



# Parliamentary Debates

(HANSARD)

THIRTY-FIFTH PARLIAMENT  
THIRD SESSION  
1999

LEGISLATIVE ASSEMBLY

Tuesday, 19 October 1999

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

## ADDRESS-IN-REPLY

### *Presentation to Governor - Acknowledgment*

**THE SPEAKER** (Mr Strickland): I advise members that today, accompanied by the member for Carine, the member for Rockingham and the member for Roe, I attended upon His Excellency the Governor and presented the Address-in-Reply to His Excellency's speech in opening Parliament and that His Excellency was pleased to reply in the following terms-

Mr Speaker and members of the Legislative Assembly:

I thank you for your expressions of loyalty to Her Most Gracious Majesty the Queen and for your Address-in-Reply to my speech to Parliament on the occasion of the opening of the Third Session of the Thirty-fifth Parliament.

## FISHERIES MANAGEMENT, AUDITOR GENERAL'S REPORT

### *Statement by Minister for Fisheries*

**MR HOUSE** (Stirling - Minister for Fisheries) [2.03 pm]: I rise to advise Parliament on the recent Auditor General's report on fisheries management in Western Australia. I welcome the findings of Fisheries Western Australia which implement some of the most advanced commercial and recreational fisheries management in the world. Successive Governments have worked very hard to ensure that we sensibly protect and manage our fish stocks and fish habitats for future benefit. This included 600 000 Western Australians who enjoy recreational fishing opportunities as well as those who rely on commercial fishing to generate \$1b of economic activity per year. The vehicle for ensuring this occurs is Fisheries Western Australia, which is not only a leader in fisheries research and management, but also in its cooperative approach with industry, the community and other government agencies. This is recognised in the Auditor-General's report, with support of the agency remaining a priority commitment of this Government. I have on previous occasions outlined to Parliament new initiatives which support this commitment.

Many address matters raised by the Auditor General including up to \$8m dedicated to voluntary buyback schemes which have removed 25 per cent of the potential fishing effort from the State's estuarine netting fisheries; a \$12.5m investment in aquaculture to assist in easing pressure upon the wild capture fisheries to meet an ever-increasing demand for quality seafood; a bycatch program under which bycatch reduction plans for fisheries will be developed and implemented, beginning with the State's trawl fisheries. During peak periods of recreational fishing activity, mobile Fisheries WA staff will be moved around the State for compliance and education. I can be clear about another item raised by the report; a recreational angling licence will not be introduced by this Government.

Just last week, Fisheries WA was again recognised, winning the economic development category of the 1999 Premier's Award for Excellence for its management of the west coast rock lobster fishery. The fishery will be the first in the world to obtain endorsement as an ecologically sustainable fishery from the International Marine Stewardship Council. Fisheries WA's recent success builds on that of 1998 when the volunteer fisheries liaison officer program won the Premier's Overall Award for Excellence. The volunteer education program boasts over 200 participants across Western Australia and has been studied and copied by other Australian States. This and many other programs are indicative of the agency's expertise and commitment and its cooperative partnership with all sectors of community. Western Australia's fisheries management program remains progressive and responsive. It is in safe, professional hands.

## POLICE OFFICERS, REIMBURSEMENT OF LEGAL FEES

### *Statement by Minister for Police*

**MR PRINCE** (Albany - Minister for Police) [2.07 pm]: There is no doubt that police officers serve in one of the most difficult and dangerous occupations. Every day police men and women are exposed to situations in the line of duty that, while appearing safe, have the potential to result in tragedy. Unfortunately, police officers occasionally become victims. This exposure to danger is disproportionately high compared with other occupations. In recognition, the Government of Western Australia believes that police officers need and deserve certain protection and support.

In 1996, the Government introduced a standardised process of reimbursing police officers for legal fees arising from private prosecutions, providing the officer's actions were in good faith. This process was taken a step further in June last year when the Government agreed to reimburse legal fees for officers prior to the commencement of court cases, rather than following the action. This has provided greater certainty for Western Australian police officers who put their lives on the line each day. Another example of the Government's efforts is the recent introduction and passage of the Acts Amendment (Police Immunity) Bill through this Chamber. I look forward to the speedy passage of the Bill through the other place. The Government is also working to provide coverage for police officers under the Occupational Safety and Health Act. This is not a straightforward matter and will require sensible negotiation and commitment to deliver a fair and reasonable outcome. I am pleased to advise that the Government has extended this raft of provisions to include an additional measure that recognises the hazardous work of Western Australian police officers. The level of compensation available to the family of any officer who dies in the line of duty has been more than doubled and the same level of benefit is available to any officer who is rendered totally and permanently incapacitated as a result of a work-related injury. This compensatory benefit did

not previously exist. The lump sum entitlement of each of these conditions amounts to \$280 953, approximately \$162 000 greater than the death benefit available to most public servants. The entitlement comprises the statutory lump sum benefit available under the Workers' Compensation and Rehabilitation Act, which currently stands at \$119 048, and a top-up benefit equal to 1.36 times this amount. This provision has its origins in a 1998 report by the ministerial working group on police workers' compensation, which recommended covering police officers fully under the Workers' Compensation and Rehabilitation Act in exchange for reduced illness and injury benefits. Although this recommendation is not yet widely supported, the Government has increased compensatory benefits for death and total and permanent incapacitation.

I hope this provision will never be called into operation. However, history shows the reality is far different. Three police officers have given their lives in the line of duty in the past two years. While increased monetary compensation will never replace the police officer who is somebody's husband, wife, parent or child, it is the least the Government can do to assist at a tragic time. It is pleasing that police officers are now properly recognised and will receive the compensation entitlement for death and total and permanent disability they clearly deserve.

### WATER RESTRICTIONS

#### *Statement by Minister for Water Resources*

**DR HAMES** (Yokine - Minister for Water Resources) [2.09 pm]: As members will be aware, the Government and the Water Corporation have been warning of the low water levels in our metropolitan dams due to an extended period of low rainfall. At the beginning of October this State faced a serious situation, as the dams were only 36 per cent full. This was the lowest for 19 years at that time of the year and water restrictions were on the cards. However, the recent, late rains arrived in the nick of time and there is now a little more than 263 million kilolitres in the dams. The dams now have a little over 40 per cent of capacity.

Provided a tight rein is kept on consumption this summer, restrictions for Perth, Mandurah and the goldfields will be no more than the present daytime sprinkler ban between 9.00 am and 6.00 pm. However, while dam levels and underground supplies will be sufficient for the coming summer, we need to plan for the summer of 2000-2001. A hot summer this year and a poor winter in 2000 - as happened last year - will increase the possibility of restrictions next summer.

The public's help is needed to guard against this and I will shortly unveil the Water Corporation's summer water conservation campaign to assist people reduce their consumption in Perth, Mandurah and the goldfields. Last summer, the Water Corporation asked people to reduce their water consumption by 10 per cent, and the public response was so strong that a final saving of 13 per cent was achieved instead. I am confident the public support will be as strong this year, and we will keep people informed on consumption rates so they know how they are doing.

I emphasise that the Government and the Water Corporation will take a cautious and responsible approach to ensure supplies while the corporation completes its massive investment in new water sources. This major development of new water sources began in the early 1990s but was made more urgent by the recent poor winters. As members are aware, the corporation is in the middle of an accelerated, five-year program costing \$390m that will increase supplies by nearly 40 per cent by 2002. The problem was identified swiftly and tackled with considerable resources. Consumption is up four per cent on this time last year, about half of which is due to growth. Perth, for example, now has a population of more than 1.3 million people and this underlines the need for a fundamental change in the way we all think about and use one of our most precious resources.

### SEVENTH AUSTRALASIAN CONFERENCE ON CHILD ABUSE AND NEGLECT

#### *Statement by Minister for Family and Children's Services*

**MRS PARKER** (Ballajura - Minister for Family and Children's Services) [2.12 pm]: I take this opportunity to inform the House about the Seventh Australasian Conference on Child Abuse and Neglect, which is being held in Perth this week. The conference, which is being hosted by the State Government and coordinated through the Department for Family and Children's Services, is being attended by 570 delegates representing 10 countries.

The protection of the most vulnerable in society, our children, is one of the most crucial responsibilities for any community. As a State Government, we recognise the need to continually improve our approach to child welfare through Family and Children's Services and improve coordination and cooperation between relevant government and non-government agencies.

The Seventh Australasian Conference on Child Abuse and Neglect is a vital part of that process of improvement. The aims of the conference are to: Promote continued improvement of an integrated agency response to child abuse and neglect; strengthen the commitment to prevention and early intervention in cases of child abuse and neglect; provide professionals with the most up-to-date research and information on child care and protection services and programs; and to share information and provide opportunities to learn through debate and discussion about different work strategies in the area of child abuse and neglect.

The State Government in recent years has implemented wide-ranging reforms to its services to families and children at both the preventive end, and the way in which child abuse allegations are responded to. While the Government must respond with all possible diligence and severity against any maltreatment and neglect of a child, it must also have the same commitment to the challenge of making parents feel more supported in their important task. Initiatives introduced in recent years to improve our response to children who have been maltreated include the reciprocal child protection procedures, the child victim witness services and the joint Police/Family and Children's Services interviewing teams aimed at reducing the level of stress and potential trauma for children through the investigative and court proceedings.

The Government has also established the WA Child Protection Council to provide advice to government on how to further improve its response to child abuse. The council is currently working on the development of a best practice model in child protection.

In all of this, we must, however, remember that most parents are good parents and for most children, home is the best place to be. Research shows also that most parents have two things in common: They usually feel under-prepared for their important task and they want to perform their parenting role better. Providing advice and support to parents who want to improve their parenting skills is the best prevention policy there is, and it should always be a fundamental component in the whole of a child protection policy. That is why the Government has introduced parenting information centres, parenting link home visiting services, and the under-10s services which support parents whose children exhibit severe behavioural problems and so on. That is why the Government's commitment to improved collaboration and coordination in the response to abuse after it has occurred needs to be complemented with a concerted effort on early intervention and prevention across the board.

The Seventh Australasian Conference on Child Abuse and Neglect has brought together experts from many fields and backgrounds from Australia and overseas. A practical expression of the success of the conference will be the new programs and interventions in Australia and possibly around the world, based on the practical experience and rigorous research shared at the conference.

**[Questions without notice taken.]**

**EAST WAIKIKI PRIMARY SCHOOL, SCHOOL NURSE**

*Petition*

Mr McGowan presented the following petition bearing the signatures of 250 persons -

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

We the undersigned, respectfully request that a full time school nurse be appointed to East Waikiki Primary School. East Waikiki Primary School is the biggest primary school in the state and is in desperate need of a full time school nurse. At present the nursing services are not sufficient to cover demand. A full time school nurse would go a long way to improving the quality of education at East Waikiki Primary.

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 52.]

**SCHOOL CLEANERS, PRIVATISATION OF JOBS**

*Petition*

Ms Anwyl presented the following petition bearing the signatures of 518 persons -

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

We, the undersigned Goldfields residents are totally opposed to the privatisation of 28 school cleaners' jobs from 12 Goldfields primary and high schools, the District Education Office and Camp School.

We consider that cleaning standards will drop and school children will suffer as a result of the contracting out of these cleaning jobs.

We call on you to reverse the decision of the Minister for Education and the Education Department.

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 53.]

**ROAD SAFETY INITIATIVES**

*Matter of Public Interest*

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

That this House condemn the Premier and his Government for their demonstrated incapacity to deliver on major road safety initiatives promised to the Western Australian public.

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

[At least five members rose in their places.]

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

**DR GALLOP** (Victoria Park - Leader of the Opposition) [2.55 pm]: I move the motion.

Road safety is one of the major issues before all Western Australian citizens today. The reason for this is very simple. Rates of death and injury on roads in the State of Western Australia are appallingly high. Statistics that deal with road fatality rates by State or Territory in the year 1997-98 reveal that, per capita, Western Australia had a rate of 12.34 fatalities in 1997-98. That is the highest of all the States. It is true that the Northern Territory, with its rate of 36.32 fatalities, is well and truly above Western Australia. However, of the States, Western Australia is at the top of that most unfortunate table.

It is also interesting to note the extent to which we have failed to significantly improve the situation in Western Australia. It is sad to report to this Parliament that using the figure for the number of fatalities per 100 000 of the population in the decade from 1988 to 1998, the fatalities rate in Western Australia has decreased from 14.9 to 12.34. However, the Australia-wide rate has decreased from 17.4 to 9.34. Queensland, which has a similar context and experience to Western Australia, has reduced its fatality rate in the last decade from 19.7 per 100 000 to 8.07. These figures indicate that compared with the other States, Western Australia has failed to create a situation in which these fatality rates can be significantly reduced. What does that represent? That represents significant trauma in our society, tragedy for families and shame for our community because we are incapable of bringing down those rates.

We have been told by the police and other road safety authorities that we must do something about this tragedy in our community. Indeed, many representations have been made to members of Parliament that indicate a comprehensive package is needed. The package must have a legislative and administrative framework. We need new programs and laws that will reverse the current situation of Western Australia having the highest fatality rate in this country.

In response to these concerns, the Government has produced road traffic amendment legislation, which, as we all know from press reports, has eight major components. The eight major components of that legislation make it a fairly comprehensive package. What happens to legislation like that when it goes before the coalition parties? It finds its way into the bowels of the coalition party room where it meets with significant obstacles. This Bill has hit the coalition party room, in which we know there is a line-up of factions that are incapable of solving social problems or major public interest issues that must be addressed. A simple illustration will indicate the way this Government is working: The Premier leads the "monument building" faction in the Government. He insists on his own program of irrelevant and extravagant expenditure on the belltower and gets away with it. His will prevails on building an item that is unwanted and unnecessary to the State. Even the Deputy Premier is on the public record as saying it is not the sort of expenditure that is desirable in Western Australia today. Then we have the "do nothing" back-bench faction of the coalition. Its members used to be anonymous, but we now know who they are as their names have been revealed in relation to forthcoming debates. They have an arrangement with the Premier. They let him indulge himself on monuments such as the belltower while they block or hold up important initiatives needed in our community. That is a clear illustration of the position of the Government of Western Australia today. With regard to monument building, coalition members say, "Go for it, Premier; we will let you have that." With regard to serious social legislation that can improve social issues and road safety in Western Australia they say, "We will hold up and block it because of the petty interests we represent within the coalition."

Approximately 3 per cent of Western Australian car owners issued with Multanova infringements refuse to pay on the grounds that the photograph is a blur, and the vehicle owner will not identify the driver. We know that to be the case. The relevant figures have been revealed to the public during debate on this issue. We should note here that, as the Auditor General reported in 1996, about 45 per cent of the photographs are difficult or impossible to identify. As a result, there is a significant shortfall in the Multanova revenue of about \$4m on current estimates. The revenue raised by the Multanovas this year will amount to about \$54m. What is wrong with this situation? The Auditor General thought it represented a loophole in the way the State's laws are being administered. From the public's point of view it is unfair because many people in our community are responsible and pay their fines. It also reduces the State's capacity to take road safety initiatives.

If any State in Australia needs a radical program of road safety it is Western Australia. I refer again to the figures. Western Australia has the highest road fatality statistics in Australia over the past decade, achieved at a rate that should bring shame to all of us. We must ensure that money is spent on a strategy aimed at reversing those figures.

We all know that the other States have implemented owner-onus legislation and that reasonable exemptions are available, for example, if a car is stolen. However, when that legislation arrived in the coalition party room in Western Australia today it was not endorsed. In relation to the owner-onus situation it has been argued that the driver's photograph should be clear in the first place. I wonder whether the member for Geraldton declared his interest in this issue when it was debated in the coalition party room. He was quoted in *The Geraldton Guardian* as stating -

I don't agree it should be up to the owners to pay for the fines, it's up to the police to take good photos, . . .

That is the attitude of the member for Geraldton on this important initiative. He says it is up to the police to take good photos! As he is in the Chair, I cannot ask the member for Geraldton about this. However, perhaps he will tell the House later whether he declared his interest in this matter when it was debated in the coalition party room.

Mr Cowan: He does not need anyone to answer for him but I can tell you that he did.

Dr GALLOP: He did declare his interest. Did he participate in the vote?

Mr Cowan: You have me there; I don't know that I went around and had a look. He certainly indicated that he had an interest in the matter.

Dr GALLOP: The second major argument used to oppose this initiative is that it is un-Australian to dob in others. What hypocrisy that is coming from this Government! Television advertisements are currently being screened in this State asking

Western Australians to do in people suspected of making fraudulent insurance claims. On the one hand the Government says it is un-Australian to do in a mate on one matter, but on the other hand it is running an advertising campaign about the insurance industry in Western Australia. The bottom line is there is no logic or consistency in the Government's arguments on this issue. It is all about vested interests and that is the way this Government operates now. If a small interest in our community complains about something, it gets the ear of the back bench because the back bench thinks the way to go into the next election is not to offend any interests. At the end of the day the Government does not do anything and the Government is paralysed. While the people of Western Australia look to the Government to solve problems, the attitude of the back bench is it will not do anything if anyone is affected negatively. That means nothing will ever happen.

Mr Bradshaw: You have got it wrong.

