government authorities to safeguard the interests of children who are the subject of intercountry adoption. These safeguards include agreed minimum standards and uniform procedures to regulate intercountry adoptions with the intention of eliminating the abduction and sale of, and trafficking in, children.

The Bill does not include any provision for a review of the operations of this Bill. In the minister's discussions with the member for Kalgoorlie it was agreed to monitor the impact of the legislation on how it achieves best practice in this area. Two countries are involved in any intercountry adoption arrangement. One country acts as the donor or sending country. This is the country in which the child is born or habitually resident. The other country is the receiving country in which the prospective adoptive parents are habitually resident. The convention places obligations on both the sending country and the receiving country.

The obligations on the sending country include -

establishing that the child is legally available for adoption;

determining that the child cannot be placed in the country of origin;

determining that intercountry adoption is in the child's best interests;

counselling birth parents about the effect of adoption and the consequence of terminating the legal parent-child relationship;

ensuring that the consent of the mother has been given only after the birth of the child;

where appropriate, ensuring that the child has been counselled and has given age-appropriate consent;

ensuring that consideration has been given to the child's wishes and opinions; and

ensuring that there are no unauthorised payments or compensation of any kind.

Obligations on the receiving country include -

determining that the prospective adoptive parents are eligible and suitable to adopt;

ensuring that prospective adoptive parents have been prepared for adoption; and

determining that the child will be authorised to reside permanently in the receiving country.

In order to implement the convention, signatory countries are required to create central authorities. In federal countries, such as Australia, it is possible for individual States within a federal country to also become central authorities under the convention. This will be the situation in Australia. The Commonwealth Government will be the central authority for Australia. Each State and Territory Government will be a state central authority responsible for administering the convention in its own jurisdictions.

The Bill before the House today appoints the Minister for Family and Children's Services as the state central authority for Western Australia. Adoption of children in Australia has always been governed by state rather than commonwealth law. As outlined earlier, the commonwealth regulations contain a saving provision which allows States and Territories to implement the convention by state law.

I reiterate that this Bill aims to implement the convention by Western Australian law. The aim is to preserve the continuation of Western Australian legislative rights and authority in relation to adoption matters.

In February 1998, Western Australia and all other States and Territories and the Commonwealth signed a commonwealth-state agreement relating to implementation of the convention in Australia. An objective of the agreement is to ensure that existing state legislation and administrative procedures relating to adoption comply with the obligations of the convention.

The minister would like to confirm that with the passing of this Bill, together with existing administrative procedures and provisions in our Adoption Act, Western Australia complies with the obligations of the convention. Under the commonwealth-state agreement, Western Australia retains responsibility for -

adoption policy;

providing information to prospective parents;

educating prospective adoptive parents about the requirements of the convention;

assessing the suitability of prospective adoptive parents;

preparing a file on the prospective parents and other documentation for the authorities in the overseas convention country; and

placement issues associated with allocation of a child.

The role of the Commonwealth Government will be to facilitate cooperation between authorities in Australia and other convention countries. Any issues which affect the implementation, administration or operation of the convention will be resolved through consultation between the Commonwealth and the States.

The convention requires that adoptions made under the laws of other convention countries be recognised under Australian law. Consistent with these requirements, the Bill allows for the automatic recognition of a legal parent-child relationship between the child and the child's adoptive parents. Also consistent with the convention, the Bill permits a contracting convention country to refuse recognition of a convention adoption if the adoption is manifestly contrary to public policy, taking into account the best interests of the child to whom the adoption relates.

It is important to emphasise that the Bill has been drafted in a way that is compatible with existing provisions of the current Adoption Act. For example, the eligibility criteria for prospective adoptive parents will be the same regardless of whether applicants are applying for a convention intercountry adoption, a non-convention intercountry adoption or a local child adoption. Under the convention, a child in any convention country can be adopted by applicants who are habitually resident in another convention country, subject to the approval of both the sending country and the receiving country and subject to the adoption being made in accordance with the convention.

Consistent with the requirements of the convention, the Bill allows for the adoption of a child from a convention country to live in Western Australia as well as the adoption of a child from Western Australia to live in another convention country. However, Australia is not considered to be a sending country. As the obligations of a sending country include obtaining appropriate consent from birth parents and establishing that a child cannot be placed with a substitute family within their country of origin, it is difficult to foresee any circumstance whereby Western Australia could satisfy the requirements of becoming a sending country. It would be extremely difficult to prove that intercountry adoption was in the best interests of a child relinquished in Western Australia for adoption. In addition, as a matter of policy and practice, this Government will not consent to a child in Western Australia being adopted in an overseas convention country except in very rare and

exceptional circumstances and only when it can be clearly established that such an adoption would be the best option for the child.

It should be noted that current bilateral intercountry adoption programs with non-convention countries will continue as previously. However, the commonwealth-state agreement requires that where a country with an existing bilateral agreement with Australian States does not become a party to the convention within three years from the date of Australia's ratification of the convention, the bilateral agreement is to be renegotiated by the Commonwealth, in conjunction with the States, to obtain conformity with the provisions of the convention. Any new, future agreement with a non-convention country must also be developed to ensure compatibility with provisions of the convention. Western Australia has current programs with three convention countries - the Philippines, Romania and Sri Lanka, although no children have been adopted from Sri Lanka in recent years. From 1 December 1998, when the convention comes into force in Australia, these programs will operate under the convention.

The convention also allows for the accreditation of non-government bodies to undertake intercountry adoption services on behalf of central authorities. In Australia, the accreditation of non-government bodies will be undertaken by the central authority in the respective State and Territory, as will decisions on what duties any accredited bodies might carry out under the convention. This is in accordance with the long-standing responsibility of States and Territories for adoption matters. In order to determine whether a non-government body should be accredited to undertake intercountry adoptions under the convention, accreditation criteria have been developed as a joint exercise by States and Territories. The accreditation criteria are included as a schedule to the commonwealth-state agreement. The criteria will ensure that uniform standards and guidelines are applied throughout Australia for the selection and regulation of non-government bodies which engage in intercountry adoption under the convention. The Bill provides for regulations to be made regarding accreditation criteria and a code of conduct for non-government bodies to undertake intercountry adoptions in accordance with the convention.

I will now speak about the other part of the Bill which relates to the recognition of adoptions under bilateral agreements with prescribed overseas jurisdictions. For several years, the Victorian Department of Human Services, on behalf of all States and Territories, has been negotiating an intercountry adoption agreement with the People's Republic of China. These negotiations have been occurring outside the Hague Convention on Protection of Children and Cooperation in respect of Intercountry Adoption as China has not signed or ratified the convention. A working adoption agreement with China has been drafted. It forms the basis of an arrangement between China and the Australian state and territory community services ministers for the processing of adoption applications of children from China by Australian citizens. The guiding principles in the agreement with China have similarities with the objectives of the Hague convention. The agreement stipulates that the welfare and best interests of the child shall be regarded as the paramount consideration. In addition, intercountry adoption may be considered as an alternative placement for a child only if the child cannot be placed with foster parents or a local adoptive family in the child's country of origin. Included in the agreement are eligibility criteria for adoptive applicants, documentation requirements, child allocation procedures, travel arrangements, fees and post-placement requirements. Currently, because of commonwealth controls over immigration, children entering Australia for adoption do so under the commonwealth Immigration (Guardianship of Children) Act 1946, even though in many cases some form of adoption order has usually been granted in the overseas country prior to the child arriving in Australia.

For children coming to Western Australia, guardianship of the child is delegated from the commonwealth Minister for Immigration and Multicultural Affairs to the state Director General of Family and Children's services. Guardianship is transferred to the adoptive parents only on the granting of a Western Australian adoption order, which normally occurs approximately 12 months after the child has arrived in the State. A similar process occurs in other States. Chinese authorities consider this type of arrangement to be unsatisfactory and they want a greater degree of legal certainty regarding the status of the adopted child in Australia. There is currently no consistent mechanism across the States and Territories which allows for automatic recognition of foreign adoption orders. Implementation of the Hague Convention on Protection of Children and Cooperation in respect of Intercountry Adoption will allow automatic recognition of adoptions from convention countries. However, as indicated earlier, China is not a party to that convention.

The Council of Community Services Ministers has agreed that Australian laws should make provision for adoptions made pursuant to bilateral agreements to include automatic recognition in Australia of those adoptions. Commonwealth regulations for bilateral intercountry adoption arrangements with prescribed overseas jurisdictions have been developed following an amendment to the commonwealth Family Law Act 1975. These commonwealth regulations enable automatic recognition of overseas adoptions with prescribed overseas jurisdictions. China is identified as a prescribed overseas jurisdiction under the commonwealth regulations.

