



WESTERN AUSTRALIA

# Parliamentary Debates

(HANSARD)

THIRTY-FIFTH PARLIAMENT  
SECOND SESSION  
1999

LEGISLATIVE ASSEMBLY

Wednesday, 10 March 1999

# Legislative Assembly

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

## **BILLS - ASSENT**

Messages from the Governor and from the Deputy Governor received and read notifying assent to the following Bills -

1. Coal Mines Legislation Amendment and Revival Bill.
2. Western Australian Land Authority Amendment Bill.
3. Bail Amendment Bill.
4. Surveillance Devices Bill.
5. Acts Amendment (Land Administration, Mining and Petroleum) Bill.
6. Health Amendment Bill.
7. Occupational Safety and Health (Validation) Bill.
8. Local Government Amendment Bill (No 2).
9. Gas Pipelines Access (Western Australia) Bill.
10. Commercial Tenancy (Retail Shops) Agreements Amendment Bill.

## **CASTLEDARE ESTATE**

### *Petition*

Dr Gallop (Leader of the Opposition) presented the following petition bearing the signatures of 487 persons -

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

We the undersigned petitioners call on the State Government to purchase that portion of the Castledare estate zoned "Parks and Recreation" in the City of Canning Town Planning Scheme No. 40 to allow for its full and proper incorporation into the Canning River Regional Park as recommended by a series of reports to Government.

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

[See petition No 143.]

## **CAMPING LAWS, AMENDMENTS**

### *Petition*

Mr Pandal presented the following petition bearing the signatures of 24 persons -

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

We the undersigned, call upon the State Government to amend certain laws which are seen as unfair, restrictive and discriminatory towards us, the Australian public.

We therefore ask that the following legislation be amended.

1. The Caravan Park 50 km protection zone be returned to its former 16 kms.
2. The 3 night Camping Law be amended to 28 nights on ratepayers own property allowing for holiday visits by family or friends without having to seek special written permission from authorities.
3. That country road Park/Rest Areas limit of 4 hours be increased to 12 hours allowing long distance tourists, travellers and truck drivers to vacate roads during the hours of darkness if they so choose.
4. That en-route country Rest Stops of up to 12 hours be not defined as camping.

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

A similar petition was presented by Mrs van de Klashorst (three signatures).

[See petitions Nos 144 and 151.]

### **LANGFORD AREA - URBAN TERRORISM**

#### *Petition*

Ms McHale presented the following petition bearing the signatures of 270 persons -

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

We the undersigned wish to express our utmost concern that youth and children in the Langford area engage in substance abuse, home intrusions, theft, vandalism and other acts of urban terrorism.

We call upon the Government to take heed of the community's needs and concerns and to take urgent action through Government Agencies to ensure appropriate intervention strategies are implemented to allow residents to live peacefully in Langford and to ensure the right of children to grow in a fulfilling environment.

We urge the Government to fund more youth activity projects in Langford.

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

[See petition No 145.]

### **SWAN RIVER - FORESHORE REDEVELOPMENT**

#### *Petition*

Dr Gallop (Leader of the Opposition) presented the following petition bearing the signatures of 21 persons -

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

We, the undersigned citizens call upon the State Government to reassess its priorities and redirect the \$80 million it has committed to the redevelopment of the Swan River Foreshore to more worthwhile community infrastructure projects in the areas of health, education and public transport.

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

[See petition No 146.]

### **LIMESTONE MINING**

#### *Petition*

Mr Marlborough presented the following petition bearing the signatures of 120 persons -

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

We the undersigned, wish to express our opposition to the proposal to mine for limestone on the Western Ridge of Leda. We believe that this mining application if successful will destroy the beautiful natural environment which we treasure and enjoy. We are concerned that it will affect the health of our children and undermine our real estate values.

We call on the Government to reject this proposal to mine limestone and support the rezoning of this land to a conservation park and allocate the necessary funds.

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

[See petition No 147.]

### **MARKET CITY - HORTICULTURAL PRESCRIBED PRODUCER MARKET AGENT DEMISE**

#### *Petition*

Mrs van de Klashorst presented the following petition bearing the signatures of 415 persons -

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

We, the undersigned producers of horticultural prescribed produce, and those associated with them in the horticulture industry, wish to express our concern at the demise of the third market agent in twelve months at Market City central trading area, at horticultural producers' expense, and insist that a legal and practical method of trading be instituted, which ensures security of payment for product which has been transacted through the regulated market system.

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

[See petition No 148.]

### **LATHLAIN PRIMARY SCHOOL - TOILET UPGRADE**

#### *Petition*

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

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

We the undersigned petitioners call on the State Parliament to provide funding for the upgrade of the toilets at Lathlain Primary School.

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

[See petition No 149.]

### **HEROIN DEPENDENCY**

#### *Petition*

Mrs van de Klashorst presented the following petition bearing the signatures of 12 persons -

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

We the undersigned believe that

heroin dependency and the criminal activities associated with it are increasing alarmingly despite all official efforts to contain the problem;

methadone programs simply exchange one form of opiate dependency for another and do nothing to address the underlying problem of addiction; and

detoxification followed by maintenance treatment with the FDA-approved opiate antagonist naltrexone offers an addict his best and safest chance of permanently ending his addiction, rehabilitating himself and returning to a law-abiding, productive lifestyle.

Accordingly we earnestly call upon the State Government to include outpatient detoxification and primary carer-supervised maintenance treatment with naltrexone as a therapeutic option available free of charge to every person who presents to the Methadone Clinic for treatment of an addiction.

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

[See petition No 150.]

### **SOUTH WEST DEVELOPMENT COMMISSION - ANNUAL REPORT AMENDMENT**

#### *Statement by Speaker*

**THE SPEAKER** (Mr Strickland): I have received a request from the Minister for Regional Development to amend the annual report of the South West Development Commission for 1997-98 which was tabled in the House on 23 December 1998. Appendix 1, which detailed the certification and lodgment of the annual report, was inadvertently omitted from the tabled version of the report. Accordingly, under the provisions of Standing Order No 233, I advise the House that I have authorised the necessary correction to be made and the appendix inserted as corrigendum to the report.

## SOUTH WEST METROPOLITAN RAILWAY MASTER PLAN

### *Statement by Premier*

**MR COURT** (Nedlands - Premier) [11.15 am]: I have great pleasure in presenting to the House the master plan for the south west metropolitan railway. The master plan is a comprehensive document which outlines the best route for a high speed rail service to Mandurah at an estimated cost of more than \$940m. The release of the plan today represents another important step forward in the Government's plan to deliver a fully integrated, world class public transport system to the community. The new railway, together with other government initiatives such as the construction of a bus transit way from Rockingham to Fremantle, the extension of the Kwinana Freeway busway to Murdoch and the circle bus route will produce a level of public transport service never before offered in Perth.

Following a thorough investigation and close consultation with local government, an 82 kilometre route from Perth to Mandurah via Kenwick and Jandakot has been endorsed as the preferred option. A route to Mandurah via Fremantle would increase the distance of the railway, cost more and add valuable minutes to the travel times of commuters. The route via Kenwick and Jandakot will also ensure the greatest number of passengers and the highest level of service. The consultation process also revealed objections to the extension of the Perth to Fremantle service south along the existing railway through the Esplanade and adjacent to Marine Terrace to South Beach. To overcome this, the railway would need to be put underground at a much greater cost.

Cost was also a prohibitive factor in the consideration of a route following the Kwinana Freeway through South Perth. Preliminary estimates indicated that the infrastructure costs alone of a railway line from Perth station, under the city, across the Narrows Bridge, to Mt Henry Bridge and then to Thomsons Lake at Jandakot would be around \$750m. The cost of the complete railway to Mandurah, including trains, via Kenwick and Jandakot is estimated to be just under \$1b.

Within 20 years, more than a quarter of Perth's population will reside in the southern corridor of Perth and as a Government we have a responsibility to plan for this growth in a way that delivers the best level of service to the majority of people. People living in Perth's southern suburbs now and in the future have a great deal to look forward to when it comes to improvements in public transport services. Research shows us that by 2006, patronage of the new railway could be similar to that currently experienced on the northern suburbs railway and every effort is being made to meet that demand.

The Government previously committed to the construction of the railway to Jandakot by 2005. However, it is estimated that construction of the railway to Mandurah could now be completed as early as 2007 and funding options to facilitate this are currently being considered. Detailed design work for construction of the railway to Mandurah will start with the formation of a dedicated project management team which is now in hand. As members of the House will see when they receive their copy of the master plan, a significant amount of work has gone into the preparation of this document and that work will continue. Preliminary work on the railway will begin almost immediately with the provision of a tunnel for the railway in the realignment of Albany Highway at Kenwick. There will be further consultation with the residents of Rockingham to help that community decide the best option for the provision of a future rail service. A series of public meetings will be held to determine the preferred option from those presented in the master plan.

The master plan for the south west metropolitan railway sets out an ambitious but exciting infrastructure project which will add a new dimension to the delivery of public transport services to Perth. I commend the plan to the House and take this opportunity to thank the dedicated team within the Department of Transport responsible for preparing this quality document.

[See paper No 771.]

## YOUTH ADVISORY COUNCILS

### *Statement by Minister for Youth*

**MR BOARD** (Murdoch - Minister for Youth) [11.19 am]: I take this opportunity to inform the House of the progress of the Youth Advisory Council program in Western Australia. The program, which began in 1997, has established YACs across the State, thus receiving feedback and advice from young people from all areas and backgrounds. I am pleased to announce to the House the formation of the Sixtieth Youth Advisory Council in Western Australia.

Youth Advisory Councils are a fulfilment of the coalition Government's 1996 election promise to ensure that young voices are heard. YACs consist of young people between the ages of 13 and 25 who represent all youth in their area. Each YAC can raise specific community issues with me, as well as respond to monthly agenda items. YACs also provide local government with feedback and advice on community needs from a youth perspective. The aims of YACs are to give young people a say in government issues and to enhance decision-making skills, teamwork and creativity, as well as give youth an insight into the way that government works. At last year's Youth Advisory Council forum, entitled "YAC Attack", it was obvious that those aims were coming to fruition. More than 140 delegates from YACs around the State met at St Catherine's College in Crawley to talk about a range of youth issues from road safety to youth suicide, drugs and the media. Guest

speakers at the forum included John McKechnie, former Director of Public Prosecutions; Paul Murray, Editor of *The West Australian*; and Gary Hodge from the Office of Road Safety.

It is vital that we listen to the voice of young people in our State. By making sure that our youth are heard, we are ensuring that they have a stake in the welfare of Western Australia. Age can never detract from the contribution that every Western Australian can make to the community.

I am happy to announce to the House that two and possibly three of the five Western Australian delegates to the National Youth Round Table in Canberra are Youth Advisory Council members. That provides further recognition of the importance of YACs and ensures that the Round Table is provided with views from young people genuinely able to represent their peers in WA.

Western Australia's Youth Advisory Councils are attracting the attention of other States. I had a discussion with the South Australian Minister for Youth last month about setting up a YAC program, based on our model, in South Australia. That is another confirmation of the success of YACs and it brings us closer to a national vision for young Australians.

I encourage all members to utilise their local YACs as sources of valuable advice on how to provide for youth. I also urge members without Youth Advisory Councils in their electorates to contract the Office of Youth Affairs for assistance in establishing one. YACs provide a direct line for young people to the Government, yet importantly, they also give us a chance to hear the youth voice. Young people are a vital part of our community, and we must listen to them.

### **MARKETING OF MEAT AMENDMENT BILL 1999**

#### *Introduction and First Reading*

Bill introduced, on motion by Mr House (Minister for Primary Industry), and read a first time.

### **MINISTER FOR PRIMARY INDUSTRY**

#### *Standing Orders Suspension*

**MR RIPPER** (Belmont - Deputy Leader of the Opposition) [11.24 am]: I move -

That so much of standing orders be suspended as would allow me to move a motion relating to the Minister for Primary Industry's role in breaches of the Public Sector Management Act, the public sector code of ethics and the public sector standards.

I suspect that on a conditional basis the Government will be prepared to support the suspension.

Mr Barnett: You should make some case first.

Mr RIPPER: The Leader of the House would like me to make some case first. Yesterday in Parliament a report from the Commissioner for Public Sector Standards was tabled. The report was dated 5 February 1999. That was the time that the Government had access to the report. Nothing has been said about the report in the time that the Government has had it. It was tabled without a ministerial statement by the Minister for Public Sector Management. The Government has had the report for a month. The public and the Parliament have been completely unaware of what is in the report. The findings in the report are serious. The report states -

The Office of the Minister for Primary Industry did not comply with s.9 of the Act.

That is, section 9 of the Public Sector Management Act. Also, the Commissioner for Public Sector Standards said -

I recommend that the Minister for Public Sector Management carry out an investigation into whether or not any officer in the Office of the Minister for Primary Industry contravened s.105 of the Act, and if so, whether the provisions of Part 5, Division 3 of the Act should be applied to any persons.

That section of the Public Sector Management Act relates to disciplinary procedures. In other words, the Commissioner for Public Sector Standards has recommended that the Minister for Public Sector Management consider whether disciplinary procedures should be carried out against people in the office of the Minister for Primary Industry.

Why should Parliament deal with the matter urgently? It is an important matter. Allegations and findings have been made that people in the minister's office and in his department have breached the law - that is, that they have breached public sector standards and the public sector code of ethics. The Commissioner for Public Sector Standards cannot investigate the role of ministers. Only Parliament can investigate the role of ministers. When it is suggested that a minister might have been involved in a breach of the law, it is surely an urgent matter on which the minister should give an account to Parliament.

Mr House: If you are suggesting that, you had better be careful.

Mr RIPPER: The minister's office and his department have been found to have breached the law. We want to know what

the minister's role is. The Commissioner for Public Sector Standards cannot investigate that. The minister should give an account of his role and his actions at the first possible opportunity. That is why I believe that there should be a suspension of standing orders. I could continue my argument for a suspension but the issues are best debated on a substantive motion if the Government is prepared to accept that I have made a case that the minister at least should consider.

**MR BARNETT** (Cottesloe - Leader of the House) [11.28 am]: I do not believe that the issue warrants the suspension of standing orders or indeed that it is of such great importance or urgency that it should be treated in that way, but I recognise that there will be a debate regardless of that. I am conscious that the Minister for Primary Industry might welcome the opportunity to make some statements about the issue. If the Opposition agrees to a debate of half an hour in total, which I think is appropriate and should be sufficient, the Government will agree to suspend standing orders for a debate of half an hour in total.

Question put and passed with an absolute majority.

*Motion - Breaches of the Public Sector Management Act, the Public Sector Code of Ethics and Public Sector Standards*

**MR RIPPER** (Belmont - Deputy Leader of the Opposition) [11.29 am]: I move -

That this House requires the Minister for Primary Industry to give an account of his role in the breaches of the Public Sector Management Act, the public sector code of ethics and the public sector standards found by the Commissioner for Public Sector Standards to have been committed by his ministerial office and by the department for which he is responsible.

In particular the House requires the minister to declare -

- (1) whether he was aware of, approved of or requested the actions of his office or department before they were undertaken; and
- (2) to explain what action he has since taken to require his office and department to abide by the law.

This is a serious matter. The minister is responsible to this Parliament for his office and Agriculture Western Australia. The Commissioner for Public Sector Standards has found that both his office and the department for which he is responsible have committed breaches of the law, the public sector standards and the public sector code of ethics. I have quoted already the findings about the minister's office. I will quote the findings about Agriculture WA from the Public Sector Standards Commissioner's report -

Agriculture WA did not comply with:

- Section 8(2) of the Act . . .
- the Recruitment, Selection and Appointment Standard . . .
- the Secondment Standard . . .
- the Code of Ethics . . .

These are very clear findings. Both of these organisations for which the minister is responsible have committed breaches of the law. This is about the appointment of someone from the minister's electorate, I understand, to be the correspondence secretary in the minister's office. That is usually a job done by a member of the public service, but for some reason the minister's office - and we must find out what was the minister's role in this - wanted to appoint Ms Pastuer to that position. The minister's office did not seek to appoint Ms Pastuer as a ministerial officer by the processes available for the appointment of those officers. It leaned on Agriculture WA to employ her as a public servant and the sequence of events is outlined in the report from which I have been quoting. It states further -

On May 17, 1996, following a request from Mr Dedman, Executive Officer, Office of the Minister for Primary Industry, Ms Pastuer was appointed as a public servant under s.64(1)(b) by Dr Robertson . . .

Dr Robertson is the CEO of Agriculture WA. The appointment was not subject to a merit selection process as required by the law. Agriculture WA knew it was acting wrongly and improperly. The report further states -

It proceeded against the advice of Agriculture WA's then Manager, Human Resources Policy and Planning, who in April 1996, warned Dr Robertson . . . that the process could be in breach of the Act and Standards.

Agriculture WA must have been under incredible pressure from the office of the minister for that appointment to have proceeded despite that clear warning that it was likely to be in breach of the law and the public sector standards. Following her appointment as a public servant, Ms Pastuer was immediately seconded to the minister's office where she began work as a level 2 correspondence officer. Why was this process applied for Ms Pastuer's appointment? Another process for the appointment of the ministerial officers is available. Why was that process not followed? Equally, why was it necessary to

go to such extraordinary lengths to employ Ms Pastuer when 750 people in the public sector have been deprived of their jobs and are awaiting redeployment to another position within the public sector? Why was one of those redeployees not taken on by the minister? Why did he and his office go to this extraordinary procedure to appoint her and have her as his correspondence secretary?

Mr Speaker, one offence would be bad enough, but this crowd appear to be repeat offenders because a little later they did it again. Obviously they decided that level 2 was not good enough for Ms Pastuer; she must be appointed at a level 4. She gave up her secondment to the level 2 position and the minister's office again leaned on Agriculture WA to appoint her to a level 4 position. On 7 March 1997 Mr Monroe, the chief of staff of the minister's office, wrote to Dr Robertson stating it was proposed to terminate Ms Pastuer's secondment and appoint her to a newly created position of rural liaison officer, level 4, for a period of two years. Dr Robertson sent this correspondence to his general manager of corporate services for implementation. The general manager advised strongly against the proposal pointing out that it would not comply with the public sector standards. Once again Agriculture WA was warned that it was about to breach the law and the public sector standards. Nevertheless the appointment went ahead. Once again Ms Pastuer was deployed to the minister's office; however, this time not through the proper secondment process. No secondment was arranged through the Office of State Administration for Ms Pastuer to go to the minister's office. Agriculture WA simply deployed her. One must ask: Why was that unusual procedure followed? Why did Ms Pastuer not appear on the official staff list of ministerial staff as reported by the Commissioner for Public Sector Standards?

A repeat of the crime occurred in the same circumstances, but there was an aggravating circumstance in addition; that is, no proper secondment process was arranged for Ms Pastuer's promotion from a level 2 to a level 4 position. In the first case, oral pressure was applied from the minister's office; in the second case, the pressure was applied in writing. The Public Sector Management Act states that ministers and ministerial officers should not secure appointments through political pressure in the public sector. That is what section 105 of the Public Sector Management Act is about. That is why there must be, according to the Public Sector Standards Commissioner, an investigation into whether disciplinary action should be taken against the minister's staff for apparently seeking to apply political pressure to have Ms Pastuer appointed by Agriculture WA. The minister cannot claim that his office simply made a mistake as has been reported in this morning's paper. The report from the Commissioner for Public Sector Standards shows that the Ministry of Premier and Cabinet claimed to provide regular briefings to ministerial staff on their obligations under the Public Sector Management Act. His staff, according to the report from the Public Sector Standards Commissioner, would have been regularly briefed on their obligations under this Act. They would have known that they were acting contrary to the law. Agriculture WA was certainly advised that it was acting contrary to the law. Nevertheless people went ahead and did what they did.

There is a missing piece in this story - the piece that the commissioner cannot unfortunately investigate. He cannot investigate the behaviour of ministers. Only this Parliament has the opportunity to hold the minister accountable for what he may have done in these circumstances. The only thing that explains the actions undertaken by Agriculture WA and by the minister's office is the involvement of the minister. I put to the minister the famous questions that were put during the Watergate saga: What did he know and when did he know it? I want to add one more question of my own: What did the minister do about it? He has an agency that has been in breach of the law; he has personal staff in his ministerial office who have been in breach of the law; what is he now doing to ensure that his department abides by the law and that his office abides by the law? What action has he taken since he became aware if he was not already aware - I think he might have been - of the circumstances? What was his role? Did he ask his office to arrange for Ms Pastuer to be given a job? Did he suggest to his office that it persuade Agriculture WA to employ her as a public servant? Was he aware of the advice that was given on two occasions to the chief executive officer of Agriculture Western Australia that the action may be in breach of public sector standards? Did he know that there was concern in his own agency? Was that advice ever relayed to him? Did he ignore it? Did he say to his office that the end justified the means and that it should go ahead and do it anyway? What is his explanation for his role in all of these events which are still ongoing? Does the minister support the recommendation of the Commissioner for Public Sector Standards that the Minister for Public Sector Management should investigate whether disciplinary action should be taken against his staff? Does he accept the findings of the Commissioner for Public Sector Standards or does he dispute those findings? If he accepts the findings, does he accept ministerial responsibility for the behaviour of people in his agency and office? The minister is responsible to this Parliament for that behaviour. However, I am interested to know whether he accepts responsibility for the behaviour that has been revealed by the Commissioner for Public Sector Standards.

Sometimes when these issues are debated the Government has a tendency simply to try to point to the past to justify actions that it is taking. The Government brought in the Public Sector Management Act. It said that new standards would apply to public sector management. It should now live by them. We require an accounting from the Minister for Primary Industry of his role in these events. It cannot be done by the Commissioner for Public Sector Standards.

A piece is missing from this story. There is a need to explain why Agriculture Western Australia acted against its own specialist advice and why the minister's office seemed so determined to secure the appointment of this person. Only one explanation seems credible at the moment; that is, that those at the department were acting at the request of the Minister for



Primary Industry, who was prepared to contemplate breaches of public sector standards and the law to achieve his object. If the minister has a different story, it should be a good one which is given to the Parliament urgently.

**MR HOUSE** (Stirling - Minister for Primary Industry) [11.42 am]: This motion would be more appropriate to my other portfolio of Fisheries, because the Deputy Leader of the Opposition has been on a fishing expedition. He has made many suggestions, a few innuendos, and has not produced any facts at all.

Mr Ripper: I have a report from an independent officer.

Mrs Roberts: He has conducted an investigation and found you guilty.

Mr HOUSE: If opposition members would stop their chattering, I am quite prepared to answer the accusations they have made.

Ms MacTiernan: You said it is a fishing expedition.

Mr HOUSE: The member for Armadale is truly awful.

Ms MacTiernan: You do it to us.

Mr HOUSE: I must.

The SPEAKER: Order!

Mr McGinty: It is better than being corrupt.

Mr HOUSE: Who is corrupt? Is the member suggesting that I am corrupt?

Mr McGinty: Who had the adverse finding made against him by the commissioner? The minister wants to stand here and abuse us, but he is the one with the adverse finding against him. The Government has no credibility.

The SPEAKER: Order!

Mr HOUSE: I said to the Press yesterday that there is no doubt that in hindsight my staff could have selected a better way to make this appointment.

Mr Ripper: Did Agriculture Western Australia not tell them that it was wrong?

Mr HOUSE: The Deputy Leader of the Opposition brought this motion before the House. He should give me the opportunity to answer his questions. The staff officers who have been accused by Mr Saunders are very competent people who are doing a good job and trying their best to make sure that their office produces a good service for the people we represent. I support them totally.

To answer the questions raised by the Deputy Leader of the Opposition, this position was advertised after the resignation of one of my staff. A number of people applied for that job. We became aware that Ms Pastuer would also be interested in that job, and she sought an interview with Mr Dedman. That is the process by which she became involved. In that sense, my office did everything that was proper. I repeat: My office, and the officers who are accused by Mr Saunders in this report of committing a breach of the Act, did everything that was proper. They do not accept that they did anything wrong.

This matter has not been finalised. Mr Saunders produced a report, of which he gave me a copy in December. It was pointed out to him that there were some factual errors in the report. He then withdrew it and asked for its return. It was given to him by my office and, I understand, by the Parliament. He subsequently produced another report. After reading that second report, it was pointed out to him that it was factually incorrect.

Mr McGinty: Are you saying he is a complete dill? He must be on the basis of what you are saying.

Mr HOUSE: Just listen to what I have to say. I am outlining the facts of this matter. Mr Saunders asked that the second report be returned to him. It was subsequently tabled in the Parliament yesterday. My officers have written to Mr Wauchope, who is the proper authority with respect to their affairs, pointing out to him that there are also errors of fact in this report. At no stage was my staff given the opportunity to present its case to the Commissioner for Public Sector Standards. That is clearly unfair. My staff, including particularly my chief of staff, has a duty of responsibility; my chief of staff has a duty of care to the staff under his control. He was administering that duty of care and responsibility in a way that he thought was fit, proper and appropriate. There was absolutely no intention whatsoever to breach the Act. He has not been given an opportunity to explain that to anybody; yet Mr Saunders went ahead and tabled this report. Mr Saunders can answer for that. If he felt that he should go ahead after some deficiencies in his report had been pointed out to him, that is entirely a matter for him.

It is no secret - it has been debated in this Parliament a couple of times and suggested publicly, particularly by Mr Fielding, who was asked to review the Public Sector Management Act - that there are some deficiencies in the Act. Section 105 is

ambiguous on how appointments should be made. Under that section of the Act, it would be almost impossible to make appointments to ministerial offices. It depends how the Commissioner for Public Sector Standards wants to interpret his role in this matter. We are talking about a level 2 officer being appointed to a minister's office.

Mr Ripper: And then promoted to a level 4.

Mr HOUSE: That is correct. This person is an accredited agricultural scientist, with a degree in agricultural science, as well as an accredited journalist. She did not come without qualifications. She did not, and does not now, live in my electorate; she was not one of my constituents. She came from Albany, was a constituent of the member for Albany and was known to me. I think she now works somewhere in the eastern States.

Mr Ripper: Is the minister arguing that the end justifies the means, and that the law is wrong so he does not have to abide by it?

Mr HOUSE: No, I am not. I am outlining the facts. Nobody in my office intended to breach the Act. The director general, the chief executive officer of Agriculture Western Australia, did not set out to breach the Act. This was not a permanent public sector appointment; it was a contractual appointment which would finish at the end of the contract. Therefore, there was no suggestion that anybody set out to appoint Ms Pastuer to the Public Service on a permanent basis. As I have clearly said, there was no intention by anybody to breach anything. Mr Saunders has made some assumptions, and he is still investigating those matters. I assume he will make a further report to the Parliament because he has not yet given my staff an opportunity to explain their role in these matters. That whole process is yet to be finalised.

Mr Ripper: It sounds as though he will be leaned upon to provide another report.

Mr HOUSE: If the Deputy Leader of the Opposition had read the Act, he would know that nobody can lean on Mr Saunders. I have not even spoken to him, and I have no intention of speaking to him because it would be improper to do so.

Mrs Roberts: You could probably do with some independent advice from him on how to conduct your ministerial affairs.

Mr HOUSE: That is the member's judgment.

Mr Ripper: You said nobody set out to breach the Act, but on two occasions officers with specialist knowledge advised the chief executive officer that he was doing the wrong thing.

Mr HOUSE: That is the assumption Mr Saunders is making in his report to this Parliament.

Mr Ripper: He quotes the people who gave the advice.

Mr HOUSE: Mr Saunders has never spoken to my staff with regard to qualifying those matters and he has not asked them to qualify those matters. That is the problem. He has not spoken to me about this matter either. This is a storm in a teacup, if ever there was one. It is a beat-up on two counts; that is, the Commissioner for Public Sector Standards is trying to hang out to dry a level 2 officer and a few other people attempting to do their job properly, and it is also a fishing expedition by the Opposition members who think they will make a mountain out of a molehill. This matter is not of that sort of consequence. I have nothing to hide and neither have my staff. We are quite happy to give an explanation to the Commissioner for Public Sector Standards if he wants it.

**MR COURT** (Nedlands - Minister for Public Sector Management) [11.52 am]: I shall make some brief comments in relation to this matter because I am disappointed that the report has been tabled when a number of claims in the report are unresolved. The findings of the report impact directly on the staff in the office of the Minister for Primary Industry and in Agriculture Western Australia, yet a number of issues remain unresolved. A substantive matter is still in dispute relating to a finding by the commissioner that the Ministry of the Premier and Cabinet breached the public sector standards on secondments. The ministry has received clear legal advice that that is not the case, and also the report contains at least one error of fact. I want to briefly outline the ministry's involvement in this process.

On 5 February 1999 the Commissioner for Public Sector Standards provided me with a report of an investigation into Agriculture Western Australia. That was not the first occasion on which the matters contained in the report were raised with the Premier's department. On 15 June 1998 the office of the commissioner wrote to the Director General of the Ministry of the Premier and Cabinet providing a copy of a report into recruitment and selection practices within Agriculture Western Australia, and seeking advice on any factual errors. Following this, the commissioner issued his report on 1 December, some five months later. I understand that report was significantly different from the report submitted in June 1998. Although the December report was issued as a final report, the director general had grave concerns about its content and accuracy, and he wrote to the commissioner advising him of these matters. He also met with the commissioner. The commissioner subsequently advised the director general that his December report should not be considered as a final report, and that it should be treated as an opportunity for people to make comment. That is where the minister referred to his being asked to give back the report because it was not the final report. The commissioner then reissued his report on 5 February 1999, and the ministry has raised new concerns about that report with the commissioner.

Mr Ripper: There is a recommendation that the Minister for Public Sector Management consider the actions of the staff of the minister and whether disciplinary action should be taken.

Mr COURT: I will get to that. It is unfortunate, with an issue which is relatively small and involves unresolved issues, that all the matters were not resolved before the report was tabled.

Mr Ripper: The report does not say that some matters are unresolved.

Mr COURT: The commissioner's findings are now the subject of investigation and further consideration. As this process, together with discussions with the commissioner, is still under way, we must be careful about what we say to avoid compromising the investigation. In answer to the question from the Deputy Leader of the Opposition, as suggested, the process of investigating those matters has been started.

Mr Ripper: You are investigating whether disciplinary action should be taken against the staff?

Mr COURT: Yes, because that was the recommendation and it is being done. The point I am making is that I am concerned that this report has been tabled when it has been indicated that some of the substantive matters are wrong and there are some errors of fact.

**MR MCGOWAN** (Rockingham) [11.56 am]: When listening to the Minister for Primary Industry in this debate, I could not help but think of a former Premier of Queensland, Russell Cooper, who was Premier in 1989 for one brief, inglorious period. He was asked at one stage what the concept of ministerial responsibility was, and he had absolutely no idea. The Minister for Primary Industry has absolutely no idea what it means. It means that the buck stops with the minister. The blame should not be put on his ministerial officers. The Minister for Primary Industry did not answer one significant question, even though it was asked about six times. Did he speak to his ministerial officers about this appointment?

Mr House: You make your own speech.

Mr MCGOWAN: Yes; he spoke to his ministerial officers about employing Ms Pastuer before she was put on the payroll. It was his order.

Mr House: I answered that question.

Mr MCGOWAN: Will the minister answer it now?

Mr House: I did answer it.

Mr MCGOWAN: The minister spoke to his officers about it?

Mr House: I answered the question.

Mr MCGOWAN: The minister is trying to blame his ministerial officers.

Mr House: I did not.

Mr MCGOWAN: He is trying to blame them when he directed them to put somebody on the payroll in an illegal fashion in breach of the Public Sector Management Act. He has breached the Act by his actions, and it is not acceptable for him to say in the Parliament that it was a mistake on the part of his ministerial officers. It is obvious that Ms Pastuer was known to the minister prior to her appointment, although she may not live within his electorate. She was obviously an acquaintance or friend of his, and therefore he rejigged the guidelines laid down by the Act to get a job for an acquaintance. I thought that kind of behaviour was all in the past and that it was no longer acceptable in this State.

When the Premier, the Minister for Public Sector Management, protests that this is a very small matter, it is quite plain that he is wrong. It goes to the conduct of one of his senior ministers, the deputy leader of the third party in this State and his coalition partner. It goes to the personal conduct of that minister in the operation of his ministerial office. It is unacceptable for the minister to avoid the questions and put the blame on ministerial officers. It shows a lack of understanding by this minister of the proper processes of government. The Premier should arrange for his office to investigate the Minister for Primary Industry or explain to him how things operate. It is about time the Minister for Primary Industry learnt a few lessons.

Question put and a division taken with the following result -

Ayes (20)

Ms Anwyl  
Mr Brown  
Mr Carpenter  
Dr Constable  
Dr Edwards

Dr Gallop  
Mr Graham  
Mr Grill  
Ms MacTiernan  
Mr Marlborough

Mr McGinty  
Mr McGowan  
Ms McHale  
Mr Pental  
Mr Riebeling

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

## Noes (31)

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

## Pairs

Mr Kobelke

Mr Kierath

Question thus negatived.

**ACTS AMENDMENT (CRIMINAL PROCEDURE) BILL***Second Reading*

**MR PRINCE** (Albany - Minister for Police) [12.04 pm]: I move -

That the Bill be now read a second time.

The Bill enables Courts of Petty Sessions to take as proved any allegation in the summons served on the defendant in relation to the complaint where there is no appearance by a defendant.

Background: In 1997-98, 33 217 persons, involving 51 120 complaints, were summoned to appear in Courts of Petty Sessions throughout Western Australia. In the Perth Court of Petty Sessions alone, 14 380 defendants involving 22 400 summons complaints were dealt with. Flowing from this were 1 357 hearings held in the absence of the defendant. These ex parte hearings were held as defendants failed to appear either in person or by notifying the court of their intention to plead guilty or not guilty. This equated to 148 listings in Perth, where at present three half-day listings per week are scheduled for ex parte hearings in the Court of Petty Sessions.