Dr GALLOP: The member for Murray-Wellington should tell the Opposition how it has got it wrong. Surely the fleet car owners in Western Australia need to know who is driving their cars when they let them out - if only for insurance purposes. I point out again that the other States have introduced such legislation and it seems to be well managed and to work in those States. This is all about a Government which has lost the plot on the important things in our community. It cannot address the important things. It cannot address the things that need a response like prostitution or de facto legislation in the social area. The Government cannot address fundamental road safety issues like this which need to be addressed because its members are too caught up in narrow vested interests. As long as that situation continues, we will never receive a proper and comprehensive response to these problems. However, what angers the public about these matters is that while the Government delays important legislation like this through its indecision and the role of the back bench, it lets the Premier build his belltower. The public says that is ridiculous. The back bench is stopping the Government from bringing forward good legislation while letting the Premier get away with his spending extravagances - acknowledged to be so by the Deputy Premier in his comments at the National Party conference earlier this year. The Government has lost the plot on the important things while it spends extravagantly on the unimportant things. This Government is in serious difficulty. It has lost its way with the priorities it must meet in Western Australia today.

In conclusion I remind the House first that we have the highest road fatality rate of all the States and the rate has not been improving at the rate of the other States in Australia. That is a shameful situation for which we must all seek a remedy. Second, this Government spends money extravagantly in areas of no relevance to the community but when it comes to important legislation like the road traffic amendment legislation, its activities and processes are in the grip of vested interests. It is not good enough and the Parliament should send a very clear message to the Government on the issue of road safety. The Government should get its act together and bring in the legislation so we can start to reverse Western Australia's tragic figures.

**MS MacTIERNAN** (Armadale) [3.10 pm]: Eighteen months ago the Minister for Transport challenged the Opposition to provide bipartisanship on the road safety issue. In particular, he asked whether the Opposition was prepared to support owner-onus legislation. The Opposition made a clear and unequivocal commitment to the Government at that point that it would back the Government on that legislation. Similarly, the Minister for Transport asked whether the Opposition was prepared to back the Government on the new driver training initiative. Because they are important road safety initiatives, the Opposition agreed it would back the Government. This Government has been given an opportunity, through the Opposition's support for the legislation, to go forward with the legislation without its having to deal with any political consequences. The Opposition agreed to support the legislation even if it proved to be unpopular with the public. It guaranteed its support for the legislation 12 to 18 months ago. Notwithstanding that, the Government has not been able to get the legislation through the party room.

I think the Leader of the Opposition has been very generous in his analysis of the Government's predicament. Frankly, much of the opposition to the legislation is being driven by a number of backbenchers who are keen to secure ongoing donations from major Liberal Party sponsors who oppose the legislation.

Mr Pandal: I would have thought it was a healthy sign for the Leader of the Opposition to challenge ministers like this.

Ms MacTIERNAN: It would have been if it was a more worthy cause. Unfortunately, this is a very unworthy cause. As the Leader of the Opposition has clearly stated, this legislation is in place in other States. It has been in place in Victoria since 1986 and it has worked effectively there. Car dealers in New South Wales and Victoria are not going out of business because they are required to act responsibly with their vehicles. There has been no diminution in the operation of fleet vehicles in New South Wales and Victoria because of this legislation. It is appalling that the Government has today-

Mr Cowan: I am not sure that any conservative coalition would be looking at Victoria as a model at this particular time.

Ms MacTIERNAN: This legislation went into place in 1986 and the conservative Government won government in 1992 without undertaking to overturn what members of this Government believe is heinous legislation. The owner-onus legislation in Victoria and New South Wales provides that when an owner does not wish to accept the responsibility for the infringement notice, the owner must then provide to the informant - the police - a sworn written statement or a statutory declaration that the owner did not know and could not, with reasonable diligence, have ascertained the name and address of the person who was driving the motor vehicle at the relevant time. All that means is that the owner of a vehicle must take some responsibility for providing the name of the person into whose care the vehicle is given. A gentleman from Eurocars Pty Ltd has written to us trying to make out that he is prepared to hand over a \$40 000 Porsche to anyone who comes in off the street and asks for a test drive, without even recording that person's name and address or even checking his or her licence details. That is almost unbelievable, and if it is happening, it falls far short of acting with reasonable diligence. This measure has not proved difficult to administer in Victoria and New South Wales. Western Australia has a completely fabricated problem that is designed to appease those powerful interests that generously provide funds to the Liberal Party.

The second backdown revealed today is on driver training. Accident statistics show that the most vulnerable group involved in car accidents, particularly fatalities and serious accidents, is the 17 to 24 year old age group. To some extent that is partly because of a culture of risk-taking. However, empirical evidence in Sweden shows that this tragic waste of young lives can be addressed by increasing the amount of experience provided to young drivers before they are allowed onto the roads by themselves. In Sweden the requirement imposed on drivers before they are allowed to drive unaccompanied is that they clock up a certain number of driving hours. It is similar to the requirements that are quite commonplace for people who are learning to fly. In Sweden, the mandatory number of driving hours is 100. In Western Australia this matter was seriously considered by all the experts in the field; that is, people from the Department of Transport, Road Safety Council and Royal Automobile Club of WA. These experts looked at all the factors and decided that because Western Australia's driving conditions are less hazardous than those in Sweden and that a fair number of driving hours are clocked up in the formal training process before people get a practical licence, it would be realistic to cut the requirement back to 60 hours and still get a similar result. The requirement was therefore enshrined in the legislation and the Opposition said it would back the Government.

Now, without any regard for the scientific evidence, a group of backbenchers have plucked a figure out of the air and said they will only accept a period of 25 hours. The Opposition understands today, much to its shock, that even that 25-hour driving requirement has been watered down to the point of being meaningless by making it a voluntary, rather than mandatory, component of achieving a full probationary licence. The Government is again unable to bring forward legislation on which it has pontificated for months on end and for which it has bipartisan support. The only argument mounted by the backbenchers is that some poor people, or people without families, could not get that required experience. The driving experience required to clock up 60 hours over a six-month period - which is the period of time being discussed - is only about two and a quarter hours a week. It is not an unattainable amount. The Opposition is surprised that the same back bench that has signed off on all sorts of anti-worker and anti-welfare legislation suddenly has an urge to protect the poor and those without supportive parents. The Opposition accepts that a few people will fall into that category. However, if the Government puts owner-onus legislation in place, it will augment the government coffers by some \$4m a year. That will be more than adequate to provide assistance to those young people who are otherwise unable to get the support required to build up their driving time. If the Government had the courage to take on its back bench and put this legislation forward, it would find that the remedy to that problem is in this package.

I refer to other areas in which the Government has failed to deliver on road safety issues. The national drivers' licence classification system is a new classification system that was supposed to be in place by now. It was promised in 1994 in the wake of the Greenmount disaster, in which a heavy haulage vehicle killed several people and injured about seven. The Government said it would no longer be acceptable for a driver to obtain a licence in a glorified ute and then be able to drive road trains of up to 56 metres in length, which is currently the case. The Government has been promising this since 1994, and in 1997 the Government signed a national agreement to that effect and promised to have the system in place by 1998. It is almost the end of 1999 and we have seen neither hide nor hair of that legislation. It is now unclear whether this drivers' licence classification scheme will emerge as a component of the legislation, even when the Government has finished watering down the current Bill.

The Government also made a pledge in March 1999, through Minister Barnett, that there would be a trial in which seatbelts would be fitted in school buses. He said that would commence within months and would continue for a year to 18 months. We have seen no sign of that trial commencing.

Bus safety standards were covered in the Transport Co-ordination Amendment Bill, and the amendment included a range of improved maintenance standards for charter and school buses. The Government introduced the legislation; it sat on the Notice Paper for more than a year; the Government commenced debating the Bill; and in the middle of the debate the Government changed its mind and decided to pull the legislation because during the tea break the same group of rebel backbenchers decided they did not want it to proceed.

Mr Osborne: You do not understand. The Liberal Party is different from the Labor Party.

Ms MacTIERNAN: Certainly the Liberal Party is a mickey mouse outfit; I agree that it is different. The Liberal Party is different from the Labor Party because it goes about things in a completely slipshod way, without any proper deliberation. A couple of backbenchers, who do not do their homework but simply listen to a few rogue operators, get in the Government's ear and that determines government policy. No-one is saying the backbenchers should not have a role and have the opportunity to provide some input. However, the Government is rolling over time and again in this important area of road safety.

Members on this side are sick of listening to the Government pontificate about road safety, go through marketing exercises, and produce brochures, web sites and all sorts of glossies about road safety. When it comes to the guts of it and the need to put forward legislation, the Government does not deliver. All we see is marketing, gloss and glitich; there is no substance.

Another area of concern is mobile telephones. Again, Western Australia is the only State not to ban the use of a hand-held mobile telephone while driving a vehicle. The Premier said it was not necessary because the police have the power to charge motorists with careless driving, although both the Commissioner of Police and the Law Society of WA have disputed that.

Mr Osborne: That proves it then!

Ms MacTIERNAN: It certainly calls into question the cogency of the Government's argument. I am not sure whether to date a single person has been charged with careless driving as a result of using a hand-held mobile telephone while driving a vehicle.

The code of conduct covers issues like road safety for heavy haulage. Western Australia is the only State that does not have any limitation on driver hours and allows truck drivers to drive 24 hours a day, seven days a week. The Government relies on a code of conduct. The Opposition has given chapter and verse about the breaches that occur; it has named the companies and the routes where this code of conduct is systematically and frequently breached. Those breaches have been acknowledged by WorkSafe, which says it can do nothing as it is only a voluntary code. In every one of these areas the Government has been unable to act to bring a group of backbenchers into line, even though it has bipartisan support from the Opposition. The Government has brought in legislation without thought to any consequences, other than the effect on those people who line their party coffers so generously at election time. Road safety in this State has come a poor second to filling the war chests for the Liberal Party.

**MR OMODEI** (Warren-Blackwood - Minister for Local Government) [3.26 pm]: I will respond to some of the comments made by the Opposition. After today's debate, particularly the comments of the member for Armadale, I am confident that the joint party room of the coalition is solid, because all the comments were hearsay, and to describe them as rubbish would be generous.

I will refer first to the comment of the Leader of the Opposition that the proposed legislation is a comprehensive package. That legislation was today approved by the joint party room of the coalition and will come into the Parliament within a couple of weeks, as I mentioned to the member for Armadale in response to a question that she asked a couple of week ago. The legislation is now being finalised.

Reference was made to factions in the Liberal Party. I would have thought the Labor Party would not want to talk about factions at this moment. From my scant knowledge of the Labor Party's activities in the past few weeks, it has some problems of its own.

We acknowledge a shortfall in revenue because people have not owned up to their responsibilities. The Leader of the Opposition cited figures on the deaths per hundred thousand of population. It was not that many years ago when up to 350 people a year were killed on our roads. In recent time that number has been reduced to 240 or so a year, which is still too high. The exact figures in the past three years are 14 per 100 000 in 1996, 11 per 100 000 in 1997 and 12 per 100 000 in 1998. This year the figure is probably about the same, which is still not good enough. I will refer later to the onus on the vehicle owner and the driver graduated scheme.

The Opposition's motion states that the House condemns the Premier and his Government for their demonstrated incapacity to deliver on major road safety initiatives promised to the public. I asked the Department of Transport to compile a small list of the Government's achievements in road safety. The department's response was that due to enhanced road safety coordination, the police, community education, state and local government and the Royal Automobile Club of WA worked closely together to link enforcement, education and community involvement. It also stated that road safety task forces are in place for driver fatigue, speed management, driver training and licensing vulnerable road users, drink, drugs and driving, young road users, vehicle occupant restraints and workplace road safety. In addition, the child pedestrian injury protection program collects data from students, teachers, parents and community that shows that school and home-based education achieved the objectives of positive changes in student pedestrian knowledge and improved knowledge of parents regarding road safety for their children. The Government instigated a road safety risk factor study and a road safety forum. The inaugural forum for Western Australian road safety practitioners and the community was held in December 1997. The second forum will be held in November this year.

We have best practice awards for road safety and regional road safety strategies. We are working with regional people to develop strategies based on specific requirements, and have workshops and forums with local people. The forums in the great southern, the goldfields, Esperance, the Kimberley and the Pilbara regions have been completed and those in the mid west, Gascoyne and wheatbelt areas will be completed this year.

From memory, we have allocated \$1.2m to the RoadWise program which is run by the Western Australian Municipal Association, of which \$300 000 goes to grants, including those for schools and local organisations to do with bike safety, driver revive campaigns, programs in Aboriginal communities, the "K-10" evaluation system and so on. Under the RoadWise program, 20 new committees were formed in 1997-98 and 50 new schools adopted the safety routes to schools program. We have assisted councils to undertake local road safety audits and helped the Western Australian police to run a bike education program in northern Western Australia.

Ms MacTiernan interjected.

Mr OMODEI: The member must stop coming into this Parliament with half-truths and untruths trying to convince Western Australians that this Government is not looking after road safety. She gets very angry and agitated when people prove to her that the Government is doing just that. On the community education front, hard-hitting media campaigns highlight the dangers of drink driving, speeding, non-use of seatbelts and fatigue. Our campaigns support the police enforcement initiatives and reinforce the negative consequences of behaviour based on extensive research of community attitudes and those of target groups. We are using best practice from Australia and overseas. We have introduced the cap speed program, the road aware rig program, and sponsorship of Westar Rules from which we gain an extra \$624 000 of media exposure for the "Belt up" message.

Ms MacTiernan: That helps!

Mr OMODEI: Is the member saying that the "Belt up" message is not good?

Ms MacTiernan: We have agreed that you advertise.

Mr OMODEI: I thank the member very much! In the football season in 1997-98 we managed to get that extra \$624 000 and we extended the program to the Western Australian Country Football League to involve males in rural areas in the message about the use of seatbelts. We also provide a program on host responsibility, a three-year commitment to reduce alcohol-related harm by promoting responsible service of alcohol in licensed premises and at home. An Aboriginal road safety awareness program is a joint initiative of the Western Australia Police Service, the Health Department of Western Australia and the Office of Aboriginal Health. As I said earlier, we have a campaign covering driver reviver, or coffee breaks, to avoid driver fatigue. One-third of the revenue from Multanova and red light offences goes to the road trauma trust fund, and that fund currently stands at \$13m.

We will be able to expand on graduated drivers licence training. To put that process in place, we received 700 submissions on driver training. We included the public in the consultations. We received submissions from the youth road safety task force and consulted statewide on all those issues.

In relation to the legislation covering driver identification in traffic offences, the first notice will suggest that if a driver is not identified, a second notice will be sent, and it will include a photograph on the notice. Further questions will be asked to get the owner to provide additional information, if possible. If identification cannot be made, there will be an option for the supply of a statutory declaration which will contain words to this effect: "I have investigated this matter and to the best of my knowledge, information and belief, the identity of the driver is unknown to me". All that will be on one form.

Ms MacTiernan: That is absolutely useless. What is there in this document? You are wasting your time! It is nothing!

Mr OMODEI: Under the graduated drivers licence system, new drivers will be able to apply for a learners permit at 16 years of age by answering questions on randomly generated test papers. After passing this test, the learner drivers will drive under supervision until they are 16 and a half years of age, when the new competency-based practical driving assessment can take place. After passing that test, the learner drivers will move to phase two during which, under supervision, they must accrue 25 hours of driving experience in a range of conditions and maintain a logbook countersigned by their driving supervisor. At the age of 17 years, on correctly completing the logbook, they must pass the hazard perception test before being granted a provisional licence.

Ms MacTiernan: What is that? Can the minister explain that?

Mr OMODEI: The professional licence will be granted for two years, rather than one year at present. During that time, the new drivers must not drive with a blood alcohol level of 0.02 per cent, or above.

Ms MacTiernan: Can the minister clarify whether that 25 hours is mandatory or voluntary.

Mr OMODEI: It is mandatory.

Ms MacTiernan: These people will still be required to do 25 hours.

Mr OMODEI: Yes, that is right. The member for Armadale fails to comprehend that in the coalition party room, members of Parliament are allowed to disagree with a minister, or the Premier, or anybody else. They are not sent to Coventry if they do that. A very comprehensive approach has been taken to this legislation. We have consulted on this package not only with young Western Australians, but statewide on a regional basis.

Ms MacTiernan: Will you table that task force report?

Mr OMODEI: I do not have a task force report here.

Ms MacTiernan: You did quote it. You were referring to it. You said the youth task force -

Mr OMODEI: I said that there were regional road strategies. I think it would be best if the member put the question on notice and I will provide this information.

I have listened to this debate and, as Minister for Local Government, I know that the Western Australian Municipal Association and local government authorities across the State have been integrally involved in the RoadWise program. The first thing that is required to increase road safety is improvement of the quality of the roads. The member for Armadale should cast her mind back to 1993 when we came into government. The Labor Government had spent about \$300m on road. This year we will spend \$806m on roads. When we take that into account with the contribution of local government, we are spending over \$1b on roads. The first thing we have to do is create a safe environment for people to drive in and then educate the people on how to drive safely. We could amend this motion by changing the word "condemns" to "commends". We will not do that. We will reject it because it is a nonsense.

**MR BARRON-SULLIVAN** (Mitchell) [3.37 pm]: If we asked people in the street whether they expected members of Parliament to work together to find solutions to assist our young drivers, in particular, and to reduce the road toll, 100 per cent of those to whom we spoke would say, "For goodness' sake, this is something we need a bipartisan approach on, something we need the Opposition and the Government together on". Instead, today this vitally important issue is being politicised. Before I touch on that -

Ms MacTiernan: We were asked for a commitment and we gave it.