As in the Hague convention implementation process, the commonwealth regulations contain a saving provision enabling the implementation of bilateral intercountry adoption agreements with prescribed overseas jurisdictions, by state rather than commonwealth law. As with the Hague convention process, States and Territories have signed a commonwealth-state agreement regarding the implementation of bilateral intercountry adoption arrangements with prescribed overseas jurisdictions. The objective of this agreement is to provide, in conjunction with relevant commonwealth legislation and relevant state legislation and practices, a cooperative scheme for the automatic recognition in Australian law of adoption

orders made by competent authorities in an overseas jurisdiction. Such a scheme will provide a suitable mechanism to cover those countries which are not parties to the Hague Convention on Protection of Children and Cooperation in respect of Intercountry Adoption. The commonwealth regulations do not apply to a State which has an overseas jurisdiction adoption law which has comparable effect to the commonwealth regulations.

The Bill enables implementation of bilateral intercountry adoption arrangements with prescribed overseas jurisdictions by Western Australian law, thus ensuring continuity of our state law and rights in relation to all adoption matters. The Bill provides for automatic recognition of adoption orders made under the law of a prescribed overseas jurisdiction. Following the passing of the Bill, Western Australian regulations will prescribe the People's Republic of China as an overseas jurisdiction.

In conclusion, I emphasise that intercountry adoption is a worldwide practice which results in complex legal issues and human rights. The overriding principle at all times must be that the best interests of the child are paramount. I reiterate that the Bill will provide appropriate safeguards and opportunities for those children for whom intercountry adoption is the only means of finding a family. At the same time, the Bill ensures the continuity of state law and rights in relation to adoption matters. I commend the Bill to the House.

Debate adjourned, on motion by Hon Bob Thomas.

House adjourned at 6.10 pm

QUESTIONS ON NOTICE

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

ELLE MACPHERSON, ADVERTISEMENTS

355. Hon KEN TRAVERS to the Minister for Tourism:

(1) Can the Minister confirm in a document he tabled in State Parliament on May 7, 1997 that the total cost of placing the Brand WA advertisements featuring Elle Macpherson was estimated to be $6 418 500?

(2) If yes, what is the estimated cost of the placement of the proposed new advertisements?

(3) Can the Minister confirm the answer given to Clive Brown by his parliamentary secretary that this cost will be "in addition to the existing commercials"?

Hon N.F. MOORE replied:

(1) Yes.

(2) The estimated costs for the screening of all the television commercials from 1998/99 – 2000/1 is detailed in the table below. It is the intention of the WATC, to screen the complete set of commercials (existing and new) in a variety of combinations dependent on the market until 30 June 1999. After this time only the new commercials will be shown until the end of the negotiated period which is 31 March 2002. Please note National placement estimates for the 2000/01 year are provided. International placement estimates for the 2000/01 year are yet to be made, and neither national or international estimates for the 20001/02 year have been made yet. Furthermore, it is stressed that these are planned estimates, as tourism markets change dramatically and it is important that the State respond to such changes to ensure that the best result is obtained.

YEAR	LOCATION	COST	CAMPAIGN TIMING
National 1998/99	Placement in Sydney and Melbourne	$300,000	Feb–Mar 99
National 1998/99	Placement in Perth	$190,000	Feb, Apr–May 99
International 1998/99 (*)	Placement in Singapore	$180,000	Mar 1999
International 1998/99 (*)	Placement in United Kingdom	$1,059,000**	Feb/Mar 1999
National 1999/00 (*)	Placement in Sydney and Melbourne	$600,000	Oct/Nov 99 & Feb/Mar 00
National 1999/00 (*)	Placement in Perth	$190,000	TBA
National 2000/01 (*)	Placement in Sydney and Melbourne	$600,000	Oct/Nov00 & Feb/Mar 01
National 2000/01 (*)	Placement in Perth	$100,000	TBA

(*) Estimates only, including costs and campaign timing.
(**) Includes estimated industry contribution of $572,000)

(3) Yes.

ELLE MACPHERSON ADVERTISING CAMPAIGN

387. Hon KEN TRAVERS to the Minister for Tourism:

(1) Can the Minister confirm that on September 16, 1998 he told Parliament that $2 012 574 had been included in the 1998/99 WATC Budget for the "production and placement" of the new Elle advertisements?

(2) Can he also confirm that on the same day he said that the "production costs" of the new advertisements were $436 832?

(3) If yes to (1) and (2) above, is Elle's personal fee of $843 000 included in the "placement" component of the allocation or is this a separate allocation?

Hon N.F. MOORE replied:

(1) Yes, the advice I provided in PQ 184 was: "A total of $2,012,574 has been allocated in the 1998/99 financial year for production and placement (this amount will be supplemented by the industry contributions which are yet to be finalised). It should be noted that funds have also been budgeted in the 1999/00 financial year for production and placement also".

(2) Yes, the advice I provided in PQ 185 was "Estimated production (excluding Elle Macpherson's fee and associated expenses and media placement costs) is $436,832".

(3) For clarification, Elle Macpherson's fee excluding associated expenses, for shooting the second series of Brand WA television commercials is US$450,000 (this will vary with the exchange rate). This is not included in the placement component. When the final television commercials have been approved and all post-production expenses accounted for, I will table a complete synopsis of the second phase of the Brand WA campaign. It is expected this will occur in January 1999.

ELLE MACPHERSON ADVERTISING CAMPAIGN

388. Hon NORM KELLY to the Minister for Tourism:

(1) In regard to the Elle Macpherson advertisements filmed last week, what is the total cost of producing these advertisements?

(2) What is the estimated cost of the advertising campaign using these advertisements?

(3) What is the estimated impact that this advertising campaign will have on visitor numbers to Western Australia?

(4) Will the Minister table the details of how this estimated impact was calculated?

(5) What are the estimated financial benefits from this campaign, for Western Australians and local businesses?

(6) Will the Minister table the details of how these figures were calculated?

Hon N.F. MOORE replied:

(1) The production expenses, excluding Ms Macpherson's fee and associated expenses for the current financial year is estimated at $436,832. It is anticipated that there will be some additional production expenses incurred in the 1999/00 financial year.

(2) In the 1998/99 financial year the total cost of media placement for the Brand WA television commercials (including advertisements from the first and second series) is $1,085,000 net of industry contributions. The WATC has access to the new Brand WA material until 31 March 2002, and estimates for media placement costs for 1999/00 are presently being finalised and are yet to be made for future years.

(3) In both the national and international markets the primary objective of the Brand WA television commercials featuring Elle Macpherson is to raise consumer awareness of Western Australia as a holiday destination. In the national market, consumer awareness is measured as a function of perceived knowledge of WA, propensity to consider WA as a holiday destination, and advertising impact. In the UK, consumer awareness is measured as a function of perceived knowledge of WA and propensity to consider WA as a holiday destination. In the national market, the consumer awareness targets that have been set for the 1998/99 financial year are:

Perceived Knowledge	7% in the category "A Lot"
Propensity to Consider	26.33%
Advertising Awareness	10.06%

In the UK market, the consumer awareness targets that have been set for the 1998/99 financial year are:

Perceived Knowledge	3% in the category "A Lot"
Propensity to Consider	27%

As a secondary objective, in both the national and international markets, the tactical component of the Brand WA television commercials is measured by visitor expenditure. In the national market, the visitor expenditure target for the tactical campaigns is: $1.7 million. In the UK market, the visitor expenditure target for the tactical campaigns is $3.72 million. It should be noted that these figures are a direct result of the campaigns, and it is estimated far greater impacts will be generated via the indirect bookings created by increased consumer desire to come to WA as a result of the commercial.

(4) In the national market, a Roy Morgan Holiday Tracking Survey measures knowledge, propensity to consider and advertising awareness. The Holiday Tracking Survey is conducted as part of an omnibus survey undertaken on a

monthly basis with a sample size of 1,200 men and women aged 14 years and over on a national basis. In the international market, the consumer awareness components of perceived knowledge and propensity to consider were measured via street intercept in the Greater London area and interviews were conducted with consumers defined as "potential visitors" to Western Australia. Consumers who had travelled on a long haul holiday (but not to Western Australia) in the last 5 years or were planning to do so in the next 2 years and they had an annual household income of more than £15,000. The sample size for the pre campaign survey was 431 and for the post campaign survey 640. In both the national and international markets, the visitor expenditure targets from the tactical campaigns are calculated by multiplying visitor numbers (or bed nights) by average length of stay by average daily visitor expenditure.

(5)-(6) See (3) and (4) above.

ELLE MACPHERSON ADVERTISING CAMPAIGN, COSTS

415. Hon KEN TRAVERS to the Minister for Tourism:

(1) Under what heading in the Budget of the West Australian Tourism Commission can the allocation of funds for the new series of Elle advertisements be found?

(2) Can the Minister provide the House with a breakdown of costs of the different components grouped under this heading?

Hon N.F. MOORE replied:

(1) Output 1: National Marketing and Output 3: International Marketing in the 1998 Budget Papers as presented to the Estimates Committee.

(2) Please refer to the section titled *Outcomes, Outputs and Performance Indicators* in the 1998/99 Budget papers as presented to the Estimates Committee.