The Auditor General in his November 1996 performance examination "Order in the Court, Management of the Magistrate's Court" found that in ex parte hearings, police witness affidavits were submitted 20 per cent of the time, and on average 1.5 civilian witnesses were required to attend court to give evidence. Based on the number of ex parte hearings held in the Perth Court of Petty Sessions in 1997-98, it has been estimated that in the order of 1 600 witnesses were required to attend court to give evidence. This is an inconvenience to the community and an unnecessary cost to taxpayers for the payment of the requisite witness fees and loss of earnings of the witnesses. More importantly, it is a significant expenditure of police time in what is seen as a somewhat futile exercise.

Overview of current procedures: Currently police and other prosecuting agencies summon defendants for simple offences to be heard and determined in Courts of Petty Sessions. Such a summons must be served upon the person to whom it is directed by one of a number of means provided for in the Justices Act.

At this point several options are open to the defendant: First, if the defendant has by written notification advised the clerk that he or she wishes to plead guilty to the charge, the court proceeds to hear and determine the complaint as though the defendant were present and had pleaded guilty. Second, a defendant may plead not guilty by endorsement. When the clerk receives such notice, the defendant is advised of the date allocated for the hearing of the complaint. If the defendant fails to appear at this time, the court may proceed to hear and determine the matter in the defendant's absence. Importantly, in the context of the purposes of this Bill, a hearing under these circumstances requires the attendance of all prosecution witnesses. Third, if a defendant fails to appear and does not lodge a plea of guilty or not guilty, the court proceeds to hear and determine the complaint. In this circumstance, the court, upon proof of service of the summons, may proceed to hear and determine the complaint in the absence of the defendant; or adjourn the hearing of the complaint and may issue a summons and, if not obeyed, a warrant, or a warrant to apprehend the defendant and bring the defendant before the court.

In certain circumstances where the court proceeds to hear and determine the complaint in the absence of the defendant, section 135(2) of the Justices Act enables the prosecution to rely on affidavit evidence. These situations are restricted by the section, and include simple offences against the Road Traffic Act and any subsidiary legislation made under enactment prescribed for the purpose. Reliance upon affidavit evidence obviates the need to call witnesses but it creates problems for prosecuting agencies because of the need to prepare and swear affidavits. At present, a number of safeguards are balanced against the provision which enables defendants to be dealt with in their absence. Specifically, protection is provided in section 56A of the Justices Act 1902 for defendants who were unaware of the existence of the complaint made against them

and who became aware only on notification of the penalty imposed. In these instances defendants may apply to have the decision set aside and the matter reheard. Also, section 136A of the Justices Act enables defendants who were unable to attend the hearing to apply to set aside decisions made in their absence. Considerable cost is associated with hearing and determining matters where the summons is issued and served on the defendant, and no response is received by the court. These costs, delays and inconvenience accrue because on the return date the court must adjourn the matter so that evidence can be produced either in the form of affidavits or witnesses.

As earlier stated, this Bill enables the court to hear and determine summons matters in the absence of a defendant for simple offences that are not indictable offences, and in doing so the court may take as proved any allegation in the summons served on the defendant in relation to the complaint. The heart of the Bill is that affidavit evidence and the requirement to call witnesses will no longer be necessary where defendants fail to respond to a summons.

Provisions in the Explosives and Dangerous Goods Act 1961, the Taxi Act 1994 and the Transport Co-ordination Act 1966 are repealed because the provisions of the Bill will similarly render the use of affidavit evidence as no longer necessary.

As noted earlier, the matters covered by this Bill relate to simple offences that are not indictable offences, where the complainant is a public officer. For the purposes of the Bill, a public officer is defined in section 1 of the Criminal Code, and includes, among others, police officers, public service officers and local government officers. The Criminal Code currently does not contain provision for the prosecution of complainants who knowingly make or swear a complaint which they know to be false. The introduction of section 133A to the Criminal Code is appropriate, given that a complaint may, without any evidence being adduced by the complainant or anyone else, result in a conviction. Section 133A of the Criminal Code makes this offence a crime punishable by seven years' imprisonment. I commend the Bill to the House.

I table an explanatory memorandum to the Bill, which is in the form of clause notes.

[See paper No 772.]

Debate adjourned, on motion by Mr Cunningham.

## **COURT SECURITY AND CUSTODIAL SERVICES BILL**

### *Committee*

The Deputy Chairman of Committees (Mr Barron-Sullivan) in the Chair; Mr Prince (Minister for Police) in charge of the Bill.

#### **Clause 1 put and passed.**

#### **Clause 2: Commencement -**

Mr RIEBELING: All the way through this legislation reference is made to a start-up date of 1 July and the legislation coming into operation in August or September. Presumably that means that all this Bill is trying to put in place is already to the minister's satisfaction. It is somewhat presumptuous to come to that conclusion prior to the Bill going through both Houses of Parliament. I understand that in the Central Law Courts, private contractors have been operating for a number of years. I think they are from Chubb Protective Services Division. They certainly look as though they are wearing Chubb uniforms. Is the minister happy with the way that is operating? Is the number of security officers currently being used in the Central Law Courts some sort of indication of what we can expect throughout the rest of the State for court security? How many security officers are being employed currently in the Central Law Courts and of how many courts are they in charge of? I understand there are approximately 50 courts in the Central Law Courts. How many of those security people are engaged in duties of court security rather than prisoner management?

Mr PRINCE: There is probably a misunderstanding of what the Chubb people do. They are there, as one often finds in many other buildings, as building security officers. I think perimeter security is the term often used when they are looking after car parks and things of that nature. In the course of doing that, they patrol the corridors. However, they have no power at all - none whatsoever - other than that which the member and I as individuals have. They have no police powers. No doubt their mere presence is of positive benefit in controlling people. However, Chubb security officers are doing exactly the same job as security officers in a banking building, office building or anywhere else, particularly in the central business district of Perth. That job is not that envisaged by this Bill with reference to court security.

Mr RIEBELING: I understand that when these people started, the number of police in the Central Law Courts reduced quite dramatically. At the present time, no court security is provided by the Police Service or Chubb in a number of the courts. The example put forward by the member for Kalgoorlie yesterday was of a young bench clerk, female or male, facing a defendant who is not particularly happy about going to prison. I have heard in the past couple of months of a person being sentenced to prison and a bench clerk, who is not trained in any way to apprehend people going to prison, has had to ask the person to sit at the back of the court while security is arranged. The Central Law Courts, which is by far the biggest, is already having those problems. Yesterday the minister said that every court would have security in it. If that is the case,

a probable 40 or 50 security people will be employed in the Central Law Courts alone. Will the minister enlarge on what he said yesterday?

Mr PRINCE: The member's example of someone being sentenced to imprisonment without police officers present in the court is far-fetched. I am speaking in large part from my experience of 20 years. I have never seen a prosecution brought in a court without a police officer being there when there is the possibility, and certainly when there is the probability, of someone going to jail. One of the examples the member for Kalgoorlie raised is that of dealing with the Family Court list. I refer to a case before a magistrate or a Family Court judge, which has a stack of restraining orders. People can become highly emotionally charged and sometimes irrational. Occasionally they can become violent. I have seen people who have had to be restrained, as I said yesterday during the second reading response. Police officers are not there for that because it is not part of their function. The member for Kalgoorlie and I agree that the only person there is the bench clerk, who more often than not is female.

Mr Riebeling interjected.

Mr PRINCE: I am sure there was no problem when the member did it. From time to time there is no problem when people my size appear as counsel and put a hand on a client's shoulder. We are talking about trained security officers in the courts for criminal matters. That does not happen necessarily now. It happens because the police choose to do it or when they think there is a threat. If a court is dealing with a traffic list, it may not have anybody there other than the prosecuting sergeant and some other traffic police officers giving evidence. Most traffic matters are dealt with by a fine, suspension and so on. Occasionally, a person may go to jail because of subsequent driving under suspension, which carries a mandatory sentence of imprisonment. Almost invariably with that, the police will have predicted it and have an officer there to take the person into custody. Those things happen from time to time.

Mr Brown: You will not have one of those third force people there at all.

Mr PRINCE: Yes, we will.

Mr Brown: In areas where there is at present no police officer, you will have one of the third force people?

Mr PRINCE: That is the object of the exercise.

Mr Brown: What is the estimate of third force people now necessary for this job where there are no police officers at present?

Mr PRINCE: For all services I am informed 245; for court security and transport about 130.

Mr Brown: In the second reading speech, the minister said this change would save 247 prison officer jobs. He is now saying this will cover additional work done by prison officers. I cannot follow this line of logic that it will be an expanded service covering areas not covered now, yet 200 jobs will be saved.

Mr PRINCE: My advisers are pointing out the obvious: An integrated service will be run, instead of having two organisations doing similar things not in a coordinated way. With one integrated service, obviously there can be areas of shared responsibility.

Mr Brown: Is the minister suggesting prison officers have been waiting around all day for people to come out of court?

Mr PRINCE: It is a matter of predictive plans. The court list will be known - that is, the people involved in those cases who will be in attendance - and the appropriate people will be provided, as well as transport to and from the courts where that is required. For people who are coming to court of their own volition and who are likely to walk out after the case, rather than being taken away in a van, the requirement for court security is much less. People coming out of security, whether it be a lockup or a jail, to go to court are likely to go back there. That is a matter of planning. I should have thought that is fairly obvious.

Mr RIEBELING: Despite the minister's doubt that this event occurred, this is an actual incident; I have not made it up. Within the past four months another incident occurred - this is similar to the one just mentioned by the member for Kalgoorlie - where a defendant punched the legal representative and then took off out of the courtroom. I know of yet another incident at the Central Law Courts, where a witness was assaulted by members of the offender's family; in this case Aboriginal people were involved. Members of the group were identified by court staff to the security people, the only people to control the area; no police officers were there. The security people did nothing and the family members walked out.

Mr Prince: The security officer has no more power than you or I. If you want to take on the job of a citizen's arrest, good luck.

Mr RIEBELING: I am trying to find out what security will be introduced in the Central Law Courts. Part of it has been privatised already. There is "crowd control", or whatever we like to call it.

Mr Prince: There is perimeter security, building security. These people have no power to do anything.

Mr RIEBELING: From what the minister has said, they are walking around, but obviously they cannot do anything; they have no power to do anything. We have employed people to wander around and do nothing. That is a fantastic step forward!

Mr Prince: That is not what I said. They have no police powers.

Mr RIEBELING: Obviously they cannot take into custody people who have assaulted a witness. They cannot apprehend people who are running amok in court. What can they do, apart from perhaps ringing the police?

Mr Prince: They are not inside the courts. They are a mere presence.

Mr RIEBELING: Is the minister sure they are not inside the courts?

Mr Prince: They may come into and go out of the courts from time to time. Court security is not part of their function.

Mr RIEBELING: What service does the minister envisage putting in there? As I understand it, the minister has just said that 247 full-time equivalents are being withdrawn from the government services. He just indicated approximately 250 FTEs are being put back in from the private sector. He then said that a person would be in every court to make sure no-one runs amok.

Mr Prince: That is right. Someone will be in every criminal court.

The CHAIRMAN: I remind the member for Burrup we are dealing with clause 2, the commencement clause. There are another 91 clauses in which I am sure the member can address these points. I ask him to deal specifically with this clause.

Mr RIEBELING: Part of the service is already in place.

Mr Prince: I don't think it is.

Mr RIEBELING: I am trying to find out from the minister how ready we are for this commencement. Presumably the minister knows how many courts are in the Central Law Courts complex - perhaps the people of Western Australia might like to know that - and how many of those courts will be manned by a high-level security officer on a daily basis.

Mr PRINCE: The advisers tell me that on 1 July, the organisation will start to recruit, hire and train people. There will be a gradual phase-in period from about the middle of October. It is not a sudden stop one day and start the next.

Mr Riebeling: Have they come to that conclusion already?

Mr PRINCE: People will start doing the job from about mid-October. The phase-in will take quite a while.

Mr Riebeling: How many will be involved at the Central Law Courts?

Mr PRINCE: My advisers tell me there are 34 courts at the Central Law Courts; however, the advisors do not have in front of them the breakdown of the number of security officers who will be required in that complex at any one time under the legislation.

Mr Brown: Do they not have a document like the one you gave us yesterday? Can we get it this afternoon?

Mr PRINCE: I am informed yes. It is just not here.

Mr Riebeling: The system described in the document about the number of police officers to be used is nowhere near the service the minister is describing.

Mr PRINCE: No.

Mr Riebeling: Will it be an improved system?

Mr PRINCE: Yes. That is part of the object of the exercise. The empowerment is part of the improvement. As I said yesterday, to some extent the police rely upon their being there and being in uniform, upon rather woolly definitions of common law powers and the statutory powers. We need defined powers for them to do some of the things they have done in the past - here I am thinking of the more extreme trial cases for which they must deal with security. Surely it will be a significant improvement that rather than having people who are there simply because their job is to be there, police officers will make a judgment that security is needed in court for a particular case, or security is needed in a court on Thursday because they know a certain case is on the list. Those judgments are being made at present. That is the right and proper way in which police officers should operate, but is that the right way for providing security in a court? The answer is probably no. If it can be done better, we should do so. The way to do it better is to have a dedicated group of people there, who have that function as well as the movement of people around the courts. I am told I can get the required information over lunchtime and hopefully provide it this afternoon.

Mr BROWN: I have some questions about the title. As we go further in this committee debate, we will get to the detail. This Bill is predicated on saving money.

Mr Prince: I am sorry, but you are wrong.

Mr BROWN: That is what the minister stated in his second reading speech. If he wants to recant now, I do not mind. The second reading speech reads -

This Bill arises out of the recommendations of the Police/Justice core functions project established by the Government in September 1996 to undertake an extensive review of current services with the objective of identifying a viable alternative procurement option.

We all know that the discussions the minister had with the Police Union and the Prison Officers Union were based on the presumption that the Government would employ people at a lower rate of pay to do this work.

The DEPUTY CHAIRMAN (Mr Osborne): The Chair has previously drawn attention to the fact that we are debating the commencement of the Act. I am curious how details of the financing of the process have anything to do with clause 2, and cannot be discussed at a later stage.

Mr BROWN: The Bill is essentially about a massive government contract. If Mr Deputy Chairman does not want me to pursue this matter now, I will pursue it in the next clause. I will continue to pursue it until we debate the matter. I will not be put off. I ask for some latitude to pursue the matter now, because we need deal with it only once. However, if the Deputy Chairman does not want me to deal with it now, I will sit down.

The DEPUTY CHAIRMAN: The member for Bassendean is entitled to pursue the issue, but at the relevant time.

Mr BROWN: When is that? Could you give me some guidance?

The DEPUTY CHAIRMAN: The member should read the Bill. Clause 2 relates to the date of commencement of the Act.

Mr BROWN: Is the Deputy Chairman saying that I cannot pursue the matter?

The DEPUTY CHAIRMAN: I do not understand what the member's argument has to do with the commencement date of the Act.

Mr BROWN: If the Deputy Chairman is making a ruling that I cannot pursue the matter, I will move to disagree with it.

The DEPUTY CHAIRMAN: I regard myself as a fair-minded person and I do not wish to transgress the member's rights; however, I cannot see how the remarks he is making relate to this clause.

Mr BROWN: Is the Deputy Chairman saying that he does not wish me to pursue the matter?

The DEPUTY CHAIRMAN: I wish the member would pursue the matter of clause 2, which relates to the commencement of the Act.

Mr BROWN: I want to pursue the matter of financing because this Bill is predicated on finance. There is no point in dealing with the detail of the Bill until we deal with the very important matter of financing up-front. It is not much good debating the next clause, which is the definitions clause, about what an authorised person might do, and what training might be, and all of those sorts of things because they are matters of detail. The purpose of the committee stage is to enable a full debate on those matters and I intend to try to extract the full details from the minister and the Government. Will the minister table the Police-Justice core functions review report?

Mr PRINCE: I have not had the opportunity to table the *Request for Proposal No. 1/1998 for Police Custody Management Services, Court Custody Management Services, Prisoner Movement Services, Upgrading of Designated Lockups*. I have three volumes to table: "Volume 1 Requirements"; "Volume 2 Draft Contract"; and "Volume 3 Schedules", which covers a great deal of detail. I am happy to table those.

The DEPUTY CHAIRMAN (Mr Barron-Sullivan): The minister cannot table documents during committee proceedings. He can lay them on the Table for the information of members and it is up to the minister whether copies are made available to members. The minister is welcome to table them after the committee stage.

Mr PRINCE: I am happy to table them now, but standing orders do not allow that. I appreciate that the member for Bassendean wants to extrapolate from the passage "viable alternative procurement option" the words "saving money". Approximately 200 police FTE and 40 prison officer FTE are involved in these functions. The concept of FTE is a difficult one in this area, because the number of officers involved is not 200 or 40; it is fewer than that. However, that is the only way we can quantify it. I will not lose 200 police. The time that 200 police officer FTE presently spend in shifting people around the countryside, in dealing with lockups and standing in the court in security mode, will be spent on policing functions and on the street. For example, instead of two officers sitting in a van to move someone from Joondalup to the Central Law Courts, those two officers will be engaged in active policing in the community and on the streets. There is no



movement of 200 FTE to anywhere else. In like fashion with the Attorney General in the prisons area, there is no movement of 40 prison officer FTE to anywhere else, because those officers are better used in doing their core functions. That is what it is all about. The third force that will be formed will take over those functions, and will do more. It will do so at greater cost in the sense of the existing ad hoc arrangements, because we are creating a third entity, organisation or force and empowering it. Surely that is a step in the right direction. There may be a saving in the Police budget by doing this, because those vehicles will not be running up and down the highway between Kalgoorlie and Perth, or Albany and Perth or wherever, because we will not be transporting prisoners long distances. The vehicles will still run, but not for the same distances, so there might a reduction in fuel bills.

Basically, there may be budgeted monetary savings in the transport exercise in travelling allowances and expenditure. Officers will be able to spend more of their time on active policing so that if there is a diminution in one area, there will be a rise in another. I will wait to see what will be the result. From a functional point of view, police officers will be in the community, protecting the community and catching the wrongdoers. Prison officers will be in the prisons dealing with the prisoners, as they are best equipped to do, and do very well, rather than spending their time in vans travelling backwards and forwards. There may be a reduction in the cost of running vehicles and travelling allowances in prisons but not in the numbers of people employed because the object of the exercise is to get these officers performing their core jobs rather than doing things for which other people can be trained.

Mr BROWN: Given that there will be savings, what is the contract price?

The DEPUTY CHAIRMAN (Mr Barron-Sullivan): Can the member for Bassendean please limit his comments to clause 2?

Mr BROWN: I will ask the question again, Mr Deputy Chairman. What is the contract price?

The DEPUTY CHAIRMAN: If the member for Bassendean does not restrict his comments to the provisions contained in clause 2 and if no other member wishes to speak to clause 2, I shall put the question.

*Point of Order*

Mr RIEBELING: Can you, Mr Deputy Chairman, give direction as to whether members of this Chamber can respond to what the minister has stated in his answer to a previous question? The relevance to the Bill of the question is in the mind of the member. If the minister gives an answer to a question, no matter what that answer is -

The DEPUTY CHAIRMAN: Does the member for Burrup have a point of order?

Mr RIEBELING: Can we respond to what the minister said in answer to clause 2?

The DEPUTY CHAIRMAN: There is no point of order. Members can respond to the minister's comments provided it relates to the clause that the Committee is considering. It is the members' job, obviously, to scrutinise the legislation; my job is to facilitate that process. Standing orders require that we consider the clause before the Committee, which is clause 2. The question is that clause 2 stand as printed.

*Committee Resumed*

Mr BROWN: I do not appreciate being gagged on this issue. I will pursue the matter at every clause. You, Mr Deputy Chairman, can tell me when I can pursue it. I will respect your ruling. I will not pursue it now. I will pursue it in the next and every clause. Mr Deputy Chairman, if we do not get an opportunity to pursue the issue in the committee stage because we are gagged from doing so, this Parliament is a joke and this committee stage is an absolute joke. Frankly, I do not know what the Government is hiding.

The DEPUTY CHAIRMAN: The member for Bassendean indicated that I, or the Chair, should suggest when it is appropriate for him to comment on particular matters; that is not the role of the Chair. The question is that clause 2 stand as printed.

Ms ANWYL: It is important that members of Parliament, when scrutinising the commencement date of the Bill, know the factual context in which the Bill will be applied. There is a great deal of speculation in the community that a preferred contractor has already been chosen by the Court Government.

The DEPUTY CHAIRMAN: Perhaps the member for Kalgoorlie did not hear the Chair's comments earlier. We have been dealing with the clause for some time now. A great deal of latitude has been given to members in the handling of the debate. I am indicating now that the comments must be specifically related to clause 2 which deals with the commencement date of the Bill. If the next comment from the member for Burrup does not deal directly with the clause, the question will be put.

*Point of Order*

Ms ANWYL: Mr Deputy Chairman, you did not even allow me to finish the point I was making. You interrupted me mid-sentence. That is my first point.

The DEPUTY CHAIRMAN: I interrupted to give the member advice.

Ms ANWYL: My second point is that if you are not prepared to allow questioning on the circumstances in which the commencement is to occur on 1 July, Mr Deputy Chairman, you will make it impossible for members of this Parliament to adequately scrutinise the legislation with which we are dealing.

The DEPUTY CHAIRMAN: There is no point of order. Does the member for Burrup wish to talk to clause 2?

*Committee Resumed*

Mr RIEBELING: At the commencement date of this Bill on 1 July, which contractor will be providing the service? By the way, that is the question that the member for Kalgoorlie, if she was allowed to, was going to ask which relates directly to the commencement date that we have been debating.

Mr PRINCE: Corrections Corporation of Australia has been selected as the preferred contractor with a commencement date of 1 July. The member for Kalgoorlie may not have been present when I said that the contract starts on 1 July, when the contractor will start hiring and training staff. The intention is that it will begin to be phased in from about mid-October and on a gradual basis thereafter. It will not be a sudden one-day change, but rather phased in over a period, which is obviously a better way of doing it.

Mr Riebeling: On the commencement date, 1 July, what will be the contract price?

Mr PRINCE: The contract price is being negotiated. I am not in a position currently to answer the question. I will try to obtain that information and advise the member after the lunch break.

Mr RIEBELING: Is the minister saying that on the commencement date of this Bill, 1 July, someone has been contracted to do the job; he knows what the job will be but he does not yet know what the cost will be? Will he provide accurate figures on that after the lunch break?

Mr Prince: During the lunch break I will endeavour to find out if that information can be provided.

**Clause put and passed.**

**Clause 3: Definitions -**

Mr RIEBELING: My question relates to the definition of "authorized person". It refers to a schedule power that, I presume, is referred to in schedules 1-3. Can the minister either produce a document on, or advise what training the authorised person described in the Bill will receive? I have read the Act and cannot find a definition of training. I heard the minister state in the second reading speech and in answers that training will exceed that which is currently provided; and that more people will be doing more, presumably with less money. Because of the extreme nature of some of these powers that we are expected to grant an authorised person under this legislation, I am interested in what specific training he or she will receive in the appropriateness of certain actions and the importance of maintaining an open court system.

Mr PRINCE: That is a fair question with regard to schedule power and training. The request for proposals document, volume 1, part 7, contains extensive information about training. That is the detail. In summary, competency-based training must be aligned to national competency standards, and that is the case at the moment with the Ministry of Justice prison officer training.

Corrections Corporation of Australia is a nationally-accredited training provider. It has been an active participant in the development of the national competency standards. CCA is obliged to provide all necessary pre-service, ongoing and refresher training and to be involved in the development of staff engaged in the provision of services. The contractor is obliged to provide staff with ongoing training in response to changed procedures, new service requirements or new legislation. Of course, all training courses are developed in consultation with client agencies. CCA will avail itself of training input from the juvenile justice area concerning the specialist needs of the Children's Court. It also has a multi-faceted approach to training for suicide prevention. It has worked with Justice and Forensic Services Pty Ltd, which is a Perth-based organisation providing psychological services in Western Australian prisons. All CCA staff will be trained in suicide awareness and prevention, and management of at-risk prisoners. A full-time Aboriginal liaison officer will be involved in cultural awareness training.

Pages 211 and 212 of volume 1 of the RFP document detail a number of programs, including staffing entry level training, training of contractor staff, training outcomes, ongoing training, recognition of prior learning, access to client agency staff, certificates of authorisation and so on. The requirements are spelt out in great detail. CCA is a nationally-accredited training provider. It is part and parcel of the team that develops national competency standards. In other words, its competency cannot be questioned with any validity. It already provides numerous specialist services to the prisons.

Mr RIEBELING: I thank the minister for that explanation, but he has not answered my question about court security. I am very concerned about ensuring that our court system remains open and accessible to everyone. The series of points the

minister listed in respect of training do not address my specific concern. We are giving personnel enormous powers to stop members of the public going into courts, to search them and to decide whether they are potentially disorderly. Yesterday the minister indicated that if someone wearing a Hell's Angels jacket wanted to observe a case involving a fellow member of that bikie gang, there would probably be trouble.

Mr PRINCE: I said that the police must have a reasonable suspicion. I gave the example of a member of an outlaw motorcycle gang being tried and half a dozen characters coming down the corridor wearing the club's colours. A police officer would have reasonable grounds to expect trouble and therefore would have the power to stop them, to ask them for their names and addresses and to search them. That is an example of a police officer exercising his legitimate power. It is not a power specific to court security; it is a general power the officer is exercising in those circumstances. If we extrapolate that to the powers defined in this Bill, and apply them to a trained court officer, such a person would be able to exercise that power when it was desirable and necessary to do so.

Mr RIEBELING: I am referring to training in the use of those powers at the appropriate time in the court structure. I am yet into hear when that training will take place. It is all well and good to hear that CCA is an accredited trainer and that it does some testing.

Mr Prince: Either that has some integrity or it is a worthless exercise.

Mr RIEBELING: I want to know about its expertise in this area. I imagine it would be zero. Unless the minister can point to a system that has been developed in accordance with the operations of a body such as the New South Wales Ministry of Justice as the provider of that training and reassure me that these people will know when to respond if a person is showing some signs of being disorderly, I cannot accept it. One of my concerns is that if a person cannot explain the reasonableness of his or her presence in court, he or she can be asked to leave. I do not understand that. Members of the public do not need a reason to observe the proceedings of the Court of Petty Sessions or other forums of our criminal justice system. It should be an open court.

Mr Prince: You will get no argument out of me about that; I agree.

Mr RIEBELING: I want the minister to show me evidence of the training program that will equip these officers to behave appropriately in asking those questions. What will be the guidelines for rejecting someone in those circumstances? If the minister can show me where that training will take place, I will not pursue this.

Mr PRINCE: I will hold the member to that undertaking. Either the concept of accredited training courses, which has been around for at least 10 years, is worthless - that is what the member is implying - or it has integrity, credibility and value, and I think it has.

Mr Riebeling: I thought I heard the minister say that CCA is involved in the accreditation.

Mr PRINCE: It is an accredited training provider. It has also been involved in the development of national competency standards in a number of areas in which it has expertise. Is the member trying to say that it is a worthless organisation? I dare him to go outside and say that; he would not survive. No training program for court security officers exists in Australia, so one cannot be lifted from elsewhere. In that sense, Western Australia deserves full marks because it is moving into an area in which a need exists, and CCA is more than competent to respond to that need. As far as the training plan is concerned, it has been requested and my officers tell me that it is available. They do not have it with them, but if they can obtain it during the lunch break I will produce it this afternoon.

Mr Riebeling: Does it relate to the courts?

Mr PRINCE: I am told that it would be possible to identify the sections relating to courts. I will produce that this afternoon if my officers can obtain it. I do not know whether that will satisfy the member.

Mr Riebeling: I am sure that it will.

Mr PRINCE: Like the member, I not only cherish but will defend to his death the right of anyone to watch what is going on in a court, unless they want to disrupt it. That is as it should be - the courts should be open. Indeed, I have problems conceptually about family courts and other courts being closed. The fundamental proposition is that, like this place, they should always be open to anyone, anywhere, at any time. Only in extraordinary circumstances should they be closed or access be limited. That is my view and I understand it is the view of the member for Burrup. There is nothing in this legislation to suggest that principle could be overridden. The member should take off his Clerk of Courts hat. The court personnel are the judicial officers, not the member. I cannot imagine a judge or magistrate ever permitting anyone to restrict access to their court. It is not the member's court, even though he might think it is. The judicial officers run the courts and I cannot imagine any of them permitting such restriction.

*Sitting suspended from 1.01 to 2.00 pm*

**[Questions without notice taken.]**

Mr PRINCE: Prior to lunch, I advised the two members particularly interested in this matter that it should be possible to provide copies of the request for proposal documentation, which is quite significant. I am informed that the copies are being prepared and will be available by five o'clock.

Mr Brown: I also asked whether we will get a copy of the project report. That is what we want. You have agreed to provide documents relating to the contract, but this Bill is predicated on a report referred to in the second reading speech, and that report has not been made available to the Parliament.

Mr PRINCE: I do not have the report and I am not in a position to make it available. Again, that is a matter I must take up with the Attorney. I have not had a chance to speak directly to the Attorney.

Mrs Roberts: What is your basis for saying that the Police Union supports this legislation?

Mr PRINCE: I understand that to be the view of the president of the Police Union.

Mrs Roberts: I believe you are wrong and you should check that.

Mr PRINCE: In relation to some of the other information I said I would provide, a number of copies of the training management plan for the adult custodial care course are available and can be distributed straightaway. The member for Burrup was particularly interested in the training course relating to court security. That is in the process of being written. No such course is available anywhere at the moment so the course is being written anew. Negotiations are taking place with the Australian Capital Territory to provide a similar service. Therefore, it is being written in conjunction with the ACT. The training module for court security is not available because it has not been completely written yet.

With regard to the question of price, my advisers have inquired about this during the lunch break and I am informed that I cannot give members the price because the matter is still subject to negotiation and is, therefore, commercial in confidence.

Mr Riebeling: You have already given the contract.

Mr PRINCE: No, we have not signed the contract.

Mr Riebeling: What is this mob we have heard about?

Mr PRINCE: We put out a request for proposal and Corrections Corporation of Australia - it is not a mob, but a highly professional organisation - has been selected as the preferred tenderer. The Government is in the process of negotiating a contract. It is similar to the process used in a number of major public sector-private sector contracts for services in this State and elsewhere, and under various Governments. A request for proposal is publicised, the proposals are examined, and proceedings start with one group. A good deal of work is then done negotiating the terms and conditions before a contract is signed. That process is going on currently so I am not in a position to tell members what is or may be the price.

Mr RIEBELING: Before the lunch break, the minister was attacking me in relation to my previous occupation and said that the administration of courts should not be involved in how this change should work and how it will impact.

Mr Prince: That is not what I said.

Mr RIEBELING: That is what the minister was trying to say. I will tell the minister what I think of the lawyers on the government side of the Chamber and of his contribution on how the courts should run. The minister's view as to the proper and fit way courts should run, and that of the member for Joondalup, is from their position as lawyers. Both the member for Joondalup and the minister speak about the right way to do things and the perception of law and lawyers in this matter. Members listen to them as the experts, telling us how this new system should operate. However, it annoys me no end that people such as the minister pontificate about outlaw gangs - some people say that the minister has represented them, God's Garbage and the like -

Mr Prince: Yes, I have.

Mr RIEBELING: This is the group that the minister is now publicly calling the outlaw gangs. I do not know why the minister does not call them the scumbags that they really are. The member for Joondalup says that drug dealers and those involved with drugs should be dealt with extra harshly, and yet he has spent half his life in the courts saying that they should be let off. They criticise the perceptions of administrators of courts and those of us who have worked in that field of endeavour and have genuine beliefs and concerns about the new system to be introduced. I do not care how many times the minister endeavours to run down my previous involvement in the courts - he can do it every time he stands to speak - I will continue to push him on the appropriateness of training and the new system proposed to be established. The minister tells us that the new legislation will improve the situation. However, he has just told us that the training course that he wants the Parliament to agree to has not yet been designed. How are we supposed to have any confidence in a system that has not even been designed yet? If the minister made an error in his statement, he should please tell us; however, he should not ask us to support something that has not yet been developed. If the minister was correct in his statement, I suggest that he should seriously consider bringing this Bill back to the Parliament when it is completely ready and when he has answers to the

question about cost. He said in his second reading speech that the contract system should not hide the accountability of this new legislation.

Mr Prince: And it will not.

Mr RIEBELING: But the minister has said that he cannot tell us how much it will cost. Is that accountability?

Mr Prince: When the contract can be completed and signed, obviously the whole thing will be made public in detail. The Bill is an empowering mechanism for contracts to be entered into which spell out the powers and authorities.

Mr RIEBELING: My problem is that the minister is saying the system will be more accountable and more effective, there will be no duplication of services and so on. We are asking what it will cost. That is not an unreasonable question.

Mr Prince: No it is not.

Mr RIEBELING: Now the minister says that he cannot tell us how much it will cost. The Government has not designed the course that will train the people who will operate this more efficient system. When will the Government provide this information? Will it be before the Bill hits the upper House or further down the track?

Mr PRINCE: With regard to the comments that I made about clerks of courts and court staff, the member for Burrup made the assertion that the officers who will end up with the powers that are spelt out in the schedule to this Bill will restrict people's entry to what should be the open courts of this State. I agree with the member for Burrup that the courts should be open. The member for Burrup made that assertion. I said that it is wrong, and that the courts are run not by the clerk of courts, the bench clerk or court staff, but by the judicial officers, whether that be a magistrate or a judge, and they will decide what is or is not appropriate.