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

Mr BARRON-SULLIVAN: What is the gist of the Opposition's argument? Essentially, we are being asked to believe that the Government's response to the situation on our roads is inadequate, despite the fact that the Leader of the Opposition has

acknowledged that the relevant statistics have improved in recent years. As the minister said earlier, we all agree that the situation must be improved further. In international terms, the figures for this State compare reasonably well with those of many countries, but there is no reason that we should not be up there with the best of them. In recent weeks and months, we have seen in the Government ranks a process of policy development following what I would argue is very healthy debate on a number of initiatives about how the road toll can be reduced. Perhaps coalition parties operate differently from the ALP. We know that the ALP operates under a tight-fisted, ironclad principle: If a shadow minister or spokesperson says something, no-one else is allowed to jump out of line.

The coalition does not operate in that way. That is important because as a backbencher I can -

Ms MacTiernan interjected.

The DEPUTY SPEAKER: Order! If I hear another outburst from the member for Armadale I will formally call her to order.

Mr BARRON-SULLIVAN: The Government's process of deliberation in these matters enables backbenchers like me to go back to my constituents and talk to them about what they expect and would like to see happen.

Ms MacTiernan: You mean the car dealers.

Mr BARRON-SULLIVAN: That is an interesting point. I sent a survey form to thousands of addresses in my electorate on this subject canvassing different points of view. I see the member has a copy of the survey in front of her. She might be interested to hear that the response was unanimous support of the position outlined. That just so happens to be the position that the Government has adopted today. The member might think that only business people and wicked car dealers responded to that survey. However, she would be incorrect: I received unanimous support from a wide range of people and organisations in the community, including local schools, people involved in driver education in the south west and an organisation that is responsible for finding employment for disabled people. That organisation believes that a 60-hour logbook requirement, as espoused by the member for Armadale, and presumably by her leader -

Ms MacTiernan interjected.

Mr BARRON-SULLIVAN: Presumably because her party will not let any backbencher step out of line.

Ms MacTiernan interjected.

The DEPUTY SPEAKER: The member for Armadale will come to order!

Mr BARRON-SULLIVAN: That process would make it more expensive and much more difficult for the clients of that organisation to go about their business. That survey hit the nail on the head and it is part of what members of the coalition do: We talk to our constituents to get the right balance on these matters. The result today has been extraordinarily good.

If we had some bipartisanship, we would now have the basis for a vastly improved driver education scheme in this State that would save many lives over the coming years. The politicisation of this debate is demonstrated by the fact that the opposition spokesperson interjected on the minister asking questions about the scheme she is criticising. How can she move a motion criticising something about which she does not know the detail?

Ms MacTiernan: I checked your position at 9.00 am.

Mr BARRON-SULLIVAN: By reading *The West Australian*? I heard the member on the radio this morning saying that government backbenchers were not informed and had not done their homework. The policy development of this issue has been going on in earnest for the past few weeks. Has the member had any meetings with the Office of Road Safety to discuss this matter over the past two months?

Ms MacTiernan: We have had discussions with a variety of people on this issue. The Office of Road Safety has made it very clear that it is very angry.

Mr BARRON-SULLIVAN: Clearly the answer is no. The Opposition spokesperson latches onto an issue for purely political reasons. She has not done her homework and has latched onto one system in Europe that involves a 60-hour logbook.

Ms MacTiernan: It is the system which your minister supported and which he asked the Opposition to accept.

Mr BARRON-SULLIVAN: It is a system which the Government considered and on which it has worked. It has now come up with a balanced, workable arrangement. This magical 60 hours that the opposition spokesperson talks about might exist in one country.

Ms MacTiernan: It is 100 hours in Sweden.

Mr BARRON-SULLIVAN: If the ALP 60-hour approach were put into effect, people would be required to undertake that period of logbook driving. Another five hours of professional tuition would be required for a driver to obtain a pre-learner permit. If the member had done her homework, she would know that this is correct. In addition, the industry informs me that a driver would require a further 10 hours of professional tuition. That is a total of 75 hours of tuition. A person who does not have access to a family member or a friend who has held a licence for four years would be required to pay for 75 hours of tuition. In Bunbury, where I believe the charges are cheaper than in Perth, that would cost about \$2 700. I will tell my constituents that the ALP wants families to spend \$2 700 a person -

Ms MacTiernan interjected.

Mr BARRON-SULLIVAN: The member for Armadale said she wants to see \$4m spent subsidising this system. If she were to do the mathematics, allowing for some administration costs, she would find that that would not cover 1 000 people.

Ms MacTiernan: It is anticipated that most of these people will have access.

Mr BARRON-SULLIVAN: If 25 000 people go for their licence each year, the ALP is saying that it will allow one in 25 to pay nothing. That is what the member said today.

The Government's approach is different. We should get out into the community and establish appropriate driver education schemes. We should involve community groups and attract corporate sponsorship, as has been done in Bunbury and Collie. That will achieve two things: First, we will get better value for our dollar and, second, we will have good, community-based education. Only when we start changing the attitudes of our young people when they drive will we see a significant reduction in the road toll. On the one hand, the ALP is saying that we should charge all the families in Dan Sullivan's electorate \$2 700 to have their children taught to drive -

Ms MacTiernan: That is only one issue.

Mr BARRON-SULLIVAN: That is what the member said today. The ALP will subsidise the lucky one in 25. The Government is advocating a more balanced approach that has community support and strong community involvement.

**MR WIESE** (Wagin) [3.48 pm]: I will deal with one of the issues which the carping member for Armadale keeps raising and which should be put to bed once and for all. I refer to the school bus safety legislation and her version of it. Legislation was introduced to put in place a regime of school bus safety that was nowhere within cooe of the existing longstanding state scheme. The proposed legislation would have replaced a system that currently requires buses to be inspected twice a year without any notice being given to the owners. The buses can also be subject to random inspections. That was to be replaced with a single annual inspection with three or four weeks' notice. That legislation would have dramatically reduced the safety measures applying to the existing school bus system. That is what the ridiculous member for Armadale keeps carping about and it must be put to bed.

I will detail some things this Government has done to improve road safety. The member for Warren mentioned road funding and the member for Armadale downplayed that aspect. The Government has nearly trebled road funding. The construction, standards and safety of roads is a major issue. If the member for Armadale drove in the bush more often, she might realise the importance of the construction standard of those roads. Some of the money has been spent widening existing sealed roads - God knows that was desperately needed. Money has also been spent constructing passing lanes, which were also desperately needed. They are critical to road safety.

The extension of the dual carriage network around the city and highways, like the Great Eastern Highway and the Bedforddale Hill Road, are classic examples of the huge expenditure by this Government to upgrade roads that have been neglected for years - and were neglected for years by the previous Government. We have installed roundabouts, arrestor beds and pedestrian islands. One of the best road safety initiatives implemented by this Government - I hope we continue to implement a great deal more of them - is the flashing light warning system whereby a flashing light indicates to approaching drivers - truck drivers in particular - that the traffic lights are about to change. The current and previous Ministers for Transport were the key members of this Government in implementing that system. We have installed about four times as many Multanovas as did the previous Government. God knows, I am not a fan of Multanovas because of the way they are currently used. They should be used on roads with proved high risk accident areas, not just for their fundraising functions as occurs in a great number of areas; likewise with red light cameras. All of these critical issues have been addressed by this Government.

The other issue I want to talk about is enforcement. Whether or not we like it, enforcement is a substantial part of road safety. This Government has 1 100 police officers currently attached to the traffic section of the Police Service who are out in the community wholly and solely devoted to road safety on our roads. A huge expenditure of about \$70m, 17 per cent of the Police budget of \$412m, is wholly and solely dedicated to road safety initiatives and road traffic enforcement. I will touch on the way in which we can change driver attitude, an issue addressed by the previous speaker. We should not need to legislate to require people to keep left when driving, as I did when I was the Minister for Police; it is basic commonsense and good manners. We should not need to legislate to require people to belt up. We should not need to legislate against drunk driving. All of these issues reflect driver attitude and until we change driver attitude, we will have great difficulties in coming to grips with some of the problems confronting us, such as the number of road fatalities in Western Australia. This Government has done, and will continue to do, an enormous amount towards road safety.

**MR BLOFFWITCH** (Geraldton) [3.52 pm]: I am in favour of Multanovas although the member for Wagin is not in favour of them. I believe the implementation of the Multanova system is a positive step because police in my area are required to get out into the community and solve crimes, not sit on street corners with cameras and speed traps to try to catch people who are driving five or 10 kilometres above the speed limit. The police role is to protect the community. The Multanova system is a good vehicle for slowing me down. I received a ticket the other day and, I am sure the member for Armadale will be very pleased to know, I did not even argue about it. The police could not identify me behind the wheel but I said it was me and paid the fine.

Mr McGowan: You were probably hidden by the dashboard!

Mr BLOFFWITCH: No, the problem was the steering wheel was too high. However, I paid the fine and did not worry about it; that is exactly what I would normally do. The only problem with the legislation is why should the owner have to pay a fine if the driver of a fleet car cannot be identified?

Mr Carpenter: For the same reason you must pay for a parking ticket.

Mr BLOFFWITCH: People do not have to pay for parking tickets in that situation.

Mr Carpenter: Yes, they do. If your vehicle is standing against the parking machine when the time expires, you must pay the fine.

Mr BLOFFWITCH: If I write to the city council and say the car was stolen, does the member for Willagee think the council will make me pay the fine?

Ms MacTiernan: No, and likewise under the legislation as it was initially proposed. If you could show that your car was stolen and you had behaved in a reasonably responsible manner, you would not be liable for that fine. That is written into the legislation.

Mr BLOFFWITCH: I believe that I would be behaving in a reasonably responsible manner in trying to identify the person in the photograph. If it is physically impossible to do so, I do not believe that anybody should have to pay someone else's fine.

Ms MacTiernan: That is absurd.

Mr BLOFFWITCH: The member for Armadale said that is absurd. I am saying that all the people I surveyed said it made sense. When an article on Multanovas was published in the newspaper, people said to me, "Bob, that is a commonsense approach and that is exactly the way it should work." Members opposite are out of touch and live in a dream world.

Ms MacTiernan: No, we don't.

Mr BLOFFWITCH: Yes, they do. Their attitude is, "Let anybody pay so long as it is not me".

Ms MacTiernan: Your minister put that forward.

Mr BLOFFWITCH: Members opposite keep driving that attitude at us and if they do that, they will upset many people in this State.

Ms MacTiernan: Who, John Hughes?

Mr BLOFFWITCH: I do not think members opposite are very popular now but their popularity will certainly not improve; it will deteriorate. I do not have particular sympathy for John Hughes. People who drive cars out of my dealership sign insurance policies because, if they do not, I am liable if they have an accident. Through the insurance policy we can trace anybody who drives a car out of my yard at any time; there has never been a problem of not knowing who is driving a car.

Question put and a division taken with the following result -

Ayes (19)

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

Noes (27)

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

Question thus negatived.

**FINANCIAL RELATIONS AGREEMENT (CONSEQUENTIAL PROVISIONS) BILL 1999**

*Consideration in Detail*

Resumed from 14 October.

Debate was adjourned after clause 36 had been agreed to.

**Clauses 37 to 39 put and passed.**

**Schedule 1 -**

MR KOBELKE: I hope that, through the schedule, we can get a better understanding of the intergovernmental agreement on the reform of commonwealth-state financial relations, which is a basis for the States responding to the Howard Government's introduction of the new tax system, particularly the goods and services tax. With the help of the Premier, I will take up a number of points roughly in the order in which they appear in the schedule. The first point is subclause (3) in the introduction, which states -

while a majority of the States and Territories support the introduction of the Goods and Services Tax (GST), the agreement of New South Wales, Queensland and Tasmania to the reform of Commonwealth-State financial relations does not imply their in-principle endorsement of the GST;

Clearly those State Governments, being Labor Governments, did not see that there was an advantage to the people in their States by supporting the GST. However, given that the Commonwealth has the constitutional power to do it and is proceeding to implement a GST, it was not open for the States not to fall into line in order to ensure that their taxation systems meshed with the commonwealth taxation system and the offer of the GST being returned in total to the States as a substitute for the financial assistance grants which the States have had in the past. I am keen to get the Premier on record again on whether his support for the GST is in-principle and, therefore, clearly in the majority, or whether his position is a more pragmatic one, as the Labor States have indicated. He may wish to put it more specifically in terms of the commitment of the Government of Western Australia to the goods and services tax which has been enacted by the Commonwealth.

Mr COURT: All Governments have signed the intergovernmental agreement, so the wording can be changed in whichever way we like. However, that is not unusual wording when the agreement of States of different political persuasions is required. Queensland could not sign the original agreement and this one quickly enough, because it is a big advantage to that State. Would we have preferred a different sort of agreement? We have made it clear that we would have much preferred to have more extensive reform which would have given the State access to two types of growth taxes, one of which is a share or all of a GST or similar broad-based consumption tax. Similarly, we would like the Commonwealth Government to withdraw from a component of income tax and allow the States to move into that area. That would have been our preferred position. However, at the end of the day, particularly with the way the High Court rulings have gone, under the Constitution, the States have no ability to raise that sort of consumption tax. By being given a commitment that we can share all of it, it gets around our constitutional restriction.

Mr KOBELKE: I accept what the Premier has said, but I am trying to get him to reiterate on record what he said in this place some months ago; that is, that it is the view of his Government that the GST is a much better taxation system. The Premier cannot play down the in-principle opposition of New South Wales, Queensland and Tasmania. When the intergovernmental agreement on the reform of commonwealth-state financial relations was drafted, those Premiers and officials requested that subclause (3) be included at the start of the agreement, because they wished to make it absolutely clear that they did not endorse the GST in principle.

Mr Court: It was a very short meeting and they signed very quickly. You can interpret that how you like.

Mr KOBELKE: They stated their clear position. As the Premier rightly indicated, once the Premiers get over that and get down to the haggling to get the best deal for their States, which I hope the Premier and all Premiers have done, Queensland will realise it will be advantaged by moving to this taxation regime because of its prior taxation regime. However, Queensland still placed clearly in this agreement that it did not give in-principle support to the GST.

Mr Court: What are you getting at? We have had two elections on this matter - the 1993 election and the most recent election, so I do not get the point.

Mr KOBELKE: The point would not be lost on the Premier that some time next year, he will probably go to an election. I suspect that he will try to tell people then that he did not support a GST; he just found that as things moved on, he picked up the best he could for the State on the way through.

Mr Court: If you want to fight the next election on a federal taxation issue, by all means do so; that is your choice.

Mr KOBELKE: Regardless of the Labor Party's campaign emphasis, the people of this State will judge the Premier according to the impact the GST has on them. Subclause (3), by implication, states that the Western Australian Government endorsed the GST in principle. However, the Premier seems to be tardy in mouthing those words and being willing to put on record that he thinks the GST is an excellent tax system.

Mr Court: I will put it on record now. It is a much better system than the wholesale sales tax system we have currently, which is a mess.

Mr KOBELKE: The Premier sees it as a comparative advantage.

Mr Court: Yes.

Mr KOBELKE: He is backing away from the statements he made prior to the last federal election when he was glowing in his comments about the need for a GST.

Mr COURT: There is a big difference between the legislation put to the people at the last election and the legislation passed by the Parliament. The Government won an election on the basis of a tax package. However, the Labor Party said it would not vote for that package, unlike the Labor Party in 1993 when the then Prime Minister, Paul Keating, said that if the people voted for the package the Labor Party would support it through the Senate. As a result of the changes to the GST the States will be the losers. They will lose the revenue. The Labor Party did not accept the people's decision; it argued that the Government did not have a mandate to pass the GST legislation.

Mr Kobelke: The majority of Australians did not vote for it.

Mr COURT: If, as Paul Keating said he would do, the Labor Party had had the decency to support the GST legislation, the States would not be the losers. However, the Labor Party did not support it, so a compromise deal had to be worked out with the Democrats and, as a result, we will be worse off.

Mr RIPPER: Of course more than 50 per cent of the Australian electorate voted for the Labor side of politics on a two-party preferred basis. Perhaps the people did not give the Government a mandate for the GST in that election.

Mr Court: Come off it; the Labor Party governed for four years in this State with less than 50 per cent of the vote.

Mr RIPPER: Clause 2(i) under "Objectives" reads -

the achievement of a new national tax system, including the elimination of a number of existing inefficient taxes which are impeding economic activity.

Originally, with the implementation of the GST, we were to lose nine state taxes, but at this stage we will be retaining seven of them. Is the Premier concerned about the number of inefficient taxes that will remain under this package? Does he think they will impact on the State's economic growth?

Mr COURT: Yes, I am concerned. The member for Belmont has just reinforced the point. If the Labor Government had supported the will of the people at the last federal election, we would have been able to get rid of all of them. Of course, if these taxes are inefficient, they will impede growth. The Labor Party made a decision to obstruct the package in the Senate.

Mr RIPPER: Is the Premier concerned about the inefficient taxes that will remain?

Mr Court: That is right, my friend, with the name of the Australian Labor Party written on them.

Mr KOBELKE: The Premier plays a neat little trick of picking out a nasty impact from a basket of issues that somehow he can connect to the Labor Party on which he wants to blame all the woes of the world because the Labor Party said it would uphold a position and did so. At both the federal and state levels the Labor Party has opposed the GST and will continue to do so.

Mr Court: The member for Nollamara speaks with forked tongue. The Labor Party said it would not scrap the GST if it won office.

Mr KOBELKE: Does the Premier not speak with a forked tongue on payroll tax?

Mr Court: You said you would continually oppose the GST and now you have changed your policy.