ELLE MACPHERSON ADVERTISING CAMPAIGN, COSTS

418. Hon KEN TRAVERS to the Minister for Tourism:

(1) Did the Western Australian Tourism Commission seek financial contributions from any other Government, or non-Government agency, towards the cost of the new series of Elle Macpherson advertisements?

(2) If yes, who did they seek contributions from?

(3) What was the amount -

(a) sought; and
(b) actually contributed?

Hon N.F. MOORE replied:

(1) Yes.

(2) The Fremantle Tourism Association, the City of Fremantle, Rottnest Island Authority (RIA), the Goldfields Tourism Association and the City of Kalgoorlie-Boulder.

(3) (a) $30,000 from the RIA and $10,000 from each of the other organisations.

(b) At this stage, written confirmation has been received from the RIA that the Rottnest Business Community will contribute $10,000 and the RIA will contribute $20,000. The Fremantle Tourism Association will contribute $5,000. No formal response has yet been received from the other organisations.

ELLE MACPHERSON ADVERTISING CAMPAIGN, BUDGET

420 Hon KEN TRAVERS to the Minister for Tourism:

In relation to the budget for the "Brand WA- Elle Macpherson campaign" which was circulated to the media on September 13 this year by the chief executive officer of the Western Australian Tourism Commission -

(1) Can the Minister confirm that it is not planned to show the Elle Macpherson advertisement in the UK or the USA in -

(a) 1999/2000; or
(b) 2000/2001?

(2) If yes, will the Minister explain why?

(3) Will the Minister table the schedule showing the timetable for the placement of the new Elle advertisements?

Hon N.F. MOORE replied:

(1)-(2) I can confirm that there are no current plans for the Elle Macpherson commercials to be shown in the USA in either 99/00 or 00/01. The Western Australian Tourism Commission has development a Market Potential Assessment Formula (MPAF) model that has enabled them to identify its core, future and non-core markets. A consequence of the MPAF was that the USA was identified not as a core market but as a future market. As such, the market is being assessed as to the cost of marketing and potential return on investment. It would though, require significant additional funding from the WATC if it was to add the US to its core markets. In regard to the UK market, the media placement plans are still being assessed for 1998/99 and 2000/01. No final decision has been made to the campaigns for the UK at this point in time.

(3) The estimated costs for the screening of all the television commercials from 1998/99 - 2000/1 is detailed in the table below. It is the intention of the WATC to screen the complete set of commercials (existing and new) in a variety of combinations dependent on the market until 30 June 1999. After this time only the new commercials will be shown until the end of the negotiated period which is 31 March 2002. Please note National estimates for the 2000/01 year are provided. International estimates for the 1999/00 year are yet to be made, and neither national or international estimates for the 2000/01 year have been made yet. Furthermore, it is stressed that these are planned estimates, as tourism markets change dramatically and it is important that the State respond to such changes to ensure that the best result is obtained.

Year	Location	Cost	Campaign Timing
National 1998/99	Placement in Sydney and Melbourne	$300,000	Feb - Mar 99
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National 2000/01 (*)	Placement in Sydney and Melbourne	$600,000	Oct/Nov00 & Feb/Mar 01
National 2000/01 (*)	Placement in Perth	$100,000	TBA

(*) Estimates only, including costs and campaign timing
(**) Includes estimated industry contribution of $572,000

CALM - SALE OF LAND

483. Hon CHRISTINE SHARP to the Minister for Finance representing the Minister for the Environment:

(1) How many freehold blocks formerly held in the name of the Executive Director of the Department of Conservation and Land Management ("CALM") have been sold (please give figure year by year)?

(2) How many hectares of pine plantations were sold -

(a) in total; and\
(b) on each block?

(3) Who authorised the sale of these blocks?

(4) Why were the blocks sold?

(5) What was the location number of each block?

(6) To whom were the blocks sold and when?

(7) What was the sum CALM received -

(a) in total;
(b) for each block?

(8) How many more freehold blocks held in the name of the Executive Director of CALM is it planned will be made available for sale in the following years -

(a) 1998;
(b) 1999;
(c) 2000; and
(d) after 2000?

(9) Of these blocks planned to be made available for sale how many hectares of pine plantations are there -

(a) in total; and
(b) on each block?

(10) Who will authorise the sale of these blocks?

(11) Why are they being sold?

(12) What is the location number of each block?

Hon MAX EVANS replied:

(1)-(2) [See tabled paper No 550.]

The following further information is supplied in respect to Question (2):

A total of 849 ha of mainly near mature pine plantations on the sold properties has been retained in CALM's ownership. CALM has entered into a timber sharefarming arrangement via a Deed of Grant of Profit a Prendre with the new owners of these properties which enables CALM to continue to manage these plantations, harvest them at maturity and sell the timber product to customers with which it has existing supply contracts. A total of 521 ha of mainly young pine plantations on the sold properties has been sold by CALM to the purchasers of the land. The new owners of 196 ha of these plantations have entered into a maintenance and harvesting arrangement with CALM, also via a Deed of Grant of Profit a Prendre. Under this arrangement, CALM will act on behalf of the owners to manage the plantations until they are mature. Also during this period, CALM will harvest the plantations in accordance with an agreed thinning and clear felling program and arrange sale of the timber product. CALM retains the right to sell the timber product to customers with which it has existing supply contracts.

(3),(10) The sale of the land has been and will continue to be carried out under CALM's Property Disposal Program which has been authorised by Government.

(4),(11) The main purpose of the sale of the land is to assist in the funding of the pine planting program in the intermediate rainfall zone under the State's Salinity Action Plan. Some proceeds from the sale of the land are also being used to reduce CALM's outstanding debt.

(5),(7),(8),
(9),(10) [See tabled paper No 550.]

SCHOOLS, COMPUTERS - PEEL EDUCATION DISTRICT

526. Hon J.A. COWDELL to the Leader of the House representing the Minister for Education:

In relation to the 1998/99 State Budget announcement of $100m for computers in schools -

(1) Can the Minister for Education advise the current ratio of computers to students for -

(a) non-Government primary schools in the Peel Education District;
(b) Government primary schools in the Peel Education District;
(c) non-Government secondary schools in the Peel Education District; and
(d) Government secondary schools in the Peel Education District?

(2) Can the Minister advise the age and capacity of the computers available for student use in -

(a) non-Government primary schools in the Peel Education District;
(b) Government primary schools in the Peel Education District;
(c) non-Government secondary schools in the Peel Education District; and
(d) Government secondary schools in the Peel Education District?

(3) Can the Minister advise the amount of funding that will be available to fulfill the given criteria of one computer to five students in secondary school and one computer to ten students in primary school, for -

(a) non-Government primary schools in the Peel Education District;
(b) Government primary schools in the Peel Education District;
(c) non-Government secondary schools in the Peel Education District; and
(d) Government secondary schools in the Peel Education District?

(4) Can the Minister advise how schools will fund ongoing costs for access to Internet providers, networking, professional development, technical repairs, support and maintenance?

Hon N.F. MOORE replied:

(1) (a),(c) Information about the current ratio of computers to students and the age and capacity of computers in non-government schools, including those in the Peel Education District, is not known. This information is to be obtained during the application for funds phase of the program for non-government schools. Catholic schools will apply to the Catholic Education Office and independent schools to the Association of Independent Schools. Schools will indicate within their applications the current ratios and the age and capacity of existing computer stock in their schools.

(b),(d) Not available. The statewide census for government schools has commenced with the report planned to be completed in March 1999.

(2) (a),(c) Information about the current ratio of computers to students and the age and capacity of computers in non-government schools, including those in the Peel Education District, is not known. This information is to be obtained during the application for funds phase of the program for non-government schools. Catholic schools will apply to the Catholic Education Office and independent schools to the Association of Independent Schools. Schools will indicate within their applications the current ratios and the age and capacity of existing computer stock in their schools.

(b),(d) Not available. The statewide census for government schools has commenced with the report planned to be completed in March 1999.

(3) (a),(c) The target figures quoted as ratios of computers to students are for government schools only and take account of pre-existing government funding commitments for computers in government schools. The funding available to non-government schools is $20 million over 4 years ($5 million in each year). This is a completely new initiative with no history of previous funding. Depending on the final unit cost of each computer (as determined in the negotiated purchasing or leasing contracts with the suppliers), the basis for allocating funds to non-government schools is more likely to be approximately one computer for every 10 secondary and one for every 20 primary students. This will apply to all eligible non-government schools, including those in the Peel Education District.

(b) The notional funding allocation to government primary schools in the Peel Education District for 1999 is $722 900. This is based on the 1998 student enrolments. The actual funding for 1999 and each of the following three years will be based on the projected student populations for each of the years.

(d) The notional funding allocation to government secondary schools in the Peel Education District for 1999 is $542 300. This is based on the 1998 student enrolments. The actual funding for 1999 and each of the following three years will be based on the projected student populations for each of the years.