Mr Riebeling: How will they find out about it?

Mr PRINCE: I was making a fundamental point, which the member for Burrup missed. The member for Burrup may wish to take that as a personal attack, but it was not intended as such. I have never attacked the member for Burrup, and I do not intend to start now, certainly not on a subject such as this. That is not the way I operate.

With regard to the training module for this area, no-one in Australia trains anyone in court security. The police do that work as an adjunct to their police work, and they use their police powers, and over time they have developed some skills and techniques. Prison officers appear in court only when they are escorting a prisoner or prosecuting a prisoner in the Court of Petty Sessions as opposed to in a prison. The only other people who appear in the court on a monotonously regular basis are the judicial officers, the court staff and the lawyers who practice in the court, and they probably know more about court security than anyone else. No-one has written a training module. This organisation - not a mob, to use the words of the member for Burrup - which is a nationally accredited training provider of great substance and integrity, is writing the modules now, in consultation with the people who run the courts, and with the sheriff. It will involve all the people who deal with the courts, and we will come up with, for the first time in Australia, a module for training people in court security. That is what we should have had in the past but have not had, and we have been fortunate that by and large the ad hoc arrangement that we have had has worked reasonably well, because people's general respect for the courts has meant that they have operated in a very effective fashion. However, we certainly need a better system, and it would be silly not to be pre-emptive now, when we have the opportunity, by putting in place training and people who know what they are doing, rather than waiting for some disaster to occur and react to it.

Mr Riebeling: How many disasters will need to occur before you will admit that you are wrong?

Mr PRINCE: Members opposite are the most reactionary conservative group I have ever had the pleasure of dealing with!

Mr Brown: You would be able to understand people's concerns, and why they do not trust a few members on your side of the Chamber, if you understood the lies that were told to the people of Western Australia before the last state election!

Mr PRINCE: The member for Bassendean will probably find that the general public does not trust any of us!

Mr Brown: We are more trustworthy than you are.

Mr PRINCE: Members opposite are less trustworthy in the public's eyes than we are. I do not know that we are getting very far with that argument.

I have been at some pains to explain that there will be no drop in the number of police and prison officers, although there may be a reduction in the moneys paid in connection with the travelling side of the exercise, because those officers will be performing their core functions rather than these other functions, and that is important. The reason that the cost of providing court security, transport and lockup management will be greater than the current cost is that we will bring in an organisation that will do more than is being done at present and will involve more people. There will not be a diminution in officer numbers and a transfer of moneys to the private sector. It is not a privatisation in that sense. It is an identification of a

function to be performed by a third force or organisation, and the contracting of that private organisation to perform that function. In the course of that complicated exercise, that organisation will develop the training and the skills, and hire the people to do it.

Mr BROWN: If we assume that the contract will involve 250 people and a labour cost of around 70 per cent, and will cost around \$12m - it may be \$20m or \$5m, I do not know - can I take it from what the minister said that the budget of the Ministry of Justice will be increased by an additional \$12m?

Mr PRINCE: The intention is that it will be run by the Ministry of Justice, which will have its budget increased by the required amount. I will circulate a document which lists the number of contractor's staff engaged in the provision of court security in the following courts: Supreme Court, Central Law Courts, May Holman Centre, National Mutual Centre, Geraldton, Carnarvon, Port Hedland, Broome, Bunbury, Albany, Perth Children's Court, Armadale, Kalgoorlie, Midland, Joondalup and Fremantle.

Mr BROWN: I want to make sure we do not have any misunderstanding. The argument in support of this Bill is that it will free up 200 police officers.

Mr Prince: Yes, and 40 prison officers.

Mr BROWN: I will start with the police. The current Police budget contains an operational amount, which I assume is for the payment of salaries and so on for police officers.

Mr Prince: Yes - wages, salaries and consumables involved in policing, whether it be telephone costs, fuel and so on.

Mr BROWN: I assume that the current number of police officers, whatever that may be - and it may go up or down, depending on whether a class has just gone through the training school -

Mr Prince: It is 4 698.

Mr BROWN: - will stay at 4 698 and there will be no diminution by 200 FTEs, and neither will any money be taken from the Police Service and handed to the Ministry of Justice?

Mr PRINCE: I am glad the member asked that of the Minister for Police! I have been immovable on this, and I am a reasonably large-size individual: No-one will take away any of my police officers to fund this measure. While it is expressed as 200 FTEs, because that is the closest way in which we can equate the quantum of the work that will be done, it will not be 200 police officers. That number of police officers will remain in the Police Service doing police work. It is currently possible to identify a number of police officers, mostly in the Central Law Courts and the very busy courts, who do nothing but court security work for their whole shift. When this measure comes into place, they will no longer be in the courts but will be in police stations, out on the road, on shift, and so on, doing core police work. There will be no drop in the number of police officers, nor in the amount of money that it will cost to employ a police officer. I understand from my adviser that the same will apply to prison officers.

The function of the third organisation is a separate exercise with separate budgetary allocations made for it.

Mr Brown: That is over and above not quite everything that is there now?

Mr PRINCE: The member is getting into areas of another minister's budget. I am hesitating because I am not sure whether the answer is yes or no. Insofar as I can speak about my budget the answer is certain, yes. I keep my people, and that is it. I assume that the Minister for Justice keeps his 40 or thereabouts, and that is that. I cannot speak with any authority on other things that are occurring in the Ministry of Justice's budgeting because I simply do not know.

Mr Riebeling: Are you not here to tell us about it?

Mr PRINCE: If the member wants to get into detail -

Mr Riebeling: All I want to know is who will fund it.

Mr PRINCE: Obviously it will be funded out of consolidated revenue. It must be new money.

Mr Riebeling: It is not out of money currently allocated?

Mr PRINCE: How much is new money and what arrangements the Ministry of Justice makes is a matter between the Ministry of Justice and Treasury.

Mr Riebeling: You are here representing the Ministry of Justice.

Mr PRINCE: I have conferred with my advisers briefly. They have told me that what I have said is entirely correct.

Mr Riebeling interjected.

Mr PRINCE: They are one police officer and two officers from the Ministry of Justice.

Mr Riebeling: Are they accountants?

Mr PRINCE: No. Mr Crookes is the principal project officer. Mr McDermot is the contract manager for the Ministry of Justice core functions project.

Mr Riebeling: He will probably be able to tell you.

Mr PRINCE: He said that what I said was correct. I think I have answered the question. I certainly hope that I have. There is another piece of paper for the member to look at which reads that it is to certify from the State Training Board of Victoria that Corrections Corporation of Australia Pty Ltd is a registered private provider of vocational education and training under the appropriate Victorian legislation. It is not "a mob".

Mr RIEBELING: Are the contractors in which you have so much faith - Corrections Corporation of Australia - the same highly esteemed, well-qualified group that produced a report on privatisation and the state of Western Australia's prisons that was released last year? What was the name of that group; it was something along those lines?

Mr Prince: I am informed it was Australasian Correction Services and not the same group. Have we got past clause 3 yet?

Mr RIEBELING: No. I appreciate some of the information that the minister is giving to us. I appreciate the fact that he has put on the record that the Ministry of Justice's budget from last year should not be affected by this new system and that it will be funded by new money, if the Bill gets through both Houses of Parliament.

Mr Brown: Will we be able to see the figures in the budget papers?

Mr Prince: It depends on how good you are at accrual accounting.

Mr Brown: It depends whether it is there or whether the budget papers are an abortion, like they were last year.

Mr Prince: Last year was the first presentation on an accrual accounting basis. It was readily understandable by people who know what that means.

Mr Brown: I know what it means, and I read it. I can tell you it was rubbish. There was no detail at all.

Mr RIEBELING: That is right. From the minister's reference in his second reading speech to accountability, clearly it will be easily identifiable. The minister would not allow it to be hidden on the basis of the confidential nature of the contract.

Mr Prince: I am sure the Minister for Justice will be able to explain it to your satisfaction.

Mr RIEBELING: We do not get to ask anything of the Minister for Justice but we do get to ask you questions on this matter. The minister has given us a document that relates to an adult custodial care course level 3 which appears to extend over 30 days, or 300 hours.

Mr Prince: It is about six weeks.

Mr RIEBELING: For the various levels of skills for the jobs, what does level 3 mean? Are there levels 1 to 5?

Mr Prince: I am told this document is the basis for all custodial officer training in all the prisons of Australia, so that the training program delivered within our prison service at Albany, Casuarina and Canning Vale is this training program.

Mr RIEBELING: The minister went to great lengths to tell us that we did not want prison officers doing this work because it is not prison officers' work.

Mr Prince: That is right.

Mr RIEBELING: How does the minister justify this as a good training program?

Mr Prince: It starts with the same base-level training.

Mr RIEBELING: So levels 1, 2 and 4 are other modules to get those people trained differently from prison officers, are they?

Mr PRINCE: My adviser tells me that this program is the base level for the purpose of training officers who wind up doing the job, whether it be court security, transport or lock-up management. They then obviously go to other modules for specialist training, one of which is the specialist module in court security, which is presently being written. I have no doubt that another one deals with transport.

Mr Brown: I do not know whether it is still the case but prison officer training used to occur when people were recruited and put into a training course. Part of that course was in a classroom and part was on the job. Does that situation still apply; if so, is the theoretical work in this training package here the same as the theoretical work, both in quality and quantity, as the prison officers do in the initial two or three months of training?

Mr PRINCE: My advisers tell me that the training information that the members have is the basic-level training for prison officers upon recruitment; that is, it is the first training they do. Obviously this will be the same thing. Last year or the year before I went to the graduation of a number of trainees at Albany. It was the first time that a course had ever been run out of Perth. The Albany Regional Prison has the facilities outside the wire to conduct the training. The training was a combination of academic, in the sense of the classroom, and on-the-job training inside the prison. I am stretching my memory, but I think they had a number of levels, so there was a basic level and an advanced level in the one course.

Mr BROWN: My understanding is that there was a basic-level course after which people could go out and become officers and work in the system. From time to time, depending on what officers wanted to do and the training opportunities and so on, there were specific courses dealing with X, Y and Z.

Mr PRINCE: The adviser tells me that the people who come in off the street to be employed as prison officers do 13 weeks of training. Assuming they pass and graduate, they are let into the system. They are on probation for a period, and on-the-job training is part of that. If they complete the probationary period, their appointment is confirmed. Subsequent training is then largely related to promotion. The advice I am receiving is that the member understood it correctly. Here it is a six-week basic course. It happens to be the same course as for the prison officer recruits when they come in off the street. It stops at six weeks and they go on to other things, in the same way as a prison officer does the basic-level training, and then moves to another level, and then another, and so on, for the balance of the 13 weeks. They start from the same base, but after six weeks the people covered by this legislation will then go into other forms of training, purpose-specific for the job they are to do. A prison officer does that as well. It is a basic course in custody management for that period.

Mr BROWN: I appreciate the advice the minister is receiving. I wish to compare the two courses - the one currently operating for prison officers and that proposed under this contract. As I understand it, although the prisoner officers' course is for 13 weeks - it may have changed over the years - part of it is spent on the job. It is not 13 weeks in the classroom; it is spent both on and off the job. I ask the minister to correct this if it is wrong: In terms of basic training, people recruited as prison officers must undertake the identical classroom and academic content that is undertaken by the third-force officers.

Mr PRINCE: I do not think that is quite right. The first six weeks of basic training are much the same. The total basic training for prison officers is 13 weeks. The total training for the court, custody, transport officers and so forth is that the module we have before us will apply for the first six weeks and then there will be more. An explanatory memorandum has just been circulated, outlining that the additions to the adult custodial care course, level 3, are being developed to cover police custody and court custody security procedures in a more in-depth manner. It is at a basic level for six weeks. In the same way as there is a basic level at the beginning for prison officers who go through a full 13 weeks, these people will go through basic training for six weeks from the beginning - that is similar to the training for prison officers - and then go on to do other things. The training in the first six weeks is similar, if not identical.

Mr BROWN: The Bill says that an authorised person means a person who is authorised to exercise the schedule powers. Three schedules set out the different powers people may exercise. Two questions arise from that: Will all the authorised persons have all of the powers in schedules 1, 2 and 3; and, if not, which of the authorised persons will have which powers in these schedules?

Mr PRINCE: The advisers have made it clear in my mind, so I hope to get this over properly. The powers a person has will vary from time to time, depending on what that person is doing; for example, all these people will have the schedule 3 power of apprehension all the time. The powers spelt out in schedules 1 and 2 will apply when a person is doing a particular job. Schedule 1 deals with court security, so the person will have that power while doing that job. Schedule 2 relates to custodial duties, so the person will have that power when dealing with the lockup. Unlike police officers, who are always on duty and always have the powers of police officers by reason of their being sworn in as police constables, with all that that means under the Police Act, these people have the powers while on the job and not otherwise.

Mr BROWN: In relation to the training being provided, is it the intention that all the authorised persons, as defined, will have a level of training that enables them to exercise any or all of the powers in any or all of the schedules at the appropriate time?

Mr Prince: Yes.

Mr BROWN: Therefore, none of these authorised officers will be just a driver, for example.

Mr Prince: No; multiskilled, I think, is the expression.

Mr BROWN: The training to enable these people to carry out all the powers in a proper manner is quite comprehensive.

Mr Prince: If this starts on 1 July, they will not get into it until mid-October.

Mr BROWN: In terms of these extensive powers and the nature of the training and responsibilities under which these people are required to operate, there probably will not be a lot of difference between the salaries of the prison officers and those of these officers.



Mr Prince: I do not know.

Mr BROWN: Is that being factored in?

Mr PRINCE: These are not precise figures; however, the officers are telling me that these people will be paid between \$32 000 and \$33 000, or thereabouts. That is comparable with prison officers, who might be on \$36 000. It is not too different

Mr Brown: Flat rate?

Mr PRINCE: I do not know. That will depend on the nature of the contracts on which these people are employed; for example, with court security, it is not a rostered exercise, and not for 24 hours a day yet. We might move to 24-hour courts somewhere down the track. We are dealing with people who are told that their hours will be from Monday to Friday, with no public holidays; the court starts at 10.00 am and finishes at 4.00 pm except when it starts earlier and finishes later. That is very different from a prison. The same applies with transport. While the drivers might work longer than a normal office day, their working hours will be limited to certain days of the week. It will be the same for lockups, although they may operate for 24 hours.

Mr BROWN: I am pursuing this line of questioning with the minister because from the debate yesterday and from interjections by some government members it appears the work would be carried out by people who are less-skilled and therefore would receive lower pay. In fact, drivers will be required to be more skilled.

Mr Prince: Safety is paramount and we must have people who are skilled.

Mr BROWN: That brings me to the different salary levels, and I am amazed that has not been discussed. A lot of ministers who are asked this question do not provide an answer on the basis that they do not know what people are paid, only what they pay the contractor. I give the minister credit for at least trying to provide that information. One of the benefits to government of contracting out is shifting employment contracts from the public sector to the private sector, so that the people employed in the private sector receive lesser terms and conditions of employment. Bus drivers are a classic case. The Minister for Transport finally conceded that bus drivers receive a lower rate of pay in the private sector than in the public sector. School cleaners were paid on the school award. Under workplace agreements they are now paid the minimum wage. Security officers are in the same boat. The savings that have been achieved by the Government contracting out have been achieved through employment arrangements under which people are paid less for the same work. This work will be different, although there are pretty strong similarities. The minister said that the basic training will be the same. In some respects these people must be more flexible than police or prison officers. They will be court officers one day and must deal with the public, and custodial officers another day and will be required to interact with prisoners, police and court staff. They will need to be skilled people. My concern is whether the State will ensure they receive reasonable remuneration. If the State strikes a contract which pushes the rate down the contractor will have no choice except to push the pay rate down for its employees. That is what has happened with many contracts. A school cleaning contractor who puts in a bid based on the award rate will not stand a hope in Hades of getting the contract. The only way to win a school cleaning contract today is by employing people on a workplace agreement at the minimum wage. What is the Government's philosophy on the contractors' employees? Does the minister consider he has a responsibility to ensure these employees are paid appropriately for the skills they will be required to exercise?

Mr PRINCE: The world outside the public sector is often called the real world - both are parts of the real world; that is, the world where one is either competitive or one winds up unemployed. It is a matter of competing for the job, whether one is supplying goods or services. Much of our domestic activity is related to supplying services. If one is competitive in price, quality, timeliness and all the other things somebody will buy one's service as opposed to a comparable service from somebody else. One looks for the best quality at the most competitive price. In a financial sense it never pays for an employer to screw his staff. A bad employer will not last, because his employees will vote with their feet and will leave. In a competitive world if the quality of service is not as good as one's competitors the business will wind up. The private sector is perfectly competent and capable of delivering a service. The Government, on behalf of people's safety - the public and those people in the courts, the prisons, and the lockups - will ensure by a series of specified outcomes that this is the result. That is what this large, significant company of integrity is bound to produce. The wages and salaries that Corrections Corporation of Australia pays its employees are covered by a stack of general laws, which the member for Bassendean will know far better than I do, because I am not an industrial advocate. A raft of legislation deals with the protection of people in the work force. The member for Bassendean may not think that protection is as good as it used to be, and that is a debate for other members on my side who know better than I do. This matter is affected by not only market forces but also industrial relations law in relation to employment. The Government will be concerned that the people who are employed to do the job are competent, capable, well trained, well motivated, and produce a good service. We will not get that outcome if people are not adequately paid.

Mr Brown: Will you ensure that? The minister is fudging an answer.

Mr PRINCE: I am not. It is not for the Government, which is the head contractor, to dictate to a subcontractor how much he pays to the next level down the chain. It is up to the Government to insist upon a result and to examine with care and in detail how the subcontractor provides that. We will not hire people who are screwing down their employees' wages, because we will not get results. This area involves security and training and we are talking about people of competence and capability. That is what CCA will provide.

Mr RIEBELING: I understood the minister indicated a figure of around \$4 000 less.

The CHAIRMAN: What definition is the member for Burrup looking at?

Mr RIEBELING: I am looking at the definition of "Authorized person". The minister indicated about \$32 000.

Mr Prince: I thought about \$32 000, and a prison officer about \$36 000.

Mr RIEBELING: The minister expects a 10 per cent cut in remuneration.

Mr Prince: They will not be doing the same job. As I was at pains to point out, almost all prison and police officers work shifts.

Mr RIEBELING: Are not after-hours courts commencing in Midland?

Mr Prince: No. The people we are talking about will be working a 24-hour exercise only in police lockups.

Mr RIEBELING: And court security.

Mr Prince: Not in court security.

Mr RIEBELING: Court security will occur in Midland in the after-hours court experience.

Mr Prince: Perhaps the member for Burrup was not in the Chamber at the time I answered a question from the member for Bassendean. There may eventually be 24-hour courts. Currently we are trialling an "after-hours" court.

Mr RIEBELING: There will be a need for security.

Mr Prince: That does not involve a three roster shift in a 24-hour period.

Mr RIEBELING: I did not say it did.

Mr Prince: You said it was 24 hours of court security; it isn't.

Mr RIEBELING: I did not say that.

Mr Prince: You did.

Mr RIEBELING: I did not. What I am saying is that there is a movement towards after-hours courts.

Mr Prince: There will be movement to after-hours work, particularly from police stations to lockups.

Mr RIEBELING: What is the difference in the equivalent hours for a prison officer, police officer or an authorised person on a standard Monday to Friday 40-hour week without overtime?

Mr Prince: I do not know.

Mr RIEBELING: What is the difference in equivalent hours that we are considering?

Mr Prince: I do not know.

Mr RIEBELING: The minister has no idea at all?

Mr Prince: No.

Mr RIEBELING: Perhaps I could help the minister.

Mr Prince: I have just received advice. Does the member for Burrup wish to hear the answer on the record or does he want me to sit down and give it to him by way of interjection?

Mr RIEBELING: I understand a monetary value is put on the management of full time equivalents? Is a budgetary method used?

Mr Prince: There are different types of averages. An average, by definition, is a useless figure. Let us say there are 4 690 police officers and their wages are averaged, I doubt that any police officer in this State is being paid that average. Some are paid more and some less; it varies.

Mr RIEBELING: To be fair - and I know the minister is scrupulously fair in this matter - he has been crowing about the fact that 200 FTE police will return to on-the-beat policing.

Mr Prince: That is right.

Mr RIEBELING: The minister has been saying that as loudly and as hard as he can. He must know something about those FTEs and what will be injected into the policing system which is not there now. He must know the cost benefit of that to his department. As a minister, he would know what 200 FTEs are worth. If he asks in Cabinet for an extra 200 police, a dollar value will be put on that request. Perhaps he can tell us.

Mr PRINCE: The proposed arrangements will release about 200 FTE police officers to core functions. That is indicative only, using the 1998 Police Service output benchmark. For community support, safety and public order the figure is approximately 127 000 hours or 35 per cent of the total; in response to incidents, 52 000 hours or 14 per cent of the total; investigation of offences, 83 000 hours or 22 per cent of the total; traffic management and road safety, 63 000 hours or 17 per cent. Contrary to popular perception that it is more, that 17 per cent is what is spent on traffic management across the whole of the Police Service. Emergency management support is 5 000 hours or 2 per cent; services to the judicial process, 25 000 hours or 6 per cent; regulatory and information services, 15 000 hours or 4 per cent.

Mr Riebeling: What is the answer to the question?

Mr PRINCE: That is 370 000 hours of police time which is currently spent in lockups, moving people and in courts.

Mr Riebeling: What is the average of that FTE figure? When there is FTE management there is a dollar figure.

Mr PRINCE: It is about 200 FTE police officers.

Mr Riebeling: What does that equate to in dollar terms, \$20m?

The CHAIRMAN: Yes, about \$100 000 each.

Mr PRINCE: Probably something like that.

Mr Riebeling: The Chairman knows. He knows more about it than the minister does. He should be the minister. He gave the minister a quick answer.

Mr PRINCE: Yes, but he is experienced in dealing in fractions of a cent very quickly in financing motor vehicle fleets. My mental arithmetic is not that good.

Mr Riebeling: Is the minister talking about \$20m for 200 police?

Mr PRINCE: Yes, I guess it is about that figure.

Mr Riebeling: And for the 50 prison officers?

Mr PRINCE: The figure is 40.

Mr Riebeling: It is 47. That is closer to 50, but the minister can have 40 if he wants it. Is that \$50m?

Mr PRINCE: I do not know.

Mr Riebeling: Is it \$25m?

Mr PRINCE: I cannot tell the member.

Mr Riebeling: The minister could guess.

Mr PRINCE: The member for Burrup is the one doing the mental arithmetic. He may be right. Let us say that there is a dollar figure on it. So what?

Mr Riebeling: I am just trying to work out how much with which to compare the new service on the basis of cost efficiency. Is it a good deal for the State if the contract is \$17m for the year? How do we gauge it unless we have a benchmark? The minister is the man with all the knowledge. The Minister for Justice has obviously convinced him of the merits of the case and he has come into this Chamber fully armed with all the answers.

Mr PRINCE: I, as Minister for Police, am absolutely convinced that this is a very good thing for the police because it releases -

Mr Riebeling: Because the minister gets back 200 police.

Mr PRINCE: I have seen it and the member for Burrup has seen it. I have seen police officers doing things which, arguably, they should not do because they are trained to be on the street dealing with wrongdoers. Yet, with respect, they sit in the

back of a court with their eyes open but half asleep because they must be there. Let us pay somebody else to do that and allow the police officers, who are trained in investigation and apprehension, to get out into the community to investigate and apprehend instead of hanging around a court.

Mr RIEBELING: The minister has missed the whole point of what we are asking. We are interested and want answers about the system that this Bill will provide. The minister keeps harking back to the fact that, as the Minister for Police, he is exceptionally happy. He is not in this Chamber as the Minister for Police. He may think he is but he is representing the Attorney General. He is here to tell us about this wonderful new system and how it will benefit us. He keeps telling us about how the destruction of the old system will benefit the police. We want to know how the new system will function and how it will impact on the operation of our courts and the citizens of Western Australia. One of the impacts will be that 200 FTE police officers will return to the Police Force. The Minister for Police cannot tell us how much that is worth to the Police Force.

Mr Prince: I have told the member for Burrup what it is worth in police time; surely that is enough.

Mr RIEBELING: No. We are talking about how much the new service will cost. The minister will not tell us; we must draw it out of him like pulling teeth. We want to know how much will be allocated to the police department and the Ministry of Justice due to these changes. The minister has already told us that the new service will have an allocation in addition to the budgets for both of those departments. He has also told us that we will have to be accountants who are very good at deceptive accounting to be able to pick it up in the budget papers.

Mr Prince: I have said nothing of the sort.

Mr RIEBELING: No-one but the minister could understand last year's budget papers. The minister cannot tell me the cost of 200 FTEs in his own department, so forgive me if I am sceptical. We will stay here until the minister tells the Committee exactly how much it will cost.

The CHAIRMAN: We are dealing with definitions. These issues can be addressed in debate on many other clauses. All I want to hear from the minister and the member for Burrup is a discussion of that definition. We can discuss these issues when we get to the general clauses.

Mr RIEBELING: If the minister were to answer the questions properly, we would make more progress. He will not give the Committee the benefit of his knowledge of his department and the impact of this legislation on authorised officers. I want to know about the training and the cost and how it will impact upon the people of Western Australia.

I note that a contract worker must be a natural person, but there is no such requirement for a contractor. I would like the minister to explain what checks are conducted into the corporate structures of these companies to ensure that undesirable people are not the managers of contracts. I understand the checks that will be conducted of the criminal records of contract workers, but I am interested in the procedure for the contractor, which can be a company or corporate body, and it appears that it will be. What checks are conducted into the directors, their ability to run -

Mr Prince: I presume you are talking about CCA.

Mr RIEBELING: The Opposition presumes that group will be awarded the contract. I am interested in the checks that have been conducted into the suitability of the directors, whether they have been bankrupt, what sort of backing the company has attracted and so on.

Mr PRINCE: Significant independent financial investigation has been undertaken by Arthur Andersen and integrity checks have been conducted of the individual directors. Clearly individual contractors are checked rigorously to ensure that they are suitable people. The total effect is a financial and integrity check of the organisation. In this case it has been conducted in part by an external chartered accountancy firm. Every person who comes on board will be checked. The process has gone right back into any parent organisations. The benchmark within the Police Service for this project was worked out on the basis of the salary of a first-class constable of \$40 756.

Mr Riebeling: What about the salaries of prison officers?

Mr PRINCE: A prison officer's salary is about \$36 000.

Mr Brown: For a first-year officer?

Mr PRINCE: Yes.

Mr Brown: Most of them get \$30 000.

Mr PRINCE: That is the advice I have received.

Mr RIEBELING: I thank the minister for that information. Similar questions were asked about the Government's new bailiff system. As the minister is probably aware, one contract involves a person who has spent a number of years in prison - he

is operating as a contract bailiff. That person is in charge of the day-to-day operations of a service in country Western Australia but is not the principal of the contract company. I am not saying that that company is breaking the law; all the checks that could be made into the structure of that company were conducted. However, that person still undertakes those day-to-day operations. This is a much bigger operation and it cannot be compared, but mistakes can occur. This contract could involve the transportation of the most serious criminal to go through our courts in 10 years. We must ensure that these companies and their principals are beyond reproach.

If we pay the transporters of prisoners too little, they could become vulnerable to corruption. It is imperative that we pay people at a rate that will ensure any such approaches are not attractive. That is an extreme case, but is the minister happy with the procedures in place?

Mr PRINCE: I understand those concerns and they are fair and reasonable. The system to be put in place under this legislation is probably more rigorous than that relating to any other public sector organisation. Therefore, I suspect that those employed in this area will be investigated more rigorously than anyone else.

Mr Brown: In what way?

Mr PRINCE: It is more comprehensive.

Mr Brown: How?

Mr PRINCE: In the way it has been designed. We will deal with the detail later.

Mr Brown: We are discussing authorised officers now.

The CHAIRMAN: We are dealing with contract workers.

Mr PRINCE: We have moved on to discuss the contract workers.

About 100 000 people appear in our courts every year, and of them about 40 000 go through police lockups. In rough terms, about 80 per cent of those who go to court for a first time never return and, of the remaining 20 per cent, only about 15 per cent come back a second time.

Mr Riebeling: Most of that 80 per cent will not come into contact with this service.

Mr PRINCE: I am referring to finding people who have no convictions and employing them. Many Western Australians have had one or two convictions. In that sense people must have the right to another chance. Every year a significant number of people get themselves into that position. The example of the bailiff service is a difficult issue. If a person has made a mistake, been convicted, paid the penalty and is now a perfectly respectable and decent citizen and is never likely to re-offend, why should he not have another chance?

Mr Riebeling interjected.

Mr PRINCE: I am talking as a matter of general principle. A significant number of Western Australians have one or two criminal convictions and have done their time.

Mr Riebeling: What level of conviction would you consider to be unacceptable?

Mr PRINCE: A judgment must be made on an individual basis.

Mr Riebeling: Drink driving is one offence that should not ban a person from employment.

Mr PRINCE: A person who committed an offence of dishonesty relating to money should not be employed.

Mr Riebeling: What about someone who has committed an assault?

Mr PRINCE: That would depend on the circumstances. Should a youngster charged with assault on a football field be classified in the same way as someone who has punched someone outside a nightclub? A judgment must be made of the individual, his record and the nature of his conviction.

Mr RIEBELING: One of the things that concerns me about the bouncer legislation is the propensity to have violent thugs licensed as nightclub bouncers. Unfortunately we see on television too regularly incidents in which bouncers have beaten up drunks and the like. I do not think violent people are appropriate for that kind of work. Just because one of those people is given a uniform that does not mean he should be put in charge of crowd control within a court, for instance. I do not think the way to stamp out violence in society is to licence thugs to use violence against people. Unfortunately a member of my family had an unpleasant experience with bouncers in this town recently. That system has not worked for Western Australia. I want to ensure we do not end up with that element infiltrating our court security system.

Mr BROWN: I ask the minister to talk again to the Minister for Justice about releasing to this Parliament the police-justice core functions project so that we can see the basis on which this Bill is predicated.

I refer to the relative wage costs of the prison staff and prison officers compared with staff to be employed under this Bill. So that when I walk out of this place I am not accused of misrepresenting what I understand to have been said is the base rate, is the non-shift or Monday to Friday rate for a prison officer about \$36 000 a year and the rate being considered for an authorised person around \$32 000 a year?

Mr Prince: That is approximately correct.

Mr BROWN: I understand that, in addition, prison officers receive penalty rates for working afternoon shifts and weekends. Are we talking about \$32 000 being a base rate - that is, a Monday to Friday day rate - with additional remuneration being provided when authorised persons work afternoon, night or weekend shifts?

Mr Prince: I must come back to you with the detail because the officers cannot give me an accurate answer to your question right now.

Mr BROWN: Will that be when we resume in committee?

Mr Prince: The member for Burrup says we will be here for the next three weeks, so it will be some time within the next three weeks.

Mr BROWN: When we resume on this matter, will the minister provide that information? It would help if we could have those figures and the base rates and shift penalty rates for police officers, prison officers and authorised officers so that we can then compare the amounts.

Authorised officers will be interacting with members of the Police Service, members of the prison service, members of the juvenile justice division in the detention centres, and potentially with mental health services and so on. What will be the transfer arrangements when a prisoner, detainee or juvenile is handed from police, prisons, mental health or whatever to the authorised officer? Will the authorised officer have to check warrants and ensure that the person is being properly held and properly transported? When the person is detained in the court, will someone have to check the warrant and that he is being properly held? Will the officers be required to have an understanding of the relevant provisions of the Criminal Code, the Sentencing Act and other Acts that relate to the detention and holding of individuals?

Mr PRINCE: In response to the last question, the answer is no because they will be acting on written instructions. When a prisoner is to be placed in a transport vehicle to be moved from a detention centre to somewhere else, obviously identification of the authorised persons must be checked every time. The prisoner must be identified and appropriate forms and paper work completed to ensure it is the right person being moved at the right time by the right people.

Mr Brown: Who will check that?

Mr PRINCE: It will be an obligation, as it is now, on the prison and the organisation moving the prisoner. At present if a prison does an inter-prison transfer, paper work is involved. If the police pick up a prisoner to move him from a prison, a body receipt and all sorts of paper work are necessary. We are talking about the same type of system of documentation and identification to ensure each person is authorised to pick up the prisoner and the prisoner is the right person to be picked up.

Mr BROWN: As I understand it, the minister is correct regarding an interface between two services; that is, when police hand over someone to a prison, a prison to police, a mental health team to a prison and so on. An interchange takes place because the officers dispense with a person, who becomes the responsibility of the receiving officers, who are obliged to check that they do not wrongfully detain. If prison officers transport a person to court, they must check to see that all the paper work is appropriately in place, as must the prison officers conducting the despatch. Therefore, two groups meet, and an interchange takes place.

Mr Prince: My understanding, which my advisers confirm, is that a transfer procedure takes place right now within the prison service; namely, when a prisoner leaves Casuarina or Canning Vale Remand Centre to attend the Central Law Courts.

Mr BROWN: I am sure that is the case. When a prisoner leaves a prison, certain papers must leave too. That is not the same as the situation in which service A stops and service B starts.

Mr Prince: It is passing custody from one to another.

Mr BROWN: Officers in service B must be clear that they do not wrongfully detain. Is the procedure followed in the transfer of a person held from service A to service B exactly the same as the transfer internally of a prisoner from the police to the police? Is it the same as the procedure followed with a prisoner being transferred from a prison to prison officers?