Mr KOBELKE: During the conduct of two elections the Government promised that it would scrap payroll tax, but it is now 50 per cent higher than when the coalition first took office. The Premier does not want to follow through with that argument. The Opposition opposes the GST because it is a regressive tax. It is a bad tax system which causes job losses. If we could scrap the legislation without causing a huge disruption, we would do so.

Mr Court: Your federal leader said he would retain it.

Mr KOBELKE: When such a massive system is locked in, an undertaking cannot be given to remove it immediately on the new Government coming to office. That will be another problem.

The Premier made the point that the tax package, with which we must now deal and which relates to this legislation, is worse. Is it worse than the first package offered by the Government, or worse than the previous wholesale sales tax system?

Mr Court: It is better than the previous wholesale sales tax system, but it is not as good as the promised original package.

Mr RIPPER: I refer to clause 5(v) which reads in part -

The Commonwealth will continue to provide Specific Purpose Payments (SPPs) to the States and Territories and has no intention of cutting aggregate SPPs as part of the reform process set out in this Agreement . . .

I understand that a commonwealth-state housing agreement was recently signed by state and federal ministers. What is the level of commonwealth funding under the commonwealth-state housing agreement in 1999-2000? How does it compare with levels of the previous year?

Mr COURT: I do not have that information here but the Treasury officer advises that information can be provided for the Opposition. In future years, specific purpose payments will be the pressure point. We tried to get the specific purpose payments tied as a percentage of the total commonwealth taxation collections.

Mr Ripper: Good try.

Mr COURT: We did not get very far. However, I have no doubt that that is where the pressure point will arise. That is exactly what occurred when the Labor Party was in government for 13 years. That is where it was able to screw the States.

Mr Ripper: When you say there is no doubt SPPs will be the pressure point, are you predicting that the Commonwealth will seek to reduce them?

Mr COURT: Not this Government, but I have no doubt a future Labor Government will use that as a tool.

Mr RIPPER: Is it true that the Commonwealth refused to provide funding for the impact of the goods and services tax on public housing because of its claim that the State could retain another tax as part of the agreements with the Government on the GST?

Mr COURT: I am advised that at the first Premiers' Conference the Commonwealth undertook to provide some additional funding to compensate for some of that effect. I will provide the figures.

Mr Ripper: Can we have the schedule of payments on the housing agreements for the number of financial years?

Mr COURT: Yes.

Mr RIPPER: Clause 5 refers also to gambling taxes. What will be the impact of the goods and services tax on the operation of the Lotteries Commission? How will the level of GST payable by the commission be calculated? What amount of GST will be payable by the commission in the first year that the GST operates?

Mr COURT: The tax will be paid on the difference between the winnings and what it collects, which is estimated to be about \$16m.

Mr Ripper: What will that do to the revenue distributed by the Lotteries Commission to community groups?

Mr COURT: It will be reimbursed from the consolidated fund. When we had to determine the losses and the pluses of the package, gambling revenues were part of that.

Mr RIPPER: The Lotteries Commission will lose \$16m which it could otherwise distribute to community groups. However, the State Government will make up that \$16m.

Mr Court: It will go back to the commission.

Mr RIPPER: What will be the permanence of that arrangement? It will be dependent each year on budgetary decisions by the State Government. If the Government is having a tough year, as it expects to have next year because it is forecasting a \$261m deficit, it may decide to spend that \$16m as it wishes rather than leave it to the discretion of the Lotteries Commission to allocate it.

Mr COURT: Any future Government can make that decision. That is a decision of the Government of the day as to how much money it distributes from lotteries.

Mr KOBELKE: The outcome of the discussion that has just taken place indicates that the Lotteries Commission will have \$16m less regardless of what commitments are made now.

Mr Court: The member did not hear what I said. The \$16m will be made up to the commission by the State; it will go into its account, because we will receive additional funds elsewhere.

Mr KOBELKE: Two questions arise from that. For how many years is this commitment given in terms of being carried through in the forward estimates? Where will the money come from to cover the payment, currently \$16m, the State will make to the Lotteries Commission?

Mr COURT: It will come out of the State's share of the GST. The commitment is in place for as long as we are in government.

Mr KOBELKE: Is that just a commitment or is there some form of hypothecation that the money will flow through?

Mr COURT: It is a commitment from this Government that, if the Opposition comes into government and does not want to put the money into lotteries, which it probably will not as it is a miserable lot when in government, the money will be spent elsewhere.

Mr RIPPER: Mr Acting Speaker (Mr Baker) -

Mr Court: Why do you not refute the statement about being a miserable lot?

Mr RIPPER: I can confirm that we on this side of the House are a very happy bunch at the moment and are particularly joyful about the success of our Victorian colleagues.

Mr Court: You reckon you will win with a good majority.

Mr RIPPER: All elections in this State and other jurisdictions are extremely competitive and nothing can be taken for granted by either side of politics. Nevertheless we take heart from the success of our Victorian colleagues.

What is the total amount of gambling revenue currently received by the State Government and what is the amount of goods and services tax the Commonwealth Government will collect from Western Australia's gambling operations?

Mr COURT: The revenue from the casino is about \$44m and it is approximately \$40m from the TAB. We do not have the figure for the Lotteries Commission here. I will get those three figures and the estimates of what the Federal Government would collect on revenues. If I cannot get them today, can the Government provide the figures in the Legislative Council?

Mr Ripper: Yes.

Mr COURT: We will try to get the information today. I think we provided some information from last week that was needed.

Mr KOBELKE: Clause 5 (vii) indicates the ministerial council will by 2005 review the need for retention of a range of stamp duties and taxes. Do we take it that non-residential conveyancing, leases, mortgages and debentures are currently exempt and are likely to remain so until the review in 2005? If that is the case, if they remain exempt, does the State intend to continue levying them and putting them through its own revenue pool on the basis of this applying equally to all, or does the Government see that in some cases -

Mr Court: What are you saying is exempt?

Mr KOBELKE: Clause 5(vii) indicates the ministerial council is to review a range of stamp duties. I take it that the stamp duties will continue to apply from 1 July 2000.

Mr Court: Yes, they will.

Mr KOBELKE: That being so, in the case of non-residential conveyancing, leases and the like which attract stamp duty, will the Government ensure it applies to all contracts, even those that involve government entities - another provision indicates all government entities will be treated in the same manner for tax purposes - or will it apply on a case-by-case basis; for example, it may be seen as administratively convenient that some of these duties will not apply to leases or transfers between Government-owned agencies?

Mr Court: I am advised that the status quo will remain. The provisions in the current Acts will continue to operate.

Mr KOBELKE: Where there is some flexibility or ministerial decision making power as to whether or not some of these duties will apply, the position will remain the same.

Mr Court: I do not think there is discretion.

Mr KOBELKE: There is no discretion from the point of view that some of these taxes apply outside government agencies and departments. I am talking about the interface because of the amount of contracting out. In the past if a job was done by a government agency, sometimes that agency has not had to meet these duties because it was seen as a government agency.

Mr Court: If they do not meet them at present, I do not think they will pay them.

Mr RIPPER: Clause 5(ix) states-

. . . the States and Territories will ensure that increases in pensions and allowances specified in the tax reform package will not flow through to increased public housing rents where these rents are linked to the level of pensions.

Some Homeswest tenants do not have their rents linked to pensions and allowances. What will happen to the rents of people who are not paying on a concessional basis linked to a pension or an allowance? Can we be given an assurance that no rents charged by Homeswest will increase as a result of the goods and services tax?

Mr COURT: I am advised that the rents are not subject to GST. A decision has not been made as to whether rents will go up.

Mr Ripper: What concerns me is whether they will increase in line with rents in the marketplace?

Mr COURT: This is separate from whether they were going to go up anyway?

Mr Ripper: Yes.

Mr COURT: Not that I am aware of. I will put the question to the Minister for Housing.

Mr KOBELKE: Clause 17 states -

The Parties intend that the Commonwealth, States, Territories and local government and their statutory corporations and authorities will operate as if they were subject to the GST legislation. They will be entitled to register, will pay GST or make voluntary or notional payments where necessary and will be entitled to claim input tax credits in the same way as non-Government organisations. All such payments shall be included in GST revenue.

Are there any areas that the Government sees as not fully complying? Given the complexities across the whole of government, there may be some grey areas. Is the Government still considering whether such areas may be fully in or fully out? I understand that the revenue goes into one of two pools: Some goes directly back to the Commonwealth and some is held by the State, but still taken into account as part of the overall GST pool of funds. If that is the case, can the Premier confirm it and explain how it is likely to work?

Mr COURT: All of the revenue flows through to the Commonwealth and where there is a constitutional bar to it, we will use the provisions of the second Bill. What is not covered here is covered in the second Bill so that we will have a seamless implementation of GST across all of government.

Mr Kobelke: When we get to the next Bill the word "voluntary" is one I will be contesting. I return to my question as to whether there are some grey areas with government agencies or departments where you are still trying to work out whether they are commercial operations or whether commercial operations within Government will be fully within the GST regime?

Mr COURT: I am told the word "voluntary" is used because of a restriction in the Constitution whereby it cannot be put in place by force, but it will be implemented across government.

Mr Kobelke: I take it you are talking about 100 per cent compliance across government agencies and departments.

Mr COURT: Yes, and that is why there is a lot of work to be done within government so that they can comply.

Mr RIPPER: Clauses 7 to 9 of the intergovernmental agreement are headed "Distribution of GST Revenue". Will the Treasurer describe any differences between the current method of distributing financial assistance grants from the

Commonwealth and the way in which the GST revenue will be distributed? I understand that financial assistance grants are distributed according to horizontal fiscal equalisation principles and that GST revenue will also be distributed according to these principles. It seems as though the distribution method for the total financial assistance grants pool is not much different from the proposal for the distribution method for the total goods and services tax revenue pool.

Mr COURT: The same basic principles apply. The Grants Commission has formulas and guidelines which change, very slowly, but the principle is such that the stronger States support the weaker States. Western Australia has been a weaker State, but it has become a stronger State and is a major net contributor to the financing pool. No-one has put forward a case for significantly changing the distribution process, apart from the suggestion I made last week which the Opposition did not support. The same basic principles of the Grants Commission and the concept of horizontal fiscal equalisation will apply.

Mr RIPPER: This should be a worry to both sides of politics in Western Australia. I understand that Western Australia's share of the total financial assistance grants pool has been falling over the past seven years. Perhaps the Treasurer will outline what WA's share is and how it has changed in recent years. He might also explain why anyone would conclude that it might be different in the next six or seven years. If WA's share of the financial assistance grants pool is falling and the same principles will apply to the GST revenue pool, why will WA not continue to be disadvantaged over the years with regard to the distribution of the GST revenue pool?

I would like to know what predictions State Treasury has for WA's likely share of the GST pool into the future. I imagine it must be taken into account and there are forward estimates, and at least some predictions, as to how WA might fare with regard to the increasingly large proportion of its revenue. One of the problems with the whole GST package is that the revenue will now increasingly come from Canberra, and a larger proportion will be subject to these horizontal fiscal equalisation principles than was the case in the past.

Mr COURT: The Deputy Leader of the Opposition is right; the share is declining. I am awaiting a copy of the budget papers, which provide details on the percentages. The predicted share depends on how successful the State is. I have no doubt it will be very successful because I can see some major new investments taking place over the next decade. In 10 years' time it will be a real pressure point in the federation, because this State will be providing a huge amount of revenue into central government and getting a share that is seen by the people of Western Australia as unfair. It will become a pressure point. Already, the more royalties WA collects, the more its grants are cut. Approximately 70 per cent of WA's royalties are distributed to other States. At pages 189 and 190 of the *1999-2000 Economic and Fiscal Overview* are some of the figures relating to this issue, but in another summary document the information is in graph form. I will provide the member with that.

Mr RIPPER: Clauses 10 to 14 of the schedule deal with transitional arrangements for the years immediately following the introduction of the GST. Last week the Treasurer tabled some papers entitled "Impact of tax reform on Western Australia's finances without abolishing additional taxes". Those papers compare the revenue forgone in the tax package with the revenue that will be achieved as a result of the package, and looks at the net impact on the State. Much of that document is background information for the operation of clauses 10 to 14, and the financial years indicated begin with 2001-02. There is an indication of the financial assistance grants expected in 2000-01 in the absence of tax reform. What does the State Government expect to receive from financial assistance grants in 1999-2000?

Mr KOBELKE: Will the Treasurer also provide the specific purposes grant as a global amount for the same year?

Mr COURT: We do not have a full set of the budget papers at the Table. During the debate I will provide that information.

Mr RIPPER: In this analysis of the State's position in the transitional years, under the heading "Revenue forgone under package" there is a section for the wholesale sales tax equivalents. The table is surprising because it forecasts that revenue forgone from wholesale sales tax equivalents will remain steady at \$19m per annum through to 2009-2010. That forecast of revenue forgone from wholesale sales tax equivalents does not seem to take account of any economic growth in the State. If the present system were retained, these wholesale sales tax equivalents would rise over the 10 years between 2000 and 2010.

Mr COURT: The explanatory notes, which I think the member received, state that this item comprises payments currently made by state trading enterprises in lieu of wholesale sales taxes from which they are exempt. The payments help ensure that the government trading enterprises operate on an equal footing with the private sector, but the estimates reflect average expectations over the period. Expenditure goes up and down from year to year depending on the purchases. The figure is an average for the period.

Mr RIPPER: It seems unusual. I understand that tax payments can go up and down depending on the size of purchases made by government trading enterprises. In some years they might make large purchases and in other years the purchases may be more orientated towards items which carry higher wholesale sales tax levels. However, I still cannot understand why over a 10-year period the payments would not be expected to increase and why that assumption has been incorporated in the part of the analysis dealing with revenue forgone in the package.

Mr COURT: It is money that we have been collecting and we will no longer be collecting. For the 10-year figure we have taken an average.

Mr RIPPER: I understand what the Treasury has done. I feel that the Treasury has underestimated the revenue forgone by taking a standard amount of \$19m over a 10-year period.

Mr COURT: As I have said, in the overall scheme of some \$7b, it is a very small amount. The estimate is seen as pretty accurate.

Mr KOBELKE: Is this based on some sort of model or was it too difficult to judge? As the member for Belmont has already pointed out, one would expect that, as a result of economic growth, the wholesale sales tax equivalents would grow unless other factors countervailed that trend. It may be that the degree of contracting out means that the wholesale sales tax, if it continued, would be paid by the company and, therefore, it would not be a foregone tax but would go straight to the Commonwealth. Other factors may mean that the figure ends up being level through the whole of the 10-year period. If it is compared with the safety net revenue, which is what is in place for tobacco, alcohol and petrol, this grows by quite a considerable amount, because clearly in the mathematical model which looks at what drives those revenues, they are factored to increase over the period. Therefore, it seems strange that the wholesale sales tax equivalent is not factored to increase, when we accept what the Treasurer said earlier and we expect the state's economy to grow.

Mr RIPPER: The State Government analysis in support of the transitional arrangements under clauses 10 to 14 makes reference to a growth dividend. My understanding is that the growth dividend relates to additional revenue expected to flow to the State arising from faster economic growth as a result of the implementation of the goods and services tax. There seems to be a bit of magic about this growth dividend. The Government changes the tax mix and assumes a certain increase in economic growth. Will the Treasurer explain how the growth dividend has been calculated and what impact GST is expected to have on economic and employment growth in Western Australia? Is the State's analysis of this matter based on any modelling of how the GST will impact on the State's economy; in particular, is the State's analysis based on any modelling of how the GST will impact on particular industries, such as housing and tourism? It is a very convenient figure for the Government to have in its analysis because it makes the outcome for the State's finances as a result of the implementation of the GST package look rather better than would otherwise be the case. Whereas the wholesales tax figure on one side of the equation is assumed to be flat, on the other side of the equation it rises over the 10 years from \$18.1m to \$129.3m. Therefore, on the side of the analysis which favours the Government's preferred option, which is the acceptance of the GST package, there is this magic growth dividend, which is assumed to increase significantly, and on the side of the analysis which would not necessarily favour the Government's position, the assumption is a flat figure for revenue forgone from wholesale sales tax equivalents.

Mr COURT: The financial assistance grants are estimated this year to be \$1 609.4m and the specific purpose grants to be \$590.333m. The \$1 609.4m is less than that for the previous year as a result of the cuts we have had. In 2001 it will go down even further to \$1 567m.

The modelling for the growth dividend comes from the Commonwealth. I am not aware of modelling relating to employment effects. As far as the State is concerned, the main effect will probably relate to the competitive nature of our export industries, which are major employers. Treasury has said that it has no reason to doubt the model.

Mr KOBELKE: Is it possible for the Treasurer to give us the factors that go into that modelling? As the member for Belmont has pointed out, the wholesale sales tax equivalents are \$19m as a flat amount right through the 10-year period. With the growth dividend, which looks pretty airy-fairy to be honest, the figure goes from \$18m to \$129m. On my quick calculation, that is a 700 per cent increase. It is important that we have the factors, and the weighting on them, which are seen to be driving that growth dividend.

Mr COURT: The growth dividend relates to the growth of up to a \$4b tax base, whereas the wholesales sales tax relates to purchases in agencies and is nowhere near that figure.

Mr RIPPER: The Treasurer has given us the figure for financial assistance grants in 1999-2000. On the basis of this analysis, we would expect a cut of \$42m in financial assistance grants between this and the next financial year. Will the Treasurer explain to us the basis of the expectation of a \$42m cut in financial assistance grants?