(4) The Education Department of Western Australia has budgeted around a figure of $2 000 per machine for the purchase of computers. All government schools will receive additional funding of between $400 and $1 900 per computer depending on their socioeconomic and isolation factors. This means that schools will be receiving funding between $2 400 and $3 900 per computer. The cost of suitable computers available from the recent Education Department tender is between $1 500 and $1 900, depending on school requirements. This means that schools will have between $500 and $2 000 available after they have purchased the computer to fund other learning technologies' costs such as professional development and technical support. The exact amount will depend upon the school's decision on the standard of equipment required, and the school's socioeconomic and isolation funding differential. For non-government schools, the essential benefit is to allow schools to upgrade or expand (through purchase or leasehold) computer hardware and associated software. Non-government schools may then redirect their own funds, otherwise earmarked for these purposes, to other areas such as professional development, networking, technical support and the like.

MINING - MR STEIN'S TENEMENTS

529. Hon TOM HELM to the Minister for Mines:

I refer to question on notice 153 of August 12, 1998 and a letter from the Department of Minerals and Energy dated January 24, 1995 to Mr Eric Stein signed by Mr Hugh Jones, and ask -

(1) Can the Minister state whether a “miscellaneous licence is required” should the “track” on the adjoining tenements now owned by Mr Stein be used for the haulage of mullock (waste rock) and if required the reasons why a miscellaneous licence is required by the Department of Minerals and Energy for the haulage of mullock?

(2) If not, can the Minister explain why not?

(3) Can the Minister state what are the specific "privileges that may exist for other persons outside" of his mining tenements?

(4) If not, can the Minister explain why not?

Hon N.F. MOORE replied:

(1)-(2) On the basis of your statement that Mr Stein now owns the mining tenements underlying the track, a miscellaneous licence is not required.

(3)-(4) The statement made in the letter dated January 24, 1995 to Mr Eric Stein that "you should ensure you do not affect the rights and privileges that may exist for other persons outside your mining tenements" was a general statement to put Mr Stein on notice of possible interests of third parties that the Department may not be aware of. For example, rights to water are covered by the Rights in Water and Irrigation Act 1914 and other parties may have held rights or privileges to water in the area involved.

LANDCORP - SALE OF SURPLUS LAND

541. Hon MARK NEVILL to the Minister for Finance representing the Minister for Lands:

(1) What is the lot number and location of "surplus government land" as described in the 1997/98 Annual Report, which has been sold by LandCorp since July 1, 1998?

(2) On what date was each lot sold?

(3) What price was realised for each lot?

(4) Who was the purchaser of each lot?

(5) Were any intermediaries used in the sale of each lot?

(6) If yes, who?

(7) For what purpose has each lot been developed?

(8) If no development has occurred, for what purpose is the land zoned?

(9) What changes have occurred to zoning of land disposed of in (1) above and on what date did the rezoning occur?

Hon MAX EVANS replied:

(1) Lot 850 Sandridge Road, Bunbury.

(2) Lot 850 was settled on 25 September 1998.

(3) $650 000.

(4) Les Pike Pty Ltd syndicate.

(5) Yes.

(6) The Professionals Bunbury (Real Estate Agent).

(7) Not developed.

(8) Commercial "A".

(9) Already zoned.

MIDLAND WORKSHOPS - REDEPLOYMENT OF EMPLOYEES

556. Hon N.D. GRIFFITHS to the Minister for Transport:

How many persons were employed by Westrail at the Midland Workshops when it closed on March 4, 1994 and of these -

(a) how many were redeployed;
(b) how many have left the State Public Sector; and
(c) how many have received redundancy payments?

Hon M.J. CRIDDLE replied:

At the time of its closure, on March 4 1994, 215 people were employed at the Midland Workshops.

(a) Following closure of the Workshops, 14 employees were redeployed to positions within Westrail and three employees were redeployed to positions in other Government departments.

(b)-(c) Of the 14 employees who were redeployed to positions within Westrail, 13 employees are still employed by Westrail and one employee has since resigned. Westrail is not aware of the current circumstances in respect of the three employees who were redeployed to other Government departments. 198 employees received redundancy payments.

WESTRAIL - CONTRACTS

557. Hon N.D. GRIFFITHS to the Minister for Transport:

Between March 4, 1994 and June 30, 1998, what is the total value of contracts let to the private sector for work previously performed for Westrail at the Midland Workshops?

Hon M.J. CRIDDLE replied:

Provision of an answer to the Hon Member's question would require considerable research which would divert staff away from their normal duties and I am not prepared to allocate the State's resources to provide a response. If the Hon Member has an enquiry about any specific contract let for work which previously may have been carried out at the Midland Workshops, I will endeavour to provide a reply.

PINDAN CONSTRUCTIONS - DETAILS OF CONTRACTS

577. Hon KEN TRAVERS to the Minister for Transport:

(1) Have any agencies or departments under the Minister's control awarded any contracts to Pindan Constructions since July 1, 1996?

(2) If yes, can the Minister provide the following details of those contracts -

(a) the contract number;
(b) the date it was awarded;
(c) the project the contract was awarded for;
(d) the cost of the contract;
(e) if the contract has been completed, the final cost of the contract; and
(f) the names of any other companies who tendered for the contract?

Hon M.J. CRIDDLE replied:

(1) No.

(2) (a)-(f) Not applicable.

LEIGHTON MARSHALLING YARDS - REDEVELOPMENT

599. Hon J.A. SCOTT to the Minister for Transport:

In regard to the redevelopment of the Leighton Marshalling yards -

(1) Has the land gone out to tender?

(2) If so -

(a) how many tenders have been received; and

(b) has a tender been accepted?

(3) If the Leighton Marshalling yards have not been sold, then -

(a) will Westrail adopt a structure plan for the whole area prior to sale;

(b) will the community or Fremantle City Council be involved in the structure plan; and

(c) will Westrail maintain or extend the park and ride facility at North Fremantle?

(4) Will Westrail consider that an area be set aside for community housing projects?

(5) Has Westrail discussed the development of the site with LandCorp?

(6) Will LandCorp be involved in any way with the development?

(7) If so, how?

Hon M.J. CRIDDLE replied:

(1) No. However, nine proponents have registered to put forward a joint venture proposal for development of the land. The joint venture proposals will be evaluated and submitted to Cabinet for approval prior to any joint venture being entered into.

(2) (a)-(b) Not applicable.

(3) (a) Yes. Joint Venture proponents will be required to submit a proposed development plan for the whole area.

(b) Yes.

(c) There are no present plans to alter the existing park and ride facilities at the North Fremantle railway station.

(4) No.

(5) Yes.

(6) No.

(7) Not applicable.

FORRESTDALE LIQUID WASTE SITE - OPERATION

608. Hon GIZ WATSON to the Minister for Finance representing the Minister for the Environment:

(1) When was the Forrestdale liquid waste site established?

(2) What Government agency established the Forrestdale plant?

(3) What Government agency now owns the Forrestdale site?

(4) What firm or agency operates the Forrestdale plant?

(5) What are the main wastes treated at the Forrestdale liquid waste plant?

Hon MAX EVANS replied:

(1) The Metropolitan Septage Treatment Plant in Forrestdale was established in 1988. The Industrial Liquid Waste Treatment Plant on the same premises was established in 1990.

(2) The Health Department of Western Australia established the Forrestdale facility on land then owned by the Water Authority of WA.

(3) Water Corporation now owns the Forrestdale site.

(4) Cleanaway Technical Services operates the Forrestdale plants under contract to the State Government. Waste Management (WA) is responsible for the waste management operations at the site under Section 110M of the Environmental Protection Act 1986.

(5) The main wastes treated at the Forrestdale liquid waste treatment plant include:-

Septage Plant :- biological wastes from septic tanks and grease traps, and some vegetable and animal wastes.

Industrial Plant:- paints and resins, oils and emulsions, solvents, other organic chemicals, acids, alkalis, neutral salts, treated cyanide other inorganic chemicals.

LEARMONTH AIRBASE - UPGRADE

610. Hon GIZ WATSON to the Minister for Transport:

In regard to the $70m upgrade of Learmonth Airbase situated, 35 km south of Exmouth -

(1) Could the Minister indicate the intended extent of military presence to be located at the Learmonth Airbase once the upgrade is completed in March 1999?

(2) What impact will an increase of population and military activity have on the surrounding economy and environment?

Hon M.J. CRIDDLE replied:

(1)-(2) This matter is one for the Department of Defence and the questions should be referred to the Commonwealth for response.

DEPARTMENT OF COMMERCE AND TRADE - INTEREST FREE LOANS

615. Hon KEN TRAVERS to the Leader of the House representing the Minister for Commerce and Trade:

(1) Can the Minister for Commerce and Trade list all companies which have an agreement to receive an interest-free loan, convertible to a grant, from the Department of Commerce and Trade, since January 1, 1995?

(2) For each company, can the Minister state -

(a) for what purpose the loan/grant was provided;
(b) when the agreement was signed;
(c) what the total amount of the loan/grant was; and
(d) over which periods and in what instalments the loans/grants were provided?