Mr PRINCE: The police inspector at the Table reminded me that at the moment when someone is transferred from the central lockup to the Central Law Courts, a body of paper work for the interchange from the lockup is passed to whoever carries out the van transport. The person then is passed into the cells in the Central Law Courts. Interfaces occur. It is happening now within the same service. Similarly, if the prison service is transferring from one prison facility to another,

an interface takes place with a person leaving one place, going into another custodianship and moving on. Under the new system, the police, the prison officer or whoever will have the authority to say, "Bring me that person's issue and tasking orders." The custody officers with that authority will enter prison with that authority, their identification and all the relevant paperwork to outline the authority, to indicate that the person is who he says he is, and to ensure that they pick up the right person. The officer must indicate that he has the lawful authority to take that person from one custody, take him into his custody and transport that person to a new destination. The process of checking warrants at the court will be much the same as that which already operates.

Mr Brown: Which is?

Mr PRINCE: The court issues the warrant, which is given to the police or prison authority. The police officer then says, "With this authority, you will come with me."

Mr Brown: Police will not do that any more.

Mr PRINCE: It happens already. Almost exactly the same process will apply under the new regime. The court will be responsible for the issue of the warrant in a proper form, and it will then be the responsibility of the person to whom the warrant is addressed to take custody of the individual. The officer will say, "Here is the warrant; here is the individual. I will take him once the identification is determined to be in order."

Mr BROWN: I understand that the new authorised persons will carry out work in checking the public entering and leaving court; that is, work currently done by the police.

Mr Prince: It is done by police in some instances - that is, where they assess that they should do so.

Mr BROWN: They will do that work in some cases, and the authorised persons will carry out current police court work regarding the receipt and checking of warrants.

Mr Prince: I did not mention - the officers told me this earlier - that a risk assessment is carried out in the process every time an interchange occurs.

Mr BROWN: These new officers will deal with hostile sentenced persons, who will need to be restrained.

Mr Prince: Yes.

Mr BROWN: They will also need to process such people, get them in vans, transport them and then process them at the other end. They will have part prison officer duties.

Mr Prince: They are security duties. You want to call them prison officer duties, but I do not believe they are. They are the functions and duties of a person charged with taking a person from one place to another.

Mr BROWN: They will take over duties, as the minister said, currently performed by police, prison officers and, to a smaller extent, juvenile group workers. In addition, they will deal with people with mental health problems entering the system, and with intoxicated persons. They will be skilled, will they not?

Mr Prince: Yes.

Mr BROWN: This work would be worth a decent rate of pay.

Mr PRINCE: If the police pick up someone who is intoxicated and charge him with something other than being intoxicated, and it warrants detaining him without bail, the service will be called to take that person to a lockup. The question of intoxication will have already arisen in the minds of the police officers who will have had custody of the individual for some time. Therefore, the matter will already have been addressed by one service. If anyone left prison in a state of intoxication, questions would be asked.

It is most likely that the police, not these authorised officers, will be the first ones to come into contact with a person in society with mental health problems. The police have been trained in the new mental health legislation - that is, basically, to take that person to a doctor. Many people wind up in the criminal court system who have mental health problems, although usually not of sufficient nature to warrant, say, a committal under the Mental Health Act. Mental health difficulties arise, such as considering the careful administration of medication for someone with schizophrenia. Prison officers know about these matters, as do police officers. Prison officers, who deal with such issues on a daily basis in jails, probably have more awareness than do police officers. The security people must be trained in that aspect as well.

Mr BROWN: The minister has provided the numbers of authorised officers in relation to the various courts and I thank him for that. I have quickly totalled those numbers and there are 130 or 140 officers.

Mr Prince: That is about right.

Mr BROWN: Are the other 100-odd authorised officers involved in transport and lockup duties?

Mr Prince: Yes, court security and court custody transport and lockup.

Mr BROWN: The Midland court will have four officers and presumably that is when the court is operating. However, I understand that Midland also has a lockup.

Mr Prince: There is a lockup in Midland. Of the four officers, two will be in the courts and two will be in the custody centre.

Mr BROWN: During the day. What about on afternoon and night shifts? Is no-one there on afternoon and night shifts?

Mr Prince: No.

Mr BROWN: They are all transported out.

Mr Prince: Yes.

Mr BROWN: What do the police do when they arrest someone and do not let him go on bail?

Mr Prince: A custody centre is different to a lockup. If a person was arrested now and refused bail, he would be held in a police lockup overnight and would be brought to court tomorrow morning. That is a current function of the police. It is intended that the police lockup will be managed by the security people. At present that person is taken to court in the morning by the police and if he goes to the Central Law Courts, they keep him in custody until he appears in court. It is intended that the new security people will be responsible for that progression as well - from the police lockup, to the court, into the holding facility, into the courtroom and out again.

Mr BROWN: I want to clarify a point: There is no-one in the cells in the morning, the police are beavering away during the day and they arrest some baddies by the end of the day. It is five o'clock and they will go into the holding cells. Will these authorised officers then supervise these people in the holding cells during the afternoon and night shift?

Mr Prince: Yes.

Mr BROWN: If no-one is brought into the cells, they will not be employed.

Mr Prince: They are not there. It is not a holding cell. I understand what the member for Bassendean is talking about; he is talking about the lockup. There are only a few lockups, but a number of police stations have holding cells in which people are held for a short time, usually while the paperwork is being processed. They are then put into the back of a van and taken to the central lockup. There are always people in the central lockup and members have only to look at the statistics for a period - six or 12 months or three or four years - and they will be able to predict with good accuracy how many people will be in the central lockup every night of the year, and it varies seasonally.

Mr BROWN: For example, officers on the afternoon shift in the Midland area arrest a person and take him to the police station. He is charged, processed and not bailed because of the nature of the offence. He then goes into a holding cell. At some stage, he is then either transported centrally -

Mr Prince: The contractor picks him up from the holding cell and takes him to the central lockup. The contractor is responsible for him in the central lockup.

Mr BROWN: The contractor has people standing by at the central lockup. The Midland police can say, "We have a body for you, come and pick it up."

Mr RIEBELING: Can the minister answer some questions about the figures to which the member for Bassendean has referred? The figures in the draft of phase 1 in the document the minister gave us yesterday indicate that there are approximately 200 full-time equivalents. I want to make the figures on the Central Law Courts perfectly clear; the full-time equivalent figure for court security is 18.

Mr Prince: They are court orderlies.

Mr RIEBELING: From my reading of the document, 50 officers will now be doing the work of 18 officers. Have I read that correctly?

Mr Prince: Court security personnel, who are the court orderlies, must be combined with the court custody personnel.

Mr RIEBELING: Is that the lockup service?

Mr Prince: No; there is the lockup management as well.

Mr RIEBELING: To what does the figure of 34 relate?

Mr Prince: Court custody personnel.



Mr RIEBELING: What does that mean?

Mr Prince: That is the court custody centre in the Central Law Courts. Has the member seen it?

Mr RIEBELING: Yes, I have. I am trying to compare apples with apples. In essence, these figures indicate that we will have two fewer people?

Mr Prince: This is FTEs.

Mr RIEBELING: That is the only thing with which we can compare. Am I reading that correctly? We will have two fewer people in the Central Law Courts.

Mr Prince: It seems so.

Mr RIEBELING: I am not trying to trick the minister; I am just trying to work it out.

Mr Prince: It is 52 full-time equivalents as opposed to 50 actual people.

Mr RIEBELING: Is a full-time equivalent not a person? Is that not a full-time job?

Mr Prince: A great deal of part-time work equals one full-time equivalent. Many people are there in the morning, but by lunchtime they have nearly all gone. Some officers are there for the full day shift and some are there for part of it. More officers are there at one stage of the day than in the afternoon. The full-time equivalent is not an actual person in a uniform identified with a name and a number. The list of numbers in the parliamentary response headed "Central Law Courts" is 50 human beings as opposed to full-time equivalents.

Mr RIEBELING: The minister has given us this document on the basis that he will show us how we will have 200 more police officers. His statement was that 200 police will go into the service.

Mr Prince: Two hundred FTEs.

Mr RIEBELING: I think the minister referred to 200 police in his speech, but it does not matter. The point that I am trying to reach on this matter - the minister can correct me if I am wrong - is that in the entire Pilbara region, according to his statement, there will be two officers.

Mr Prince: Are you talking about Hedland?

Mr RIEBELING: No, I am talking about the Pilbara. There will be two officers in the Pilbara, both based in Hedland.

Mr Prince: The only court in the Pilbara that the contractor will take over is in Hedland. The police will handle the rest.

Mr RIEBELING: Will there be no-one in Karratha, Roebourne, Newman, Tom Price?

Mr Prince: The police are there.

Mr RIEBELING: What are the advantages in the way the police operate in the Pilbara? One of the problems the minister identified was police sitting for hours while transporting prisoners. If one area in the Kimberley has a problem with sitting for hours, this is exactly the region in which it will occur. There are six officers in Carnarvon. How can the minister justify six officers in Carnarvon and two officers in the entire Pilbara region?

Mr PRINCE: I am advised that the statistics will not back up the member's comments. Port Hedland requires the service of two people, but the other areas do not. The levels of criminal activity are such that it is not warranted.

Mr Riebeling: Carnarvon has three times the workload of Port Hedland.

Mr PRINCE: It is on the basis of the information that comes out of the activity levels in the area. These allocations are made on the basis of the activity in the respective areas and it comes as a surprise that Carnarvon is far busier than Port Hedland.

Mr Riebeling: And Kalgoorlie. I think someone is trying to trick the minister.

Mr PRINCE: No, they are not. The solution has just been explained to me. As often happens, when the Ministry of Justice sends prisoners and an escort from Perth to Greenough and further north, they stop at Carnarvon and the prisoners go into the lockup overnight. The following day they carry on. That does not happen in Kalgoorlie. The workload in Carnarvon is disproportionately high because of that transport of prisoners from one place to another through Carnarvon, which is used as an overnight staging post. Rather than keeping them in the van overnight, they put them in the lockup and carry on the following day. That does not happen in Kalgoorlie, which has its own prison.

Mr Riebeling: Is the positioning of the prison a great determining factor?

Mr PRINCE: Kalgoorlie has the Eastern Goldfields Regional Prison at its outskirts which has a good deal to do with the

transport of prisoners there because very few are kept in the lockup; they can be sent to the Eastern Goldfields Regional Prison, except when they are a juvenile and so on. Carnarvon is used as a staging post for the Ministry of Justice escorts going north to Roebourne and so on. Therefore, that workload seems out of proportion to the population of the Carnarvon area. The answer is simply because the Carnarvon lockup is used in that way.

Mr RIEBELING: I hear what the minister is saying, but I hope that the minister is not telling us that the transportation of prisoners to and from Roebourne and Broome is a daily occurrence that requires a permanent shift roster of two people on stand-by to sleep over. Putting that aside, I would have thought that the workload of the Carnarvon court, for instance, which would be an indication of the volume of customers through that court, would not exceed that of Karratha-Roebourne combined. That is the volume to which the minister is referring.

Mr Prince: The facts and the figures are simply that both Port Hedland and South Hedland require 1.4 part-time equivalents in lockup management. Carnarvon requires 1.18 equivalents in part-time lockup management. There will not be anybody in some of these places from time to time because no work is required, but a significant amount of work will be required in some of these places, thus more people will be there.

Mr RIEBELING: I was trying to get at that yesterday when I understood the minister to say that the police lockups would be controlled by these people.

Mr Prince: Some of them will be; that is, the major metropolitan lockups, East Perth, Midland, Fremantle, Joondalup and Armadale.

Mr RIEBELING: Will the two people based at Port Hedland follow a circuit like a magistrate and do court security personnel work when they go to Karratha and Roebourne?

Mr Prince: No, I would not expect that in the Pilbara or Kimberley areas. That is the sort of thing that occurs especially with the itinerant magistrate who arrives once a week, once a fortnight or once a month. I do not think any judicial officer visits less frequently than that. The police officers who are there invariably must go to court, so they will provide the security. However, 85 per cent of criminal activity is in the metropolitan area; that is where the workload is and the numbers are, and therefore that is where the system will work at its maximum.

Mr RIEBELING: Will this new system also lessen the massive amounts of time that the police spend on the road transferring prisoners in country areas?

Mr Prince: It will decrease it significantly.

Mr RIEBELING: Only two people are based in the Pilbara, which is second only to the Kimberley in area.

Mr Prince: Those numbers relate only to court security and lockup management, not transport.

Mr RIEBELING: How many are in transport?

Mr Prince: I think the member for Bassendean added it up to 130. I think we are talking about a total of 250, so it is the difference.

Mr RIEBELING: How many in the Pilbara are not on this list?

Mr Prince: It depends on what is required. Not many of them will be about if the area has a crime-free three months.

Mr RIEBELING: How many transport people will be based in the Pilbara?

Mr Prince: None.

Mr RIEBELING: So, what I said about two to service the Pilbara is correct.

Mr Prince: That relates to court custody and lockup duties.

Mr RIEBELING: I know that, but the minister just said none would be based in the Pilbara for transport, so two will be based in the Pilbara.

Mr Prince: For court security and lockup management.

Mr RIEBELING: And transport.

Mr PRINCE: No. I have given the member the indicative list and I am sure he understands that. Those are the numbers that are expected to be in any place at any time, but circumstances will dictate when they are not needed or when more are needed in a certain place. As I said, 85 per cent of the criminal activity occurs in the metropolitan area. The lockups in the metropolitan areas of East Perth, Joondalup, Midland, Armadale and Fremantle are where these security officers will take over, manage and move people around in the metropolitan area from lockup to prison and on to the court etc. Port Hedland

has 0.92 of a part-time equivalent involved in prison transport and a 1.4 part-time equivalent involved in lockup management. Two people go into Port Hedland to do court security and lockup management. Nobody responsible for prisoner transport is based in Port Hedland or anywhere else in the Pilbara. However, if there is a requirement, they can be brought in. The member knows as well as I that the Ministry of Justice runs a regular escort up and down the coast starting at Perth and going through Greenough, Carnarvon and to Roebourne and beyond. That sort of thing will obviously be handled by the contractor. The ability exists to move people as well.

**Clause put and passed.**

**Clauses 4 to 6 put and passed.**

**Progress reported.**

## RESIDENTIAL LEASES IN KALGOORLIE-BOULDER

### *Grievance*

**MS ANWYL** (Kalgoorlie) [4.30 pm]: I grieve to the Minister for Lands, so I trust he is somewhere about the place because he has been given notice of the content of my contribution today. Specifically, I raise the case of two households in my electorate and this matter relates to the same residential leaseholders for whom the Court Government purports to have such great concern.

The Department of Land Administration has presided over massive increases in rentals for a variety of Kalgoorlie-Boulder families living on residential leases. I do not know what the situation is in Geraldton, Mr Deputy Speaker, but in Kalgoorlie-Boulder there are many crown leases which have been effectively rented to families at peppercorn rentals. In its infinite wisdom, the Court Government has presided over massive annual rental increases - some between 2 000 per cent and 3 000 per cent. The Minister for Lands is aware of this because I have had correspondence with him on the matter.

Mr Shave: I hope you have not been derogatory about the fact that I was not here.

Ms ANWYL: No, I have not but I can be if the minister wishes. Because of the time constraints, I will restrict myself to outlining two cases although this is a problem which I suspect is facing people throughout the goldfields. I know from conversations with the member for Eyre that many people in Coolgardie are affected, and I suspect other people in the Mining and Pastoral Region are affected. It is an outrageous example of hiking up rents on a totally unfair basis, which is causing major anxiety to families in the goldfields. These are the same goldfields families that the Premier said he had so much concern for when he visited my electorate unannounced. The anxiety these families feel is not caused by native title issues because in every case in which I have been approached I have been to the native title claimants and had the claims excised. Families are concerned that they cannot afford the massive rental increases.

First, I refer to the Hall family who live in Boulder. Mr Hall has a job and Mrs Hall stays at home to care for their two young children. They purchased their property in Tupper Street in 1992. They purchased the improvements only, which is a common situation in Kalgoorlie-Boulder although it may not be common elsewhere.

Mr Shave: At what price?

Ms ANWYL: In the vicinity of \$40 000. At the time they bought the property the annual rental was \$120. It has now been increased to \$2 600 a year. That is a massive increase in rental and it is not restricted to one family. It is occurring across a wide range of leases, and affects the battling families for whom the Court Government professes to have some concern. I have had correspondence with the minister on this matter and his response has been unsatisfactory. It is not intended to offer the land to these families for a reasonable price. In 1993, the centenary of Kalgoorlie, an offer was made to the Halls to purchase the block for \$7 500. They regret that they did not pursue that, but at the time they were unable to afford it. They are now faced with a much higher value for the land. The minister will say that it is because of native title issues, but these issues pre-date the native title concerns.

Mr Shave: You are very sensitive to this native title.

Ms ANWYL: I make the point about native title because the Premier came to Kalgoorlie-Boulder -

Mr Shave: I would be very concerned over Kalgoorlie -

Ms ANWYL: The minister should sit in the public bars of the two hotels he owns in that town and ask constituents their views on a rent increase from \$120 to \$2 600 a year. That is what the minister should be concerned about, and that is what he failed to address in his letter to me. It must be remembered that, in addition to their DOLA rent, these leaseholders are responsible for council rates, which can be between \$1 800 and \$2 000 a year.

The other example is even worse and it has met with an even poorer response from the Department of Land Administration. This case involves a lady who was born in the house in which she now lives. She does not want to be identified, so I shall refer to her as Mrs A. She told me about an increase in rent from about \$100 a year to about \$600 a year. I have written

to the Minister for Lands about this matter. The most recent letter from DOLA indicates that the rent will be further increased from \$500 or \$600 to \$1 100 a year. This woman has always paid a peppercorn rental, which the Court Government has massively increased. She is not coping financially, she is in her fifties and has difficulty getting full-time employment. Because the rental is under review, she is yet to be told that it will be hiked up by another 100 per cent. I hope the minister will look into this case - I am happy to give the minister further correspondence - because this lady should not be in this position.

We have heard much rhetoric from the Court Government about how much it cares for these residential leaseholders; if there is an ounce of truth or compassion in that, there should be a method of selling the land to them at reasonable prices or stopping the rent reviews.

**MR SHAVE** (Alfred Cove - Minister for Lands) [4.38 pm]: As the member for Kalgoorlie knows, these figures are determined by the Valuer General and not by the Government, whether it is a Liberal Government or a Labor Government.

Ms Anwyl: You changed the system.

Mr SHAVE: I did not change any system. The truth of the matter is that in the case of these leases - Mr Hall has a 99-year lease - the terms and conditions of the lease require that they be reviewed every 10 years, just as people in residential areas have their land tax assessed on a three-yearly basis. In the City of Kalgoorlie-Boulder, as the member well knows, houses that cost \$20 000 or \$30 000 10 years ago do not cost the same amount now.

Ms Anwyl: Are you saying there has been a 2 000 per cent increase in property values over a period of two years?

Mr SHAVE: No, I did not say that. I said that over a 10-year period the values of properties in Kalgoorlie-Boulder have gone up significantly. I also said that was the reason when the revaluation was done that the rent increased accordingly. It was not because someone from the Premier's Government decided to put a figure on it; it was because the Valuer General did a proper assessment of the values of the houses and then worked out the appropriate figure.

Mr Grill: For years and years those rentals did not go up at all. Those leasehold properties were treated virtually as freehold. When I first went to Kalgoorlie half of the properties in the town were leasehold properties. The rents were around \$4. It was a nominal figure, as the member for Kalgoorlie has pointed out. There was then a change in policy by the department which quite frankly was rapacious. We have seen that rapacious attitude demonstrated in the hikes in rents which the member for Kalgoorlie has mentioned to you. You know this yourself because you are well acquainted with Kalgoorlie.

Mr SHAVE: I must respond, and I take the point that the member has made.

Ms Anwyl: What will you do about it?

Mr SHAVE: The member should wait just one moment. Whether it was the current Government or the previous Government, when the reviews took place, where a severe escalation in property values has occurred, the Valuer General has valued them accordingly. He takes a figure which equates to 4 per cent of the unimproved value of the land. In this case he valued the land at \$65 000. Taking 4 per cent of that, he came up with a figure of \$2 600. The member for Kalgoorlie is well aware of that. To reduce the burden it was agreed that the rental increase would be phased in by \$500 in 1996, \$900 in 1997 and \$1 300 half yearly thereafter. Sadly for Mr Hall he did not take up the offer. In 1993 the land was offered at a concessionary price of \$7 500. The Valuer General now tells us that the land is worth \$65 000. If Mr Hall had taken up the offer made by this Government, which is supposed to show a lack of compassion, as the member for Kalgoorlie put it, Mr Hall would have bought the land for \$7 500 and the house would have cost him \$40 000, so he would have a very well-priced house. Companies that I have been associated with have bought a couple of houses in Kalgoorlie over the past three or four years.

Mr Riebeling: Where?

Mr SHAVE: In Hannan Street in Kalgoorlie. I suggest that the purchase price offered at that time was very reasonable.

Ms Anwyl: Why do you not reinstate that offer?

Mr SHAVE: The member is asking the Government to sell a government asset, for which it supposedly has a responsibility to the taxpayer, at a figure at which it does not sell any of its other assets. The member is asking me to do a difficult thing. I realise the position that Mr Hall and his wife are in, and I sympathise with their financial circumstances. I understand they are \$1 375 in arrears on their payments. I am told that the Department of Land Administration is prepared to negotiate with Mr Hall for the recovery of those arrears to try to reach an acceptable proposal. The member for Eyre approached me yesterday. Even though the member for Kalgoorlie has been trying to lift her profile by going to the Press and making comments about what she considers to be this Government's lack of compassion, I am prepared to meet those members to discuss the issue. As I understand it, the member for Kalgoorlie is asking me to reverse a policy, which I understand was used by the previous Government for the sale of government land, so that now we should look at discounting properties that have gone up in value. If the member wishes to put up that proposal at a meeting -

Ms Anwyl: I have put it to you today. What about the other example I gave you?

Mr SHAVE: If the member does not want to meet with me, that is fine. If she wants to keep running this as a public issue and a debating issue in the Parliament, I do not have a problem with that either. I will do it either way because it makes no difference to me. However, I have made her the offer and I hope that she will show a little courtesy and realise that I am willing to look at that issue and discuss it with her. I have told my staff to set aside an appropriate time for the member for Eyre to discuss the matter. If the member for Kalgoorlie does not come, I do not think it will be a great loss to the discussion.

### BELRIDGE SENIOR HIGH SCHOOL BUS SERVICE

#### *Grievance*

**MR BAKER** (Joondalup) [4.47 pm]: My grievance is directed to the minister representing the Minister for Transport. It concerns the quality of the bus service currently being provided to children at Belridge Senior High School, which I might add at the outset is the largest secondary school in the state electorate of Joondalup. These concerns have been raised with me by the school's P & C association, chaired by Mrs Linda McCue, and also by various parents who have written to me over the past four weeks or so. This issue can perhaps be divided into four separate and distinct areas, the first being safety, the second being special buses, the third being fares and the fourth being a late-bus timetable change.

In respect of safety, the problem is that the number of buses provided each day to get children to and from school, particularly in the afternoons, is grossly inadequate. This has resulted in substantial overcrowding on these buses, particularly each afternoon, and in many cases children simply being left behind because the driver has either asked them to leave the bus or has refused to allow them to enter given the number of children already on the bus. It seems this issue has been aggravated somewhat by the general trend nowadays whereby many parents prefer to drive their children to school and expect them to rely on the public transport system to get home - in this case by the special bus system for school children.

There are other problems as well. In one case overcrowding arises and children are left behind when travelling from Whitfords to Joondalup. The bus arrives at the bus stop on Gwendoline Drive and in many cases when a head count is done it is realised that several students were left behind at Whitfords several kilometres away. I would have thought that the school had a very high duty of care to these children, particularly given that the duty of care commences when the children get on the bus to go to school each day. In any event, I am primarily dealing with this as a transport issue. I ask that the minister representing the Minister for Transport raise the issue with the minister.

Another issue relates to the provision of special buses. As is the case in many other schools in the Perth metropolitan area, each week this school closes early on Wednesday afternoons. I understand that the early closure time of 2.30 pm has been the case since the year dot, so to speak. To get buses to the school at this time a special arrangement must be put in place. At the moment, as I understand it, the school funds one early closure bus for one Wednesday afternoon each month. No arrangements are in place for the remaining three Wednesdays. The children finish school at 2.30 pm on those three Wednesdays and basically must hang around until well after 3.00 pm when the regular bus arrives to take them home. As the minister will appreciate, this also raises duty-of-care concerns. There are concerns that many of the children simply become impatient, walk off and head to the nearest shopping centre where they perhaps run the risk of getting involved in activities in which they should not be involved. They may decide to walk home and attempt to cross the very busy Ocean Reef Road, which adjoins Belridge Senior High School. I understand that the cost of providing an additional bus for the other three Wednesday afternoons is about \$940 per annum - the figure may be incorrect. It seems that for the sake of that small amount of money either the Department of Transport or the Education Department is prepared to prejudice the ongoing welfare of these students when they finish early on Wednesdays for three weeks each month. I have written to the Minister for Education on this issue, and he has advised me that this a Transport issue because it involves a bus contractor, Path Transit. He has asked me to refer the matter to the Minister for Transport, which I have done. I am waiting on a response to my fairly lengthy letter of several weeks ago. I do not think it is a case of buck-passing.

The other issue that cropped up is fares. Fares are based on the number of zones travelled to and from school. Some students pay 80¢, and others who travel one bus stop further pay \$1.20. That is a substantial price difference. The problem is that Belridge Senior High School is the only designated high school for students in years 8 to 12 for Beldon, Heathridge, Connolly, Currambine, Joondalup, Edgewater and Kinross. Putting the exceptions to one side, generally speaking, parents who reside in those suburbs have no choice other than to send their children to that school. In many cases that means when travelling to school many children pass through two zones, even though they may live only two or three kilometres from the school. This is an absurd situation. One solution that has been put to me by the parents and citizens association president is that it will be far more equitable for the Department of Transport to charge a blanket fare of one zone.

The other matter of concern is changes to the bus timetable. On 15 February the bus and train timetables were changed. The way in which these timetables are synchronised is important. Several students who attend Belridge Senior High School must travel all the way to Whitfords. The departure time changed from 3.10 pm to 3.07 pm, which meant that some children

must leave the school 10 minutes before the official end of the school day to catch the bus. This has caused problems. I have been told that the Department of Transport did not bother to conduct a survey of schools and pupils to determine their needs prior to the timetable change. This has resulted in many cases of children arriving, for example, at the Joondalup train station five minutes late to catch a train and then having to wait up to 30 or 40 minutes for the next train. They are left to wander around the train station. That is not an acceptable situation for these children to find themselves in after hours. Naturally the parents are concerned that these issues have not been put to bed, and that the delays in resolving them may mean they will not be resolved. These issues may never be resolved and parents will have to cop it sweet. The P & C will not cop it sweet. It wants immediate results, particularly because it is primarily concerned with the welfare of these children.

**MR OMODEI** (Warren-Blackwood - Minister for Local Government) [4.58 pm]: I thank the member for Joondalup for his concern about students in his electorate. The Minister for Transport has provided me with copious notes, which I will refer to with your indulgence, Mr Acting Speaker (Mr Sweetman).

On the issue of safety, overloading problems were experienced on the Belridge school buses at the beginning of the school year. Following a review of students' travel patterns the school buses were reorganised. The service capacity has been increased from three standard buses to two standard buses and one articulated bus. As a result, I am told that no students are being left behind. In addition, the bus routes were modified specifically to ensure that the loadings on those three buses were spread more evenly. I understand that student loadings were rechecked on 8 March and all students are being carried satisfactorily. Transport WA has been proactive in introducing measures to resolve the situation. As a result of the changes, many students residing in Joondalup have a more direct and faster journey home. Transport was also considering adding another Transperth 463 service to Joondalup station to provide even more capacity and choice to Belridge students' travel options. At the moment the existing 463 service is being fully utilised. It is conceded that it is necessary for some students to stand on these services, which is not common practice on the Transperth system during peak travel times.

The Education Department handed over the responsibility for buses for early school closures to the Department of Transport some years ago. At that time, two matters were clearly agreed to by Transport and Education. The funding for one early school closure each month was transferred to Transport provided additional buses for early school closures would be funded by individual schools based on payments negotiated between the schools and the service provider. Transport has observed over the past 12 to 18 months the trend to request additional early closure bus services. It is not a matter peculiar to Belridge Senior High School, nor has Belridge been unique in seeking that service.

I acknowledge the member's comments on the charge of \$900. I have been told that Belridge has negotiated an extremely favourable incremental cost of only \$18 per bus for each early closure. That has resulted in Belridge incurring an extra cost of only \$54 for each early closure, though I dare say that would mount up. The minister's note states that it would not be appropriate for Transport to absorb a cost which more correctly should be attributed to Education. I will raise that matter with the minister. As Transport has responsibility for school buses it may be that Transport should absorb the cost.

The current fare structure is based on the distance being travelled. Transport believes it is equitable for the amount charged to bear a logical relationship to the cost of providing the service. The revenue from fares amounts to only 25 per cent of the cost of providing the service. Most school bus services also carry members of the general public, and are generally not services which are dedicated school bus services. Consequently, the services are part of the Transperth public transport system, and the fares applicable are those which generally apply to all Transperth bus, train and ferry services. I notice that the P & C has asked that a blanket fare of one zone be applied. Although the comments made in the department's report indicate that to offer a fare of this nature would establish a further inconsistency in the public transport system, the suggestion has some merit. A blanket fare should be considered, and I will refer that matter to the minister. It will affect other parts of the metropolitan area, but for ease of use for students going to school, a blanket fare of one zone would be simpler and more workable than multiple zones.

The member referred to timetable changes. Buses in the northern suburbs are designed to connect with the northern train line to provide an integrated service for all public transport passengers. As a result of the timetable changes on 15 February, the consequent change in the time of the route 463 bus service that operates past the school to Whitfords station was necessary in order to preserve the connection with the amended train timetable service. Although some Belridge students must now be at the bus stop three minutes earlier to catch this bus, it is still convenient for a significant number of Craigie Senior High School students who also use the service and require connections at Whitfords station. However, it must be emphasised that the timetable change was only by three minutes. Transport states that in times of relatively scarce and valuable resources, the bus services provided to Belridge Senior High School cannot be viewed in isolation; Transport must consider the need of Belridge and Craigie high schools which together rely on this bus service.

Those comments were provided to me by Transport WA. I still believe that the issues raised by the member for Joondalup on behalf of the Belridge Senior High School P and C Association should be appropriately handled by Transperth and Education. The member has raised a number of matters that I will bring to the direct attention of the minister, particularly the issue of funding for additional early closures and a blanket fare of one zone. I am sure with some goodwill we could negotiate between Transport and Education a system which would be simpler for the member's constituents.

**TELEVISION RECEPTION IN REGIONAL WESTERN AUSTRALIA***Grievance*

**MR RIEBELING** (Burrup) [5.00 pm]: I address my grievance to the Minister for Regional Development given his special responsibility for regional Western Australia and television reception in my electorate. As the minister is aware, there has been much ado about the pending arrival of WIN TV throughout regional Western Australia, and that is to be applauded. However, in many areas of my electorate the announcement should have been that WIN TV is coming to a town nearby. On 26 March WIN TV is due to start transmitting to the major population centres of Karratha, Port Hedland, Newman and Tom Price in the Pilbara region, but other towns in the region will not receive that transmission for some time. In fact, my information is that transmission will not commence until December this year.

Everyone in my electorate expected to be able to receive the service. As the minister is probably aware, Golden West Network previously transmitted the best programs from both Channels 7 and 9. That program range has now been split down the middle, with WIN TV transmitting Channel 9's programs and GWN transmitting Channel 7's programs. Many people will now receive a reduced rather than an enhanced service.

I hope the minister will look at the process put in place by the Burke Government when GWN began transmissions to those areas. Given the cost of installing ground services, the then Government provided a grant for about 10 years. It was initially about \$1.5m per annum and was intended to ensure that towns which it was not an economic proposition for GWN to service would still receive transmissions. Over a period that subsidy was withdrawn. My understanding from WIN TV is that it is not covering the entire area because it is not economically viable to do so.

As the minister knows, when the original TV aerials were installed the population of Karratha was about 8 000 people. Since then the town has grown further towards Dampier and around the hill area with the new suburbs of Baynton and Nickol. The reception in those areas is exceptionally poor; in fact, Baynton receives almost no signal. A recent meeting of the shire council voted to install additional aerials at the current Optus aerial site to beam SBS and Triple J to Karratha. That move has widespread support, but unfortunately the placement at that site will prevent the service being provided to the entire town. The project will cost the council \$60 000 or \$70 000, and it has made an application to the Government for \$28 000 in assistance.

I hope the minister looks at the options submitted by the council and realises that it does not have sufficient money to service the entire town of Karratha. For \$150 000 - said quickly it does not sound very much - a relay station could be constructed behind the hospital. The entire town would then receive a full range of services transmitted by SBS, GWN, WIN TV and, of course, the ABC.

I have written to the Premier about the relocation of the aerial so that the entire population of Karratha receives transmissions from all the channels, but I am yet to receive a reply. However, the problems with WIN TV have only just surfaced. Most of the advertisements about the service have failed to state that the majority of towns - although not the majority of the population - in the Pilbara will not receive the signal. It is of concern, especially to the people of Wickham, Roebourne, Paraburdoo and Pannawonica that they appear to have been forgotten in the design of this improved system. Not only have they been forgotten but also the number of good programs televised previously has been halved, so the problem has been exacerbated for those people. They accepted the changed arrangement because they thought they would get WIN TV.