Mr COURT: It is the expectation we have had since we have been in government because we have had a cut every year. The five Commonwealth Grants Commission updates have reduced our annual share of grants by \$235m. The 1999 report increases this loss to \$309m and the loss will grow again next year. That is why it has been hard to get budgets together. It is not like the good old days when the Opposition was in government and it had huge revenue flows and increases in grants coming through. We have had cuts in grants, and we have been penalised.

Mr Kobelke: So did the Labor Government. It had large cuts in the grants to Western Australia.

Mr COURT: No, it did not. We have been penalised for our performance.

Mr RIPPER: The Premier has underlined the concerns I expressed earlier in the debate. If this is what the Grants Commission does to us when it has control of the financial assistance grants pool, how much worse will the situation be when a larger pool of funds is subject to this sort of arrangement? The *1999-2000 Economic and Fiscal Overview* states under the heading "Horizontal Fiscal Equalisation" that the State will suffer a declining share of a larger pool of revenue as a result of giving up some of its taxes in return for a commonwealth tax. The analysis provided by the Government indicates that some savings will be made from indirect tax reform. Savings will also be made on the government side of the analysis, which shows that these savings will increase from \$50.1m in 2000-01 to \$87.5m in 2009-10. On what basis does the Government claim that it will make some savings from indirect tax reform? Which goods or services which the Government currently purchases incur sales tax? I suppose the Government is arguing that because the GST will produce lower costs in certain sections of the economy than does the wholesale sales tax regime, it will reduce costs to the Government. However, given that the Government buys its goods and services free of wholesale sales tax, how will indirect tax reform produce these fairly large savings over that 10-year period? I presume that these estimates were developed by the Commonwealth Government, but how did it manage to do that, and was there any state input into this analysis of suggested savings from indirect tax reform?

Mr COURT: Wholesale sales tax can be included the whole way through, but the GST will be paid only at the last point, and we can get credits on the way through. The modelling has been done by the Commonwealth, but we will do some additional state modelling to see whether it will be greater or lesser.

Mr Ripper: It will be fascinating to see the outcome of that modelling!

Mr COURT: These figures are the commonwealth modelling, but we have gone out to a consultant for that state modelling and should have that done by Christmas.

Mr KOBELKE: I would like to come back to the question asked a few minutes ago about the projected increase in growth dividend from \$18m in 2000-01 to \$129m in 2009-10. Is it correct that that growth in state revenue will be due to the increased level of economic activity that is attributable to the goods and services tax?

Mr Court: Yes, the whole tax package. It includes all the savings with fuel and income tax cuts - the lot.

Mr KOBELKE: Yes, to the State. I am just looking at the increase in growth dividend from \$18m to \$129m, and I have formed the view from reading note (n), and I ask the Treasurer to correct me if I am wrong, that this is an additional amount of revenue which will come to the State through its own sources due to the increased economic growth which will drive up the tax collections of the State. Is that correct?

Mr Court: That is right.

Mr KOBELKE: It is not money that will be handed over by the Commonwealth?

Mr Court: No.

Mr KOBELKE: That being the case, I return to the question I asked earlier. What factors or parameters went into the Commonwealth Government's model, and what weighting was put on them? The difficulty we have is that this is all crystal-gazing, because, as we well know, our State's economy is very much locked into the international economy. When base metals and a range of other primary commodities are in world demand, Western Australia does very well, but when world demand for those primary commodities falls, Western Australia has to take whatever price is offered, which usually falls substantially, and volumes may fall as well. Those factors are impinged upon by the efficiency of our taxation system, so if the GST did make it more efficient for our mining companies, there would be a growth dividend that was attributable in part to the GST. However, the impact of the GST on the competitiveness of those companies is a small factor compared with a range of other issues such as international prices, demand and the quality of the resource that is being exploited. I accept that the GST may have an impact, but it appears to be quite small in comparison with a range of other parameters.

Mr Court: Do you think we are being optimistic in those figures?

Mr KOBELKE: I have no way of judging it. It is a complex equation, and if the Treasurer were to show me the mathematical model that was used, I am not sure that I could make sense of it. However, we should be able to look at the key parameters that have gone into the model, and the approximate weightings. For example, the Federal Treasurer said at one stage that the GST would create huge job growth. As we well know, payroll tax is an important component of state revenue, so if employment were to grow, our payroll tax would grow, and that would show up in the growth dividend. A year or so ago, the federal Treasurer gave figures for the anticipated job growth through the introduction of a GST. However, it was shown in the Senate inquiries that there was no basis for those figures, and they could not be substantiated by the range of other economists who had done modelling on the GST package. If the commonwealth Treasury has taken the Treasurer's most optimistic projections of job growth and factored that into the growth dividend for the States, it may be completely wrong and far too optimistic. However, we cannot make any judgment about that because the Treasurer has not provided us with any of the parameters that have been used to calculate the growth dividend. Can the Treasurer give us some understanding of what has been put into the modelling to arrive at this growth dividend?

Mr COURT: As I have said, this modelling was done by the Commonwealth and we do not have the detail of that modelling. However, the independent studies on the impact of the tax reform on growth suggest that the new system will lift the level of gross domestic product on a tax basis by about 2 per cent over a period of about 15 years, and that is the basis of the estimates of growth dividend that are coming through. The member for Nollamara referred to crystal-gazing. All of this is crystal-gazing. The member for Nollamara wanted to know the estimates for 10 years. They are just estimates, and in practice I have no doubt that they will be all over the place. This is the best shot that we can give. It is like budgeting. We bring down a budget, but the factors change constantly. The budget gives a guide by which to work. The member can say the figures are wrong. However, the federal Treasury's modelling says that this is the best estimate. If the Treasury is optimistic, we will have a difficulty, will we not?

Mr KOBELKE: Most certainly. The Treasurer indicated that these figures were based on a 2 per cent growth for 15 years of the national economy. Can the Treasurer be more specific about whether the figures are the central part of the whole modelling or whether it was much more detailed in the range of growth areas, such as the resources and employment sectors and retail turnover etc. If the modelling was far more sophisticated, was it done nationally or on a state-by-state basis? As we well know, the factors that drive the Western Australian economy are atypical of the eastern seaboard.

Mr Court: It is a national modelling, not State by State.

Mr KOBELKE: There could be factors, therefore, which could result in Western Australia being more advantaged, or considerably disadvantaged, compared with this model.

Mr Court: On a national average we would be better off.

Mr KOBELKE: What leads the Treasurer to say that?

Mr Court: Because this State has been growing faster under this Government.

Mr KOBELKE: I understand that; it grew fast also in the 10-year period of the last Government.

Mr Court: No.

Mr KOBELKE: The point is we must look at the likely percentages of growth of various sectors.

Mr Court: We do not have that level of detail.

Mr KOBELKE: My understanding of the factors that drive the economy currently are consumer confidence and consumer spending, basically on debt; a large commitment of about \$10b on year 2000 compliance; and a fairly large growth in the construction industry in the eastern States. Western Australia, at this part of the economic cycle, seems to be atypical because it had very high consumer confidence some time ago which has fallen off ahead of the rest of Australia. We have had good growth in residential construction in addition to government spending on infrastructure. I use that as a rough example. Although I accept from the Treasurer that growth in the national economy is likely to see Western Australia outstrip the rest of Australia, it would not be so if the growth was in areas which did not advantage Western Australia. New service industries may grow in Western Australia which could become a major growth area for this State. Those service industries, whether they be engineering or software services, that go into South East Asia and expand over the world could be held back by a GST as currently they do not pay tax in that area. They are high-quality, value-adding industries. However, those industries will now be disadvantaged by the GST.

Mr Court: Why?

Mr KOBELKE: Currently, they do not have to pay tax in that form.

Mr Court: If they are exporting goods and services, they still will not pay a GST.

Mr KOBELKE: However, they have to grow in this State. They may not achieve the growth internally in Western Australia before they get to the stage of wanting to export their services.

Mr Court: The member said that companies exporting services have to pay GST; they do not.

Mr KOBELKE: I retract that if I said it and I thank the Treasurer for the correction. What I am saying is those companies often have to establish a base in Western Australia or Australia first and many of those companies will now find they are at a cost disadvantage in paying the GST; these are not all pluses there. My concern is that the detailed analysis has not been done. We have accepted a global figure and apportioned it to WA in the hope, as the Treasurer put it, that we will do better than average.

Mr Court: In the hope that it is conservative.

Mr KOBELKE: Given the earlier statements of the Treasurer, I suspect it is highly optimistic rather than conservative. Does the Treasurer have any indication from the Commonwealth about whether it is a conservative estimate, as we do not know the basis on which the figure has been arrived at? This just adds further concern to the concerns which the Treasurer and the Opposition have raised on numerous occasions. We are leaving ourselves at the beck and call of the Commonwealth and if it has got it wrong, Western Australia will pay the price.

Mr Court: If the tax changes do not assist with economic growth, we will have a problem; I am not arguing that.

Mr RIPPER: Clauses 15 and 16 of schedule 1 deal with the first homeowners scheme. What will the Western Australian version of this scheme look like? How many Western Australians are expected to be eligible for the scheme? Who will be eligible? Does control of future eligibility for the scheme rest with the Commonwealth Government, the ministerial council or the State Government? Do we expect considerable growth in the number of eligible people from year to year? Can the Treasurer give us a guide on the number of first home buyers in the past four or five years? Finally, which state department or agency will be responsible for administering this scheme?

Mr COURT: The legislation will come into Parliament in the autumn session next year. It is estimated that 17 loans per annum will be made and it will be jointly administered by the State Revenue Department and the Ministry of Housing.

Mr Ripper: What payment will people receive under this scheme?

Mr COURT: They will receive \$7 000, which is not means tested.

Mr Ripper: Does the Treasurer expect the scheme to grow in future years?

Mr COURT: The figures on first homeowners rise and fall but they will probably grow.

Mr KOBELKE: Clause 17 of schedule 1 relates to the payment of the GST by all state and territory governments and their statutory corporations and authorities. I understand, from an answer given by the Treasurer earlier, that although the word "voluntary" is used in the State Entities (Payments) Bill, the State Government has a commitment to 100 per cent payment of the GST by government agencies.

Clause 18 of schedule 1 states -

The Commonwealth will legislate to require the States and the Northern Territory to withhold from any local government authority being in breach of Clause 17 a sum representing the amount of unpaid voluntary or notional GST payments. Amounts withheld will form part of the GST revenue pool. Detailed arrangements will be agreed by the Ministerial Council on advice from Heads of Treasuries.

Does that indicate, as I asked earlier, that there will be a pool of funds in the State which will be calculated as part of the national GST but will in fact be held by the State; in this case, funds withheld because a judgment has been made that a local government authority has not complied with the requirements under the GST legislation? How will those agencies be judged not to have complied? Is it basically up to Treasury or will there be a system whereby local governments will be able to appeal if a determination is made that they have not complied with the GST and therefore funds are withheld? The last sentence of the clause refers to detailed arrangements that will be agreed upon. How far advanced is that with the ministerial council?

Mr COURT: There has not yet been a meeting of the ministerial council to work through those detailed arrangements. The Australian Taxation Office will know whether local governments are paying as there is no special pool; all of it must go through the ATO.

Mr KOBELKE: What about the non-payment?

Mr COURT: It will be up to the Federal Government to take action on the non-payment, not the State.

Mr KOBELKE: What are the implications of clause 17 on one or more government agencies? One issue which has been topical of late is the two leasing arrangements with Matrix Finance Group. According to the Bill, whether Matrix or another company leases a fleet of vehicles for the Government, the company will now pay a goods and services tax on the lease. Can we use the current arrangements as an example to determine what will be the cost to the State Government or the departments that are leasing these vehicles when a GST is introduced?

Mr COURT: Nothing, because the departments would pay the tax and then get it back as an input tax credit. The net effect is zero.

Mr KOBELKE: Who gets it back?

Mr COURT: The agency gets the money back.

Mr KOBELKE: From the State?

Mr COURT: From the Australian Taxation Office, because it is an input tax credit.

Mr KOBELKE: A government agency such as Family and Children's Services is not selling anything.

Mr COURT: All the government agencies are treated like any other business.

Mr KOBELKE: Like Family and Children's Services.

Mr COURT: The department pays it and can claim an input tax credit for it.

Mr KOBELKE: If, for example, Family and Children's Services has a fleet which costs \$10m a year to run - I have no idea whether that is close to the mark - would the department be refunded the \$1m additional tax it would have to pay under the GST?

Mr COURT: Yes.

Mr KOBELKE: From the Commonwealth?

Mr COURT: As would a private or public company, if it is used in generating the department's income.

Mr KOBELKE: If it does not generate any income, it does not recoup that.

Mr COURT: Clause 17 of the schedule states -

They will be entitled to register, will pay GST . . . and will be entitled to claim input tax credits in the same way as non-Government organisations.

Mr KOBELKE: I understand that.

Mr COURT: A jockey who needs a car as part of his job can claim an input tax credit for the car if he is registered as a business.

Mr KOBELKE: I appreciate the example. The jockey, hopefully, is compensated through his winnings or wages, which takes account of his costs, including the GST. However, a government department, such as Family and Children's Services, must use revenue from the consolidated fund to run the enterprise. It does not pick up a larger amount of money in the marketplace to offset the GST. In the hypothetical example I gave the Premier, does that mean that the consolidated fund will have to contribute?

Mr COURT: It means that the department can receive a net funding from the Australian Taxation Office.

Mr KOBELKE: The department was not involved in any form of commerce. For what reason would it receive a refund?

Mr Court: It is treated as a business.

Mr KOBELKE: The business still must take the GST off revenue. If it does not have any revenue, the money it receives is from the consolidated fund.

Mr Court: It has collected less GST than it has paid, so it will receive money.

Mr KOBELKE: It is simply refunded.

Mr Court: Yes.

Mr KOBELKE: On that basis, there is no GST advantage or disadvantage for whether the lease goes to a private company or whether the Government owns it.

Mr Court: In relation to the GST component, the net effect is zero.

Mr KOBELKE: Would the new bus contract with Matrix which the Government is considering be treated as a lease? I understand from the Premier's answer to a question in Parliament that it was not a lease. The financial arrangement with Matrix is presently under way but has not been finally determined.

Mr Court: I do not know what those arrangements are.

Mr KOBELKE: I want an example to understand the impact of this legislation.

Mr Court: It would be the same; the net effect would be zero.

Mr KOBELKE: What is the nature of the arrangement? Is it a lease or a financing arrangement?

Mr Court: The nature of the arrangement would not matter, the net effect would still be zero. If the company pays it, it comes back as an input tax credit.

Mr RIPPER: I turn to clauses 19 to 22 of the schedule, which is headed "Government Taxes and Charges". The Premier has been good enough to provide the public with a list of state government taxes and charges to which the GST will not apply. However, those members of the public -

Mr Court: It is not a list that does not apply. The Federal Government will make the final decision. Based on the negotiations between the Federal Government and all of the States, that is a best guess.

Mr RIPPER: The members of the public are interested in those things on which they do not have to pay any tax at the moment, and on which they will have to pay the GST. We are interested in a list of state government taxes and charges to which a GST will apply.

Mr Court: That will be provided by the Commonwealth. When it has made that decision, it will provide it. You will have it in plenty of time, and you can use it in the election campaign. The Commonwealth list will be a final list of what will not be subject to the GST.

Mr RIPPER: It appears that we will still have to work on the basis of elimination to develop a list of things that will be subject to the GST.

Mr Court: That is right.

Mr RIPPER: Can the Premier help us with this task by confirming that third party insurance premiums will carry a GST? What will be the Government's estimate of the increase in the third party motor vehicle insurance premiums? What will be the expected increase in public transport fares and how will the GST apply?

Mr COURT: Transperth is currently working on that issue. The other day I mentioned the issue of buses over 20 tonnes. We are advised that Transperth has 110 articulated buses that are over 20 tonnes, and it qualifies for the special credit that reduces the effect of diesel fuel excise from 43¢ a litre to 20¢ a litre. The remaining 800 or so Transperth buses will benefit from a reduction in fuel costs of about 7¢ a litre due to the GST input tax credit. It has not finally quantified the total dollar savings involved. However, it has commissioned independent advice to estimate the impact of the tax reform package on all of Transperth's cost structures. That will be available in about two months. We wanted third party insurance to be on the free list, but we were advised by the Federal Government that it would not accept it. We have argued that it should be on the list, but the Commonwealth and other States did not support us. They considered that compulsory third party insurance should be subject to the GST on the grounds that it is a fee for service, and in some States it is provided by the private sector.

Mr RIPPER: I thought there might be an increase of around \$22 in third party motor vehicle insurance premiums as a result of the application of the 10 per cent GST. Treasury put out a two-line press release which stated that there would be countervailing reductions in claims costs, and it was unlikely that premiums would rise by that much. However, when I spoke to the insurance industry I was told that claim costs for personal injury were likely to rise because payments to meet claims are net of notional tax. The insurance company keeps that notional tax in its own finances. Given that the GST tax reform package will reduce income tax, particularly at the higher levels, the notional tax retained by insurance companies when they pay claims for personal injury will be less. The conclusion is that net claims payment costs for insurance companies dealing with personal injury will rise.

The third party motor vehicle insurance fund deals with precisely that type of insurance, so there will be a double whammy

for third party motor vehicle insurance premiums. Claims costs will increase and a GST will apply to premiums. Premiums will rise due to the increased cost of claims and GST will be paid on top of the increased premium. What is the calculation of the final impost on motorists?