Hon N.F. MOORE replied:

(1) For list of companies who have an agreement to receive an interest-free loan, convertible to grant, from the Department of Commerce and Trade, since 1 January 1995, refer to column 1 of table.

(2) (a)-(d)

Name of Company	Purpose	Date Agreement Signed	Total Amount Approved $	Amounts Paid $	Payment Date
Austal Ships	To assist in the development of a shorefront facility at Jervoise Bay for the construction of high speed, lightweight ferries.	February 1996	1,210,000	1,210,000	February 1996
Benale Pty Ltd (Fletcher International Exports)	To attract an export-oriented abattoir to the Great Southern region.	July 1998	2,500,000	2,500,000	July 1998
Broome Crocodile Farm	To assist in the establishment of an abattoir facility and the connection of power.	October 1996	190,400	190,400	December 1996
Canning Vale Weaving Mills	To assist the company to locate its operations on one site and expand its production capacity.	August 1998	4,000,000	2,000,000 1,000,000	August 1998 August 1998
Dunlop Skega	To attract the relocation of the company's head office and manufacturing plant to Canning Vale.	June 1996	1,500,000	500,000 1,000,000	June 1996 October 1996
Mount Romance Australia	To assist in the relocation of the company's operations to Albany.	May 1997	195,000	195,000	September 1997
Nobel Investments Pty Ltd	To assist in the establishment of an integrated synthetic yarn and rug manufacturing facility at Canning Vale, in conjunction with the purchase of the assets and undertakings of the Albany Woollen Mills.	April 1998	2,882,000	1,815,000	June 1998
Oceanfast Ltd	To assist in the development of a shorefront facility at Jervoise Bay for the construction of large, high speed ferries.	April 1997	1,250,000	1,250,000	June 1997
Western Australian Flying College	To assist in the joint venture between China Southern Airlines and WAFC to establish a world class flying college at Jandakot and Merredin.	May 1995	1,000,000	857,000 143,000	August 1995 November 1995
Lancelin Lodge	To provide water and sewerage services	October 1996	9,635	9,635	December 1996

Name of Company	Purpose	Date Agreement Signed	Total Amount Approved $	Amounts Paid $	Payment Date
Margaret River Trust	To provide water and sewerage services	November 1996	11,700	11,700	December 1996
A Judd – Kalannie	To provide power and water services	March 1998	22,188	13,350 8,838	April 1998 April 1998
Dongara Grain Cleaners	To provide power and water services	April 1998	29,159	24,781 4,378	May 1998 May 1998
Hyden Business Development P/L	To provide power service	January 1998	26,599.50	26,599.50	July 1998
Modern Holdings	To provide power service	November 1998	18,811		Not paid as yet
Gascoyne Gold	To provide power service	November 1998	41,525		Not paid as yet
Mt Lesueur Marron & Farm	To provide power service	November 1997	22,203	22,203	November 1997
Fairbridge – Pinjarra	To upgrade sewerage and install a ringmain to provide water for fire fighting services.	January 1998	287,000	21,364.42 38,001.75 39,028.95 1,425.00 91,005.75 48,912.75 15,444.75 2,407.50 14,232.88 Total 271,823.75	February 1998 March 1998 April 1998 May 1998 May 1998 May 1998 June 1998 October 1998 October 1998

POLICE STATIONS, STAFFING LEVELS

617. Hon E.R.J. DERMER to the Attorney General representing the Minister for Police:

(1) What are the FTE Police Officer staffing levels for each of the police stations and police district offices in -

(a) metropolitan Perth; and
(b) country Western Australia?

(2) For each of the above police stations and police district offices, what is the per capita ratio of operational police officers?

Hon PETER FOSS replied:

(1)-(2 Due to the resources and time required to provide a response at a Police Station as per the member's question, I am unwilling to commit the resources required. If the member is able to provide a more specific request a further response may be provided. However information has been provided in respect to each of the 15 Police districts.

DISTRIBUTION OF POLICE RESOURCES IN WESTERN AUSTRALIA		
Metropolitan Districts	**Sworn Officers (a)**	**Per Capita Ratio (b)**
Cannington	289	1:904
Fremantle	350	1:811
Joondalup	228	1:1027
Midland	203	1:684
Mirrabooka	218	1:978
Perth	505.8	1:224
Country Districts		
Albany	113.7	1:449
Bunbury	261.5	1:644

Geraldton	171	1:321
Narrogin	75	1:318
Northam	156	1:390
Kimberley	132	1:194
Pilbara	175	1:243
Kalgoorlie	204	1:201
Meekatharra	34.5	1:195

(a) Counts of sworn police officers are based on Approved Average Staffing Levels as at October 31, 1998. The figures include senior police, police officers, Aboriginal Police Liaison Officers and special constables. Part time employees are counted as a proportion of a full time person, therefore the full time equivalent (FTE) may include a decimal point.

(b) The population figures used to calculate the police to population ratios were sourced from the 1996 Census of Population and Housing data base (CDATA96). Figures relate to the location of persons (Place of Enumeration) on Census night (August 6, 1996). This count may differ slightly to a count of usual resident. The counts are based in a "best fit" of district boundaries with Australia Standard Geographical Classification (ASGC) boundaries. The difference between calculated and actual populations are not measurable, but are assumed to be minor. Population counts therefore do not reflect daytime populations based on place of work, entertainment or shopping that may be especially relevant to the Perth District.

POLICE STATIONS, STAFFING LEVELS

618. Hon KEN TRAVERS to the Attorney General representing the Minister for Police:

(1) What are the FTE Police Officer staffing levels for each of the police stations in the Joondalup district?

(2) For each of the above police stations, what is the per capita ratio of operational police officers?

Hon PETER FOSS replied:

(1) Joondalup District 228.

(2) Joondalup District 1027.

POLICE DISTRICTS, STAFFING LEVELS

619. Hon KEN TRAVERS to the Attorney General representing the Minister for Police:

(1) What are the FTE Police Officer staffing levels for each of the following police districts -

(a) Joondalup;
(b) Mirrabooka; and
(c) Perth?

(2) For each of the above police districts, what is the per capita ratio of operational police officers?

Hon PETER FOSS replied:

The information below is current as at October 31, 1998.

(1) (a) Joondalup 228
(b) Mirrabooka 218; and
(c) Perth 506.

(2) (a) Joondalup 1027:1
(b) Mirrabooka 978:1; and
(c) Perth 224:1

RESERVES, SALE

626. Hon GIZ WATSON to the Minister for Finance representing the Minister for Lands:

(1) Can the Minister for Lands confirm that, during the period between 1993 and 1997, the Government converted 142 Crown Reserves from land reserved for a public purpose into fee simple titles and sold those titles to individual citizens of the State?

(2) What was the process by which that occurred?

(3) Were the provisions of the *Commonwealth Native Title Act 1993* taken into account in engaging in that process?

(4) What steps were taken to ascertain whether or not any native title rights or interests may have existed on the land concerned?

(5) Is it the case that 128 of those former reserves were sold for $17 616 236?

(6) What was the total value of income derived from the State in respect of those sales?

(7) Does the Government propose to distribute any share of the income derived from the sale of those lands to native title holders by way of compensation for the effect on their property interest in the land?

(8) If not, why not?

Hon MAX EVANS replied:

(1) No. There were 162 former reserves sold during the financial years of 1993/94 to 1996/97 and it is known some were sold to individuals and some to other buyers. It would take considerable resources and time to research this information which would also involve seeking details from other agencies. I do not consider the allocation of those resources to be warranted.

(2) The sales were in accordance with the provisions of the Land Act, 1933 and the Land Acquisitions and Public Works Act, 1902.

(3)-(4) Prior to any disposal of land, the implications of the Commonwealth Native Title Act, 1993 are considered. The reserves in question generally were sold under the asset disposal program. In these instances, the land would have been acquired from the freehold estate prior to reservation or would have been used for the purpose of reservation. The circumstances in each instance would require research involving considerable resources and time.

(5) No. 118 former reserves were sold during this period for a sum total of $17 616 236.

(6) The gross sales return of the 162 former reserves was $35 562 870.

(7)-(8) Native title holders, when determined, have the right to seek compensation for past acts which have affected their rights and interests.

SHIPBUILDING, ORGANO-TIN COMPOUNDS

627. Hon J.A. SCOTT to the Minister for Finance representing the Minister for the Environment:

(1) How many ship building and ship maintenance facilities in the Perth region remove organo-tin compounds as part of their operations?

(2) What are their names and where are these facilities located?

(3) How much waste material containing organo-tin compounds has been disposed of since September 1996?

(4) How and where is this waste material disposed?

Hon MAX EVANS replied:

(1) Five ship building and maintenance facilities in the Perth region remove organotin compounds as part of their operations.