In the next couple of weeks I will table a petition about Wickham specifically. The majority of the residents of that town are asking the Government to intervene to ensure that services are installed and that at least the initial cost of installation is covered. The rental or whatever else is required on an annual basis could be contributed by the shire and the major companies in the town. The townspeople are hoping that the Government will ensure that they receive transmissions from the new channel as soon as possible.

**MR COWAN** (Merredin - Minister for Regional Development) [5.05 pm]: I recall the member for Burrup correctly identifying that this matter relates to the federal Telecommunications Act and therefore is not the direct responsibility of the State. However, I have an interest in the issue. The difficulties outlined by the member are reflected in a number of areas of regional Western Australia. A number of concerns have been expressed not only about the Golden West Network shift from one satellite to another and the cost associated with that but also about WIN TV and whether that television service can be received without the need to purchase another set-top box; in other words, viewers would use the same decoder used for existing television channels.

The member also made some comment about the two levels of subsidy that have been granted over a long period. The member is correct in pointing out that when GWN first came to Western Australia offers of assistance were made to various towns to improve their television reception. That policy was then superseded by a decision to offer many regional areas even better services. A subsidy was provided for towns that wanted to build a dish and translator which would cover a very small area but which would give those towns the capacity to receive a service either with a rooftop antenna or set antenna without viewers having to install towers in their backyards. Those subsidies ended some time ago. The closest we have gone to

providing a subsidy is the funding made available to those viewers who wanted to access PamAmSat for GWN reception. To do that they also had to buy a decoder.

The Federal Government decided that it would use regional telecommunications infrastructure funding to support a subsidy for people who had their own home-based service. Also, support was given to towns that had provided their own larger dish and translator. Bigger towns, of course, were well served by the television station inasmuch as it met the cost of any changeover. However, the problem that exists in some towns that have been mentioned, in particular Karratha, where the town has outgrown the capacity of the transmitter to deliver a signal, is one that I have raised with the federal minister and the National Transmission Agency. I have received an acknowledgment from Senator Alston, who advises me that he will seek some answers from the relevant federal government agency. That information certainly will be communicated to the member as soon as it comes to hand. The member for Burrup is right: Services are not good. Commensurate with the Federal Government's undertaking that it would provide access to SBS Television for many remote and regional communities, that fits precisely within that pattern. Although it is a matter of providing the SBS service and transmitting it to those areas, in this instance we also need the added capacity to improve the quality of the service. I have not seen the member's letter advising of the action that the shire will take, but I have certainly received some comment.

Mr Riebeling: I can give the minister a copy.

Mr COWAN: I would appreciate that.

Mr Graham: Country shires should not need to take such action.

Mr COWAN: I agree; there is no argument.

Mr Graham: The money to fix it has been allocated by the Federal Government and it is now conditional on the further sale of Telstra. An open letter was put out by the minister the other day.

Mr COWAN: There is a paradox in what the member says. How can money be allocated if it is conditional upon the sale of Telstra? The policy has been put out to indicate to everyone what the country might be denied should the Telstra legislation go through the Senate. To this date no money has been allocated. I agree that services are poor. The National Transmission Agency, not the shire, has responsibility to make sure that services are improved. We will take up the issue with Senator Alston and say precisely that.

## **EDUCATION DEPARTMENT, PEOPLESOFT PROGRAM**

### *Grievance*

**MR BARRON-SULLIVAN** (Mitchell) [5.13 pm]: My grievance, which is directed at the Minister for Education, concerns the application of the new PeopleSoft program by the Education Department in schools throughout country areas, in particular throughout the greater Bunbury and Australind area. PeopleSoft, as members will be aware, was introduced by the Education Department in September last year. Basically, it is operated from head office, and it now applies to about 220 schools. I was alerted to problems with the application of that software program in some of our schools several weeks ago when support staff approached me regarding problems with outstanding salary payments. One case, for example, had gone on since before Christmas; the poor lady concerned did not receive payment until the beginning of this month.

Yesterday, *The West Australian* carried a story about PeopleSoft and its impact on teaching staff, but it did not mention that non-teaching school staff have been seriously affected as well. These include several categories of non-teaching support staff, including registrars, school officers, teacher aides, gardeners, Aboriginal education workers, cleaners, library officers, special teaching aides and laboratory and home economics assistants. Many people employed in those positions have experienced difficulties with their pay arrangements and some have experienced lengthy delays in being paid. Others have received double pay since Christmas and, presumably, will need to budget to repay the overpayments. Understandably, that is causing considerable anguish for many school staff. Others have not been paid their higher duties or other benefits to which they are entitled, such as payment for sick leave.

On Monday evening I was invited to a network meeting of about 70 school support staff by the organisation's president, Jill Winstone. I am grateful to Jill and her colleagues for that opportunity. School registrars, school officers and other support staff from the Australind-Bunbury area and from further afield in the south west, for example Collie, relayed to me several matters regarding the introduction of the PeopleSoft program at their schools. Interestingly, the consensus was that the system probably has its merits and that if it could be made to work well it would be a useful human resources management tool, although I qualify that by pointing out that there were serious concerns about the possible additional workload for school support staff. PeopleSoft is used widely in Australia and overseas by government agencies and by the private sector. For example, for some time a major Western Australian mining company with operations in the south west has been using PeopleSoft with great success. However, the manner of its introduction in the Education Department in September has meant that the system has been fraught with difficulties ever since. At the meeting on Monday night, Dave Robinson, branch



secretary of the Civil Service Association, spoke about PeopleSoft and the difficulties that school staff had experienced since its introduction.

It appears that several schools were provided with the new software before it was ascertained whether those schools had the necessary technology to run the new system. Some simply did not have the necessary telephone lines to run PeopleSoft, and some did not have the necessary hardware. The help desk which was set up to handle inquiries has been unable to cope at times, due to the flood of requests from support staff trying to come to grips with the new system. Although the Education Department provided two days' training for school support staff, in some cases the software was not installed until afterwards, thereby breaking the continuity between training and application of the new program. There were several similar problems relating to the establishment of the new software. The people who shared my table at the meeting gave me several real-life examples of the difficulties being experienced at their schools and indeed how they themselves are affected.

Bearing in mind that as part of the new system support staff in each school are charged with greater responsibility to look after aspects of human resource management, I can understand just how distressing the matter must have been for many of them. I have spoken with several people in the department, including the executive director of human resources, and I am pleased that action has begun to resolve the difficulties. Several initiatives have been under way for some time to try to catch up with the backlog of payment processing and to get on top of some outstanding difficulties. I understand also that the department has offered to ensure that any staff member who has not been paid on time will receive his or her overdue salary payment within four days of notifying the department of the problem.

Certainly, that amounts to a significant step in the right direction, although frankly I am at a loss as to why it has taken so long to begin seriously to rectify the matter. Even now in the greater Bunbury area people are awaiting outstanding salary payments, people are being overpaid, and people are not receiving benefits owed to them. I gave my constituents and the people at the meeting on Monday night a firm commitment to pursue the matter on their behalf as a matter of priority. I raise the matter with the minister today to ensure that the message gets through at the highest level. Clearly, the system as introduced by the Education Department still needs much finetuning and processing work to catch up with all outstanding matters. I have spoken to the executive director and put forward some ideas, including a request that a senior officer - possibly the executive director himself - visit Bunbury and discuss the matter directly with school support staff. I believe that would be useful to determine the nature of the problems that have occurred and to give the people at the grassroots level some direct input into the matter. They would also be able to offer some constructive suggestions which could assist in the development of this program throughout the rest of the State. A significant number of people have been inconvenienced, some seriously so, and I am seeking the strongest commitment possible that the necessary resources are being applied and that every possible effort will be made to reduce this problem.

**MR BARNETT** (Cottesloe - Minister for Education) [5.20 pm]: This grievance is a serious matter. Firstly, I indicate the scale of the problem that the department faces. The previous system was 11 years old. It was on a limited mainframe and it was clearly inadequate for meeting the department's needs. The Education Department's payroll system must deal with 35 000 separate pay transactions every fortnight, and at the beginning of each school year, the department is faced with the prospect of 15 000 new employment contracts. Those employment contracts, the leave accrual system and so forth relate to temporary teachers and contract, casual and relief staff. It is an enormously difficult and large task. The new PeopleSoft system was introduced to modernise the payroll and staffing procedures within the department. It is an expensive exercise costing \$23m. The PeopleSoft program is highly regarded and world-renowned. It was highly customised to suit the Education Department due to the large number of different awards and agreements, the different employment status of teachers, and what is in effect a transient work force, and an inherited state of differing entitlements, especially long service leave. The faults that have occurred are not as a result of the PeopleSoft software. They have occurred because of the customisation that has taken place which has certainly contributed to the problems. Currently the department is confident that the problems have been addressed. However, I cannot guarantee that no further incidents will occur, simply because of the scale of the problem. The department would recognise that it underestimated the amount of learning and training that would be associated with the introduction of a new system and also the amount of customisation that would be necessary to make it work. It has suffered more than a teething problem. The situation has been difficult and that is recognised.

I acknowledge the staff who have been working on this matter within the department. Large numbers of people have been handling these problems which are of a clerical nature and must be handled manually involving thousands of calculations. The staff have worked extremely hard and long hours to achieve solutions to the problems, and that should be acknowledged.

The department has given the undertaking that if an instance of underpayment or lack of payment is made known to it, the person concerned will be paid within 48 hours, and that is the standard being applied. Last week the department conducted a census in which it contacted all schools in the State to identify any teacher who had not been paid or who had been paid incorrectly. Sixty staff across the State were recognised as experiencing problems and all of their payments have now been rectified. However, further problems may occur. I do not apologise for this in the sense that it can be simply swept to one side. I very much regret that teachers and other support staff in schools have been inconvenienced. The department and I accept responsibility for that; it is unacceptable. One of the prime responsibilities of an employer, if not the prime responsibility, is a duty of care and to ensure that employees are paid. However, I ask members to recognise that the

introduction of this new software and the procedures that accompany it were long overdue. Not only has it been a difficult task, but also problems have occurred because of the sheer scale of the task, especially at the start of the school year.

One of the interesting characteristics is that unfortunately many teachers or staff who did not receive their pay often let the problem continue. Many of the problems were not brought to the department's attention. Nevertheless I apologise to teachers and staff for this occurrence and assure them the problems have been rectified. When the system is bedded down and working properly, a situation which is fast approaching, it will provide a far better personnel arrangement. It will allow decisions on leave, relief teaching, career paths, updating of personal records and so forth to be made at the school level. It is part of an overall program of devolving responsibility and autonomy to schools and therefore to principals and senior staff. It has been painful and it has caused some problems for which I apologise, but the benefits will be very substantial in the future.

Again, I pay respect to and acknowledge the employees within the department who have been working days, nights and weekends to deal with this situation. It is sometimes easy to criticise the Government and the department, but members should spare a thought for those who have been under extreme stress to cope with a very difficult situation.

The ACTING SPEAKER (Mr Sweetman): Grievances noted.

### **FINANCE BROKERS, POOLED MORTGAGE INVESTMENT SCHEMES**

#### *Motion*

**MS MacTIERNAN** (Armadale) [5.26 pm]: I move -

That the Minister for Fair Trading explain to the House why he and the members of the Finance Brokers Supervisory Board should not be sacked for -

- (a) failing to take steps to adequately warn consumers of problems with pooled mortgage investment schemes when they were aware of those problems as early as June 1998; and
- (b) failing to act on advice given by the Ministry of Fair Trading officials that the code of conduct needed to be amended to enable the board to use that code to charge finance brokers who were behaving unethically towards lenders investing through them,

given that these failures have contributed to hundreds of Western Australians suffering major financial losses as a result of inexcusable conduct by licensed finance brokers.

This is a very serious issue and cannot be glossed over. We are talking about possibly as many as 300 Western Australians who have experienced substantial losses as a result of investments made through state government licensed finance brokers who have established pooled mortgage investment schemes. We know at least \$100m is involved. The current estimates conservatively indicate that the losses incurred by these Western Australians who relied on state government registered finance brokers will exceed \$50m. We are considering a very serious problem. For those who perhaps are not aware, these pooled mortgage investment schemes are advertised in various newspapers, especially those published for elderly people. The finance brokers advertise investments and promise high returns, usually in the order of about 10 per cent, and state that they are secured by first mortgages. They locate a property and have that property valued. They then say to a group of lenders who contact them, "The property is worth \$600 000. We will lend the owner of this property \$400 000. If each of you put in, say, \$30 000 or \$50 000, you will each participate in a first mortgage and you will be secure in your loan", and these investors do exactly that. In the majority of these schemes which involve a potential loss of \$50m, the primary problem is that the properties have been grossly overvalued. We can cite numerous cases. One such case involved a property at Brigadoon which was valued at over \$780 000 18 months ago. That property is now worth about \$300 000. There are many more examples of that order. In fact, the valuations are in excess of 100 per cent over the market value.

We also discovered that the promises of first mortgages are often not first mortgages; properties have pre-existing caveats over them or that investors have been given less than a first mortgage. In many instances, the mortgages have not been put on the titles and, in some instances, they have been delayed by a considerable period, causing great exposure to risk for the investors. A certain amount of the borrowed moneys will be put into a trust fund and used to make the repayments for the first year. In reality, no income at all is coming from the borrower. This is designed to lull the investors into a false sense of security because for the first year they receive their payments, and they think there is a stream of income from the investment. In reality, they are only receiving back part of their sums. When these schemes go wrong we now know that there are no arrangements governing how the mortgages will be dealt with. There are special problems associated with getting together 20 people who have no deed setting out the circumstances under which the property will be foreclosed or sold. Unless all the people in that investment scheme can be coordinated and all have the same view, it becomes very difficult to liquidate the asset and use the protections that mortgagees usually have.

The crooks running these schemes have targeted the elderly, people with disability payouts and retirees who do not have a very large investment sum. Consequently, these people are keen to have a high interest return so they can sustain some

sort of reasonable lifestyle. They also target people who are not commercially sophisticated. This morning I spoke to a lady who said that she and her husband normally would have looked at this investment more closely. They are in their 70s and suffered a series of cancer and clots that year. Their health was not good and they were not capable of exercising the same sort of care they normally would when making such an investment. These are the people who are being preyed on; those who are not in the situation to properly scrutinise the dealings or the advice given to them and who do not have the commercial sophistication to realise that they should obtain independent legal advice before entering into such arrangements. This is not a situation in which people have a bit of spare cash and are taking a bit of a risky investment. If members read the speech made by the minister in November, they might be excused for thinking that this was the way the minister was approaching it.

Mr Shave interjected.

Ms MacTIERNAN: The minister said that these people had looked around and if they were looking for an investment that offered an above market rate, they should expect it to be risky.

Mr Shave: Everyone says that, not just me.

Ms MacTIERNAN: These people are often self-funded retirees; in fact, the vast majority of them appear to be self-funded retirees who are dependent on that income to survive. Now that their payments have ceased, many of these people are in a difficult situation. They have been told by Centrelink that they cannot get benefits because they are asset rich. Until such time that these schemes are liquidated, Centrelink will treat their investment as full value. If a person has invested \$100 000 and everyone knows that it might be worth only \$20 000, Centrelink is obliged, until such time that it is liquidated, to treat it as a \$100 000 investment and say that the value of the assets is too high for that person to receive a benefit of any sort. We have an extraordinary situation now in which hundreds of people have no income, have no access to their asset, have an asset of a vastly diminished level and have no means of support. In a number of instances people who have received compensation payouts or who have had major accidents and have invested the compensation they received in these schemes are in identical situations. They cannot get a pension or any benefit because they are also considered to have an investment of this level. We are dealing with a real crisis for hundreds of these people.

The Government has taken the line that it is very sad, it feels a great deal of grief for those people, and it is really sorry. The people are supposed to feel comfortable with that. The people do not want just the Government's sympathy; they want some action. They want to know why the Government has not been able to protect them. Let us look at whose responsibility this is. A Liberal Government set up the Finance Brokers Supervisory Board and the Finance Brokers Control Act. The old-style Liberals, not the new-style Liberals, recognised that government has a responsibility to protect -

Mr Shave interjected.

Ms MacTIERNAN: I certainly do not like the spivs and charlatans who are running the Liberal Party these days. In 1975, the Liberal Government recognised that it needed to protect the vulnerable in our community against investments of this type. It then determined that it would licence investment brokers. Since 1975, if a person wanted to operate in this field effectively he had to go to the Government and be licensed. The Finance Brokers Control Act sets up the Finance Brokers Supervisory Board. It gives the board three jobs: Licensing, regulating and supervising finance brokers in this State. Under section 82 of the Act, the board is given the power, either on its own motion or through the registrar, to investigate any licensed broker in order to examine his conduct. Section 30 gives the registrar power to initiate an investigation, either on his motion or that of an inspector. Either the board or the registrar can commence the investigation into a finance broker. They are the only two nominated officers who can commence an investigation. Interestingly, no power is given to the Ministry of Fair Trading to launch an investigation. The investigation must come from the board or the registrar of the board, who of course is answerable to the board. The minister seems to have understood this when we discussed the matter in November last year. He said at that time -

. . . the board is responsible for supervising the brokers.

We have agreement on this. He has obviously been well advised and he understands that. He also said -

The ministry provides administrative support to the board. If the board is not happy with the level of investigation or the support the ministry is providing, and it is not able to do its job because the ministry is negligent, I expect the board would advise me of that situation.

Basically he understands that investigations are the responsibility of the board, and only the board can launch an investigation. However, he was a little confused because he then said that the Ministry of Fair Trading was going flat out - like a lizard drinking - investigating these matters. That is fairly laughable. He seemed a little confused because earlier he recognised that it was the board's responsibility but he then said the ministry was proceeding with the investigation. The minister then admitted his responsibility. He said he could not direct the board and that -

My responsibility comes in if those people do not do their job.

He further said that his responsibility was to change the composition of the board if it was not doing its job. The minister agrees that he said that. However, the minister said in newspaper articles that he would not sack the board because it had been doing its job.

Mr Shave: When did I say that?

Ms MacTIERNAN: In various newspaper articles. The minister said it in November. Why did he not sack them in November?

Mr Shave interjected.

Ms MacTIERNAN: The minister clearly has not sacked the board; perhaps we will hear an announcement tonight that he will sack the board. He has not sacked or replaced the board and one can only presume that the minister is satisfied with the job being done. Since the Opposition raised this issue in November, and it is now March, there has been no change in the board and we can only presume the minister believes the job has been well done. However, 3 000 people have lost more than \$50m, and that figure includes hundreds of elderly people and people with disabilities. They have no income and they have no capacity to access Centrelink benefits, but the minister says that his guys have done their job and they should stay there.

The minister said in his contribution in November 1998 that the first complaint against Global Finance was received in July 1998, and that the board, through its ministry, was thoroughly investigating the matter. We pointed out at that time that, notwithstanding the fact that the complaint had been received in July, by late October, three and a half months later, no steps had been taken to look at the files concerned.

Mr Shave: Are you sure about that?

Ms MacTIERNAN: The minister said that in answer to parliamentary questions. I can provide them to the minister.

Mr Shave: You are saying that I said the ministry had been doing nothing for three and a half months.

Ms MacTIERNAN: When I asked in an earlier question when the investigation had started, the minister said it was on 6 July 1998. I asked at what stage it had begun in relation to the PenLas Pty Ltd matter and when the files from Global Finance had been viewed. I also asked at what stage Global Finance was interviewed with regard to those complaints. The answer from the minister was that three and a half months later officers had not had discussions - they were going flat out - with Global Finance and nor did they have the files.

Mr Shave: I will give you the exact detail.

Ms MacTIERNAN: The minister should give us the exact details.

Mr Shave: I think you are tampering with the truth.

Ms MacTIERNAN: We have the answers the minister has given. At the end of the day, even if the minister says that the ministry was going flat out with the investigation - and three and a half months later it had not done the interview - and the Opposition accepts that, we now find that this is far from the truth. We now know that the ministry has known about these problems for nearly three years.

Opposition members have spoken to Mr Frank Hackling who tells us that in 1996 he was approached by Mr Willers, the investigator for the board, who told him he was investigating Global Finance. Mr Hackling was asked to make a statement about his arrangements with Global Finance and whether he was happy with those arrangements. Mr Hackling was 80 years old when he was approached by Mr Willers who was investigating the matter. Mr Willers was so keen to investigate this matter that he made a house call and drew up an affidavit for Mr Hackling to sign in 1996. The Opposition would like to know the origin of this investigation, who authorised it, and what happened to the investigation of Global Finance in 1996.

It is quite clear from the Act that Mr Willers, as an investigator, can act only on the direction of the board or the registrar. We also know Mr Willers and the registrar are in frequent contact with the board - as they should be because they are answerable to the board. As an interesting aside, when Mr Hackling, who had received this unsolicited contact in 1996, fell into trouble with Global Finance on 23 February 1999 when his cheque did not arrive, he rang Mr Willers to say he had a complaint about a problem. He thought Mr Willers would be really interested because he had spoken to him about it previously. However, Mr Willers said he could not help him. He said that about three times, and he would not even take Mr Hackling's name and telephone number. That example shows that, far from its being July 1998, Global Finance was first investigated in 1996.

We also know that by March 1998, the ministry was investigating another notorious set of characters in this game, namely, Blackburne and Dixon Pty Ltd. Its losses rival those of Global Finance and it has been lending money to kidnappers and an assorted variety of jailbirds who even the most unsophisticated person in the community would have some idea were notorious characters. We know this because by accident, when solicitor Doug Solomon sought documents from Blackburne

and Dixon's solicitors, we found in a pile of letters a very interesting letter from our friend Mr Willers who was investigating Global Finance. The letter is dated 1 April 1998 and states -

In response to your request at our meeting on 16/3/98. We provide you with a resume of the granting of the finance and subsequent events up to March 1998.

Again, that is another pooled mortgage investment scheme. As the meeting was to be held in March, we can presume that, at the very latest, the complaint was received in January or February 1998, and not July 1998. The particular scheme being investigated was the Parmelia scheme, which has been the subject of quite a lot of press. The investors were promised a medical centre that would be worth more than \$600 000. I understand it is currently valued at around \$180 000.

We now know that the members of the Finance Brokers Supervisory Board knew about Global Finance Group Pty Ltd and Blackburne and Dixon Pty Ltd. Those were not the only ones because in January 1997, the year before, they had received a complaint from a Mr Alf Ryder about another mob called Gamel Ward. We know the pace at which Mr Willers works - obviously flat out - but it took him 18 months to respond to Mr Ryder. What he said was that it took them 18 months to look at it and they could not help him. He wrote -

The Ministry's view is that the matter should not be referred to the Board for inquiry. The reason for this is that a precondition for establishing a breach of the *Finance Broker's Control Act 1975 Code of Conduct* by Gamel Ward is that you were the broker's "client" within the meaning of the Act. The Code only applies to the broker's "client".

They are not saying there is nothing wrong and that these brokers have done nothing wrong. They are saying that it had taken them 18 months to be able to tell Mr Ryder that they have legal advice that he is not the client of the broker and so they cannot move to protect him. This consumer authority goes on to give a very useful piece of advice. Its members say that of course Mr Ryder can always go to a solicitor who will help him. This is typical of this agency which under this Government has decided that it is not in the business of consumer protection. It believes that should be privatised and that if people have a problem they should go to their lawyers. What it did not go on to say in that letter to Mr Ryder is that this problem could be dealt with and that indeed the board had received advice from the Ministry of Fair Trading that the matter could be dealt with simply by changing the code of conduct to change the definition of "client". It would be very simple. Section 81 of the Finance Brokers Control Act says quite clearly that the board may establish a code of conduct. Nothing else is required. The board can change that code of conduct on its own motion and does not need ministerial approval and, if it did, it certainly does not need to go to Parliament. It decided not to take the advice. The board knew about Global Finance, Gamel Ward and Blackburne and Dixon but it would not act on the advice. It said that it would send out letters to people saying that it could not help them because of the code. Mr Urquart gave an explanation as chairman of the board of why he did not take any action. He did not consider that it was worthwhile because the Government was moving towards deregulating the industry.

Mr Shave: What are his exact words?

Ms MacTIERNAN: The article reads -

. . . the board was reluctant to alter the code in a piecemeal fashion which could lead to other problems.

He was not sure what those other problems would be. He continued -

It did not consider a complete overhaul was worthwhile when the Minister was expected to make a decision on deregulation soon.

We know that this matter must have been considered in early 1998. A year later there was still no decision on deregulation. I wonder whether the board was taking the view, "We will not get our sitting fees now because the minister has not made a decision on deregulation." Or did they say, "We will not do anything or act in any way because the Government might deregulate the board, but we will take our sitting fees." The report goes on to say -

"It is very fine in retrospect to say we should have done something," he said, "But we did not know the details we know now."

Basically he is saying that the board was not aware of these problems with pooled mortgage investments. I have presented clear evidence that the board was well aware of Global Finance, Gamel Ward and Blackburne and Dixon at the very latest by March 1998.

Mr Shave: You are massaging the truth.

Ms MacTIERNAN: I am not massaging the truth. It is all here.

Mr Shave: No, it is not. All the details are not there.

Ms MacTIERNAN: I shall go to the annual report which interestingly was tabled only yesterday. Before I go to the annual report, it was so aware of these problems that it put out an alert in the June 1998 edition of the Fair Trading publication. It wrote -

Recent investigations by the Ministry of Fair Trading have shown that significant losses have been suffered by private lenders in instances where positive equity ratios and valuations originally disclosed by brokers had been found to be incorrect.

The practices of 'property trading' and the rolling over of loans to include interest payments of up to 6 months - These are the problems that we were talking about earlier. It continued -

- in the amount borrowed, have contributed to these losses.

Desk top valuations where brokers and valuers have relied on sales evidence alone, have been found to produce inaccurate equity and loan information.

It goes on and on. It reads -

The Board will be closely monitoring the compliance of finance brokers . . .

When it was put to Mr Urquart that there he was in June 1998 issuing an alert to finance brokers saying that the board knew that it was being naughty and it should stop it, why was no alert issued to the consumers? Why were the old age pensioners who were being sucked in not alerted in this "Have-a-Go News", which is a government supported magazine? Why was one of those alerts that the ministry used to send out from time to time not sent to those people? Mr Walker gave the explanation. I do not know what his involvement is in this because he does not have a role in it. This is a little bit of confusion.

Mr Shave interjected.

Ms MacTIERNAN: He does not have a role. Under the Act he has no responsibility and no authority to speak. It should have been Mr Urquart. In any event, Mr Walker's explanation of the board's activity was that it was the quickest way to warn the industry about the problem. He said that the number of consumer complaints was small in comparison with the number of transactions. As I say, the board members recognised in June 1998 - presumably it has taken some months to compile this - that there are significant losses resulting from the operation of these finance brokers. Even though the Ministry of Fair Trading presented them with a draft of what the amendment would be and all they had to do was tick it and not think about anything, they refused to do it. Their justification was that it was not really a problem. They said that only with hindsight did they know it was a problem. It is completely contradictory. On the one hand they are telling finance brokers that there are significant losses and, on the other hand, they are saying to the ministry that it is not a real problem.

For another piece of completely incompatible information I will turn to the annual report for 1997-98 which was interestingly produced in this Parliament only yesterday. On page 7 it reads -

Legal advice received from the Ministry of Fair Trading suggested that it would be appropriate to delete the word 'client' and replace it with words 'parties to a transaction' throughout the Code of Conduct. This advice was based on Fair Trading's view that the word 'client' in the Code of Conduct must be read as 'the principal for whom the broker is acting in a transaction' and that a broker would rarely, if ever, act for both the lender and the borrower in the same transaction. Fair Trading warned that there may well be strong grounds of appeal if the Board took a broader view of 'client' and disciplined a broker in respect of conduct towards a person who was not the broker's principal.

This is very crucial. It continues -

This view has proved fatal to a number of investigations into the conduct of a number of brokers relating to advice given to lenders about the value of securities offered for loans. In the light of these complaints, the Board will consider amending the Code of Conduct as recommended by Fair Trading.

That is pretty incredible. I do not know when this was written. I suspect it has been doctored. Very interestingly it was tabled only yesterday. The industry members on the board were saying that they do not remember this being in the draft they examined. It would appear that the minister has altered the document. Even if he has not -

Mr Shave interjected.

*Sitting suspended from 6.00 to 7.30 pm*

Ms MacTIERNAN: One could either be flattered or concerned by the number of ministerial advisers in the gallery before dinner.

Mrs Roberts: The Minister for Fair Trading needs an awful lot of help.

Ms MacTIERNAN: Yes, it occurred to me that the minister needed all seven of them.

Mr Shave: When I do not have staff here the member for Armadale says I should have more staff, and when they are here she says I have too many. I cannot win with the member. I try to be her friend, but I cannot win.

Ms MacTIERNAN: The minister can win, and I will make some suggestions that will make not only the Opposition happy but also the general public.

I will provide a final vignette. This morning I spoke to Mrs M. Cassen. Mrs Cassen and her husband have lost \$50 000 through the Global Finance Group Pty Ltd. Mrs Cassen and her husband telephoned the Finance Brokers Supervisory Board on the day that Global Finance went into liquidation. They spoke to Mr Willers. They said that they were upset, because they had just realised their investment had failed. They said that Mr Willers was very polite. He said that if they came into the board's office it would process their claim, but the board could not do much for them because it was a toothless tiger.

Mr Shave: Is that what Mr Willers said?

Ms MacTIERNAN: That is what Mrs Cassen reported to me. I will quickly recap on what was said before the dinner break. We have established that the Finance Brokers Supervisory Board has sole responsibility for the supervision of finance brokers. We have established that the board was investigating Global Finance as early as 1996, Gamel Ward as early as 1997, and Blackburne and Dixon Pty Ltd as early as March 1998. The board knew there were major problems in June 1998 when it published an alert to finance brokers. Notwithstanding all of that the board refused to take the advice given to it, probably some time in 1997, to change the code of conduct even though it subsequently admitted that the failure to take such advice had been fatal to a number of investigations into the conduct of a number of brokers. If one reads the document that was tabled in this House yesterday one sees the board has acknowledged that its failure to act to put in place the changes to the code of conduct was fatal to investigations it had under way since 1996. How many people would have been saved these losses if the board had taken the advice it was given? The board refused to act on the advice given to it by legal staff at the Ministry of Fair Trading that it should change the code of conduct, which was totally within the board's power to change. The board also failed to issue an alert.

The Government must ask itself how many of these 3 000 people would have been saved if the board had acted as it should have in 1997? How many of the people who had invested in those schemes would have had their losses curtailed if this early action had been taken and these schemes not allowed to run away, as they did over the subsequent 18 months? We know now that, notwithstanding all of this, despite the Opposition's raising the matter in Parliament in November last year and being the subject of intensive media coverage in the past three months, the Ministry of Fair Trading has done nothing. We visited the web site of the Ministry of Fair Trading today. Guess what? The ministry has issued only one alert since June 1998, and that was on 11 January 1999. It deals with a really important matter. It states that some consumers have complained that they have been unable to secure discounts promoted in relation to travel clubs or have had problems booking accommodation on dates that suit them. The prospect of losing some discounts that were promised when joining a travel club was important enough to justify putting out an alert to consumers. On the logic of the Finance Brokers Supervisory Board the ministry should not have put out this alert, it should have contacted the travel agent. The Finance Brokers Supervisory Board does not contact the consumers; it tells the finance brokers; it says that is quicker! The Ministry of Fair Trading felt that an issue was sufficiently important to warrant issuing a notice so that consumers do not lose discount entitlements. Yet people losing \$50m has not stirred the minister to the slightest bit of action to release a single piece of advice to the consumers in this State.

The home page of the ministry's web site has a list of hot issues. The hot issues in the Ministry of Fair Trading include negotiating fees and services with a real estate and business agent, the retail trading hours legislation, a survey of consumer Internet experience, proposed amendments to associations incorporations, beating the year 2000 bug and the auction sales legislation. There is no reference to the issues facing investors who are being lured into the scheme. I do not know where the minister's web master has been, but 3 000 Western Australians losing \$50m is pretty hot!

*The West Australian* got it right when it stated in its excellent editorial of 25 February 1999 that it will take strong leadership to get the ministry back on track and that the minister has shown little inclination to provide such leadership to this floundering ministry. That was very kind to the minister.

Mr Shave interjected.

Ms MacTIERNAN: They have finally seen the light. The reason I say I believe that *The West Australian* has been kind is that not only has the minister been weak but he has also been disgracefully cowardly. He has refused to turn up to rallies when invited. Minister Barnett turns up to rallies and has fronted the people of the western suburbs and out at Maddington when he is about to close schools; Graham Kierath is willing to turn up to speak to unions that are protesting about his industrial relations legislation; the Minister for the Environment turned up at the anti-logging rally; and the Minister for Transport has travelled the State facing up to untold humiliation following this Government's ridiculous plans to privatise

Westrail. Not only does this minister refuse to attend rallies but also he refuses to meet any delegations. He has set up appointments with the Real Estate Consumer Association and its members believed they would meet with the minister, but he disappeared and left his double, Bill Mitchell.

Mr Shave: That is not true.

Ms MacTIERNAN: The minister has done that time and again.

Mr Shave: I have never done that.

Ms MacTIERNAN: They all think they will meet him, but every time they turn up he has gone missing in action. He capped it off by chickening out of the debate on "Stateline". He was invited to attend a debate on the Global Finance Group.

Mr Shave: By you and the de facto member for Armadale.

Ms MacTIERNAN: The minister was invited by the ABC producer.

Mr Shave: And your political friends.