Mr COURT: The net effect should be zero. Some effect will occur due to the lower income tax levels. However, I cannot provide an estimate at this stage of what it might be.

Mr RIPPER: I am puzzled why the Government thinks there will be no increase in third party motor vehicle insurance premiums. I have spoken to the insurance industry and I have argued the case before the House. It seems to me to be a certainty.

Mr Court: The insurance company will receive input tax credits; therefore, there should be no net increase because of the GST. However, many other factors may come into play. You referred to other factors in relation to claims and the like that may arise.

Mr RIPPER: Every commercial organisation will receive input tax credits; nonetheless, prices will increase due to the GST because things that were not previously taxed will be taxed.

Mr Court: Will you accept that a car will be cheaper?

Mr RIPPER: Yes, because the GST on motor vehicles will be lower than wholesale sales tax. However, we are not talking about tax on replacement vehicles, but about personal injury claims. Personal injury claim costs will rise because of the income tax effect on the net payout of insurance companies.

Mr Court: They will rise, but not because of the GST.

Mr KOBELKE: I would like the member for Belmont to continue his line of discussion.

Mr RIPPER: I thank the member for Nollamara for his enthusiastic and close attention to my argument.

The Premier is right when he says that claims costs will not rise because of the GST. They will rise because of another aspect of the tax reform package; that is, associated income tax cuts. It is an unusual mechanism. I was surprised when I was first advised of it by the insurance industry. The lower the income tax levels, the higher will be the net claims costs for insurance companies paying out on personal injury. Those costs will rise and premiums must rise to accommodate that.

Mr Court: When the insurance company pays out, it can claim the input tax credits on its payout.

Mr RIPPER: Yes, and when a chemist shop collects 10 per cent GST on something it sells, it will claim the input tax costs. However, there will still be an increase in price for the items it sells that are now free of wholesale sales tax. It may not be a 10 per cent increase but some increase will occur, because the input tax credits will not match the 10 per cent GST.

Mr COURT: There may be some increase, depending on the effect. As we mentioned with the income tax cuts and the like, it is yet to be established.

The ACTING SPEAKER (Ms Anwyl): For recording purposes, as well as my own, it is necessary that a clear call be obtained before members proceed.

Mr RIPPER: What is the expected increase in electricity and gas charges? I hope the Premier will not argue that they will not increase because of input tax credits. Will the GST apply to both supply and consumption charges, or simply the consumption charge?

Mr COURT: It will apply to both, although the end effect will not be 10 per cent. Western Power is trying to establish a figure. I will not provide a figure until Western Power comes up with a figure it believes will hold.

We are concerned about the fuel arrangements for regional power. We estimate the GST will add about \$1m to the cost of regional power generation. We were strongly opposed to that. As the Opposition knows, the Government has kept to its policy of not increasing the price of electricity and businesses have benefited from significant reductions.

Mr Ripper: When can we expect the advice from AlintaGas and Western Power on the charges?

Mr COURT: They have written to all their suppliers asking them what impact they believe the GST will have on their costs and in turn their cost to Western Power. I cannot say when the model will be completed. As the Opposition knows, we usually announce taxes and charges when the budget comes down. Electricity has increased in only one year. All those figures will be announced when the budget comes down in May next year at the latest. However, if estimates come through before then, we can make them available.

Mr RIPPER: I am interested in the Premier's response. He indicated that gas and electricity charges will not increase by the full 10 per cent of the GST because of the input tax credit arrangement. However, he referred to a figure of 6 or 8 per cent. How can the input tax credit arrangement result in that sort of increase in electricity and gas prices, but in a zero increase in third party insurance premiums? The argument he is putting to the House this afternoon does not seem to be consistent.

Mr COURT: I am advised that insurance is a unique case due to its pay-out nature. It sounds as though the member has had a briefing, but we could arrange one on insurance. We have never hidden the fact that the GST will add costs to third party insurance premiums in the same way as it will to electricity and gas.

Mr RIPPER: The Opposition would appreciate a briefing from people in government on third party motor vehicle insurance matters and the GST. To date we have collected our information from outside government. I accept the Premier's offer.

Mr Court: We will provide that.

Mr KOBELKE: I refer to the question asked earlier about the motor vehicle fleet. It is my understanding that when these laws went through, the Treasurer made representations because the legislation as proposed would have adversely impacted on fleet leasing. I do not know whether the Treasurer won that fight.

Mr Court: Are you talking about company tax?

Mr KOBELKE: No, I am talking about the impact on the fleet leasing arrangements. I may have incorrectly applied it to the GST, when it was perhaps another form of tax. I understood the Treasurer made representations because of the potential for an adverse impact on the Government's leasing arrangement with Matrix.

Mr COURT: That is not related to this; it is a company tax issue and we are currently negotiating on that with the Commonwealth Government. The new tax system will require the payment of GST on cars bought for government purposes, which are presently sales tax exempt, but the tax will be recovered by input tax credits. I mentioned that the Government must already pay wholesale sales tax on some cars that are home garaged and those in the executive car fleet.

Mr Kobelke: But not on the blue number plate cars?

Mr COURT: No. In the past the Government bought cars and often sold them for more than the purchase price. It made money on many cars, particularly those at the top end of the market. However, now the Government must pay sales tax on vehicles at the top end of the market and it does not have that advantage.

Mr Board: And the fringe benefits tax as well.

Mr COURT: Yes the Government must also pay the fringe benefits tax.

Mr RIPPER: I take up the point raised by the member for Nollamara in connection with the car leasing arrangements. I understand that, as a result of the tax reform package, cars overall will become cheaper. That will result in used cars also becoming cheaper; in other words, there will be a further softening of the used car market. The softening in that used car market has caused the trouble for the Government with regard to this contract. The lower the resale value, the higher the subsequent lease payments charged to agencies because more of the capital cost of the car must be recovered. It is not recovered, as it might have been in the past, by cars being sold for practically the same amount they were bought for. There is a gap between the purchase price and the sale price, and it must be covered in one way or another.

Mr Court: The purchase price is now higher and that will come down.

Mr RIPPER: Does the Government expect any further difficulties with the car leasing deal and Matrix as a result of the advent of the GST? I note from some of the documents associated with Matrix that the State Government has approached the Federal Government for concessions with regard to car leasing. Will the Treasurer advise what the approach was about and whether he achieved what he sought with regard to car leasing concessions?

Mr COURT: The issue on which Treasury is negotiating with the Federal Government relates to company tax changes and not GST changes. The member is right in saying that the price of new vehicles will come down as a result of the GST, and the secondhand value of vehicles will probably come down.

Mr Ripper: Do you expect the gap to increase?

Mr COURT: Everyone in the leasing business is facing this problem. To some extent the market is anticipating what will happen to prices. Cars were always going to be a difficult area because of the lower cost of new cars once the new tax regime is in operation. Unfortunately, notice of a year or two had to be given of the changes. If the benefits change significantly, the Government has the ability to renegotiate its arrangements. As has been stated in this Parliament, the current report shows there is still a benefit in the arrangements but, if the values keep going down, under the terms of the agreement the Government can renegotiate that agreement. When the agreement was entered into, a GST was not on the books and had not been spoken of because tax reform was a no-no for all political parties. However, a Government had the courage to tackle the issue and this country is going through the most significant tax change in its history. I do not know what the final business tax package will contain when it goes through the Federal Parliament, but with talk about growth dividends and the effect of tax on overall growth, depending on the final package, there may well be some significant benefits that will assist WA's economic growth on the business tax front.

Mr KOBELKE: With regard to the Government's vehicle fleet arrangements, the Treasurer's answer did not give the full picture. There will be a net cost to government as a result of the GST on the vehicle fleet leasing arrangements. It will not apply to the blue number plated vehicles because they are used totally for work purposes. Therefore, the tax credit will match the GST payment. However, under the government vehicle scheme, the Government seeks to recoup money by allowing senior employees to pay a weekly contribution for the use of those vehicles. The vehicles are classified as part of the remuneration package because they are used for private purposes. On that proportion of the fleet, which the Government is trying to expand, the tax credits will not equal the GST payable and a net payment will be required. Can the Treasurer quantify the amount of GST that must be paid in that area?

Mr COURT: I said that the Government must now pay the wholesale sales tax on some of its vehicles. I will seek advice on the GST treatment for those vehicles. I will double-check and try to provide the answer during the course of this debate.

Mr Kobelke: The wholesales sales tax does not come into it because it applies to only some of the fleet and not most.

Mr COURT: We must currently pay wholesale sales tax on some vehicles, and I want to check on the full tax input credits that apply. I will check that information in relation to the executive vehicles.

Mr RIPPER: Has the Government approached the Commonwealth Government for changes to its GST arrangements in order to facilitate the continued operation of the car leasing deal?

Mr Court: No, not that I am aware of.

Mr RIPPER: So there is no need for concessions?

Mr Court: It is a corporate tax issue; not a GST issue.

Mr RIPPER: Can the Treasurer explain the corporate tax issue?

Mr Court: I do not have that detail, but I will get it for the member.

Mr McGOWAN: I want to ask the Treasurer a question about the combined impact of clauses 17 and 18 of schedule 1. It relates to the impact of the goods and services tax on funding, grants and sponsorship of organisations, such as sporting groups. My understanding is that the GST will impose a 10 per cent tax on all sponsorship that is received by any sporting or community body. Let us say a sporting club receives a degree of sponsorship from a corporation, business or a government department. It is sponsored on the basis that it is given, either by money or monetary value, a figure to carry on the activities of the association. The other day I used the example of a football club which receives a grant from a company to carry on its business to put in lights, or to send some kids on a football camp or a group to a Sydney sporting club. The club gets a grant from a corporation.

Mr Court: It is a donation to the football club.

Mr McGOWAN: Yes, sponsorship.

Mr Court: As I understand it, it is GST free.

Mr McGOWAN: I seek clarification because a lot of literature says that one-tenth of that amount should be remitted to the Australian Taxation Office. This appears in a magazine I have with me put out by the GST entrepreneurial service team in Perth, part of Ernst and Young. It says that sponsorship is a service which comes under the ambit of the GST and that one-tenth of the sponsorship revenue will have to be remitted to the Australian Taxation Office. It says that this applies to sponsorship in kind, goods and services, or an amount of money. If I, as a member of Parliament, go out and advocate on behalf of a sporting group in my electorate and manage to get a sum of money or sponsorship for a group, I will not be very happy about the fact that one-tenth of that money would be remitted as goods and services tax, and I am pretty sure that those groups that try so hard to get sponsorship in such a fashion would not be happy either. I seek advice or guidance about whether my assumption is correct.

Mr COURT: As I said, those final lists will be provided by the Federal Government, I hope, prior to Christmas. As I understand it, if it is a donation, it is GST free. If it is sponsorship and something is being provided in return, it may well attract GST. The Federal Government will make the final determination. Donations to that sort of charity or sporting club are GST free.

Mr McGOWAN: That is an interesting point. Let us say a group - a football club, or a theatre company, or a local P & C association - is getting money as sponsorship or as a donation from a company. Naturally that company would want to be acknowledged for what it does. In 99 out of 100 cases, people do not donate something without getting some acknowledgment for it. There is some level of self-interest in all these things. The company is receiving something in return, even if it is acknowledged in a newsletter, or its name is put on a sign, or a speech is made by the president of the organisation which acknowledges that a grant was received from a company or body. The Treasurer is saying that if there is any level of acknowledgment for that sponsorship, 10 per cent of what is donated is remitted to the Australian Taxation Office.

Mr COURT: As I said, I cannot tell members tonight during this debate what is the actual dividing line. Those decisions will be made finally by the Federal Government, but I am not aware of what it has said about the donation-sponsorship situation for sporting bodies. I will try to get the information during this debate so I can provide that answer tonight. An officer has gone out of the Chamber to obtain some information about the other issue the member just raised.

Mr McGOWAN: I thank the Treasurer for that. I will expand my inquiry to include the area of funding and grants for sporting bodies or community groups. Let us say a sporting body receives a grant from the Lotteries Commission or Healthway for some activity. Healthway is a semi-autonomous government body, and it makes a grant to a sporting body on the basis of its being smoke free and advertising what Healthway is all about. That is a service in return for a grant. My advice is that one-tenth of that grant should be remitted to the Australian Taxation Office. As I said earlier, people work very hard to get these grants, particularly members who are in opposition. The funds do not come easily.

Mr Court: Is that a grant from within government? We have run through the Lotteries Commission grants. The moneys come back to government. They come back to us as well. That is what we have explained. The money raised from the Lotteries Commission grants is provided back to the commission.

Mr McGOWAN: I was not here for the early part of the debate. Let us take the example of the Nedlands cricket club receiving a grant, and 10 per cent of that going to the Commonwealth and coming back to the Lotteries Commission. It does not go back to the cricket club again.

Mr COURT: Earlier I said that there is no net impact on the Lotteries Commission, because what is paid comes back to it.

Mr McGowan: Is there an impact on the body getting the grant?

Mr COURT: That can be taken into account because the Lotteries Commission will get that money back. We pay that from the consolidated fund. The question was what happens if a future Government does not provide that top up into the Lotteries Commission. My answer was that that question must be asked of a future Government. We have given a commitment: When we were weighing the ups and downs, we made it clear that the net impact on the Lotteries Commission grants would be zero.

Mr McGowan: What about Healthway's funding?

Mr COURT: It is the same funding arrangement. The moneys come back to the -

Mr McGowan: Does that mean that the commitment given to the Lotteries Commission is also being given to Healthway?

Mr Court: Yes.

Mr McGOWAN: I wonder whether the Treasurer is saying that because the global amount is similar to that which goes to Healthway, there will be no reduction in what is given to individual sporting bodies. These sporting groups will have the amount they are given naturally increased by 10 per cent to take account of the amount that is taken away from them.

Mr COURT: If Healthway provides a grant, it is not subject to the GST.

Mr McGowan: There is a distinction between Healthway grants and the Lotteries Commission grants.

Mr COURT: The net effect of the Lotteries Commission grants is zero. The actual payments by the Lotteries Commission to charities are not subject to GST. We are trying to find out the situation with regard to the question of donations and sponsorships.

Mr RIPPER: Clause 31 of the schedule provides that after the introduction of a GST, a proposal to vary the rate will require the unanimous support of the States and Territories. I am interested to know the policy the Government will adopt towards the possibility of increases in the GST rate. Are there any grounds on which the Premier would seek an increase in the goods and services tax rate? It is possible the economy will not perform according to current forecasts, that consumption growth will be slower than is currently forecast, or will be negative. Are there any circumstances in which the Premier would consider asking for an increase in the goods and services tax rate?

Mr COURT: I cannot think of any circumstances. The unanimous support of the States and Territories is a pretty good safeguard, particularly as there is usually a mix of political parties in government in different States at any one time. Each State is always at a different stage of the electoral cycle. I cannot see a set of circumstances arising where unanimous support for an increase would be achieved. It can happen but I cannot imagine a set of circumstances where it would happen.

Mr McGOWAN: The Premier must acknowledge that although one of the mechanisms for an increase is the unanimous support of all States and Territories, the other mechanism is where the Commonwealth Government has control of the Senate or there is a compliant third party such as the Australian Democrats in the Senate. The Commonwealth Government can pass a Bill which changes the rate.

Mr Court: There must be the unanimous agreement of the States before it goes through both Houses of the Commonwealth Parliament.

Mr McGOWAN: The Commonwealth Government can change that particular clause. It is not an entrenched provision.

Mr Court: That would break the intergovernmental agreement.

Mr Kobelke: It has been done before.

Mr McGOWAN: It would be easy to do.

Mr Court: If the Commonwealth Government breaks the agreement, all bets are off. That is when the other issue comes in and we start getting all the money.

Mr McGOWAN: Does the Premier acknowledge that it is a pretty simple process? The Government wins election, has a majority in the Senate and changes the Bill. The mechanism by which the rate increase occurs is changed. The Deputy Leader of the Opposition said it would be difficult to get the States and Territories to agree, but this is another mechanism by which the rate can be increased. It is a reasonable proposition. It is a straightforward and simple way of changing it.

Mr COURT: Changing the rate requires the unanimous support of the States, the endorsement of the Commonwealth Government of the day and the passage of legislation through both Houses of Parliament. If a Federal Government scrapped the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations, it would walk away from a major taxation agreement. We would be looking at a constitutional crisis if a Government walked away from an intergovernmental agreement that has been fully negotiated and signed off by all the States, with both Liberal and Labor Governments. There would be a constitutional crisis if that occurred.

Mr RIPPER: The member for Rockingham has a point. An intergovernmental agreement does not have the force of law, although it is attached as a schedule to this legislation and the commonwealth legislation. It does not have legal effect. A Government can walk away from or breach an intergovernmental agreement without legal penalty. The only penalty for a

Government breaching an intergovernmental agreement is a political penalty. The State Government cannot go to the High Court and say that it negotiated an intergovernmental agreement with the Commonwealth Government and it breached it.

Mr Court: When the agreement is attached to legislation, it is very serious.

Mr RIPPER: It would be a serious political issue, but not a serious legal issue. Commonwealth law says the rate cannot be increased without going through certain steps, but the Commonwealth Government has the ability to get the amending legislation through both Houses of Commonwealth Parliament. It can simply amend those provisions in the law. The same Bill that increases the rate could be the Bill that amends the mechanism and repeals the need for state support. Naturally the States would complain; however, they would not have any legal remedy. They would have only a political remedy.