(2) The facilities are:
Tenix Shipbuilding WA - Cockburn Road, Henderson
Oceanfast Marine Pty Ltd - Cockburn Road, Henderson
Fremantle Boat Lifters - Mews Road, Fremantle
WA Shipwrighting - Slip Street, Fremantle
HMAS Stirling - Garden Island

(3) The approximate amounts of waste material containing organotin compounds disposed of from each of these facilities since September 1996 are as follows:
Tenix Shipbuilding - 50-75 tonnes
Oceanfast Marine - up to 10 tonnes
Fremantle Boat Lifters - 70 tonnes
WA Shipwrighting - 110 tonnes
HMAS Stirling - 92 tonnes

(4) The wastes are disposed of as follows:
Tenix Shipbuilding - waste contractor to landfill
Oceanfast Marine - waste contractor to landfill
Fremantle Boat Lifters - waste contractor to landfill
WA Shipwrighting - to recycling facility by waste contractor
HMAS Stirling - Millar Road landfill, Rockingham

GOVERNMENT DEPARTMENTS AND AGENCIES, CONTRACTS

658. Hon KEN TRAVERS to the Minister for Finance representing the Minister for Lands:

(1) Have any agencies or departments under the Minister for Lands' control awarded any contracts to the following companies since July 1, 1996 -

(a) Triad Constructions, Triad Contractors or Achron Pty Ltd;
(b) R J Vincent & Co Pty Ltd;
(c) Highway Constructions;
(d) Henry Walker Contracting Pty Ltd;
(e) Ertech Pty Ltd;
(f) Moltoni Corporation;
(g) Brierty Contractors;
(h) Barclay Mowlem Construction Pty Ltd;
(i) Jonor Construction;
(j) Jaxon Construction;
(k) Doric Construction; and
(l) Entact Clough or Clough Engineering?

(2) If yes, can the Minister provide the following details of those contracts-

(a) the name of the contractor;
(b) the contract number;
(c) the date it was awarded;
(d) the project the contract was awarded for;
(e) the cost of the contract;
(f) if the contract has been completed, the final cost of the contract; and
(g) the names of any other companies who tendered for the contract?

Hon MAX EVANS replied:

DOLA

(1) Yes.

(2) (a) Triad Contractors
(b) Project No - PE 6020-004 (DOLA Project 183)
(c) 2 September 1996
(d) Construction of Civil Works - Coolgardie Residential Stage 2
(e) $417,171
(f) $527,677
(g) Malavoca Pty Ltd
Brierty Contracting
Ertech
Utterson Plant Hire Pty Ltd

LANDCORP

(1) (a)-(b) Yes.
(c)-(d) No.
(e) Yes.
(f) No.
(g) Yes.
(h)-(k) No.
(l) Yes

(2) (a)-(g) [See tabled paper No 551.]

WESTERN AUSTRALIAN INDUSTRY AND EXPORT AWARDS

659. Hon KEN TRAVERS to the Leader of the House representing the Minister for Commerce and Trade:

With regards to the Western Australian Industry and Export Awards -

(1) What is the nomination process whereby companies become finalists for the awards?

(2) Does the Department of Commerce and Trade have any input into the selection process, or are finalists chosen wholly by the judging panel?

Hon N.F. MOORE replied:

(1) Nominations are announced in May of each year and are open for a four week period. Nominations are advertised through a series of advertisements in The West Australian. Companies can nominate themselves or be nominated by another individual or company. The Department of Commerce and Trade and sponsors of the awards can also nominate companies. Sponsors are not eligible to be nominated. There are specified criteria against which a nomination is evaluated. Once a company is nominated it is informed of its nomination and then invited to submit a formal application. A formal application consists of a written submission which answers specific selection criteria. In previous years around 300 companies have been nominated but only around 80 have submitted a formal application.

(2) Formal applications are judged as follows:

Department of Commerce and Trade staff identify any non-compliant applications and undertake a preliminary ranking of all applications from highest to lowest.

The judging panel is provided with this preliminary ranking and original copies of all applications. The judging panel selects finalists and a winner in each category.

The judging panel consists of representatives from each of the following:

Sponsors

Corrs Chambers Westgarth
Ernst and Young
Department of Commerce and Trade
Hartley Poynton
Hamersley Iron
Telstra
The West Australian

Endorsing Organisations

Austrade
Trades and Labour Council
Chamber of Commerce and Industry
Australian Institute of Export

The panel is chaired by a senior academic from a business related discipline. Finalists are chosen by the judging panel of which the Department of Commerce and Trade is a member.

LANDCORP, JOINT VENTURE WITH NORTH WHITFORDS ESTATES PTY LTD

662. Hon KEN TRAVERS to the Minister for Finance representing the Minister for Lands:

With regards to LandCorp's joint venture in Landsdale with North Whitfords Estates Pty Ltd -

(1) Why did the Minister for Lands delay giving his approval to the joint venture until March 6, 1998, after negotiation of a joint venture with North Whitfords Estates was approved by the Board of LandCorp on November 21, 1995?

(2) Where and when was the call for expressions of interest advertised?

(3) Was a request for proposal or a request for tender called?

(4) If yes, which companies submitted proposals or applied for the tender?

(5) Where and when was the request for proposal or request for tender advertised?

(6) What has been the total return on the joint venture to date, and what has been LandCorp's share of this return?

Hon MAX EVANS replied:

(1) There were protracted negotiations on the legal provisions of the Joint Venture Agreement.

(2) In *The West Australian* newspaper from 2 September 1995 for a 4 week period.

(3) A request for tender was called.

(4) Hanscon Holdings Pty Ltd
North Whitfords Estates Pty Ltd

(5) In The West Australian newspaper from 2 September 1995 for a 4 week period.

(6) The first stage of the joint venture is still under construction. There will be no return of the joint venture until these lots are developed and sold.

QUESTIONS WITHOUT NOTICE

NYANDI PRISON

675. Hon TOM STEPHENS to the Minister for Justice:

I refer to the Government's decision to use Nyandi as a temporary accommodation for women prisoners and ask -

(1) Is the Government prepared to use Nyandi as a pre-release minimum security prison instead of Pyrton?

(2) If not, why not?

(3) Is it true that within the financial years prior to the closure of Nyandi that a considerable sum of money was spent on upgrading Nyandi?

(4) How much was spent?

(5) Does the minister claim that the buildings and facilities at Nyandi are not suitable for use as a minimum security institution?

(6) If so, on what basis is that claim made?

Hon PETER FOSS replied:

(1) No.

(2) The facility has insufficient capacity and is considered unsuitable.

(3)-(4) During 1996 approximately $200 000 was spent on refurbishing Nyandi pending the opening of Banksia Hill and approximately $90 000 was expended on a security upgrade following an escape.

(5)-(6) Yes. It is designed as a maximum-medium security institution. It is too small and does not have the appropriate program areas. Other features make it unsuitable but these are the three significant features.

SENTENCING LEGISLATION

676. Hon TOM STEPHENS to the Attorney General:

Can the Attorney General confirm that he has refused to release figures indicating the expected increase in the number of people jailed as a result of its planned sentencing legislation? If yes, can he explain to the House why he refuses to do so?

Hon PETER FOSS replied:

I have not refused to release figures. The confusion has arisen because no figures are available. Unfortunately, many matters which are related to this issue are purely hypothetical. I have refused to hypothesise. Since refusing to hypothesise, I have dealt with those areas about which we believe we have a greater capacity to be more precise about what will happen. Those areas are home detention and work release abolition. We can calculate how many people would be affected by that, assuming that the number of people being jailed is similar to the current figure. We would have about 40 extra beds in the first year and another 30 beds over succeeding years, depending on the amount of time for which a person was jailed. The other area which we can possibly estimate is that of parole. We know how many people breach parole each year and how many people commit indictable offences as the cause of breach. If we make the assumption that that will continue, we can form an idea of the effect that will have. However, there are some imponderables. Firstly, there may be a difference in behaviour brought about by the change in the system. We can only assume that there is no change in behaviour and that people will continue to breach at the same rate. Secondly, we have already had a difference in breaching policy by parole officers. In the past few months the increase of about 40 extra people in prison is due to a change in breaching policy. We concluded that for some two and a half to three years after the legislation came into effect, parole would cause an increase of another 40 people, but we believe that has occurred already. Over the next few years, there would be another increase of 30 people. These are the areas about which we can have some degree of predictability without too much hypothesising. The remainder is hypothetical because it depends on what this Parliament approves in terms of a third stage of the matrix and it also depends on people's responses to that. The reason that I have been careful is that I do not wish to hypothesise and tell everyone that that is what will happen. It would be guessing. Unfortunately, once the Government starts to guess, people assume that it has guessed right. That is not a very responsible way for a Government to behave.

PRISON ESCAPES

677. Hon N.D. GRIFFITHS to the Minister for Justice:

Is the minister aware that there were 36 escapes from Western Australian prisons in the first five months of this financial year? Does he recall the prediction in the budget that there would be a reduction in escapes this financial year; that is, from 60 to 55 escapes for the entire year? Can he explain why the reverse appears to be occurring?