Ms MacTIERNAN: The vast majority of the people who have suffered these losses are in the minister's and the member for Mandurah's electorates and they find them pathetic.

Mr Shave: What about your political friend at the university?

Ms MacTIERNAN: I assume that the minister is referring to Denise Brailey, who has been paid nothing as the head of the Real Estate Consumer Association. She unravelled all of these cases; in fact, she deserves a medal for single-handedly initiating this investigation when the minister, who earns \$150 000 a year, could do nothing for the people who came to see him. The minister should not dare to denigrate her in this Parliament because he will not have a friend.

Mr Shave: She speaks for herself.

Ms MacTIERNAN: The minister chickened out of that debate and refused to front up.

The minister should do a number of things. First, he should live up to his November 1998 promise when he said that his job was to sack the Finance Brokers Supervisory Board if it was not doing its job. We have demonstrated clearly here tonight that it has not done its job and, given that, he should sack it. Secondly, he should do the honourable thing and resign. He should let someone who is prepared to accept the responsibilities of a ministerial position take over that job and do something to protect the consumers of this State. Thirdly, he should make funds available to these victims to obtain legal advice and to pursue this matter. I do not think he will do that, but hopefully other members of Cabinet will. Funds must be made available to these people to pay the liquidators, because until such time as these investments can be liquidated they have no capacity to access their funds.

Mr Shave interjected.

Ms MacTIERNAN: I am recommending that the minister recognise his and his department's culpability.

Mr Shave: Are you saying that the Government should fund the legal process?

Ms MacTIERNAN: Yes, just as the then Labor Government, at the insistence of the then Opposition, agreed to provide funding for the legal action pursued by the victims of Western Women Financial Services Pty Ltd.

Mr Shave: Did you provide it?

Ms MacTIERNAN: Yes, of course we did. The minister has a far greater responsibility; his degree of culpability far exceeds that of the Labor Government.

Mr Shave: You know it was the sisterhood recommending that people invest in Western Women Financial Services. You also know that it was your Government telling people to invest in Rothwells. We have not been recommending that people invest.

Ms MacTIERNAN: This minister has presided over the regime while these finance brokers ran riot. The minister knew, the ministry knew and the Finance Brokers Supervisory Board knew, but nothing was done. That is a very clear culpability.

First, at the very least, funds must be made available for these people to seek legal advice to ensure that what remains of their investments can be properly recovered. Secondly, moneys need to be provided for the liquidation process. These people do not have the money to pay the liquidators of these various finance brokers. Until such time as those liquidation fees are forthcoming, it is not possible to dispose of the properties.

The minister has comprehensively failed the people of this State and he should take action on those three fronts. He should ensure that a decent level of financial assistance is provided to the victims of his inaction and he should sack the members



of the Finance Brokers Supervisory Board and replace them with people who understand their obligations and who are capable of delivering. He should also resign and allow someone to take over the ministry who has some commitment to protecting consumers.

**MR SHAVE** (Alfred Cove - Minister for Fair Trading) [7.47 pm]: I make it clear that, contrary to what the member for Armadale has said, the Government is very sympathetic to the plight of these people. The Government is concerned about that situation. However, I also make it very clear that the Government does not take responsibility for the decisions that these people made to invest their funds in mortgages returning up to 12 per cent in interest when the standard interest rate return from other reliable institutions in the field was about 5 per cent or 6 per cent.

Ms MacTiernan: So it is their own fault.

Mr SHAVE: I did not say that.

Ms MacTiernan: Blame the victim!

Mr SHAVE: When I invest in a mortgage with a finance broker I make the decision to do so based on the information provided to me. I do not then say that Minister MacTiernan is responsible for the decision I made. As long as we have that clear we can go on to address some of the other points that the member raised.

Ms MacTiernan: They took comfort from the fact that they were dealing with licensed brokers and that you were supervising their conduct.

Mr SHAVE: The member for Armadale has talked about the fact that this Ms Brailey had uncovered this matter. I now give some information on complaints made. One complaint was that only one investigator was handling this matter. The Ministry of Fair Trading in the last financial year received 7 404 complaints, of which 38 related to finance brokers - namely, 0.5 per cent of total complaints. The advice from the ministry is that the one investigator was fully able to handle the complaints made.

Ms MacTiernan: He didn't do anything!

Mr SHAVE: I will cover that comment in a moment. As a result of changes to the banking system, a 20 per cent increase occurred in the number of finance brokers registered by the board. I am advised that this is a growing sector of the market. If necessary, the ministry will appoint other investigators in this area.

Regarding claims of undue delay in investigating the Global Finance complaints, and specifically the two issues raised on 9 June 1998 and shortly thereafter, I now outline the process I am advised took place. First, I refer to the action by PenLas Pty Ltd, also known as Searle and Hellens v Global Finance. This complaint related to six investments by the complainants arranged through Global Finance.

Ms MacTiernan: You were looking at Global Finance in 1996. What happened to that?

Mr SHAVE: I understand that complaints about various finance brokers extend back more than 20 years, and that two complaints were made against Global Finance. I understand that the complaints were dealt with. There were no grounds for prosecution, and the decision of the ministry and the finance board was -

Ms MacTiernan: What was the reason for that?

Mr SHAVE: I will provide the information - I do not have it with me. My advice was that the two issues were dealt with.

I now move on to the PenLas case, also known as Searle and Hellens. The complaint was made on 30 June 1998. On 6 July 1998 - one week later, not the three months my friend the member for Armadale alleged before something was done - the Ministry of Fair Trading commenced inquiries with Global Finance about the complaint made by PenLas. The member for Armadale will listen to these points as she has been telling a few stories in this Chamber. A detailed response was received from Global Finance on 17 July and passed on to PenLas. I will give the member the whole chronology of events so some of the misrepresentation she made before the dinner suspension will be corrected. PenLas made a comprehensive submission to the Finance Brokers Supervisory Board which was tabled at its monthly meeting on 12 August 1998. The board instructed its investigator to conduct a preliminary assessment of the matters raised in the submission. On 14 October 1998, the conclusions reached by the inspector were reviewed by a legal officer at Fair Trading, and a report was prepared and submitted to the board for its monthly meeting seeking further direction. The board endorsed the report, which said that grounds existed for further investigation into the conduct of Global Finance. On 26 October, the files held by Global Finance relating to the initial complaint to the board were examined, although full details about the other five investments had not been provided at that time. On 30 October 1998, Mr Searle and Mrs Hellens were interviewed about the five other investments, and they supplied copies of documents. Written statements were prepared and signed on 17 November 1998. The statements of Mr Searle and Mrs Hellens, together with additional documentation, were referred on 23 November 1998 to a legal officer at Fair Trading for further legal consideration. On 8, 15 and 22 December 1998, following instruction from the legal officer, the inspector formally interviewed Mr Margaria of Global Finance. Further action was taken on 29

December 1998. These are people who were not working too hard! Two days before the New Year - I bet some politicians were not working between 24 and 31 December - the investigator's report was submitted to the legal officer. On 5 January 1999, statements were signed by Margaria. On 13 January 1999, a report on all the complaint matter and the recommended action was presented to the board. It goes on and on. I could refer to 18, 20, 21 and 22 January, and 3, 4 and 5 March. I could do the same thing with the case of Mr Lens, but I will not outline those details as I have made the point that people at the Ministry of Fair Trading acted very competently. If the Press is interested in evaluating whether the Ministry of Fair Trading did nothing until three and a half months after the complaints were laid - as alleged by the member for Armadale - I will be happy to provide those dates and outline the board's activities.

Before the dinner suspension, the member for Armadale, in her disgraceful manner, suggested that the head of the supervisory board, once he found out that he had a problem, had doctored -

Ms MacTiernan: No, I did not! I said you did.

Mr SHAVE: The member said that I did!

Ms MacTiernan: I asked you whether you did.

Mr SHAVE: I am glad the member made the accusation of me! The member is saying that a solicitor who prepares and presents statements to Parliament, and who knows the ramifications of submitting reports to Parliament, presented a report which I doctored, which I gave back to him, which I signed and which we then presented to Parliament. Is that right? That is a scandal! The member has an obligation to apologise to me.

Ms MacTiernan: Do you want me to tell you?

Mr SHAVE: Yes. The member should tell me what she is saying now, and what she said before.

Ms MacTiernan: I said that some members on the board do not ever recall that being in the draft they saw of the annual report. I note curiously that the annual report was tabled only yesterday.

Mr SHAVE: That is interesting. It is a funny thing - I do not know when the member for Armadale was last here, but Parliament last sat on 23 December. Although I have missed the member during that period, Parliament has not sat for about three months - I point that out in case no-one has told her. To put the member's mind at rest, and to get rid of the conspiracy theory, I checked and asked when Mr Urquart sent me the report.

Ms Anwyl: You do not know when you got the report or what was in it, as you need to check.

Mr SHAVE: I did not have it before me.

Ms Anwyl: Surely you would be looking for these paragraphs in the report.

Mr SHAVE: The member for Armadale did not make the accusation until today, when she said that I had been sitting on the report. That is not so. The report was received on 16 December when Mr Urquart wrote to me. On 4 January 1999, my staff and I, in our negligent manner as the member opposite says, sent the copy of that report to the manager of Parliamentary Services, the Ministry of the Premier and Cabinet - no conspiracy took place.

Ms MacTiernan: It is odd that when Mr Urquart was questioned a few weeks ago about why the board had rejected these proposals, he made no mention of the fact, certainly in the reports, that he had now decided that it would do that. Mr Urquart said the board was reluctant to alter the code in a piecemeal fashion which could lead to other problems. It did not consider a complete overhaul was worthwhile when the minister was expected to make a decision on deregulation soon. That is odd. Why would he make a comment such as that on 8 March if he had already decided sometime in December that the Government would make a change? One would think that one would say to *The West Australian*, "Yes, we will accept those changes. We recognise that they should be made." I am happy to accept an explanation, but it seems a very peculiar circumstance.

Mr SHAVE: Mr Speaker, I think I have cleared up that issue. If the member for Armadale still wants to promote the conspiracy theory, she should write to Mr Urquart and clarify the position. The simple fact was that Mr Urquart sent the report on 16 December and on 4 January my staff forwarded it to the appropriate people.

Ms MacTiernan: Does the minister understand the real point? The real point is that it received that advice about the problem with the code in 1997 and it did nothing. Apparently it will now do something - two years too late.

Mr SHAVE: I understand the real point which is that the member made some accusations which were false and untrue and for which she should apologise. I do not think she will be decent enough to do that.

Ms MacTiernan: Can the minister explain to my why it was that when the board knew of this problem with the code in 1997 that it decided to do nothing. Mr Urquart has given an explanation. He said it was because the minister was about to deregulate, but did not bother, and yet it knew of the problems. It was so aware of the problems that in June, six months later, it issued a warning to finance brokers to stop doing this, but it did not act.

Mr SHAVE: The member talks about many complaints.

Ms MacTiernan: Can the minister tell me why it issued that alert?

Mr SHAVE: That is a decision of which the member must ask it.

Ms MacTiernan: No, we cannot ask it. The minister does not understand the Westminster system. We cannot get the Finance Brokers Board in here. The minister can; that is the reason he is paid \$150 000.

Mr SHAVE: Is the member saying that the chairman of the Finance Brokers Supervisory Board will not respond to her if she writes to him?

Ms MacTiernan: No, I am saying that this is the minister with responsibility for the Finance Brokers Control Act. We have put to him in detail a series of concerns about the finance brokers. He has had plenty of them. They have been in the newspapers since 8 March. He has had seven advisers briefing him during dinner. The key point is that his ministry went to that board and said, "Make the changes." The minister's board said, "No, we will not make the changes because the minister will abolish us anyhow", and in its annual report it states that this failure to act has been fatal to the failure of our investigations. How can the minister possibly explain that away?

Mr SHAVE: I have given the member much latitude.

Ms MacTiernan: He does not know the answer, that is the reason.

Mr SHAVE: No, that is not true. The member for Armadale had the first 50 minutes; give me a little bit of time.

Mr Speaker, the comment was made in the Press about whether I was aware of this advice from the Ministry of Fair Trading and whether I had been advised that the Finance Brokers Board had been asked to consider the changing of the word "client" to include "other parties". I checked that with my staff. I was advised that the matter was not drawn to my attention as it was considered at the time to be an operational issue.

Ms MacTiernan: Unbelievable.

Mr SHAVE: Let me finish. It would not be in the ministry's normal practice to refer operational issues of this nature to a minister. This is particularly so in these circumstances when a ministry supports numerous boards and committees and a review of the Finance Brokers Control Act had been significantly progressed.

Ms MacTiernan: Minister -

Mr SHAVE: No, the member has had enough. Give me a go. She ran the debate.

Mr Cowan interjected.

Mr SHAVE: If I sit down, she will get cross with me.

Ms MacTiernan: Minister, you have people losing their investments because they have failed to change the code and you say that is an operational matter.

Mr SHAVE: This is the sequence and summary of events - the two matters since June 1998 that have been widely reported - of Global since that day -

Since receiving the two initial complaints in June 1998 and July 1998 the Ministry has worked closely with ASIC in relation to these matters.

An investigation officer has been involved in the Global complaints full-time since August 1998.

The investigations into the two complaints were completed in December 1998. The Searle and Hellens complaint was considered by the Ministry's legal officer and referred to the Finance Brokers Supervisory Board in January 1999.

The Lens complaint was referred to the Crown Solicitor's Office for legal advice on two separate occasions before being referred to the Board on 3 March 1999.

The Ministry has acted on the advice of its own legal officer and that of the Crown Solicitor's Office.

The Searle and Hellens complaint involved 6 investments . . .

The Lens investment involved 6 other people . . .

Both matters are listed for mention by the Board on 10 March . . .

It is important to conduct a full investigation which will stand up to the rigours of a legal challenge.

We now move on to the receivers. This is an area of considerable concern to me and should be of considerable concern to this Parliament because I was very disturbed to receive a letter from Mr Simon Read at the receivers - no conspiracy occurred. He was not someone whom I had met until I went to a meeting to ascertain the position of these mortgagees in relation to the Global Finance Group.

Ms MacTiernan: It was no longer an operational matter.

Mr SHAVE: We felt it was appropriate to obtain advice from the liquidator about the matters that were involved as requested. The letter that I received states -

I was appointed Voluntary Administrator of Global along with my Partner, Jeffrey Herbert on 19 February 1999. Since my appointment I have, amongst other duties, held a meeting at the creditors of Global and the investors who contributed the funds for the pooled mortgages that Global arranged on their behalf. It is the investors' situation and the actions of the various individuals who are seeking to act on their behalf that I wish to bring to your attention.

The initial meeting of creditors and investors was attended by approximately 350 people. At the meeting considerable concern was expressed by the investors.

Based on the information available to me from Global's records, there are 175 syndicates of pooled mortgages. The funds for these mortgages have been provided by 450 investors, many of whom are elderly and claim to have their "life savings" invested through Global. Of the 175 syndicate loans, approximately 120 are in default and it is my view that this number will increase.

When I had the meeting with the liquidators, I asked them how that could be if 120 are behind and I had received only two complaints about Global Finance Group Pty Ltd since 1998? I was told that the money was coming into Global Finance and the people controlling the money were giving money to various investors. The allegation is that some of that money was not going to a particular person, it was going into a fund and being farmed out. Even though the mortgages were running behind, the money was being farmed out to try to resolve the problems they were having as a result of people defaulting. I received two complaints in June and July of 1998 and a comprehensive investigation was under way in relation to those complaints. The letter continues -

Historically, Global has taken little or no action in respect to defaulting loans.

At the initial meeting I sought an indication from those present of their wishes to have meetings convened of the individual syndicates to discuss their situations. The overwhelming response was that they did.

These meetings have been convened and are being held from Saturday, 13 March 1999 and will continue for the following ten days. It is going to be my recommendation to each and every syndicate that they seek expert advice on the legal position of their mortgages -

I support that view.

- the value of the properties subject to the mortgages and where applicable, property consultant advice on the alternatives where the property projects are partially completed.

My initial estimate is that this will cost between \$1,000-\$2,350 per syndicate. There will be substantial reluctance by the investors to spend more money in respect to their investments. However, I consider this paramount to enable investors to make an informed decision to maximise the recovery of their funds from realisation of the secured properties.

In my view, the reluctance to spend more money comes, in the main, from two areas.

Firstly, the majority of these investors are elderly people who have not had any experience in dealing with problems of this nature or magnitude. This, coupled with the fact that each syndicate has many such members, usually in excess of 5 but no more than 40, means that it will be difficult to obtain uniformity in their decisions.

Secondly and most unfortunately, the investors are being aggressively pursued by advisers and others requesting them to "sign up" with them so that they can "manage" their affairs.

The two advisers that cause me the greatest concern are Real Estate Consumer Association (Inc) ("RECA") President, Ms Denise Brailey and Lawyer, Mr Doug Solomon.

I have met with Ms Brailey in order to discuss her plans for assisting the investors with the complex problems in dealing with defaulting borrowers and attending to the realisation of the secured properties in a manner that will maximise their returns. Despite repeated attempts to have Ms Brailey address these issues, she has failed to do so and as a consequence, I have strong doubts that she is capable of providing the required expertise and skill to manage these problems on behalf of the investors.

In addition to these concerns, I have been contacted by numerous investors who have been aggressively pursued by Ms Brailey. These investors have complained to me about the aggressive nature of Ms Brailey and the threats she has made in the event that the investors continued with their unwillingness to "sign up" with RECA.

That is appropriate.

Mr Pental: Who wrote this?

Mr SHAVE: It is from the administrator of Global Finance. It continues -

In respect to Mr Solomon, I have received a number of notices from him where he acts for investors and notifies me that he is terminating Global's arrangements with the investors. Whilst this is an extremely complex area of law, I have preliminary legal opinion that suggests that such action could result in the investors losing their mortgage security over the properties and becoming unsecured creditors of Global with little or no realistic prospect of recovering their money from Global's liquidation.

I trust that the above is of interest and would be grateful of any assistance you could provide in respect to the ongoing problems faced by the investors.

Having received this letter, I telephoned Mr Read whom I had not met until the previous Friday. I told him that he had made some serious allegations and that if I were to bring that information to the light of the Parliament, I hoped he could substantiate the fact that investors had telephoned him and made complaints along the lines that he had mentioned. He said, "That is not a problem" and I said, "I expect my good friend, the member for Armadale, will raise this in Parliament on Tuesday." I had expected that, but the member was downgraded and it was raised today.

Ms MacTiernan: You are a moron. Private members business is always on Wednesdays.

Mr SHAVE: I thought the member might have had the clout to move a matter of public interest yesterday. I support what the liquidator has suggested to the investors. They would be wise to take the advice he has given. I have no reason to have any concern for his welfare because I have never met him. He is outlining to these people a process in which they should obtain a series of valuations and some advice from recommended valuers whom he has listed. I do not know the history of many of the people, but I know of one of the firms which he recommended. Christie Whyte Moore is a very conservative group of valuers.

Ms MacTiernan: What would happen once they got the valuation?

Mr SHAVE: That is quite interesting because the member and her friends from RECA want to frighten the hell out of these people, get them to rush off to a solicitor, close down these mortgages and have a fire sale. The people might end up with 20 or 30 per cent less than that which they should. The member for Armadale should be ashamed of her involvement in this grubby little deal. Ms Brailey has also telephoned me on behalf of RECA asking me to provide \$200 000, which I assume includes her wages, to finance her organisation. From the information and advice I have been given by the liquidator, I can assure members that she will have her head in the air for a long time breathing for the money.

Ms MacTiernan: Do you recommend that the liquidator act on their behalf?

Mr SHAVE: The appropriate course of action was outlined to me in a two hour meeting with the liquidator; that is so these people could determine the exact position they are in with their mortgage and obtain some advice on how they might resolve their problems.

Ms MacTiernan: From whom should they get the advice?

Mr SHAVE: Firstly, they should get advice from a certified licenced valuer, approved or recommended by the liquidator.

Ms MacTiernan: That does not help them know what to do with the mortgage; that just tells them how much the property is worth. From whom should they get this advice?

Mr SHAVE: Then they should obtain a recommendation from the liquidator on who might be the appropriate person; for example, some people, because of their circumstances, have a considerable amount of money or other means and it may be in their interest to hold those properties rather than have a fire sale, which some lawyers might recommend.

Ms MacTiernan: What difficulty do you have about people going to Mr Solomon for advice? What is the problem with that? I cannot grasp that.

Mr SHAVE: Mr Solomon is giving advice to people and the liquidator is concerned about that advice. I have not seen Mr Solomon for a long time but his father was a very good friend of my father. I had hoped that I would not have to raise his name in the text of this discussion.

Ms MacTiernan: Are you aware of what is going on?

Mr SHAVE: I am very much aware.

Ms MacTiernan: Because there is no money in the kitty for the liquidation, the liquidator wants to manage these properties so he gets sufficient money from their management to effect the liquidation. That is a great conflict of interest. That is why we are asking you to accept your responsibility, accept that you and your department have been negligent, accept that the board has been negligent and pay the liquidation so Mr Read does not have to try to get these people into managing the properties; so he can simply liquidate it.

Mr SHAVE: The member for Armadale says I have been negligent and I do not accept that.

Ms MacTiernan: It is an operational matter.

Mr SHAVE: That is where we have a difficulty because I have not been negligent. In my comments I have pointed out that if I had been negligent, my ministry must also have been negligent. I have clearly outlined the extent to which the ministry has gone to deal with these various complaints.

Ms MacTiernan: You have not addressed what we raised about the board. You have not got to the crucial point. In June 1998 it was so aware that there was a problem that it issued an alert. In its annual report it acknowledged that its failure to take the advice given to it in 1997 by the ministry legal officers to change the code of conduct had been fatal to the investigations into the finance brokers. The only answer from you is that it was an operational matter and so you did not need to address it.

Mr SHAVE: The member has said that, as minister, I gave that advice to the board and I was responsible for the board not taking action to change the code of conduct. It must also be remembered -

Ms MacTiernan: Will you sack the board?

Mr SHAVE: No, I will not.

Ms MacTiernan: Do you think it has done a good job?

Mr SHAVE: I think the board is doing a genuine job.

Mr Ripper: A genuinely good job or a genuinely bad job.

Mr SHAVE: I think it is doing a genuine job. I do not think it is doing a genuinely bad job. I received advice from my chief executive, Mr Walker, regarding some of the comments made by Ms Brailey, and the member for Armadale suggested that Ms Brailey unveiled the whole issue and was behind it. The two complaints initially received in June and July came from the people themselves. Ms Brailey had implied that she raised specific complaints with the ministry and me, and that the ministry failed to act on these matters. In correspondence dated 11 September, addressed to Mike Johnson, the acting manager of the real estate business unit, Ms Brailey enclosed what she referred to as a chart of current known delinquent accounts. She provided no specific details or documentation to support her generalised allegations, and complaints relating to these accounts have not been received from investors.

I understand that in early 1999, a further four complaints were received about Global Finance. The reason for the limited number of complaints is that money shuffling was going on in that company, about which no-one knew too much. On 6 October 1998, Jane Brazier, the director of the housing transfer and service industry, met with Ms Brailey and I am advised that the focus of this meeting was Ms Brailey's criticism of the Finance Brokers Supervisory Board's inspector and the timeliness of his investigation of the Lens complaint. I have given an outline of the events on the Lens complaint, and the investigation in that matter was both timely and appropriately done. Efforts were made to reassure Ms Brailey that the investigation into the Lens case - I have received letters from Mr Lens and I am very sympathetic to his problem - was being closely managed and, contrary to her view, was proceeding in a timely manner. Ms Brailey did not at this time identify complaints involved with Global Finance, other than that of Mr Lens and his group. Other than discussions relating to Mr Lens and his group's involvement with Global Finance, in all contacts with Ms Brailey she has made only general allegations about the conduct of the finance broker in relation to other investments. She has not come forward with details to substantiate her generalised allegations, and nor have the investors she claims to represent made complaints to the ministry or the board.

I make it very clear that if Ms Brailey is running around town taking credit for the so-called exposure of Global Finance, this Government does not accept that. The Government does not condone the sort of behaviour that the administrator has claimed Ms Brailey has been involved in.

Ms MacTiernan: What about the letter sent to Alf Ryder in 1998, 18 months after he made a complaint, saying that it would not do anything because he is not a client? Do you think that is a good thing and that the code should be changed?

Mr SHAVE: I am happy to address that issue. I would like to look at the issue of failure to amend the code of conduct. My notes state that the Government initiated a review of the finance industry legislation, and that review commenced in

November 1996. A final report of the finance brokers industry reference group has been completed and will shortly be considered by Government. In view of the review of the Finance Brokers Control Act, the board decided not to amend the code at the time the advice was given by the ministry. Changing the definition of "client" is not a small task. The chairman of the board has recently informed me of the resources required, and the options available. The Ministry of Fair Trading is discussing these options with the board. The code of conduct provides for disciplinary measures against the finance broker but it does not provide for compensation to the investors. Investors have the right under the Fair Trading Act to take civil action against the finance broker.

One of the things I would like to clear up is a rumour that the member for Armadale has been circulating; that is, she has been suggesting that the Government has made a decision to deregulate the control of finance brokers. Nothing could be further from the truth.

Ms MacTiernan: I am going on Mr Urquart's statement.

Mr SHAVE: I would like to talk about that. Mr Urquart may have a view that the Government wants to deregulate. Some members of the Finance Brokers Supervisory Board may think that if the board is abolished, it will lead to deregulation. Nothing could be further from the truth. If the Government intended to do away with the Finance Brokers Supervisory Board, it would implement a code of conduct and this would come under the Ministry of Fair Trading. The conditions of that code of conduct will allow everyone to determine whether it gives more teeth to the Act or otherwise. I am advised that if that course of action is taken, it will substantially increase the capacity to prosecute and will cause people to be more accountable for their actions. In her speech, the member for Armadale talked about the Government privatising this area and she said that the Government wants to totally deregulate the industry.

Ms MacTiernan: I am not saying that. I am saying that is what Mr Urquart gave as his excuse for not acting. We said it was an unbalanced view.

Mr SHAVE: The member also confirmed that.

Ms MacTiernan: This is not the issue. The issue is why he did not change the code. You have not addressed that. It is in the annual report and it has been fatal for the investigations. You wrote to Mr Ryder and said, "Sorry, sport. We can't help you because the code does not cover your situation. We can't be bothered and it's too complex for us to change it." The change was drafted by the ministry's legal advisers; it could have been moved and altered at one meeting of the Finance Brokers Supervisory Board.

Mr SHAVE: The advice that I have, as I understand it, and I could be incorrect on this point, is that it requires some legislative change.

I will clarify some comments that the member for Armadale made about the failure to advise consumers of the high level of complaints that were made about these finance brokers. The advice I have is that the extent of complaints to the Ministry of Fair Trading at the time the article was published indicated that the problems were not widespread throughout the industry. A warning was targeted at finance brokers on the basis that addressing these problems at their source would be significantly more effective than a general consumer educational program which would have no guarantee of reaching the investors who were likely to be affected. It was believed that on the information available at the time, a general press release warning the community was not appropriate and could adversely affect the vast majority of brokers who conducted their affairs in an appropriate manner. The member for Armadale, assisted by other people, runs a campaign out of this place, whether it be aimed at real estate agents or finance brokers, denigrating everyone. When she was making these suggestions, the Ministry of Fair Trading and the Finance Brokers Supervisory Board were addressing all the complaints that had been made.

Ms MacTiernan: They were telling the investors that they could not do anything for them. Read the letter. Have you read it?

Mr SHAVE: Of course I have read the letter. The cold hard facts are these: Some 47 complaints were received by the Finance Brokers Supervisory Board in 1999.

Ms MacTiernan: How many did the board deal with?

Mr SHAVE: If the member lets me go through it I will give her the information. At each monthly meeting the board is provided with a written and verbal summary of all complaints. The board is given only a brief summary of each complaint so as not to prejudice any complaint should it become an inquiry. If a trader's name features too frequently on the list, the board can invite the trader to appear before the board for an informal discussion. A finance broker attended the February 1999 board meeting under such circumstances. Similarly, if a particular industry practice becomes too frequent, the board and/or the Ministry of Fair Trading can take appropriate action. I want to clarify what the member for Armadale said prior to the dinner break when she said that the chief executive at the Ministry of Fair Trading had no right to be involved in any of these issues. The reality is that when the board approaches the chief executive officer to have investigators look into such matters, he has a very compelling reason and a responsibility to do it. The member for Armadale must have it one way or

the other: Either the ministry does not investigate or it does investigate. Not only is the member saying that he had no right to be there, she also wants the ministry to finance her supporters to the tune of \$200 000 per year out of its budget.

Ms MacTiernan: What I want you to do is to read the Finance Brokers Control Act and realise that the only people who can investigate a matter are investigators who have been appointed by the registrar or by the board. That is what it says. It is not up to the Commissioner for Fair Trading to tell the investigator. The Act is very specific. The obligation rests with the board and the registrar.

Mr SHAVE: Yes, and the member knows that when the board has an area of concern or a complaint referred to it, it contacts the ministry, and the ministry undertakes the investigation. She should stop splitting hairs. The board has the capacity to get the ministry to investigate.

Ms MacTiernan: Mr Urquart has been trying to say that it is all the ministry's fault and that the board knew nothing about it because the ministry would not tell it.

Mr SHAVE: Mr Urquart did not say that and the member knows that he did not. She should stop trying to denigrate him when she knows that he has not said it. I will get back to the number of complaints. There were 47 complaints and there are 400 registered finance brokers in Western Australia. Many of the complaints relate to conciliation matters involving a dispute over commission or other matters in which the board or the ministry is asked to intervene. The ministry then appoints somebody to look into it. Out of the 47 complaints last year, 35 were conciliation matters rather than compliance matters and were resolved without the need for full investigation. Conciliation matters are of a relatively minor nature and are generally resolved without the need for a full investigation.

Ms MacTiernan: How many of the 47 were against Global Finance?

Mr SHAVE: I suspect I must have repeated myself five times. I said that, in 1998, two or three complaints were made against Global Finance and a further four were made in 1999. The reason that they came to light in 1999 was that people had started to become concerned about Global Finance. Some of those people may have asked the board to look into their situation and said that they did not know the nature of the complaint but they had heard something about Global Finance. We must get right what has happened in this whole exercise. The member for Armadale has painted a scenario that the Finance Brokers Supervisory Board had a situation in 1998 which involved investors being deceived all over the place, that the Finance Supervisory Brokers Board was aware of it and that it did nothing about it. That is not correct.

In its annual report to the Parliament, the Finance Brokers Supervisory Board lists the number of complaints it had. What happened was that a whole lot of misappropriation was going on in 1998. It was not unlike a bank teller working in a bank or the manager of a hotel who knows how to juggle bank accounts. I have had the misfortune to employ a manager who ran two sets of ledgers in my hotels; he had what is called a blind ledger at the back of the other ledger. He transferred money and credits. When one asks such a person how the accommodation is going, he says that it is hunky-dory. If one employs as a manager such a person, who may have been accountant, as I have had the misfortune of doing, sometimes one gets caught. It can be a very expensive exercise. The view of the administrator is that in the case of Global Finance, as I was told in an interview on Friday, that money was coming in and it was being shifted sideways. Another example is that when Mary Jones phoned up and said that she had not received a payment, the money got shifted over there and Mary was happy. If that money were on your mortgage, Mr Speaker, and it was given to Mary, you would not have been very happy about that. I do not say that in jest.

If any of the people running these finance companies can be prosecuted and if we can bring them to book, we will prosecute them. The Government has had recommendations to amend the Act as a result of two sets of reviews that have been going on, one from the consumer competition people and the other from the reference group. I believe there will be substantial changes. These changes are not as a result of Ms Denise Brailey suddenly unfolding an event. What happened inside the Global Finance Group occurred a long time before she bobbed her head up because the shuffling or misappropriation of money, if that is what it was, did not just happen in the past six months; it had been going on for some time. Some of the people who were involved in those actions may face fraud charges. My officers are working very closely with the Australian Securities and Investments Commission and the liquidators. We have told the liquidators that we are more than happy to supply investigation staff to assist them with any queries that they have. If these people have been defrauded as a result of actions of people smoothly shifting money sideways, as sadly will happen with lawyers next year and the year after as they do with trust accounts, we will take whatever action we can to prosecute these people. I am not saying that any particular person will be charged with fraud. I am saying that the advice given to me by the administrator is that that may happen.

I return to where I started in the first place when I said that the Finance Brokers Supervisory Board, contrary to what many people are saying, had not received complaints from 120 groups of lenders out of 175 groups that have been uncovered by the liquidators because no-one had been inside the company and no-one knew what they were doing. As in the case of a dishonest lawyer or real estate agent who starts shuffling money in a trust account or a dishonest hotelier who runs two ledgers, sometimes one does not know about it for 12 months or two years after the event, as I did not know. I do not hold the Ministry of Fair Trading responsible for the fact that someone conducted a business deal over which they had no control



because they did not have access to the records. The recommendations to change the Act that were made to me at the time Ms Brailey and the member for Armadale became involved were already in place.

Ms MacTiernan: Which changes were they?

Mr SHAVE: The member for Armadale is trying to purport that she or her friend uncovered all of this and it is an absolute nonsense. What happened with Global Finance was a disaster waiting to happen that had been brewing for a long time but not to the knowledge of the investors. The investors had not complained to the Ministry of Fair Trading or to the Finance Brokers Supervisory Board because they were being fed enough money. They were elderly people and probably thought that the payments were a bit late, but they did not want to worry themselves or employ lawyers which would cost too much. They probably thought it would be all right because the valuations were all right. At the end of the day, the Finance Brokers Supervisory Board cannot be held responsible for this deal. However, the people who perpetrated the action can. Some people would call that a fraud.