Mr COURT: Can the Deputy Leader of the Opposition foresee a scenario when all the revenue does not come to the States? What will the Federal Government gain by increasing the rate against the wishes of the States when all the revenue flows through to the States? The Deputy Leader of the Opposition said the Federal Government could break the intergovernmental agreement on two grounds.

Mr Ripper: Once it has done it, I am sure it will do it again.

Mr COURT: It is all hypothetical. There would be nothing in it for the Federal Government because the revenue would flow to the States.

Mr KOBELKE: Most other countries that have introduced a goods and services tax or a value-added tax have raised the rate at which the tax is levied. We know what the international track record is. It is quite likely that at some time in the future, whether a short time or a distant time, the GST rate will be increased. The House is discussing the potential mechanisms relating to the fact that clause 31 of Schedule 1 provides the means by which the rate can be increased. The discussion suggests that the Commonwealth would unilaterally tear up the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations. That is possible, but I do not think it is very likely. If it is to the Commonwealth's advantage to pull on a fight with the States, it is stronger because the States' financial situation has been weakened by this legislation. The States are now more subservient to the Commonwealth. They might be encouraged to do that. However, to carry the whole matter through, the Government of the day would need to control both Houses. That does not look likely in the near future. On that basis, I do not think a Commonwealth Government would tear up the intergovernmental agreement.

A rate change is far more likely through the States requesting the Commonwealth to increase it. That will happen because the Commonwealth will eat away at the specific purpose grants. The Premier indicated they are currently worth about \$600m to Western Australia. The GST will return \$2 200m in the first year. The specific purpose grants account for approximately 20 per cent of the State's total revenue from the Commonwealth. If the Commonwealth starts whittling away at that 20 per cent of revenue, the States will have no other option but to agree with the Commonwealth to increase the rates. I do not see that happening in two or three years' time, but it is a plausible scenario. The rate will increase because the States will be forced to agree with the Commonwealth at some time in the medium future because the Commonwealth controls the purse strings. Through the GST package, the Commonwealth Government is in a stronger position to dictate to the States on a whole range of financial matters. The Howard Government's trick of suggesting that the GST will flow totally to the States has undermined their financial independence. It is likely that in the future, as in most other nations with a GST-type tax, Australia will face considerable pressure to increase that rate to meet the revenue needs of the States. Clause 31 of Schedule 1 is the mechanism by which it will happen. Other speakers have said it is plausible that the Commonwealth could tear up the intergovernmental agreement. There are past examples where the Commonwealth has reneged on clear agreements with the States. This very agreement was reneged on. It was signed before the Howard Government did the deal with the Australian Democrats. We need look back only a few months.

Mr Court: That occurred only because the Labor Party did not support the package.

Mr KOBELKE: The Premier knows that is nonsense. The Howard Government was keen to get its package through at any cost. Therefore, it was willing to sit down with the Australian Democrats and come up with a deal the Premier does not like. The Labor Party certainly does not like the whole package. My point is that there is an example where the Government reneged on a deal just a few months ago. It is concerning that at some time in the future, a Commonwealth Government of any political complexion may decide, because of the dire financial situation that it or the States are in, that it is willing to abrogate this agreement.

Mr Court: I think that the requirement of unanimous support is the strongest safeguard.

*Sitting suspended from 6.00 to 7.00 pm*

Mr COURT: The member for Rockingham raised the impact of the goods and services tax on non-profit bodies such as sporting clubs. It is correct that sporting clubs will be required to remit the GST to the Australian Taxation Office at the rate of one-eleventh of any sponsorship dollar received, assuming the club is registered for GST purposes. Organisations must register only if their annual income exceeds \$100 000. However, assuming that the organisation providing the sponsorship is also registered for GST purposes, that organisation can claim an input tax credit of one-eleventh of the sponsorship amount. Accordingly, the organisation providing the sponsorship can gross up the amount of the sponsorship so that the net amount remaining for the club after it has paid the GST will be no less than it currently receives. The ATO will issue a ruling in the next month or so to clarify the GST treatment of grants, including sponsorship and donations.

The member for Nollamara referred to those cars that currently attract wholesale sales tax. The input tax credits for government and private vehicles currently subject to wholesale sales tax will be phased in over three years. That is

happening because a distortion will be created in the value of cars. A full input tax credit will be available immediately for cars currently exempt from wholesale sales tax. However, after the three-year phase-in period, the Government and the private sector will be able to claim the full input tax credit.

Mr Kobelke: What about the vehicles used for private purposes as part of a salary package?

Mr COURT: That is dealt with under the fringe benefits tax regime.

Mr Kobelke: The GST component will not be fully covered.

Mr COURT: The Government will be able to claim a full input tax credit after three years.

Mr Kobelke: Even if the vehicle is used at times for private purposes?

Mr COURT: Yes.

Mr KOBELKE: I am concerned about clubs such as the Nollamara Sports and Recreation Club. It is a small club and, like most clubs these days, is battling to survive. It uses voluntary labour at the bar. I suspect its annual turnover is over \$100 000. It is not a commercial operation in the normal sense, but it is likely to be caught. It will be required to pay the GST and it will then be able to claim input tax credits. However, it will then have to pay the GST on sponsorship. Because it does not necessarily have the same costs, which would mean that the GST payments will be in excess -

Mr Court: That is the answer I have provided. Because sponsors can claim the credit, they will gross up the sponsorship. The clubs will get the same amount because the sponsor gets it back as an input tax credit.

Mr KOBELKE: That is conditional on the overall financial situation with costs and take.

Mr Court: No, it is not.

Mr KOBELKE: Is it regardless of that?

Mr Court: Yes.

Mr KOBELKE: I refer members to clause 32, which, subject to other parts, provides that -

. . . any proposal to vary the GST base will require:

- (i) the unanimous support of the State and Territory Governments;
- (ii) the endorsement by the Commonwealth Government of the day; and
- (iii) the passage of relevant legislation by both Houses of the Commonwealth Parliament.

That is similar to clause 31, but we are dealing here with variations to the GST base. Of course, that was a crucial part of the debate as to whether the GST should cover basic food items. As I have already indicated, the Labor Party has some concerns about the impact that will have not only on ordinary families and consumers but also on businesses that must now contend with some items being tax exempt and some attracting a 10 per cent tax. That will make it much more complicated for small businesses. That change was made without the formal agreement of the States.

Any change to the base of the GST would require the support of the State and Territory Governments. What will that mean given that that change was made without proper consultation with the States? How is "the unanimous support of the State and Territory Governments" to be read in the light of that experience? What discussions did the Prime Minister have with the States and Territories during the negotiations between the Federal Government and the Australian Democrats at the national level? Was it a blow-by-blow description or were the Premiers and Chief Ministers given a *fait accompli*?

Mr COURT: I have already said in this Parliament that it was a *fait accompli* and that the negotiations were directly between the Australian Democrats and the Federal Government. The Prime Minister then called another Premiers Conference and it was presented in that format.

Mr Kobelke: Did you hear about it prior to the public announcement or was that made at the same time you were informed of the package?

Mr COURT: It would be fair to say there was a blow-by-blow description in the media. Our concern was that the State's revenue was being traded. By removing the GST from food products, the Federal Government and the Australian Democrats were trading the State's revenue. That is why some of the taxes we wanted to abolish must remain in place. After the negotiations were completed, we saw that the new package was better than the current arrangement.

Mr McGOWAN: My question is similar to the one asked by the member for Nollamara and is about the ability of various levels of government to change the GST package. As the Treasurer knows, the GST package as agreed between the Commonwealth Government and the Democrats in the Senate excludes basic foods, some educational services, most health services, and things like local government services, fines and so forth. If one level of government, such as this State Government or the Commonwealth Government, wanted to bring those things into the GST net, would that require the unanimous agreement of all levels of government?

Mr Court: To change the base?

Mr McGOWAN: Yes, to include educational services, for example.

Mr Court: That is what this is all about. You need to have unanimous agreement.

Mr McGOWAN: Under the current process, the Commonwealth Treasury will determine what will be in and out of the GST net. As the Treasurer said earlier, the Commonwealth Government will give the States a list of what local government charges will be in and out of the GST net. Is the Treasurer saying that once that list has been determined by the Commonwealth Treasury, in order for that list to be changed there must be unanimous agreement between every State and the Commonwealth?

Mr Court: We were talking about the base, and the base can be changed only with the unanimous agreement of the -

Mr McGOWAN: A change to the rate of 10 per cent?

Mr Court: What we were discussing previously - the member must have been out of the Chamber - was the rate of 10 per cent. We are now talking about the base. I am saying that a change to the base will similarly require the unanimous agreement of the States. The member is referring to clause 20 at page 28 of the Bill, which states -

The Parties will prepare a list of taxes and compulsory charges that are outside the scope of the GST. The list will be promulgated by a determination by the Commonwealth Treasurer as set out in Division 81-5 of the *A New Tax System (Goods and Services Tax) Act 1999* (the GST Act).

Clause 21 states -

In agreeing the list, the Commonwealth, States and Territories will have regard to the following principles: . . .

Clause 22 states -

The agreed list of taxes and other compulsory charges that are outside the scope of the GST will be subject to on-going review and adjustment as necessary in consultation with the Ministerial Council.

We debated this issue earlier. The member must have been out of the Chamber when we debated this component. We are referring here to the base.

Mr McGOWAN: Once the Commonwealth has drawn up the list and the States have agreed to it, that list cannot be changed without agreement between all the States and Territories?

Mr Court: Clause 22 states that it must be in consultation with the ministerial council, and -

The Parties will notify any objections to changes to the list within a period to be specified by the Ministerial Council.

The ministerial council has not met as yet.

Mr McGOWAN: The ministerial council comprises the Treasurers of all States?

Mr Court: Clause 41 states -

The membership of the Ministerial Council will comprise the Treasurer of the Commonwealth and the Treasurer of the States and Territories (or designated representatives).

Mr McGOWAN: They must all agree?

Mr Court: The rule is in clause 44, which states -

All questions arising in the Ministerial Council will be determined by unanimous agreement unless otherwise specified in this Agreement.

Mr KOBELKE: I move now to clause 37, which states -

The States and Territories will compensate the Commonwealth for the agreed costs incurred by the Australian Taxation Office (ATO) in administering the GST.

If the Australian Taxation Office costs were higher than those anticipated, as laid out in the table which the Treasurer has presented to the Parliament, would the States be locked into having to pay those extra costs? On what basis could the States negotiate if they believed those costs were unreasonable?

Mr COURT: For the first few years, a guarantee will be in place with regard to the revenues that will be received. Beyond that, a negotiated contract will be in place between the States and the Federal Government with regard to the administration of the costs of collection. It will be an interesting negotiation.

Mr KOBELKE: They will have the States over a barrel, with nowhere else to go.

Mr Court: We can take it to the ACCC for profiteering! There will be negotiation about the cost structure.

Mr KOBELKE: The point is that the States would be in a difficult situation if the Commonwealth sought to shift onto the States some extra overhead costs or some additional parts of their cost base.

Mr Court: That is right, but it would be in the States' interests to have an efficient system, because they are collecting the revenues.

Mr KOBELKE: The GST administrative costs as outlined in the table that the Premier has presented start off in the first year at \$81m, they then go down to about \$36m, and by the end of the next decade they will still be only about \$40m. Those costs are rather conservative, or perhaps it is anticipated in the model that is used for costings that there will be considerable improvements in efficiency as the system progresses. I fear that there will be increased complexity as the system progresses and increased compliance costs. It has been found internationally that there is a huge level of evasion with such a tax, and if we are to try to deal with evasion and guarantee the full collection, a range of administrative costs will be involved. I fear that these figures are very conservative. I ask the Treasurer to respond to my general comment about the costing for the out-years, and about whether the reason for the reduction from \$81m to about \$36m is that the \$81m includes a contribution to the capital set up costs.

Mr COURT: The figure of \$81m is for two years - 1999-2000 and 2000-01. The figures for the first two years of \$35.9m and \$35.1m also include some start up costs which will not be repeated later. The costs do grow a little, but the first four years, if we count 1999-2000, have start up costs built into them.

Mr KOBELKE: Were the figures in this table calculated by taking the costs nationally and apportioning them across the States?

Mr Court: They were calculated on the national figures, and then on a per capita basis.

Mr KOBELKE: What will be the administrative costs to the State Government, and we can then perhaps move to local government, of complying with the requirements of the GST by collecting the tax and remitting the dividends?

Mr COURT: There is no specific figure. The agencies have been told that they must absorb the cost in their budgets, as they had to do with the year 2000 compliance costs.

Mr Kobelke: Not even in Treasury?

Mr COURT: No, the costs must be absorbed in the Treasury budget.

Mr Kobelke: You do not even have an imputed cost; that is, an indication of the extra effort required, because that will be a cut that will have to be made to other services of many departments?

Mr COURT: For a start, next year they will not have the expense of the Y2K compliance costs from their budgets on which they have been spending a great deal of money; they will have this cost.

Mr Ripper: Car licences will increase a bit.

Mr COURT: That is a big contribution after dinner from the Deputy Leader of the Opposition!

Mr KOBELKE: Returning to the commonwealth control of the tax collection system, does the Treasurer know how many extra public servants will be required to administer the GST? Further to that, will a reasonable number of public servants be located in Western Australia, or is this another example of the centralisation of jobs in Canberra which will not serve the interests of Western Australia by creating jobs for the people who reside here?

Mr COURT: I am advised that the Commonwealth Government will employ an additional 3 000 people across Australia to administer the compliance side of the GST. Obviously, there will be different requirements when the wholesale sales tax goes as we will have a tax on services in addition to goods.

Mr KOBELKE: Has the Treasurer made a plea to have some of the national sections or divisions located in Western Australia, or is the entire administration likely to be centralised with only compliance offices in Western Australia?

Mr Court: We know there will be an increase in staff in Western Australia; however, I cannot provide those numbers. I can inquire from the Federal Government about its estimates.

Mr RIPPER: Clauses 40 to 46 of schedule 1 deal with institutional arrangements and the establishment of the ministerial council from 1 July. Has the council in fact been established? Who is Western Australia's representative? Is that a matter determined by Cabinet or someone else? Does the council have a secretariat to service it; who controls that secretariat; and where is it located?

Mr COURT: The secretariat is the federal Treasury; the Treasurer will be the representative; and it has not met.

Mr Ripper: Is there a subsidiary body of heads of Treasury that meets with the ministerial council?

Mr COURT: Yes, there is a GST administration subcommittee of which Anne Nolan, Assistant Under Treasurer, is our representative.

Mr KOBELKE: What are expected to be the arrangements for the flow of funds, particularly back to the States? Will they flow back on a monthly basis? Is there a standard procedure for adjustments? Will they be set at a budgeted level and then re-adjusted on a quarterly or annual basis? Can the Treasurer explain the mechanisms involved in the actual payments? If they have not yet been finally determined, will the ministerial council have to work on them? When will they be finally determined?

Mr Court: I refer the member to appendix B on page 40 of the Bill. A great deal of work has been done to ensure the State's cash flows will not be adversely affected. The mechanisms that are being implemented to ensure those moneys do flow through are outlined on page 40.

Mr KOBELKE: Are they fairly well finalised or is work still to be done on the detail?

Mr Court: They are agreed.

Mr KOBELKE: I understand they are agreed in the intergovernmental agreement. However, further work often is required to lay down the specific details of agreements.

Mr Court: No, apparently it is all agreed and it will flow.

Mr RIPPER: Part of the calculation of the transitional arrangements for the introduction of the GST relies on a so-called growth dividend which will produce additional revenue for the State. Does the Treasurer know in which way particular industries might be affected by the GST in this State? For example, there is debate currently about the housing industry. That industry appears to be booming and people think it is because the demand that would otherwise apply after the introduction of the GST has been sucked forward. There is therefore a prediction that the industry will suffer a decline after 1 July 2000. I am also interested in the Treasurer's comments on the tourism industry and the advice he is receiving from Treasury about the impact of the GST on that industry.

Mr COURT: The housing industry is a bit hard to predict. A downturn is expected to occur in the industry in February next year. People are trying to have their homes ordered, built and completed by 30 June. There has been a bit of, not panic buying, but buying that has been brought forward. The industry anticipates that the orders it is writing up now will fall off in February. However, after 1 July, there will be the first home owners scheme and the payment of \$7 000. It has been reported that the benefit people think they are getting by buying now is being taken away by the fact that costs are being pushed up because of the shortage of bricklayers and the like.

Mr Ripper: Not because of any price exploitation?

Mr COURT: First home buyers do not have to worry after 1 July; they will be in a good position if the demands for housing occur. The Government has not heard of any negative impact on tourism. Having travelled to Europe, apart from everything being incredibly expensive, I am aware that it is accepted practice in most countries for some form of GST to be added to any bill. Next year the tourism industry will have a pretty big year for two reasons: The Olympic Games and Australia's relative currency value. Australia has become an incredibly attractive destination for Europeans and Americans. The tourism industry anticipates reasonable growth and the export industries, of course, have advantages. Of more concern to us is the effect of the business tax changes. Accelerated depreciation is a bit of a mystery to us in that it has been stopped, but the Commonwealth will consider the provision of tax incentives to specific projects. I do not know how they will be chosen, whether they will be projects already in the pipeline or whatever. However, that is worrying us because there are some energy projects that we are keen to see progress. We do not have an industry by industry estimation of how they will be affected by the GST.

Mr KOBELKE: It was not clear to me whether the table for the next 10 years to which we have been referring was in 2000-01 dollars or how inflation was taken into account.

Mr Court: It is dollars of the day.

Mr KOBELKE: There is therefore already an inflationary factor in those figures?