Hon PETER FOSS replied:

We must do something about the Western Australian legislation compared to legislation in the eastern States, because they do not have escapes from minimum security prisons, as we do. The reason that they do not have escapes from minimum security prisons is that they logically recognise that it is hard to escape from something in which a person is not confined. The Opposition has made a big issue of the escapes from minimum security prisons because we use the same terminology for people who escape from maximum-medium security prisons as we do for people who escape from minimum security prisons. There have been no escapes from maximum-medium security prisons. We have a regime that works extremely well.

Hon Mark Nevill: There was a break-in at the Eastern Goldfields Regional Prison.

Hon PETER FOSS: Strictly speaking, the Eastern Goldfields Regional Prison is a minimum security prison although it has a maximum security area.

Hon B.M. Scott: We might have people who want to stay longer.

Hon PETER FOSS: We do have people who like to stay longer at our maximum security prisons. I thought the figure was lower than that. I am sure that is probably due to people wanting to go home for Christmas. As I mentioned before, it depends very much upon issues such as what is occurring in people's homes. We try to have a policy of observing people who are under domestic stress to make certain we deal with them prior to their absconding. There are statistical variations from time to time and at the end of the year we will see the net result.

NUCLEAR WASTE DUMP IN WESTERN AUSTRALIA

678. Hon GIZ WATSON to the Leader of the House representing the Minister for Commerce and Trade:

I refer to the consultation between the State Government and Pangea Resources in relation to a nuclear waste facility -

(1) What was the extent of the discussions at those meetings, and on whose request were they convened?

(2) How many meetings were there and on what dates?

(3) Were the meetings conducted at a ministerial or departmental level?

(4) In what manner did the minister advise Pangea that the Government did not support a nuclear waste facility in Western Australia - written or verbal?

(5) If written, will the minister table that correspondence?

(6) Will the minister confirm that the Government does not and will not support the use of Western Australia as a repository for nuclear waste not generated in Australia?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

(1) The meeting was a courtesy call only and requested by Pangea Resources.

(2) One meeting was held on 14 November 1997.

(3) Ministerial.

(4) Verbal.

(5) Not applicable.

(6) Yes.

SENTENCING ACT, GUIDELINE JUDGMENTS

679. Hon HELEN HODGSON to the Attorney General:

(1) How many guideline judgments have been handed down under section 143 of the Sentencing Act?

(2) To what offences do these guideline judgments pertain?

Hon PETER FOSS replied:

I thank the member for some notice of this question.

(1) No guideline judgments have been handed down by the Court of Criminal Appeal, although four guideline judgments were applied for.

(2) The matters in respect of which guideline judgments were sought are sexual relationship and suspended sentences; fraudulent activity; domestic violence; and indefinite sentences of imprisonment.

PILCHARD LOSSES

680. Hon MURIEL PATTERSON to the Leader of the House representing the Minister for Fisheries:

Can the Leader of the House give an outline of how extensive the current pilchard losses are and what steps the minister is taking to identify the causes of the deaths?

Hon N.F. MOORE replied:

I thank the member for some notice of this question. As of 26 November pilchard mortalities have been reported from as far east as the entrance to Port Phillip Bay and 55 kilometres to the west of Eucla, approximately 80 kilometres within Western Australian waters. South Australia Fisheries will not have an estimate of pilchard losses in South Australian waters until after the completion of egg surveys scheduled for March-April 1999.

Fisheries WA is monitoring the extent of the pilchard mortalities and will undertake a land and boat-based survey to estimate mortalities should the disease continue to spread through Western Australian waters. Fisheries WA, as part of the National Pilchard Working Group, is undertaking specific tasks designed to determine the cause of the mortalities; investigate the origin of the mortality event; investigate the trigger for mortalities; and develop some diagnostic tools to detect the virus.

The minister has also recently written to his federal ministerial colleague, Hon Mark Vaile, urging a specific import risk assessment for pilchards through the Australian Quarantine and Inspection Service and additional research to further the work of the National Pilchard Working Group through the Fisheries Research and Development Corporation.

VACATION SWIMMING CLASSES

681. Hon KIM CHANCE to the Leader of the House representing the Minister for Education:

With regard to the Government's plan to contract out vacation swimming classes -

(1) Why were local government authorities not consulted prior to the decision being made?

(2) Can the minister guarantee that costs will not increase as a result of the decision?

(3) Why were local government authorities not given the opportunity to participate in the tender process?

(4) Can the minister guarantee that children in Mullewa will be able to attend swimming classes in Mullewa this summer?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

(1) The Education Department is investigating the potential outsourcing of the management and operation of the Vacswim program through the request-for-proposal process. A final decision to outsource these elements of the program has not been made. When a decision is made, all stakeholders, including local government authorities, will be advised of the decision.

(2) It is a requirement of the request for proposal that potential external managers continue to operate the program to the Education Department's requirements. Cost increases will be limited to consumer price index or real cost increases, such as teacher wages, and will need to be approved by the Education Department before implementation. In addition, the Minister for Education has previously given assurances that outsourcing of Vacswim programs would only proceed if fees were set at reasonable levels.

(3) Local government authorities were free to participate in the process. The request for proposal was advertised on Saturday, 5 September 1998 in *The West Australian*. The advertisement was open to any group, and invited organisations to submit proposals.

(4) Provided an appropriately trained teacher is available, Vacswim classes will be offered in Mullewa for the 1998-99 vacation swimming program. The department is making every effort to locate such a teacher.

WOOROLOO PRISON SOUTH, CONSULTATION

682. Hon LJILJANNA RAVLICH to the Minister for Justice:

In relation to the Wooroloo Prison South proposal -

(1) Will there be a public consultation period before this project proceeds?

(2) If yes, when will this consultation take place?

(3) Who will carry out the consultation?

Hon PETER FOSS replied:

I am surprised that the member, being a member for the area, is not aware that public consultation is already taking place.

Hon Ljiljanna Ravlich: It can't be too effective.

Hon PETER FOSS: It is very effective for people who go to Wooroloo and participate in that part of the electorate. We have already had a public meeting to which all the public were invited. It was a well attended and very positive meeting. As a result of that meeting, a community consultative group was set up. That has met at least once that I know of. It is taking on some of the issues that are seen as important by the community. One of the things they are looking at is the name; many people would rather not be associated with the name Wooroloo. It is looking at things such as the on and off ramps, traffic, and light spill. I think they are happy with the screening of the prisons and the environment matters. They see an opportunity for weekend transport to Wooroloo as a result of visitors, employment and other infrastructure changes. A wide range of matters is being considered by the community consultative group. It has a very positive attitude and it is proceeding well.

MUJA POWER STATION, FLY-ASH

683. Hon CHRISTINE SHARP to the Leader of the House representing the Minister for Energy:

(1) How much fly-ash comes out of Muja Power Station?

(2) In the light of the recent wood heater regulations brought in to curb the amount of wood smoke particles in the air in the metropolitan area, can the minister specify the tonnage that is recorded for the metropolitan area and how that compares with what is coming out of Muja?

(3) In the new power station, how much fly-ash passes the electro-participators?

(4) Is it true that fly-ash has recently been identified as carcinogenic?

(5) If yes, what measures will be taken to eliminate this hazard for the people of Collie?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

(1) To the atmosphere 57 700 tonnes
To land storage - ash dam 188 000 tonnes

(2) Western Power does not have this information.

(3) Precipitator efficiency is 99.73 per cent.

(4) No.

(5) Not applicable.

WATER RESTRICTIONS

684. Hon RAY HALLIGAN to the minister representing the Minister for Water Resources:

(1) What is the likelihood of heavy water restrictions this summer?

(2) What is the long-term outlook for Perth's water supplies?

Point of Order

Hon TOM STEPHENS: Was that question hypothetical by any chance?

The PRESIDENT: The question, in the way it was framed, sought an opinion. If it is reframed, "Are there to be water restrictions this summer?", it may be in order.

Questions Without Notice Resumed

Hon MAX EVANS replied:

(1) The Water Corporation is carefully monitoring the water supply situation. Water stored in the dams system is at its lowest level for the month of November in the last 10 years. The recent media campaign and ministerial statements have highlighted this fact and encouraged all of Perth's residents to conserve water. There is an imperative to reduce water consumption. We are starting the summer with reduced storage, and if during next winter there is continued poor run-off into the system, the circumstances for the summer of 1999-2000 could require the imposition of strict control on water use. To cope with the situation, the corporation will be running an education campaign based on water conservation and efficiency aimed at a short-term reduction of 10 per cent in water consumption and a long-term efficient use of this precious resource. With the recent rains, the new sources that are being developed and the expected good response from the people of Perth and the goldfields, it now appears unlikely that restrictions will be required in the immediate future. However, the situation will be monitored very closely, and if the 10 per cent reduction in water consumption is not achieved, some form of restrictions may be required later in the summer.

(2) The Water Corporation will spend more than $150m over the next four years on water resource development to ensure a secure water supply for Perth into the future. An additional $16m has been brought forward this financial year to assist in relieving the current situation. The corporation is committed to providing a secure water supply for its customers, now and in the future, as well as the water use efficiency requirements of its operating licence.