If, as I am told it is the case, the valuations placed on some of those properties were incorrect and it can be proved that the valuers deliberately jacked up the valuations so that people could borrow sums well in excess of a proper valuation ratio against the properties, I hope the Fraud Squad and the police become involved. I read about one case, not related to Global, involving a valuer putting a value of \$1.4m on a property and seven days later it was sold at market for about \$900 000. I was told subsequently that the property sold a short time after that for \$500 000.

Ms MacTiernan: And your department knew about it for a year.

Mr SHAVE: The member for Armadale should not blame the department.

Ms MacTiernan: They knew about it for a year and did not issue a single thing.

Mr SHAVE: The member for Armadale should not blame the department because someone deliberately commits a fraudulent act. If the department can prosecute, the department will prosecute. That is the advice I have given to the department. When the prosecutions occurred with the computer company that the member for Armadale insisted would not be prosecuted because it had links with the Liberal Party, suddenly she went as quiet as a lamb without one rotten apology.

Ms MacTiernan: Because we got you to do it.

Mr SHAVE: The member for Armadale did not have the heart or the decency to apologise.

Ms MacTiernan: Because you did nothing until those issues arose.

Mr SHAVE: The member for Armadale just sat there and tried to belittle the public servants involved just as she has belittled my ministry.

Mr Speaker, at the end of the day, there will be other people on the east in the same position as those involved in Global Finance. There are schemes in Queensland involving about \$500m where people are overvaluing properties, taking some of the proceeds of sale and paying the first two years' rent so that they can say to the investors, "You have your two years' rent, you have your 10 per cent return on the purchase, you are in a terrific position", and they will all fall over. I do not say that that excuses people in Western Australia behaving in that way. It is sad that elderly people are invariably taken advantage of in these issues. However, this Government is taking legislative action; it will cooperate with the receivers, it will cooperate with the police, and we will prosecute any of these people that it can. The Government is also working in conjunction with the ASIC and the national legislation will be changed to bring all of these people under one common area of control. I totally reject the allegations made by the member for Armadale in this Parliament and I totally support the behaviour and the way the members of my department acted in these matters.

**MR CARPENTER** (Willagee) [8.46 pm]: If this were a courtroom and Mr Speaker were the judge, he would be pulling out his black handkerchief now and the minister's career would be about to be severely truncated. That is the most pitiful defence of a minister's position I have heard since the previous time he had to do it. There is a consistency about his performance and it is not a good one. It is clear - and everybody knows it - that his problem is he does not get to grips with the details of some of the matters coming before his department. He finds himself in the situation he is in now of being in the Parliament, scrabbling through notes, the contents of which he is only vaguely aware, trying to defend things which are indefensible.

Mr Shave: Are you suggesting I should not refer to dates and details from notes?

Mr CARPENTER: If the minister had a grip on what was going on in his ministerial portfolio, he would not be in this situation. All the members opposite know it. He should spend more time concentrating on his work instead of stacking branches and carting busloads of people.

Mr Shave: When it came to your sister, the ministry was too hard, wasn't it, mate? When it came to your sister, it had to get off her back.

Several members interjected.

The SPEAKER: Order! Perhaps the member for Willagee and others can concentrate on the motion in hand.

Mr CARPENTER: I thought that might come up; it took a minute to do so. However, I will not refer to the fact that the person the minister so strongly defended in his department was a self-confessed criminal and a whole rocket has gone through his department. All the people involved in that investigation have gone, and the minister knows it. The minister spent most of his time attacking Denise Brailey rather than defending and explaining his actions. He attacked the person who is trying to her best and limited abilities to represent as an individual the interests of the people who have been burnt by these scams. Rather than attacking her, the minister should have a word with her and find out why she knows so much about what is going on and he knows nothing about it.

*The West Australian* played the role some of the investigators might have been able to play had they been given the opportunity. From its chronology of events versus the minister's, as has already been demonstrated by the member for Armadale, the first real manifestation of difficulties with the finance organisations was in June 1998 when the Ministry of Fair Trading warned finance brokers about some dubious practices. We now know that warning was given because the Finance Brokers Supervisory Board had been receiving complaints about some of the activities of the finance brokers.

The minister's responsibility in his portfolio is to represent and protect the interests of the public. That is the bottom line. I admit that finance brokers are members of the public, but there is a wider public whose interests should be represented and that is what he has not done again. He chose not to warn people who were investing in these schemes that a problem existed. If the figures that have been bandied about through the newspapers and in this Parliament tonight are anything like correct, we are now talking about up to \$50m of public retirement funds being at severe risk.

The department for which the minister is responsible made a serious error. It tried to alert finance brokers that it was aware of some of the problems they were creating but it chose not to alert people who were investing their life savings. That was a bad mistake. We now know that a couple of complaints were made about Global Finance in the middle of 1998 about the time that warning was given. This *Have a Go* newspaper, which is supported and sponsored by the State Government and bears the name of the Ministry of Sport and Recreation on the front page, is aimed specifically at pensioners and retirees. It also carries an advertisement on the front page reading "Global Finance group 10 per cent" to attract investors from that retiree pool. The date of this issue is not 1996 or 1997 or prior to June 1998; it is November 1998. In the light of the knowledge the ministry and the board had, that advertisement should not have been printed.

Mr Shave: Who prints that paper?

Mr CARPENTER: That is irrelevant. It is sponsored by the State Government.

Mr Shave: You know very well the State Government does not have control of that paper.

Mr CARPENTER: It is sponsored by the State Government and it carries its imprimatur on its front page where that advertisement was printed to entice people to invest -

Mr Shave: You know very well the State Government does not have control of that paper because you checked to see whether the Government controls it.

Mr CARPENTER: It carries an advertisement on its front page to entice retirees to invest their life savings in an organisation that had been brought to the attention of the Ministry of Fair Trading that chose not to alert potential investors. Now we see the result of it: Fifty million dollars are at risk. When an individual tried to bring a matter to the public's attention the minister attacked her rather than admitting he had made a drastic mistake that has cost potentially hundreds of retirees their entire lifesavings.

We now know from evidence dating back to 1996 and 1997 that other cases were brought to the attention of the ministry or the board over which the minister has ministerial responsibility. Those complaints were not dealt with in the way they should have been because the Finance Brokers Supervisory Board advised the people that the Finance Brokers Control Act dealt with the clients who were the borrowers rather than the lenders into the fund and therefore nothing could be done for the people whose money was at risk, when a simple action on the part of the board could have rectified that matter and saved the life savings of at least some of these people.

The minister had responsibility to ensure that the public interest was represented and protected. He did not do that. He should have made it abundantly clear to the board and his department that he wanted action taken to protect the savings of the people who were at risk and that he did not accept that the wording of the code could allow his board or his department to escape its responsibilities. The matter is on the minister's head. It is a shame that it has reached this position when more timely actions could have prevented much of the loss with which these investors are now faced.

It is not as though we are dealing with only small amounts of money; \$50m is a huge amount of money. It represents the entire life savings of hundreds of people. For the minister to say that he has sympathy for them must sound a little hollow

to them. Furthermore, to them his attacking someone in the Parliament who is trying to represent their interests must reek of gross hypocrisy. The minister has failed in his responsibility again. It is not, as it has been on other occasions, to the cost of one or two individuals, some of whom were mentioned in his interjections, but to the cost of hundreds of innocent retirees who have had their life savings wiped out. The minister allowed a situation to continue in which a finance company was taking the life savings of retirees and lending them to former criminals, kidnapers and a range of bankrupts. The minister is responsible for that because the matter was brought to the attention of the department and the board that the minister oversees and he did nothing about it. Their losses and their misfortune reflect on him.

It is unfortunate that the Government and the Premier have not acted more strongly in relation to the minister when other matters have been brought to the attention of the Parliament by the member for Armadale. The failure of the Government to remove him from the portfolio for which he is incapable of being responsible has cost people a great deal of money. For that reason he should be condemned.

The editorial of *The West Australian* of 25 February referred to earlier said of the minister -

Fair Trading Minister Doug Shave must accept that it is his responsibility to make sure that the ministry provides the services that the community is entitled to expect. Its failures are his failures.

This failure is the minister's responsibility and he stands condemned and should be removed from the portfolio.

**MS MacTIERNAN** (Armadale) [8.59 pm]: Most of what we heard from the minister was complete claptrap and evasion. He did not deal with the substantial issues that we raised. However, we learnt two very interesting things from the minister. Firstly, his justification for the Finance Brokers Supervisory Board not providing advice to consumers when it became aware that significant losses were being suffered by Western Australian investors and the decision only to advise brokers - those who were actually engaging in the scams - and not to advise consumers was that it might adversely have affected the business of other financial brokers. That is precisely the problem that we have with the ministry. The ministry is no longer interested in protecting consumers. It was a cowardly act - sacrificing consumers to protect other finance brokers. The minister himself said that tonight. It is the first acknowledgment that that is why the Finance Brokers Supervisory Board took no action to warn consumers of the losses of which it was becoming aware.

Secondly, we have asked the minister how he accounts for the failure of the department - in fact the refusal of the Finance Brokers Supervisory Board - to act on the advice given to it in 1997 that it needed to change the code to enable it to prosecute those people. The minister's explanation was that it was not his fault because he never knew about it; because it was an operational matter; it was not something about which he should have been told. That is absolutely absurd. It goes right to the heart of the way in which consumer protection was provided. Any reasonable briefing to the minister, as presumably he would have had at least by 1998, must have included a discussion of that issue. To describe the nature of the code of conduct to which the Act refers as something that should not be discussed with the minister because it is an operational matter is complete and utter fantasy.

We have made all the other points. The minister simply has given no account to justify the conduct of the Finance Brokers Supervisory Board. Indeed, he has shown us that the culpability of the board was far more than we actually thought - that is, that the board deliberately, consciously and calculatedly decided that it would not give a consumer warning because it wanted to protect other finance brokers. The minister stands condemned by his own words. If the Government does not have the guts to sack the minister, it will be on its own head.

Question put and a division taken with the following result -

Ayes (18)

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

Noes (31)

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

Pair

Mr Kobelke

Mr Day

Question thus negatived.

### "1998-99 MID-YEAR REVIEW OF PUBLIC SECTOR FINANCES"

*Motion*

**DR GALLOP** (Victoria Park - Leader of the Opposition) [9.07 pm]: I move -

That this House calls on the Premier to explain his *1998-99 Mid-year Review of Public Sector Finances* which shows in comparison to budget forecasts -

- (a) a slowdown in economic and employment growth; and
- (b) a blow out in general government net debt and the general government budget deficit.

At 3.00 pm on Friday, 26 February, the Government released its *1998-99 Mid-year Review of Public Sector Finances*. Members might note that that is a strange time to release an important document. I am not surprised that the Government chose that time, as the news that is contained within that document is not good news for the people of Western Australia. The Government tried to introduce it when it would be difficult for there to be significant follow-up by the media. More than that, the Government actually tried to conceal the truth of what is in that document by not providing a detailed comparison of its original budget forecasts with the midyear revised forecasts. One would have thought that the whole point of the midyear review is to compare the actual performance that is going on within government with the predicted performance at the start of the year. It is interesting that in the foreword to the midyear review the Government said -

The purpose of this *Mid-Year Review* is to describe developments in forward estimates of financial statistics since the last state budget including the impact of policy variations and changes in economic assumptions.

In other words, the review is made so that our budget forecasts can be updated and what is happening with the budget can be seen halfway through the financial year. When these comparisons are made and the trends that have emerged since the election of December 1996 are considered, we see a budget that is out of control, with debt rising. This is at a time when the State is facing reduced levels of economic growth. It is interesting that the Government in Western Australia today has reversed the economic wisdom. It is creating a real deficit problem in its own finances at the beginning rather than at the end of an economic downturn. We could draw comparisons with earlier times in Western Australia's economic history when, as a result of a severe downturn in the economy, problems and deficits emerged in budgets. When the upturn came, the revenue was created to overcome that deficit. However, our Government is so good that the economy is entering another downturn, and we already have the deficit in place. That will represent a real problem for the people of Western Australia.

I will deal with the issues that are posed by this midyear review of public sector finances. Chapter one relates to economic and employment growth. It is interesting to return to the budget of last year and to read the Premier's claims contained therein. He said that the strong growth of 1997-98 would be sustained. Indeed, there was strong growth in Western Australia in 1997-98. However, we now find that growth and employment growth are both down by more than was forecast in the budget that was delivered to this Parliament about 12 months ago. At the time of the budget, forecast growth was 5 per cent. The new estimate in the midyear review is 3.75 per cent. Other economic commentators argue that the 3.75 per cent is too high. We have already seen the comments from the Chamber of Commerce and Industry of Western Australia. Its last analysis referred to a figure between 2 and 3 per cent. However, given the way that our economy is developing, I do not think we can be optimistic about seeing growth higher than that. Forecast employment growth at the time of the Budget was 3.25 per cent. The estimate is now down to 2.5 per cent for 1998-99. That means that it will be impossible to change our unemployment rate of around 7 per cent.

The revisions downward that have occurred in our estimates of employment and economic growth have come with changed forecasts of investment and exports. In Western Australia a number of large projects have been completed and no new projects are taking their place. There have been major projects, such as the Collie power station, the hot briquette iron plant, the Murrin Murrin project, and other smaller but nevertheless significant resource projects throughout the State. However, most of them have now been completed, and no new projects are taking their place. Indeed, they are unlikely to be developed, given the unfavourable commodity prices that prevail at present. We initiated a debate in the Parliament on this matter over a year ago. The member for Eyre spoke on these problems at the time. Because of the developments in Korea, the Gorgon project has been put on hold. I am sure that it will happen, but not in the short to medium term. Because of developments in Japan, the upgrade of the North West Shelf project has also been put on hold. Nothing new is happening.

Dwelling investment is harder to predict. The reason for this was shown in a fascinating news item tonight, which stated exactly what I had written last night when I was preparing my comments; that is, that dwelling investment is harder to predict

because the prospect of higher cost from a goods and services tax may engender continued strong growth in housing in order to avoid the higher costs that might come with a GST down the track.

Consumption growth has been strong due to employment growth and the wealth effects of a strong equity market in both the United States and Australia. We are different from Japan, which is a remarkable economy. It tries to pump up consumption, and the Japanese keep saving. In America and Australia we keep spending. This raises the interesting comparison of economic cultures and traditions. However, it remains questionable whether this strong equity market and consumption growth can continue into the next 12 to 24 months.

The most significant revelation in Australian politics in recent times was the publication of the current account figures. The current account deficit will focus the minds of those who operate in the markets and will eventually impact on the way our economy is developing, on the expectations of consumers, and on the State's finances. The current account deficit is the big problem in Australia. I will be encouraging my colleagues at the federal level to put their political focus onto the current account deficit. The political party that addresses that issue correctly will position itself best for the next federal election. However, it will impact, and that will flow through to our economy in Western Australia.

The investment boom that we have experienced has dried up. Dwelling investment may hold up because of the prospect of higher costs from a GST artificially pumping up housing investment. Consumption will start to taper off as the equity markets adjust to some of the economic realities that prevail in that area and as the implications of the current account deficit begin to filter through to all of the economic players in Australia.

We cannot say that we will have easy times in the next 12 to 24 months. The political landscape will change because the economic landscape has changed. All members opposite should remember that times may have looked easy for them as a Government. They came in as we emerged from the recession of the early 1990s. The economic growth came through, started to taper off, bounded back in 1997-98, and is starting to taper off again. I was a minister in the early 1990s when the revenue was not coming in. These are the hard times of politics when big decisions have to be made. The real tragedy is not only that we are facing declining rates of growth, but also that we do so with our budget in a real mess. Our eyes see clearly the financial incompetence of the coalition Government through the prism of the *1998-99 Mid-year Review of Public Sector Finances*. It is interesting that when we returned yesterday and I first raised this issue in question time, the Premier's instinctive response was that we had a problem which must be dealt with. That was taken up by the Opposition and the media. When the truth started to become a little too transparent, the spin doctors came in and tried to rewrite the story so that it did not seem too bad. However, the first, instinctive response of the Premier in question time yesterday was the truthful one. There is a problem about which he must do something.

The response today is the spin doctor's response, which is not based upon the truth of the situation. I will go through the facts of the situation. A very important question can be asked: Should the budget in Western Australia be in such a mess? Since 1992-93, when Western Australia's economy bounded out of the recession of the early 1990s - a recession which had occurred all over the industrialist capitalist world - and had strong rates of economic growth, the revenue started to come to the Government. Tax revenues have risen by an annual average rate of 10 per cent over the past six years. That means an extra \$1.2b since 1992-93. That is the revenue the Government received. Even when that figure is adjusted for inflation, tax revenue has risen by 50 per cent. The revenues are coming from the buoyancy of the economy feeding revenue to the State Government. Of course, as a matter of policy, the Government gave itself money from its privatisation and assets sales, to the tune of \$4b. It is interesting that they are one-off benefits and even though they bring in once-off revenue, it must be noted that the revenue streams that used to be provided to the State Government have been significantly reduced.

Mr Court: How much do you think we got from the bank?

Dr GALLOP: I am talking about the revenue streams that come in year by year in returns.

Mr Court: What stream did we get from the bank?

Dr GALLOP: At the moment from government trading enterprises the Government is receiving about \$1b a year.

Mr Court: From the bank we got a heap of losses.

Dr GALLOP: Is the Treasurer saying that in all the years the R & I Bank, latterly the Bank of Western Australia, operated, it did not provide any revenue streams?

Mr Court: From the time you were running it, you nearly sent it broke.

Dr GALLOP: The Government has had this one-off revenue and the taxation revenue. It is estimated that the taxation revenue in the financial year 1998-99 will be \$128m more than was predicted when the budget came down in April last year. It can hardly be said that the Government of Western Australia has not had revenue, because it certainly has.

Let us consider the *1998-99 Mid-year Review of Public Sector Finances*. I will focus on the general government sector. What is the general government sector? In the Analytical Information in Support of the Treasurer's Annual Statements 1997-98, published in December 1998, which produced this statistical framework in the first instance, we read that -

The general government sector consists of agencies that predominantly provide services financed from public revenue (e.g. education and health services). The budget sector (primarily funded by the Consolidated Fund) is a subset of this sector.

There is only one problem. The general government sector is the one for which we have the statistics. Therefore, I have focused on it in my discussion of these issues in the past two days, because it is also outlined in the midyear review. The Government told us nothing when it said today that the general government sector is not the budget sector, because the general government sector is outlined in the figures before us and, therefore, that is the sector I will consider when making comparisons.

Let us consider current outlays in the general government sector. These are provided in the midyear review. They show that in that sector of government, which does not include the trading and financial enterprises, the Government has overspent to the tune of \$355m. The budget indicated that \$6 897m would be spent, but on current trends it will be \$7 252m. That is where the Government of Western Australia is currently taking its outlays if there is no change in policy, because that is the basis upon which the midyear review is written. There is an overspend of current outlays by \$355m. Where is this overspend? When the Premier and Treasurer released his statement on 26 February at 3.00 pm, he said an extra \$146m had been spent on health, education and justice. We know about the crisis in the health system and the injection of \$70m into that area. We know about the problems associated with education and the injection of funds into that area. Of course, we know about the justice problems and the money injected into that. This \$146m, over and above that which was budgeted for, has gone into this sector of the budget. It is interesting that it is a little more than the extra revenue that came to the Government compared to what it believed would be the case last year.

A very important question is posed: Where has the other \$200m gone? An amount of \$355m has been overspent; where is the other \$200m? We know that approximately \$150m has gone into the health, education and justice areas. What is interesting about the midyear review of public sector finances, is not that which is contained in the review but that which is not. The Government does not bother to answer that question, just as the midyear review does not bother to compare the budget forecasts with the currently predicted outcomes in 1998-99. No information is provided in the review to answer that question or even begin to answer that question.

It is interesting to look at the capital outlays of the Government. In the general government sector, the capital outlays show underspending to the tune of \$42m so far in this financial year. On the capital side in the general government sector, the Government has not spent all the money allocated. What does this mean for 1998-99? It means that the general government sector, on the basis of current trends and policies, will finish with a deficit of \$443m. That is not a figment of anyone's imagination; it is on page 8 of the *1998-99 Mid-year Review of Public Sector Finances*. The total deficit will be \$443m. The prediction at the beginning of the year was a deficit of \$277m. It is interesting to note that the deficit last year was \$197m. These are the figures that the Government is currently producing for its financial management. The Government wants to look at the deficits in earlier times. It is interesting to do that. In 1992-93 the deficit was \$162m, and in 1993-94 it was \$294m. At that time, of course, we were in the depths of a worldwide recession.

Mr Court: What deficit are you referring to there?

Dr GALLOP: The comparative deficit from the document produced in December 1998.

In other words, it is about twice what it was when there was a change of government, and the State is about to enter a downturn in its economic activity. The impact of the \$197m deficit last year was very much concealed by the huge asset sales that occurred last year. However, Western Australia has had two years of significant deficits in the general government sector. The prospects on the basis of the scenario for the economy and on the basis of the forecasts that we can make about the way revenue will go in Western Australia in forthcoming years cannot be good.

That leads me to the next question. What does all of this tell us about government debt? The current estimates show us that debt has blown out by \$200m from the budgeted forecast. The budget forecast was a net debt of \$411m. The midyear review tells us it is \$610m, which is a \$200m increase. The Government tries to explain this by glib statements in its review that there are higher than estimated capital outlays as our population grows and we need to put in infrastructure. There is a bit of a problem with that argument because, as I pointed out earlier, when we look at the capital outlays in the general government sector, they are not going to forecast but are running at \$42m under what was expected. Therefore, glib assurances from the Government that it has only increased capital spending in support of the State's growing economy that will lead to "modest and affordable debt funding" are not good enough. Such assurances do not reflect the reality of a blowout in current outlays, which is what we are facing this year. It is interesting that when the question came up in question time yesterday, the Premier's first response was, "Yes, we have a problem and I must do something about it." The way this Government operates means that the Premier cannot say that and then explain to the people what is happening. He must put a different spin on it so that it does not come out so badly. That is what the Premier has been up to today through the obfuscation he has conducted in relation to the statistics. He has been unable to provide a convincing response to our claims that he will be forced to finance current outlays from borrowings. We have not yet received a convincing answer to that question.

Mr Court: It will not happen.

Dr GALLOP: The Premier is the Arthur Chance of Western Australia when he says that it will never happen here. It is happening, and it is happening now.

Reference to budget definitions are irrelevant to the points I am making because my analysis relies on comparison of like with like. We are comparing the estimates for the general government sector that related to the last year's budget with those that we have in our midyear review. The Premier is trying to conceal the truth about these issues, not the Opposition. Let us turn to an interview this morning that the Premier took part in with Mr Liam Bartlett. The Premier was talking about the State's finances. They said -

B: Well that is what you have been saying. That is what this review is all about and the review shows that you are spending is over and above the target?

C: No I have just explained to you Liam that the figures that have been quoted include what they call the General Government Sector . . .

B: Alright, well give me the real figure?

C: What do you mean the real figure?

B: Well if you don't take \$443 million and you are saying . . .

C: Liam, Liam, I released these figures a week ago. They have got all the detail you want in all of the difference areas. They cover our budget section, they cover the General Government Sector, they cover our Government Trading Enterprises and so . . .

B: Alright let's start this again because I think it is very important to the tax payer.

C: Sure.

B: The budget at the moment, the State Budget, as of today, are we within the projections or are we over?

The Premier could not confront the central and simple question asked of him: If it is not \$443m, what is it? The fact of the matter is that they are the figures he produced and they are they figures he used. What is the point of putting out a midyear review if it is not the basis upon which we debate these matters? There is no point in putting the figures out unless they are the basis on which we have a proper debate in the community. Let us turn to page 8 of the midyear review. We see of course that the deficit for the general government sector is \$443m. We could go to page 7 which shows the total public sector expenditure where the total deficit is \$536m in 1998-99 as opposed to the figure that was expected of \$282m. It is up by \$254m. Of course, that is the sector which includes our trading enterprises and our financial enterprises in Western Australia.

The Opposition has done what it should do; that is, take the figures that are produced, make a comparison between those figures and like figures that were given to us last year and see where things are going. Where they are going is down. We see debt, deficit and outlays rising, and all of this despite the fact that extra revenue has been coming into the Government. The Premier has a problem. Either he means these figures that he has given out or he does not. If he thinks that they are real figures that we should be debating, let us get on with having a debate about the figures. What he is trying to do is what he tries to do all the time; that is, put in some tricky analysis that the figures do not mean anything. If they do not mean anything, the Premier should not put them out in future. The fact is that they do mean something. That is intimated when one reads between the lines of what Treasury writes in the document which it puts out. It says that general government outlays estimates for 1998-99 have risen by \$293m since budget time. The general government sector deficit for the year has increased by \$166m. That confirms what we have been saying. That comes from page 5 of the document. The general government sector deficit is growing by a serious amount. About 2.4 per cent of the budget must be found in the next three or four months or there will be a much bigger deficit than this Premier told us there would be at the beginning of the year, which came on top of another deficit which occurred last year. Make no mistake about it, the Government is in trouble and matters will not get any better. I say that to the members of the backbench.

There are two other developments to which I need to refer. The first of course is that the Commonwealth Grants Commission is moving to change its formula. If that happens it will mean cuts of about \$90m a year to Western Australia. Of course this Premier supports the doctrine that we need to depend on more money from the Commonwealth through the goods and services tax, which is filtered by this Grants Commission formula. That is pretty smart economics from the point of view of the people of Western Australia, but that is another debate for another time.

The second issue I will address briefly is the prospect of a goods and services tax bringing cuts to funding that Western Australia would have expected from a continuation of the current system. During the federal election campaign, the Opposition said that in the first years of a GST, Western Australia would lose out compared with where we would have been under the current system. That has been confirmed by the discussions that have occurred about the GST. The Premier's

response is that in the long run, we will all be better off. I had occasion to quote from the greatest economist of all time, John Maynard Keynes.

Mr Court: He says in the long run that we will all be dead.

Dr GALLOP: The Premier remembers something from his economics degree at the University of Western Australia. There is hope for us yet. The truth of the matter is that in the long run we will all be dead. In the short to medium term John Howard's GST package will make Western Australians worse off. Western Australia will be worse off under Grants Commission funding and the GST package. Revenue is under real pressure from the downturn in economic activity, so the prospects there are not looking too good. The budget deficit is rising at exactly the level that the Opposition stated yesterday when we discussed this matter in the Parliament. That has been confirmed by the midyear statistics. The Opposition is quoting from the Government's documents. That leaves Western Australia with a serious set of problems.

What does it tell us about the Government and its record of achievement? Let us bring some other factors into the equation: Privatisation, asset sales, contracting out, increases in taxes and charges and the economic growth that came about as we came out of the world recession in the early 1990s. With all of those factors, Western Australia faces rising debt and a blowout in the general government deficit. The only conclusion one can reach from this analysis, which is based on the Government's own statistics, is that the Government is financially incompetent and Western Australians will have to pay, either through higher taxes and charges, radically reduced services or by getting out the credit card and making the system pay through increased debt. They are the only conclusions one can reach from the figures before us. The Premier has not explained those figures so far. It is about time the Premier gave a full explanation to the people of Western Australia in specific terms. We do not want the Premier's glib assurances. We want to know what the Premier will do about the problem that he has created because of his mismanagement of the State's finances.

**MR COURT** (Nedlands - Treasurer) [9.43 pm]: The speech made by the Leader of the Opposition reinforces why the previous Labor Government got into trouble. The Government has for the first time released midterm figures. It is not a budget document. It has been released in accordance with the commonwealth standards that we agreed to comply with. It is obvious that the more information we provide to members opposite, the less they understand. The Leader of the Opposition has repeatedly said that the Government will fund current outlays from borrowings.

Dr Gallop: Can the Premier explain how he will not do that?

Mr COURT: Page 8 of the *1998-99 Mid-year Review of Public Sector Finances* lists the current deficit under the heading of "Financing Transactions". It shows a surplus of \$358m. When the Government has a surplus of \$358m, it does not have to borrow for current outlays. It means that the Government can fund a large part of its capital works program from within the budget. For five of the six years of my Government, we have funded our capital works program from within the budget. That is something the Labor Party could only dream of when it was in government.

Dr Gallop: Will you tell us about the growing deficit and what you will do about it?

Mr COURT: The Leader of the Opposition has come up with a bold statement that current outlays will be funded out of borrowings, and I have just explained the situation to him.

A comment was made that the budget had a \$400m hole in it. The Leader of the Opposition would accept that the general government sector does not relate only to the budget component.

Dr Gallop: That is irrelevant. The only figures we have relate to the government sector.

Mr COURT: I will explain this to the Leader of the Opposition. The current outlays projected for the general government sector in 1998-99 have increased by \$355m from budget time. That is largely a result of our decision to inject extra funds into education, health, justice and other infrastructure. Of that increase, \$222m is part of the consolidated fund and another \$133m is off budget. I have explained to the Leader of the Opposition that the State's extra expenditure on health was \$70m, as well as \$35m from commonwealth sources to reduce the waiting list; in education \$50m - \$65m including capital - has gone into the state school system; and \$31m into the midyear review estimate for the Department of Transport current outlays, mainly as a result of the MetroBus closing-down agreement. Since those figures came out they have been revised downwards by \$11m. There were also increased funds in Justice.

There has been a modest improvement in the State's revenue position this year, although, as I said, we have projected that our revenues will be lower next year. The result of these changes is an increase in the general government sector deficit from \$277m at budget time to \$443m, which was projected in the midyear review. The net debt situation in the general government sector has risen from an estimated \$411m at budget time to a projected \$610m in the midyear review. However, the increase in net debt does not necessarily mean new borrowings are required, because that net debt figure also takes into account cash holdings, and part of the reason for the change in the net debt position is due to \$170m in lower cash holdings in the public bank account. Furthermore, the projected net debt position of \$610m is extremely low when compared with historical levels. Prior to 1997-98 the previous lowest level was in 1988 when the net debt in this sector was \$1.348b.



Under an agreement reached with the Federal Government, we said that we would publish six-monthly reviews. We released the figures a week or so ago. Treasury officials were available to brief members on the documents.

Dr Gallop: We do not need an explanation; the figures speak for themselves.

Mr COURT: The Leader of the Opposition obviously needs an explanation.

It is always a challenge when in government to keep tight controls on expenditure. This Government has been prepared to give priority to the key areas of health and education, which are the largest areas of concern. I have said on many occasions that the biggest challenge is in the health area. The Government has no control of the growth in demand in that area because it does not set the policy parameters. We as a nation must address that issue because we simply cannot provide these extra funds and at the same time put pressure on other parts of the budget.

This is the first time we have released the six-monthly review figures. Next time we release them we will ensure that -

Dr Gallop: Do those figures in the midyear review show that your general government deficit is growing and that you will need to take 2.4 per cent from the current budget to achieve last year's forecasts? Of course they show that.

Mr COURT: These figures show expenditures of about \$150m that must be controlled to ensure we meet our targets. We must either control expenditures or do something with revenues. I have never shied away from the fact that it is a difficult task. This Government has set itself financial parameters that the Opposition could only dream of when it was in government.

I return to my original point; that is, this Government has been able to fund the greater part of its capital works over six years without having to resort to borrowings. That is a major achievement.

One of the other factors we can highlight when the budget is delivered is the fact that the Government has been prepared to take on the current funding of the growing superannuation liability. Measures such as that, which should have been implemented years ago, cost money.

Another aspect of the budget is the fact that we now have interest savings because debt levels have been reduced. That is why today, when we spoke about funding the new rail to the south, we asked the Opposition how it would be funded.

Dr Gallop: In 1996, when we proposed the Fremantle to Rockingham line we put forward funding proposals. All the costings were confirmed by two independent sources. We indicated in our election campaign submissions how we would finance it. I will provide that information.

Mr Omodei: You don't know what it is.

Dr GALLOP: I do; it was about \$330m.

Several members interjected.

Mr COURT: The Leader of the Opposition said that there is a blowout in the budget. This Government has been able to live within its financial parameters; it understands the need to cut its cloth accordingly when the situation gets tight, and that is what we will face over the next few years. However, that does not mean that we have not had and still have a substantial increase in expenditure in areas of most benefit to the public. This Government is proud of what it has done with this State's finances and what it will continue to do.

**DR GALLOP** (Victoria Park - Leader of the Opposition) [9.57 pm]: It is very disappointing that the Premier of Western Australia has not indicated to the House how his Government intends to deal with what is clearly a major budget problem that will impact on the people of Western Australia. There are only three ways he can tackle this problem: First, he can get out the credit card; secondly, he can increase taxes and charges; or, thirdly, he can radically reduce services.

Mr Court: You made a point about the Grants Commission. The cuts to the grants of \$80m or \$90m are already built into those projections.

Dr GALLOP: The Premier must do one of those three things. He has indicated in a press statement that the focus will be on service delivery. The people of Western Australia who are dependent upon these services for their quality of life deserve to know in specific terms what cuts the Premier has in mind to deal with this blowout. Yet again, we have the Premier giving us glib assurances that it will be okay.

He has been exposed on this occasion. The midyear review of finances exposed the Government's position. We deserve an explanation, but we have not got it from the Premier tonight. Indeed, his argument that we do not understand the statistics is undermined by the fact that the Opposition has used his statistics as the basis of its argument. It has not misread, misunderstood or misquoted them.

Mr Court interjected.

Dr GALLOP: I said that the Premier must explain how he will avoid that given current government forecasts. The explanation may be that he will jack up taxes and charges, or that he will radically cut services to the people of Western Australia. If he is to provide those explanations, we want them in specific terms because the people of Western Australia deserve to know.