MURRAY DISTRICT HOSPITAL

685. Hon J.A. COWDELL to the minister representing the Minister for Health:

(1) Will the Murray District Hospital be playing a complementary role to the new Peel Health Campus?

(2) If so, what services will be provided at the hospital?

(3) Is the Government still committed to the $6m upgrade of the hospital?

(4) When will the plans for the promised new 30-bed facility be available for the public to see?

(5) When will the money be made available to start the promised upgrade?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

(1) Yes.

(2) The Murray District Hospital will provide the following services: An emergency department; low-risk maternity; medical admissions; nursing home-type beds, not including dementia care and palliative care.

(3) The Government is committed to the upgrading of the Murray District Hospital; however, until a further needs analysis is undertaken and the full impact of the Peel Health Campus can be measured accurately, the final funding commitment cannot be determined. The previous commitment of $6m for redevelopment remains part of the capital program.

(4) The detailed facilities design work will be undertaken during 1999-2000. This will include facilities for both in-patient and community services.

(5) Once the detailed facilities design work is completed and approved, the capital funds for the project to commence will be determined.

SOUTH WEST HEALTH CAMPUS, MATERNITY BEDS

686. Hon BOB THOMAS to the minister representing the Minister for Health:

(1) Can the minister confirm that the original agreement between the public and private hospitals at the new South West Health Campus includes 15 maternity beds in the public wing?

(2) If so, can he explain why this has now been reduced to only 10 maternity beds?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

(1) In January 1996 the initial allocation was for 15 beds.

(2) The original bed allocations have been revised constantly in the light of the detailed needs assessments, and

adjustments were determined on an overall basis by the director of nursing at the Bunbury Health Service, key stakeholders and user groups.

WATER CONSUMPTION TARGET

687. Hon KEN TRAVERS to the minister representing the Minister for Water Resources:

(1) What is the targeted level of Perth's water consumption from, firstly, 1 December 1998 to 1 March 1999 and, secondly, 1 March 1999 to 1 July 1999?

(2) How much of this water is expected to come from surface water sources?

(3) How much is expected to come from underground water sources?

(4) What was the level of consumption for Perth, firstly, between 1 December 1997 and 1 March 1998 and, secondly, between 1 March 1998 and 1 July 1998?

Hon MAX EVANS replied:

(1) The target is 80.9 gigalitres and 69.9 GL respectively.

(2) Of this, 69 GL is expected to come from surface water sources.

(3) It is expected that 81.8 GL will come from underground water sources.

(4) The level of consumption was 87.3 GL and 74.3 GL respectively.

DISABILITY SERVICES COMMISSION, ABORIGINAL PEOPLE

688. Hon CHERYL DAVENPORT to the minister representing the Minister for Disability Services

(1) Has the Disability Services Commission received any money from the Commonwealth specifically targeting policy development, research or service provision for Aboriginal people with disabilities?

(2) If so, how have these grants been applied?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

(1) Yes. Over the next three years, from 1998-99, $600 000 will be provided - that is, $200 000 per annum - to assist Aboriginal people in rural and remote communities.

(2) The grants will be applied to respite services, carer support and day support services, commencing in March 1999.

MOBILE TELEPHONES, ROAD FATALITIES

689. Hon GREG SMITH to the Leader of the House representing the Minister for Transport:

How many fatal road accidents in the past 12 months have been attributed to the use of a mobile phone at the time of the accident?

Hon N.F. MOORE replied:

Mobile phones have not been recorded as a primary factor in any fatal road crashes in the past 12 months. It is not always known whether the use of a mobile telephone was a primary factor in crashes, as this information is not formally recorded.

PRISON AT PYRTON SITE, SURVEY

690. Hon N.D. GRIFFITHS to the Minister for Justice:

I refer to the recent comments about the survey conducted by the Ministry of Justice on a prison to be located on the Pyrton site in Eden Hill.

(1) Is it true that a full and complete report has not been made available publicly?

(2) Will the minister make available to the Parliament and the people of Western Australia a full and complete copy of the report, detailing the nature of the survey undertaken and its results?

(3) If not, why not; and, in particular, is it the case that the minister will not make this document available as it reveals that the local community is opposed to the location of the prison at the site?

Hon PETER FOSS replied:

(1) I do not believe a copy of the full report will be made available. Normally that information is provided to the person carrying out the survey to enable that group to publish the results.

(2) I will not make it available; I will merely make available the appropriate part of the report.

(3) No. It shows quite plainly that 15 per cent of members of the community are seriously concerned. It does not show that the majority of people oppose the location. Earlier I made the point that I was very disappointed that the Town of Bassendean carried out a highly biased survey and increased that bias by not taking into account the fact that not everybody sought to return the survey. It does not take more than a slight exercise of the imagination to realise who will reply to such a survey. It is also clear that since the announcement was made that the Ministry of Justice had applied for planning approval, although some of the people may have objected to it before, a general concern has not been expressed by the public about this location. In fact, a number of people living quite close to the area have supported the idea and are quite keen to have a minimum security prison there. There seems to be almost a reverse relationship between the acceptance of the prison and distance from where it will be situated.

ELECTRICITY AND GAS CORPORATIONS, RECORD DISPOSAL SCHEDULES

691. Hon HELEN HODGSON to the Leader of the House representing the Minister for Energy:

Has either the Electricity Corporation, established by the Electricity Corporation Act, or the Gas Corporation, established by the Gas Corporation Act, submitted record disposal schedules to the Public Records Office since its incorporation?

Hon N.F. MOORE replied:

I thank the member for some notice of this question. Yes. The Electricity Corporation has submitted such a record. By virtue of the Energy Corporations (Transitional and Consequential Provisions) Act, a retention and disposal schedule submitted by the State Energy Commission of Western Australia in May 1994 applies to the Gas Corporation. Accordingly, the Gas Corporation has not provided the Public Records Office with such a document since its creation on 1 January 1995.

BATTYE LIBRARY, ORAL HISTORY UNIT

692. Hon TOM STEPHENS to the Minister for the Arts:

I ask this question on behalf of Hon Tom Helm. I refer to the review of the Oral History Unit at the Battye Library.

(1) Why has there been a delay in drawing up the terms of reference for this review?

(2) Who is responsible for drawing up the terms of reference?

(3) When will the terms of reference be finalised?

Hon PETER FOSS replied:

(1) There has been no delay. There is considerable progress in this matter.

(2) The State Librarian and the director of the Battye Library, in association with Professor Geoffrey Bolton, are responsible for drawing up the terms of reference.

(3) After further consideration within the Library and Information Service of Western Australia, it is hoped to be able to issue a request for submissions by the end of January 1999.

DEED OF RELEASE AND INDEMNITY

693. Hon GIZ WATSON to the Minister for Mines:

I refer to an unanswered question to the Select Committee on Native Title Rights in Western Australia concerning the deed of release and indemnity between the State of Western Australia and Consolidated Gold NL.

(1) What is the status of that deed in relation to Consolidated Gold NL, as that company is now under the external administration of B. Hughs for Ross Norgard?

(2) What is the status of that deed in relation to tenements 30/1333, 30/1336, which are dead, and 30/131 and 30/132, the latter two now being held by Davey Hurst Mining?

(3) What are the implications of section 14 of the deed in relation to either Aberfoyle Gold Ltd or Davey Hurst Mining?

The PRESIDENT: Order! The first and second parts of this question are in order. As to the third part, I do not know the facts; however, I believe it is seeking an opinion. As I say, I do not know what the agreement or the legal opinion is all about.

Hon N.F. MOORE replied:

I am not aware of what questions were asked of the Select Committee on Native Title Rights in Western Australia. However, in respect of the question asked, I will seek further advice before I can provide an answer. I suggest that the member place the question on notice.

LOCAL GOVERNMENT, SMOKING REGULATIONS

694. Hon KIM CHANCE to the minister representing the Minister for Health:

What compensation will be made available to local government authorities to compensate them for the requirement imposed by the new smoking regulations for shire council-employed environmental health officers to police the proposed regulations after hours?

Hon MAX EVANS replied:

I thank the member for some notice of this question. Monitoring and enforcement of the regulations by environmental health officers is not expected to result in substantial after-hours work. EHOs have been asked to monitor and enforce the regulations during routine duties and in following up on complaints made by the public. They have not been asked to act as smoke police for the Health Department.

High community support combined with a comprehensive public education campaign will ensure widespread compliance with the regulations. The Health Department will be providing training, resources and support to local government EHOs to assist in monitoring and enforcing the regulations. In the instances where EHOs may be required to follow up on complaints, the local government concerned will be responsible for making policy decisions as to whether these complaints are followed up outside normal office hours.

The Health Department will be assisting in extraordinary circumstances where public venues that operate predominantly after hours continue to breach the regulations. The department will work closely with local governments to ensure compliance in these cases. Experience in the Australian Capital Territory, where similar legislation has been implemented since 1994, is that monitoring and compliance by EHOs has had a minimal impact on their other duties and has generally been confined to normal office hours.