The chickens have come home to roost. The economy is entering a downturn and this Government's budget is in serious deficit and has been for two years. It does not look good for the people of Western Australia. They will have to pay the price for this Government's mismanagement, and that is the tragedy.

Mr Court: You have a hide to say that.

Dr GALLOP: The old story does not work any more; no-one is listening. Does the Premier not know that? When he says those things, it is like throwing a marble into a big black hole. I can assure members opposite that those arguments mean nothing.

Responsibility for what is happening in government today rests with members opposite. Their performance over the past six years is the reason we have this problem today and they have a real difficulty in dealing with it. If members opposite do not insist that their leader give better explanations, their political problems will increase. He will need to pull a few rabbits out of the hat to solve this problem. He knows he has a problem; his instincts yesterday were to say that he has a problem and that he will deal with it. His spin doctor got to him today and told him he could not say that there are problems in Western Australia; he must put a positive gloss on it. We have problems in Western Australia. We have a Premier who will not front the problem or explain in specific terms to the people how he will solve it. Rather, he gives only generalised glib assurances.

Question put and a division taken with the following result -

Ayes (17)

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

Noes (31)

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

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Pairs

Mr Kobelke	Mr Cowan
Ms MacTiernan	Mr Day

Question thus negatived.

*House adjourned at 10.04 pm*

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**QUESTIONS ON NOTICE**

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

**NATIONAL POLICY BODIES**

1819. Mr BROWN to the Minister for the Environment; Labour Relations:

Further to question on notice No 3146 of 1997-98, will the Minister advise what issues are being considered by each of the named national policy bodies?

Mrs EDWARDES replied:

Department of Productivity and Labour Relations:

Labour Ministers' Council: The LMC is a non-statutory body whose members are the Commonwealth, State and Territory Ministers responsible for industrial relations. LMC (and its Standing Committee DOLAC) provide a consultative forum on industrial relations matters of significant interest to the Commonwealth, State and Territories. In this forum, matters of mutual interest are discussed, agreed policies are endorsed and recommendations are made to Commonwealth, State and Territory Governments. The Labour Ministers' Council (LMC) met on 27 November 1998 and considered the following issues:

- Legislative and harmonisation developments;
- Occupational health and safety and workers' compensation reform;
- Entitlements of employees on insolvency of a business;
- Wages developments;
- DOLAC Working Party on wages and data collection;
- Building and Construction National Code of Practice;
- Labour Market Research Program; and
- Consultation on ILO matters.

Departments of Labour Advisory (Standing) Committee: The Departments of Labour Standing Committee (DOLAC) met on 30 October 1998 and considered the following issues:

- Occupational health and safety and workers' compensation;
- Legislative developments
- Harmonising the workplace relations framework;
- National code of practice for the construction industry;
- Wages and related issues
- Labour market research program;
- Protection of employees' entitlements on insolvency of business; and
- ILO technical officers meeting report.

Perth Zoo: Not applicable.

Kings Park and Botanic Garden: Not applicable.

WorkSafe Western Australia:

Labour Ministers' Council (LMC): The LMC is a non-statutory body whose members are the Commonwealth, State and Territory Ministers responsible for industrial relations. LMC (and its Standing Committee DOLAC) provide a consultative forum on industrial relations matters of significant interest to the Commonwealth, State and Territories. In this forum, matters of mutual interest are discussed, agreed policies are endorsed and recommendations are made to Commonwealth, State and Territory Governments.

Departments of Labour Advisory (Standing) Committee (DOLAC): Meeting of State and Territory Labour Ministers occurs approximately every six months. The primary aim is to assist the Commonwealth Government to achieve cooperative workplace reform and industrial relations and a better small business and maritime environment, for an internationally competitive and fairer Australia. The Departments of Labour Advisory Committee meets approximately every six months, and provides advice to the Labour Ministers' Council on matters related to Labour Relations.

National Occupational Health and Safety Commission (NOHSC): The National Commission is a tripartite statutory body that provides a forum in which to develop national policies and strategies on occupational health and safety. The National Commission meets every four months. Issues considered by the National Commission at its meeting on 7 October 1998 include:

Future Priorities for the National Commission  
 Review and Update of National OHS Standards  
 Work Related Traumatic Fatalities Study  
 Health Effects of Radiofrequency Radiation  
 Occupational Asthma  
 Work Related Stress  
 Comment of Standards Australia draft standard on occupational health and safety management systems  
 Drivers for Reinforcing OHS Accountability in Employees with Supervisory Responsibilities  
 Gaining Business Owner and CEO Commitment to Occupational Health and Safety  
 Performance Measurement - Improvements to the National Data Set; National Coronial Information System

Department of Environmental Protection: Australian and New Zealand Environment and Conservation Council (ANZECC): ANZECC (through its predecessor the Australian Environment Council) was established in 1974 and deals with a wide range of national policy issues. However, since the establishment of the National Environment Protection Council, which WA joined in 1996, some issues have been subsumed under National Environment Protection Measures. ANZECC, and its associated Standing Committee on Environmental Protection, working groups, task forces and subcommittees, are currently addressing, inter alia, the following issues:

- water for the environment (COAG Water Reform Framework);
- oceans;
- native vegetation management;
- waste management and cleaner production;
- greenhouse;
- major international initiatives (eg: UN Commission on Sustainable Development, OECD, Environmental Performance Review of Australia);
- national conservation matters (eg: migrating shore birds, export of wildlife products);
- pests and diseases (eg: European wasp control, rabbit calicivirus program);
- Industry Waste Reduction Agreements (voluntary) by industry for the management of various wastes of significance at a national level;
- Re-assessment and prioritisation of ANZECC's waste management agenda; and
- Cleaner production strategy - national strategy for the promotion of the adoption of cleaner production (promoting changes in business practice which are both good for business and good for the environment).

ANZECC Maritime Accidents and Pollution Implementation Group: This group is responsible for implementing the Action Plan in, "*Working together to reduce impacts from shipping operations: ANZECC strategy to protect the marine environment*". WA chairs one of the working groups dealing with, "Communicating with shipping and boating about areas sensitive to their operations".

National Advisory Body (NAB) and Scheduled Wastes Management Group (SWMG): Development, implementation and monitoring of plans for the management of:

- polychlorinated biphenyls;
- organochlorine pesticides;
- hexachlor benzenes; and
- other scheduled organic wastes.

Development and implementation of the National Collection, Storage and Destruction Scheme for unwanted rural chemicals and an industry agreement for ongoing management of these chemicals.

National Environment Protection Council (NEPC): This Council with its associated Standing Committee and subordinate groups is statutorily confined to the making of National Environment Protection Measures (NEPM's) and to assess and report on the implementation and effectiveness of them. The member is referred to ss.12-15 of the National Environment Protection Council (Western Australia) Act 1996. NEPM's currently under consideration through the statutory process are on Used Packaging Materials; Transporting of Controlled Wastes (to standardise documentation and enable better tracking of controlled waste between States) and Assessment of Site Contamination.

NEPC Jurisdictional Reference Network - NEPM on Transport of Controlled Wastes: Consultation over the development and implementation of the NEPM.

NEPC Jurisdictional Reference Network - NEPM on Used Packaging Materials: Consultation over the development and implementation of the NEPM (and the associated National Packaging Covenant). National Packaging Covenant - a voluntary agreement by the major producers of packaging in Australia to address the management and recycling of used packaging.

Environment Australia Working Group on NiCad Batteries: This is an ad hoc working group looking nationally at safe disposal options for nickel - cadmium batteries. A trial program has commenced for mobile phone battery disposal.

Groups subordinate to the Council of Australian Governments (COAG): Since Question 3146 of 12 March 1998 was answered, all these functions listed under this item have concluded. The Oceans Policy Institutional Arrangements Working Group has reported. The State-Commonwealth Working Group on Roles and Responsibilities for the Environment has been superseded by an ad hoc senior officers group advising on the Commonwealth's Environment Protection and Biodiversity Conservation Bill 1998. The National Greenhouse Strategy has been released and a senior level working group established for implementation purposes.

Commissioner of Workplace Agreements: Not applicable.

Department of the Registrar, Western Australian Industrial Relations Commission: Not applicable

WorkCover Western Australia:

Heads of Workers' Compensation Authorities: The Heads of Workers' Compensation Authorities (HWCA) convenes on a regular basis with the objective of promoting scheme improvements and greater national consistency in workers' compensation arrangements. The HWCA is also involved in the resolution of national workers' compensation and rehabilitation issues through the Departments of Labour Standing Committee and the Labour Ministers' Council.

Labour Ministers' Council: The Labour Ministers' Council (LMC) is a non-statutory body whose members are the Commonwealth, State and Territory Ministers responsible for industrial relations. The LMC provides a consultative forum on industrial relations matters of significant interest to the Commonwealth, States and Territories. Significant workers' compensation matters currently being progressed relate to coverage for workers temporarily working in another jurisdiction, and the development of a national comparative performance monitoring system.

Department of Conservation and Land Management: Issues considered by the Australian and New Zealand Environment and Conservation Council (ANZECC) vary from one meeting to another. Issues considered at the last ANZECC meeting on 11 December 1998 were:

- Water for the Environment - COAG Water Reform Framework
- Oceans
  - Statement on Oceans Policy and trans-Tasman understanding
  - Guidelines for National Representative System of Marine Protected Areas
- Native vegetation management
- Waste management
  - National Packaging Covenant
  - Ongoing ANZECC waste management agenda
  - Industry agreement on management of unwanted rural chemicals
- Greenhouse
- Input to major international meetings/initiatives
  - Commission on Sustainable Development
  - Asia Pacific Economic Cooperation sustainable development agenda
  - Whale conservation
- Regional initiatives/issues
  - Regional Agreement for the Conservation of Southern Hemisphere Albatross
  - Shorebird Action Plan and multilateral agreement on migratory shorebirds
  - Cooperation in management of Subantarctic World Heritage Areas
  - Phytoplankton - decline in Australian and New Zealand plant species
- Focus of future meetings
  - Consideration of full membership status for Papua New Guinea
  - Forward ANZECC agenda on international/regional issues
  - Cleaner Production Strategy
- OECD Environmental Performance Review of Australia
- European wasp control
- Rabbit Calicivirus Disease Program
- Export of wildlife products

Issues considered by the Ministerial Council on Forestry Fisheries and Aquaculture (MCFFA) also vary from one meeting to another. The Council has separate agendas for forestry and fisheries and aquaculture. Issues relating to forestry considered at the last MCFFA meeting on 7 August 1998 included:

- National Greenhouse issues
- Plantations 2020 Vision
  - A proposal to treble by the year 2020 the existing area of timber plantations in Australia
- Consideration of environmental management systems and endorsement of the ISO14001 standard
- Australian quarantine procedures to minimise introduction of forest pests and pathogens
- Legislation on Regional Forest Agreements
- International forest issues

The Minister for the Environment is not responsible for the Fisheries and Aquaculture agenda of the MCFFA.

## PRISONS, MINIMUM SECURITY PLACEMENTS

2094. Mr BROWN to the Parliamentary Secretary to the Minister for Justice:

- (1) Does the Government/Ministry of Justice intend to review the system under which prisoners are selected for placement in minimum security prisons?
- (2) If so, when?
- (3) If not, why not?

Mrs van de KLASHORST replied:

The Minister for Justice has provided the following reply:

- (1) Yes.
- (2) A review of the prisoner classification system commenced on 18.1.99.
- (3) Not applicable.

## QUESTIONS WITHOUT NOTICE

## BUDGET DEFICIT

**585. Dr GALLOP to the Premier:**

I refer to the budget blow-out and the Premier's claim yesterday that he was confident that ministers could rein in spending to wipe out the forecast deficit by 30 June and ask -

- (1) Will he give some specific answers, rather than his usual glib assurances, to demonstrate just how the Government intends to reach its targets before the end of the financial year?
- (2) In particular, will the Premier detail which assets may be sold off, programs ditched or deferred and which jobs are in for the chop?

**Mr COURT replied:**

I thank the member for some notice of this question.

- (1)-(2) A headline in *The West Australian* indicated that the Government had a budget deficit of \$430m. That was not correct.

Dr Gallop: It is correct. This is your midyear forecast.

Mr COURT: It has been explained to that newspaper.

Dr Gallop: It has been obscured by your gibberish.

Mr COURT: The Leader of the Opposition has proved once again that he does not understand what has been presented. The figure to which he referred comes from the six-monthly review that covers a general government sector and almost \$300m concerns matters that are not in the budget. Apart from the fact that he is about \$300m out, he is close to the point.

Dr Gallop: We are not \$300m out. Your budget is blowing out and you know it.

Mr Shave: He still thinks he is in charge of the GESB. He can't add up.

Mr COURT: Not only did he send the State Government Insurance Commission broke, but also he was prepared to cover up the problem inside the organisation. I appreciate the opportunity to explain the situation in this House. I hope that it is properly reported tomorrow that the budget is not in that situation. From my experience over the past six years, budgets are always under pressure at the six-month point. We will certainly bring the budget within our financial targets. I am not aware of any large asset sales that will proceed this year that have not already been announced. I hope that matter is corrected.

I have been made aware that a finding was brought down against the Main Roads Department referring to some activity concerning Hon Eric Charlton. He received some scathing media, and I hope that the media have the courtesy to correct

that situation now that the Commissioner for Public Sector Standards has withdrawn that finding against Hon Eric Charlton. I hope both corrections are made.

RECURRENT EXPENDITURE, FUNDING FROM BORROWED MONEY

**586. Dr GALLOP to the Premier:**

As a supplementary question, has the Government resorted to borrowing money to fund its recurrent expenditure?

**Mr COURT replied:**

The Government does not want to borrow money. We are proud of the fact that, except for our first year in office, we have been able to fund significant capital works over the past five years without resorting to borrowings. That is a major achievement.

RAILWAY BETWEEN PERTH AND MANDURAH

**587. Mr NICHOLLS to the Premier:**

My question relates to the announcement of the master plan for one of the most substantial capital works projects in Western Australian history; namely, the railway line between Perth and Mandurah.

- (1) Is the Premier aware that the Labor Party is claiming that the Perth-Mandurah railway will cost only one-third of the \$940m required for the project?
- (2) Is this a realistic figure?

**Mr COURT replied:**

- (1)-(2) I thank the member for the question. The Labor Party has said that the railway line will cost about one-third of the \$940m announced by the Government.

Ms MacTiernan: When did we say this? You allege that we have said it will cost one-third of that figure. Tell us where.

Mr COURT: It was at 7.20 this morning. The transcript reads -

First, I don't accept that it's a billion dollars. Early studies in the early 1990s indicated that it would be a much, much, much cheaper option than that, somewhere around a third of that cost, so I don't accept that it's a billion dollars.

Ms MacTiernan: Is this the member for Rockingham?

Mr COURT: Yes

Ms MacTiernan: He was talking about the rail link to Rockingham. If you read the document, you would realise that the rail link to Rockingham is about 13 kilometres, and that another 16 kilometres is required to take it to Mandurah. His mathematics are correct. You're talking about \$900m to get it to Mandurah!

Mr COURT: I will read out the whole section. The following question was asked -

... how can we find a billion dollars for a train to Mandurah?

Several members interjected.

The SPEAKER: Order!

Mr COURT: I will continue -

Well, first of all, I do not accept that it's a billion dollars. Early studies in the early 1990's indicated that it would be a much, much, much cheaper option than that, somewhere about a third of that cost, so I don't accept that it's a billion dollars.

Have I made the point?

Ms MacTiernan: He was talking about the link to Rockingham.

Mr COURT: I hope the railway line will cost less. However, on the best estimates, the infrastructure associated with the railway will cost some \$620m, and the rolling stock will cost some \$320m. Under the Labor Party's proposal, one could buy the trains but not run them. The key issue is that the master plan has been released with a preferred route chosen on the basis of picking up the biggest passenger base. It is a huge project involving a lot of money, which we intend to fund largely through asset sales proceeds.

Dr Gallop: Blackmail and bribery - that's what it is!

Mr COURT: How would the Leader of the Opposition fund it?

Dr Gallop: How did you fund the road program? How are you funding the \$100m convention centre? How are you funding the \$80m Barrack Square redevelopment?

Mr COURT: We receive 4¢ from a litre of fuel and we have increased motor vehicle licence fees. We propose to fund this significant asset with the proceeds of an asset sale.

Dr Gallop: You are pathetic, Premier. You should deal with AlintaGas on its own terms and merits. It is an absolute disgrace in policy making.

Mr COURT: How would the Leader of the Opposition fund it?

Dr Gallop: We put all of our figures on the table at the election - unlike you.

The SPEAKER: Order, members! What has been occurring from members on my right is unacceptable. The member for Armadale seems to have included a few extra questions as interjections.

Mr COURT: At the last election the Labor Party said that it would fund \$320m for a Fremantle-Rockingham railroad. We are talking about a Perth-Mandurah line at a cost of \$940m. Members opposite cannot tell us how they would fund the project. Because we have been able to use the proceeds of two major asset sales to retire debt - debt is now down to a respectable level - it makes both economic and social commonsense to use the proceeds of an asset sale to reinvest in public infrastructure of this type. We have presented our proposals. It will be interesting to see how the Labor Party proposes to fund a similar proposal.

#### "1998-99 MID-YEAR REVIEW OF PUBLIC SECTOR FINANCES"

#### **588. Dr GALLOP to the Treasurer:**

I refer to the Government's *1998-99 Mid-year Review of Public Sector Finances* and ask: How does the Treasurer explain the fact that last year's budget forecast for net borrowings was only \$37m while his mid-year review of finances inflates the figure to \$230m? What will the extra \$200m borrowing be used for?

#### **Mr COURT replied:**

The first thing the Leader of the Opposition should have done is obtain a briefing on the mid-year review. The Opposition spokesperson has asked for a briefing and that will be provided. We have actual figures until 31 December and then we estimate what expenditures and revenues will be. No Western Australian Government has ever presented those midyear figures. If the Leader of the Opposition looks at the budget, he will find that this year's expenditures have increased. We have announced that we will put extra money into health and education. Revenues have also increased. We have also stated publicly that next year, because of commodity price movements, revenues will flatten off. All of that is outlined in the mid-year review. In relation to addressing an issue of \$150m or \$200m mid-year, that is exactly what our job is; to make sure that we can stay within those financial targets. It is always difficult. Every year the Opposition has projected that we will have massive overruns and it has not occurred.

#### CANNABIS DECRIMINALISATION

#### **589. Mr BAKER to the Minister for Family and Children's Services:**

I refer to the Bill to be introduced by the Greens (WA) in the other place which will effectively decriminalise the possession and use of cannabis in Western Australia. Does the Government support the Bill proposed by the Greens (WA)?

#### **Mrs PARKER replied:**

I thank the member for some notice of this question.

As the House is aware, the Government released a comprehensive cannabis strategy last year. The strategy included a public education and prevention program based on research to challenge the myth that cannabis is a harmless drug and, secondarily, a cautioning and mandatory education system designed to deal more effectively with cannabis users. Cannabis is a harmful drug; it causes cognitive, physical and social harms, including dependence. It contains more tar and other cancer-causing chemicals than tobacco. It impairs the short term memory, concentration, logical thinking and motivation. It isolates users socially and has been linked to mental illnesses such as psychoses and schizophrenia and it can be a precursor to a move to other drugs. In 1997, I had discussions with the Victorian and South Australian state ministers and senior police on their respective cannabis law enforcement systems. The South Australian system of on-the-spot fines for keeping up to 10 cannabis plants resulted in a stronger involvement of organised crime and a significant increase in the number of people ending up in court. The Victorian model I examined and which is still in place does not include effective and systematic



education on the harms of cannabis. The model the Government is trialling in Western Australia is unique in that it gives the chance of one caution linked to a consequence - the mandatory education session. There is no reason for the Government to change its approach in the middle of the trial, and that is consistent with the National Party's view as expressed in *The West Australian* today. I take this opportunity to table the Government's cannabis strategy for the information of the House.

[See paper No 7731.]

WESTERN AUSTRALIAN CONSTITUTIONAL CENTRE, BUDGETARY PROBLEMS

**590. Ms McHALE to the Premier:**

Considerable notice of this question has been given.

I refer to the Western Australian Constitutional Centre's budgetary problems.

- (1) Will the Premier confirm media reports that some \$720 000 of the centre's \$850 000 annual budget had been spent by Christmas 1998?
- (2) Will the Premier explain to Parliament how this mismanagement of public money came about and when his office first became aware of the centre's funding problems?
- (3) Did the Premier's office authorise the expenditure of \$30 000 for a boardroom table for the centre. If so, why?
- (4) Was the decision to dump the centre's director Felicity Morei-Ednie Brown linked to this overexpenditure?
- (5) If not, what was the reason for her removal? In what position is she now employed?

**Mr COURT replied:**

I thank the member for some notice of this question.

- (1)-(2) The original notional allocation for 1998-99 in forward estimates was \$850 000. As the actual expenditure in 1997-98 was approximately \$800 000 and well within a budget of \$1.1m, this notional allocation appeared appropriate. The centre is relatively new and the only one of its type in Australia. There has been extensive interest in the centre's programs. The centre has attempted to run a broad range of programs in its full financial year of operation. Over 65 000 people have attended the centre's programs and 88 000 have accessed the Internet site - this has required additional staffing and resource allocation. The constitutional expedition which toured the south west required greater resources than budgeted for due to the remodelling of the exhibition for touring purposes and the need to provide professional education staff to ensure effective delivery to school children. There has been greater expenditure than predicted associated with developing the next exhibition on women's suffrage which opens this weekend. Unbudgeted remedial works were needed to improve safety at the centre; a garden fence to prevent people stepping over the wall and bollards to prevent vehicular traffic. When the budget problems were identified by the ministry in October 1998, significant steps were taken to reduce the protracted budget overruns. A financial manager has been attached to the centre to improve financial management systems.
- (3) The table was one component of a boardroom furniture purchase totalling \$29 945, which was authorised by the then chief executive officer, policy office as incurring officer for the centre. The furniture was purpose built to adequately equip the room for board and business meetings. The room is available for hire by business and community groups.
- (4) It was considered in the best interests in the operation of the centre and the officer concerned to transfer her to another position.
- (5) Mrs Felicity Morel-Ednie Brown was transferred under Section 65 of the Public Sector Management Act to a position in the policy co-ordination and review division of the Ministry of the Premier and Cabinet. She has not yet commenced this position as she is on leave.

Western Australia is the only State in Australia which has established a constitutional centre.

In its first full year of operation it has been an outstanding success. The facility is hired by the general public. Even though in its first years it went through what we would expect to be teething problems, it is now accepted that other States would love to have a facility with such capabilities. I unashamedly say that we have established a national leader when the community is being asked to face many important issues in relation to the Constitution. I believe that we have shown great foresight in getting the centre into operation. Sure, there have been some issues and they have been addressed, but that should not take from the fact that the centre has been a success. The Leader of the Opposition would agree that we have tried to run the centre and its programs in as bipartisan a way as we can. If the Leader of the Opposition does not -

Dr Gallop: That is not the question.

Mr COURT: I have answered the question on the financial management of the centre. We have a unique facility and we can be proud of the service that we are providing to the public.

WESTERN AUSTRALIAN POLICE SERVICE, OPERATIONAL BUDGET

**591. Mrs van de KLASHORST to the Minister for Police:**

I was very concerned when I read an article by the member for Midland in the February 1999 issue of *WA Police News* in which she stated that the police operational budget was cut by \$9m over the past three years. Will the minister assure me and the House that that is just not correct?

**Mr PRINCE replied:**

I thank the member for some notice of this question. Given the incorrect comments by the member for Midland in that article and her rumour-mongering and scandal-mongering last night and this morning on the forthcoming budget, it is about time that she, who aspires to be a Minister for Police, actually took on board some facts instead of rumour, gossip and innuendo.

Since the 1996-97 financial year, the net recurrent budget of the Police Service has risen from \$345.8m to \$367.78m, which is an increase of \$22m - that is, 6.3 per cent. In 1993-94, when we came to office, the budget was \$249m. It is now \$405.9m. That is a 63 per cent increase - \$156.8m - in the past five and a half years. Total spending in our past six years in government has been more than \$2b. When Labor was in government, the figure was \$1.4m. The majority of the increased police funding has gone into capital works, but the police have also received regular pay rises, another of which is presently being voted on. The majority of that increase went into capital works because, when we took office, the state of police capital assets was deplorable. It was absolutely appalling. In the past two and a half years, 17 police stations have been built, and the equipment is much better than it ever was. The member for Midland knows that we have a significant program for completely new communications and computerised equipment, all of which should have been attended to in the past but was not touched. The member for Midland has the gall to peddle rumour as though it had factual credibility. It has absolutely none at all. The member does not know what she is talking about.

The member for Midland also goes on about the crime epidemic. I shall give her a couple of other facts for her information. Leaving aside the Northern Territory, Western Australia has the highest ratio of police to population in Australia - namely, 264.7 police officers per 100 000 people. In New South Wales the figure is 211; in Victoria it is 215, and it is downsizing; and in Queensland it is 208.

Several members interjected.

The SPEAKER: Order! It appears that many members have something to say. There is a very simple rule in question time: Ask a question. I remind members that if ministers keep their answers short, we will have more questions, and if, instead of having six-barrelled questions, members have three questions, two lots of three questions or perhaps six lots of one question, they will be able to ask many more questions.

Mr PRINCE: I shall draw my answer to a conclusion, firstly, by tabling figures relating to the police-population ratio.

[See paper No 774.]

Mr PRINCE: Secondly, particularly for the interest of the member for Midland, I also table a published document on policing priorities in 1998-99. That document mentions targets, a 5 per cent increase in the number of detected drug trafficking offences, prevention strategies, a 20 per cent reduction in reported burglaries, and an increased clearance rate. Targets are shown for assault, robbery, motor vehicle theft, and safety in public places. They have nearly achieved the targets in just over half the financial year. We have a very good Police Service; it is bringing down the crime rate more than ever before. The member for Midland should support the members of the Police Service instead of criticising them all the time.

DISABILITY SECTOR, ACCOMMODATION FUNDING

**592. Mr CARPENTER to the Minister for Disability Services:**

I refer to the Premier's directive to reduce spending and the acknowledged crisis in funding for the disability sector and ask -

- (1) How many people who applied for accommodation funding in the last round were successful and how many were not?
- (2) Of those who were unsuccessful, how many fall into the "in critical need" category?

**Mr OMODEI replied:**

I thank the member for some notice of this question.

- (1) One hundred and forty-five applications were considered in November 1998. Of these, 121 applicants were rated as priority one - that is, in critical need - and have been offered support services tailored to their individual needs.
- (2) None.

The Government is committed to ensuring that it responds appropriately to people who are in critical need of support. New arrangements have been put in place in the Disability Services Commission to ensure that people are supported through a case management type service in which an individual plan will be developed for each person. That will enable those persons access to service and support packages which are tailored to individual needs and circumstances; maximum access to existing family support and respite services; provision with DSC funded accommodation service vacancies; access to longer term service plans; and will allow them to be matched to incomplete group options and new groupings. No directive has come from the Premier. Obviously the budget has constraints; it is not yet finalised and the member must wait for the outcome of those budget deliberations.

#### DISABILITY SECTOR, ACCOMMODATION FUNDING

##### **593. Mr CARPENTER to the Minister for Disability Services:**

The minister has told us how many had been given support. I want to know how many received accommodation funding.

##### **Mr OMODEI replied:**

They vary; some receive accommodation funding, some have home and community care funding, some have been provided with accommodation through vacancies within the existing accommodation facilities, some have temporary accommodation, some applications have been withdrawn, some people die -

Mr Carpenter: I want to know how many of the 145 people who applied for accommodation funding received it.

Mr OMODEI: I do not have that detail with me.

Mr Carpenter: Nothing like 121.

Mr OMODEI: They are all provided with some services.

Mr Carpenter: No, that is not the question and you know it. I am referring to funded accommodation, not services.

Mr OMODEI: I can get that information and get back to the member. Does the member want to know -

Mr Carpenter: - how many received what they wanted; that is, accommodation funding.

Mr OMODEI: I can get those figures for the member, but bear in mind that not all -

Mr Carpenter: You had notice of the question. You knew that is what I wanted.

Mr OMODEI: All of those people received some kind of service. Not all of them want accommodation.

Mr Carpenter: I gave you notice of this question at 10.15 am.

Mr OMODEI: As a shadow spokesman, the member appears to have a lack of knowledge of what happens in the disability sector. The whole spectrum of people across the disability sector want some kind of assistance, and they receive it. All of those 145 people received some assistance. Some received accommodation and others received different packages. The member knows that is what occurs now. Some of them have a mix of services, which includes accommodation. That is an incomplete answer. The member needs the total package.

Mr Carpenter: The minister knows exactly what I want to know.

Mr OMODEI: The member wants to know about the accommodation. He is not interested in the other parts of the package. I will provide that.

#### WESTERN POWER - STAFF REDUCTIONS AT POWER STATIONS

##### **594. Mr BARRON-SULLIVAN to the Minister for Energy:**

I refer to the proposal by Western Power to significantly reduce staffing levels at Bunbury, Muja and Kwinana power stations. On behalf of all employees at those stations, and their families, I ask -

- (1) Will the minister give a clear and totally unqualified assurance that these staffing reductions will be initiated without recourse to forced or involuntary redundancies?
- (2) Will the minister undertake to ensure that Western Power engages in detailed consultation with all employees affected by this decision and their union representatives?

**Mr BARNETT replied:**

(1)-(2) I thank the member for some notice of this question. It is interesting that a Liberal member of Parliament should ask this question.

Mrs Roberts interjected.

The SPEAKER: I formally call the member for Midland to order for the first time.

Mr BARNETT: I was involved in the announcement this morning by Western Power that following a nine-month review of staffing levels in the generation area, there would be a significant reduction of up to 400 positions in the power stations. However, that will be done progressively over a four-year period. The major impacts will be at the Muja, Kwinana and, most likely, Bunbury power stations, as well as some head office positions. That will be managed properly. That reduction in staffing will take place by natural turnover, retirement and the offer of voluntary redundancies. That will be done carefully and deliberately. I have had discussions with the unions. Although there may not be unbridled enthusiasm, there will be sensible cooperation to ensure that this process takes place properly. Members should bear in mind that 60 per cent of electricity costs are attributable to generation costs. In the time that this Government has been in power, there has been only one increase in electricity costs for consumers; there have been no increases for business. It is critical to the competitiveness of Western Australian industry that the Government continue to hold, if not lower, electricity prices.

All workers were briefed in detail this morning. Western Power went to great lengths to ensure that the workers involved were the first to know. Each person will be dealt with individually. I recognise that it causes disruption for those workers and their families. A great deal of attention will be paid to managing this process properly, carefully and progressively.

#### REGIONAL FOREST AGREEMENT, AREAS TO BE PROTECTED IN RESERVES

**595. Dr EDWARDS to the Minister for the Environment:**

Was the Deputy Premier correct when he was quoted in *The West Australian* today as saying that the Regional Forest Agreement would not detail areas of forest that would be protected in reserves?

**Mrs EDWARDES replied:**

When the Regional Forest Agreement is signed, it will show the reserve design and it will go out to the public at that time.

#### ARMADALE-KELMSCOTT MEMORIAL HOSPITAL, NEW HOSPITAL

**596. Mr TUBBY to the Minister for Health:**

Will the minister please provide an update to the House on progress of the Government's undertaking to build the new 120-bed Armadale-Kelmscott Memorial Hospital?

**Mr DAY replied:**

I thank the member for some notice of this question. Firstly, I refer to the announcement that was made by the Premier last January that a new 120-bed public hospital would be built, owned and operated by the Government for the people of that region. It is recognised that there has been a serious deficiency in the facilities available at the hospital, one which was ignored by the previous Government but which is being addressed by this Government. The decision on how that project would be undertaken was made following a full and thorough assessment of all the options, including whether the private sector would be involved or whether it would be better done by the public sector. Detailed planning is occurring at the moment. A project team has been established under the auspices of a facility steering committee. One issue that the committee needs to consider to ensure that it will provide the best possible services and range of facilities for people of the region is whether additional beds should be provided for the use of private patients on the Armadale-Kelmscott hospital site.

Several members interjected.

The SPEAKER: Order!

Mr DAY: Members might have noticed an article in this morning's paper. If they were not otherwise informed about it, they should look at that article which was generated by the latest scare campaign being attempted by the member for Armadale.

Several members interjected.

The SPEAKER: I almost did not give the member for Roleystone the call to ask a question. I am regretting my decision to give it to him because the minister is supposed to answer it, not everyone else in the House. Perhaps the minister can bring the answer to a close fairly quickly.

Ms MacTiernan interjected.

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

Mr DAY: I would like to know what the Opposition thinks about the new south west health campus being built in Bunbury. What is its opinion of that?

The SPEAKER: Order! The minister should not solicit interjections because I will formally call the member for Armadale to order very quickly.

Mr DAY: One consideration that must be taken into account is whether additional benefits will be available to the local community if additional beds are provided for private patients. It should be remembered that one of the attractions to medical specialists, in particular, is having a certain critical mass of beds. In general terms, the more beds that are available, and therefore the greater the activity which will take place on the site of any hospital, the more likely it is to attract a wider range and level of specialist services. That is one issue being considered. For that reason, I understand that local community groups would like to see additional private beds provided on the Armadale-Kelmscott hospital site.

The essential point is that a brand new hospital is being built by this Government. It will provide 120 public beds. As to whether any additional private beds will be provided, that is completely irrelevant to the primary decision of the Government, which is to provide a new hospital for the people of the region to overcome a deficiency that was left by the previous Government.

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