Mr Court: Yes.

Mr KOBELKE: Another variable is involved then. Is the Premier able to table the inflation factors used through the 10 years?

Mr Court: On average, it is a consumer price index factor of about 2.5 per cent.

Mr KOBELKE: Is it fixed for most years, or is there an expected fluctuation after implementation?

Mr Court: No up and downs have been built in, as it would be impossible to do so.

Mr KOBELKE: Returning to the first home owners scheme, the Premier said that the costs were based on 17 000 applicants all receiving the full amount of \$7 000. That indicates a fairly steady uptake through the decade. The housing industry is cyclical. I do not know whether it was too complex to factor in the cyclical nature of the industry. Are standard figures with inflation growth used, or were other factors taken into account?

Mr Court: They have not tried to pick any cycles.

Mr McGOWAN: I would like to hear more interesting comments from the member for Nollamara.

Mr KOBELKE: Appendix F in schedule 1 outlines the performance agreements. Clause F3 reads -

The Performance Agreement will reflect the commitment by the Parties to:

- (i) achieving world's best practice for GST administration in Australia;
- (ii) a cost-effective and transparent GST administration; and
- (iii) a cooperative relationship between the Parties.

We see that standard jargon all the time. Unfortunately, sometimes it is no more than jargon, and "world's best practice" is no more than fancy words. Have discussions taken place with the Commonwealth about the establishment of

benchmarking on what will be considered an efficient system and world's best practice, to use the cliches? The reference to the system being cost-effective and transparent is a joke given the trouble we had in obtaining the figures, which do not mean much because we do not have the models upon which they are based. As there is opaqueness not transparency, how will the words be given meaning? Also, the Commonwealth was less than cooperative with the States in forming a deal with the Australian Democrats. If the performance agreement is to reflect those principles, it is off to a rocky start. Can the Premier comment to give hope that the words will mean something?

Mr COURT: "We're from the tax department, and we're here to help you." I am advised that the International Monetary Fund is involved in helping to establish the benchmarking for that world's best practice. Similar tax regimes are in operation around the world, and a great deal of expertise is available through the IMF to assist in that regard. That is how benchmarks will be delivered. I agree with the member: The States must keep tight control to ensure they are not ripped off with the cost structure. Those mechanisms are being put in place so the comparisons can be made with costs in countries with similar systems.

Mr KOBELKE: Clause F4 refers to a performance agreement recognising achievement of world's best practice, and "integrated administrative design". What does that mean? Is that integrated with the whole tax regime of the Commonwealth, or the State's administration? What are the advantages of that change?

Mr COURT: It is across the Commonwealth. As far as the ABNs - the business numbers - are concerned, we are looking to see whether the States can be involved in that process with the Commonwealth.

Mr KOBELKE: Is legislation required for that to happen? Are the Australian business numbers covered by the privacy arrangements with the Commonwealth?

Mr Court: I cannot answer whether it requires legislation but I will find out for the member.

Mr RIPPER: Let us conclude by considering what might happen to a purchaser of a typical house and land package under this regime. The State Opposition obtained house and land value information from the Real Estate Institute of WA, and it can be seen from the information that a typical house and land package might have a current value of \$141 000. The current stamp duty on that figure is \$3 647. It is anticipated that following the introduction of the GST, house and land values will rise by different amounts, but a typical figure would be \$147 300. The post-GST stamp duty applicable on the increased house and land value would be \$3 880, which would give extra stamp duty to the State of \$233. Is that a reasonable calculation? I am prepared to hand the calculation to the Treasurer's advisers.

Mr Court: I am advised that it would be a reasonable calculation.

Mr RIPPER: Can people expect to pay an \$233 extra in stamp duty?

Mr Court: Yes.

Mr RIPPER: I thank the Premier for his confirmation.

**Schedule put and passed.**

**Title put and passed.**

*Third Reading*

Bill read a third time, on motion by Mr Court (Treasurer), and transmitted to the Council.

**STATE ENTITIES (PAYMENTS) BILL 1999**

*Second Reading*

Resumed from 23 September.

Question put and passed.

Bill read a second time.

*Consideration in Detail*

**Clauses 1 and 2 put and passed.**

**Clause 3: Voluntary GST equivalent payments -**

Mr RIPPER: Clause 3 allows a state entity to pay to the Commissioner of Taxation amounts representing amounts that would have been payable under the goods and services tax, except for constitutional prohibitions on state agencies paying commonwealth taxes. Clause 4 provides for the Treasurer to direct a state entity to make those payments. Therefore, these are the two operational clauses.

What we have at the moment to achieve some competitive neutrality is a provision whereby state-owned entities pay certain commonwealth taxes to the State Government. Therefore, government trading enterprises, such as AlintaGas and Western Power, make company tax equivalent payments and wholesale sales tax equivalent payments to the State Treasury. We will lose that ability under the GST. I suppose, in order to preserve competitive neutrality, the same arrangement could have been made with the GST; that is, GST payments from state entities could have been made to the State Government. Instead, we have a system whereby the State effectively loses that revenue. The payments are made to the Commonwealth, they go into

the GST revenue pool, that GST revenue pool is subjected to horizontal fiscal equalisation principles, and Western Australia is predicted not to do well out of the application of those principles in forthcoming years. Will the Treasurer explain why his Government has chosen to move away from the payment of tax equivalents to the State to a regime under which voluntary taxation payments are made to the Commonwealth?

Mr COURT: It is for simplicity of implementation. If all entities are not paying through the Australian Taxation Office - a government trading enterprise may be paying money into a State Government system - in effect, two taxation systems would be in place. Why does the Opposition not put the argument that if some Labor States have a heap of government trading enterprises left, Western Australia should get a share of their goodies coming through?

Mr Ripper: Meaning we will have none left by the time you finish your sell-off program.

Mr COURT: The member for Belmont has painted a picture that we would be better off. The Government is saying that from a transparency and practical administration point of view, it would be crazy to have two systems running when we can have one, and I have been advised by Treasury that we would not be worse off financially.

Mr KOBELKE: I respect that Treasury advice is usually conservative and sound. However, in this case I cannot agree with that. In a narrow accounting sense, that may stack up, but when one looks at the big picture here, one sees that the whole push of what we are doing is based on looking at one part of the equation. One is looking at one side of the coin and totally disregarding the other side. The argument put by the Treasurer about ensuring competitive neutrality when government agencies seek to do business in areas in which private commercial companies could compete was that we should wipe away all distinctions and all barriers and just leave it open to the marketplace and competition. However, I suggest that is looking at the whole issue from one side only. I accept that there are merits in that point of view. However, when one changes the whole system based on those narrow efficiency principles, other fundamental issues are neglected. Two such issues arise under clause 3 of this Bill. The first is that there is a clear disadvantage to the State. Let us take a topical example, such as AlintaGas.

Mr Court: Why is AlintaGas topical? It is a perfectly normal government utility.

Mr KOBELKE: No, this is for the purposes of the argument I wish to put. Because AlintaGas is a government agency owned by the State which credits taxes to the State instead of to the Commonwealth, those revenues go straight to the State Government.

Mr Court: You mean the tax equivalents?

Mr KOBELKE: The tax equivalents go straight to the State. Leaving aside the many and varied arguments regarding the cost of meeting debt and so on and just looking at the revenue flows, when those agencies are privatised or sold off, those privately-owned enterprises pay their taxes to the Commonwealth. The State Government picks up payroll tax and things like that, but the taxes in general which would have gone as tax equivalents to the State now go to the Commonwealth. Therefore, the taxation base for the State is reduced. When one starts to get rid of all those enterprises, one is weakening the taxation revenue base for the State. In future years, that is likely to be a considerable problem.

The second point is that this clause says that "A State entity may pay to the Commissioner of Taxation amounts". I understand that the words "may pay" are used because we do not wish to compromise the Constitution, which protects the rights of the States and cannot require the Commonwealth to collect in this area. Therefore, it must be a voluntary taxation arrangement back to the Commonwealth. In full keeping with the agreement, the Treasurer has told us tonight - and I accept - that he, the Government of Western Australia and the Governments of all the States have committed to pay 100 per cent of all those revenues which should be properly collected under the GST regime into the pool which the Commonwealth will take from government entities and instrumentalities. That is the gentlemen's agreement which is signed in the intergovernmental agreement. However, we all know what happens in financial relationships between Governments. As we have seen, when the Premier sat down with the other Premiers and Chief Ministers and came to an agreement, the ink was not even dry before the Prime Minister tore it up and put another one in front of them.

Mr Court: That is because you would not support the deal. If you had supported the deal, the State would be much better off.

Mr KOBELKE: The point is that despite the best intentions, these words are not worth anything when push comes to shove. When a Commonwealth Government, whether it be a centralist Liberal or Labor Government, decides that its economic interests must override the interests of the States, these agreements will simply be torn up. We will then end up with a far more complicated commonwealth-state financial relationship whereby some of the States -

Mr Court: I have told you the solution, my friend.

Mr KOBELKE: The Treasurer's solution is cuckoo land stuff. He should go back and talk to his mate Senator Ross Lightfoot and get his secessionist group going, because he is totally ignorant of what is acceptable to Western Australians if he thinks we can secede.

Mr Court: No, I just said financially that is attractive; that is all. I was just tempting you.

Mr KOBELKE: Yes, but we are dealing with the realities of, as the Treasurer said, the biggest tax change for many years - at least back to the last war. We are trying to lay down a scheme which will work efficiently. There is a severe risk that it will be undermined by the fact that States may not comply.

Mr COURT: The second part of the member's argument concerned what would happen if the intergovernmental agreement

were not complied with. As far as I am concerned, if a Federal Government of any political persuasion walked away from the agreement, we would have a constitutional crisis because it is such a fundamental base of our financial arrangements. I do not think that will occur. In the first part of his argument the member gave AlintaGas as an example, and in broad terms I agree with him, but has he not answered the question about why we have not privatised many of the government operations. That is the answer. We would be concerned about the revenue flows in bodies like Western Power, the Water Corporation et cetera. Victoria and New South Wales wanted to fully privatise; Victoria did, but in New South Wales the Labor Government had party problems.

Mr Kobelke: That was the good sense of the rank and file of the Labor Party.

Mr COURT: Is there such a thing as good sense in the rank and file of the Labor Party?

Mr Kobelke: Absolutely.

Mr COURT: With bodies such as BankWest and AlintaGas we work on the assumption that these operations make money. The state banks all went off the rails and in most cases became financial cot cases.

Mr Kobelke: So did Westpac and the other major banks.

Mr COURT: No, they did not. I remember Ross Garnaut saying that the hardest decision he had to make with the R & I Bank of Western Australia was whether to keep it in business. It is terrific while these businesses are making money and the Government can get a dividend from them. We had moneys and capital tied up in a bank. If a Government has a lot of capital tied up in a bank and the bank is losing money, it is not a good deal for the State. We made a decision that Governments should not be in the banking business and we got the best possible scenario for BankWest. If AlintaGas is a monopoly and we can keep jacking up gas prices and making good money out of it, sure we need to look at it as a revenue stream for Government. However, we now have a competition policy and in a couple of years' time the gas markets will be fully deregulated and anyone will be able to come into the business. Therefore, we have to ask whether a government-run gas business can compete effectively against private predators who want to enter these markets. The answer is we do not want to be in that gas distribution business and we do not see huge profits being made in that competitive environment. In those circumstances we do not see a big risk in selling off AlintaGas and allowing the private sector to have that business.

As a Government we are saying that we can see a better use for the capital we have tied up. If the market is right and we can get a good price for AlintaGas, we are saying we can put that money into other assets; we can retire debt and help fund the railway to Mandurah or whatever. I agree with the member's argument that Governments must be careful because they have limited access to revenue sources as a result of the High Court rulings. Some of those larger government operations are an important part of our budget process. I think I have answered the question why we as a Government have not been hell bent on privatisation. We have chosen the agencies we have for the reasons mentioned.

There is a misconception. I support the member's argument that Western Australia does not get a big enough share and we want to see the formulas changed. We continue to fight that with the Grants Commission but the size of the pool does not determine our needs. The Grants Commission formula is complex but the needs criteria is very important in each of the States. Members should not just assume that if Western Australia is doing well and contributes to a much bigger pool, our needs are also taken into account. There is a wide range of needs. We are trying to have more consideration given to a State which is growing strongly. We will have a huge number of infrastructure requirements in the years ahead as we get a number of major projects up and running. We are telling the Grants Commission that those needs should be better taken into account in the formula. Other needs are, but we want it to take better account of these needs because the nation as a whole will be the winner. If we have successful resource projects, the pool of revenue flowing through to the Federal Government will be greater. Approximately 70 per cent of the royalties we collect are distributed to other States under these changes. However, the needs criteria within the Grants Commission mean the member for Nollamara is exaggerating the loss of funds which takes place in the distribution of the pool.

Mr KOBELKE: I will not take issue with the point the Premier made about the privatisation of AlintaGas because this is not the appropriate time.

Mr Court: I have basically agreed with you.

Mr KOBELKE: The Premier made valid points but we would put different emphasis on them and put a somewhat different argument. The Premier put forward a rational point of view, which I do not accept, but I will not respond to it now because I do not think to do so would be within the standing orders. However, the Premier agreed with the key point I was making - that one aspect which needs to be seriously considered in any privatisation is what it does to the taxation base of the State. That reflects the fact that there would be a shift in the base, but it is only one element of a range of issues which needs to be looked at.

Mr Court: AlintaGas is not a big deal. It is not a big revenue contributor to the Government. If we could keep it in a monopoly position and make some profits, that would be fine, but those days are gone.

Mr KOBELKE: That is a different issue to the one we are debating here and the impact on the general tax base. The whole commonwealth-state financial relationship needs to be addressed especially for a State such as Western Australia. The Kingstream proposal is another example of where the good efforts of this Government in the development of this State will not bring a return of revenue to the State Government commensurate with the outlays. The State Government's commitment could reach \$300m to get the project up and running - I am using a ballpark figure for building the port and the rest - yet the return to the State is likely to come through payroll tax and other limited areas of revenue such as some mineral royalties.

However, the taxation on the company and a range of other taxes mean the Commonwealth will benefit to a much greater degree than the State. That is another example of where good government in Western Australia can produce major resources developments by helping provide some of the infrastructure or giving various forms of concessions to get a project going yet the flow of revenue to the State is only a fraction of what goes to the Commonwealth and we are left fighting with the Grants Commission about the means by which funds are allocated to get the money back to the State. This issue goes beyond this one argument and it is part of the bigger picture of the current problems with commonwealth-state financial relations.

Mr Court: All I can say to that is I agree with you.

Mr KOBELKE: As I have already said, the goods and services tax situation worsens commonwealth-state financial relations - it does not improve them in any way.

When I pointed out the problems with this tax being voluntary, I was not alluding to the fact that the Commonwealth might renege on the intergovernmental agreement. My concern is that a Western Australian State Government or another State Government might be pressured to try to do a bit of fancy work at the edges.

Mr Court: We would lose our revenue if we walked away from the agreement.

Mr KOBELKE: I am not saying that. It could be a bit of fiddling at the edges. It could be an area of government activity to which the Commonwealth says the goods and services tax should apply. However, a State such as Western Australia will put up an argument saying, "You've duded us on this and we do not think we should be paying GST on that one aspect." We will have stand-offs in various areas and I am willing to lay a bet with the Premier that we will find in the next five years that cases will arise where this or other States will take up issues with the Commonwealth in which they feel they are not getting a fair deal and they will hold the line on one or more aspects. The Commonwealth will say that its interpretation of the intergovernmental agreement is that the States must pay a certain level of GST. The Western Australian Government or another State Government will say, "No, we do not think that is on." The nature of the voluntary GST equivalent payments provisions will open up a whole new area for disputation between the Commonwealth and the States.

I understand that is not what is being said, and clear statements have been made that the voluntary basis of the payment of GST taxes is universal and the States will not quibble here or there. However, I am aware of how many times people have taken these issues up and I believe that those sorts of disputes will arise in a reasonably short time.

Mr COURT: The Federal Government will always have the upper hand, because it has the constitutional power to raise the tax in the first place. Under the intergovernmental agreement the Commonwealth has agreed that 100 per cent will go back to the States. The member for Nollamara can speculate on whether those sorts of issues could arise, but the Commonwealth will always win the argument, because we are using its constitutional power to raise the money in the first place.

Mr RIPPER: Could the Premier explain how a department like the Education Department or a school will be affected by this voluntary arrangement to pay GST?

Mr COURT: The so-called voluntary arrangement creates a seamless system. The member for Belmont knows about the constitutional problem, but I will put it on the record. The Commonwealth does not impose GST where it would constitute a tax on state property, which is not permitted under section 114 of the Constitution, and the State will voluntarily pay GST in those circumstances. It has been designed so we have a seamless system because of that constitutional issue.

Mr Ripper: Must a school apply for its own input tax credits or will the Education Department do that for a school?

Mr COURT: Each school will have its own business number, so it can get the tax credits.

Mr Ripper: If a school pays GST on whatever it buys, such as a computer and -

Mr COURT: No, certain items in relation to education are GST free. If the school pays the GST for something like a computer it will get the tax credit on it.

Mr McGowan: Only if it is registered.

Mr Ripper: Will there be hundreds and possibly thousands of business numbers among state entities?

Mr COURT: Yes. Schools have changed. They run themselves as businesses. They even have merit-based appointments. There has been a revolution in schools and members opposite would be pleasantly surprised with the quality of education these days.

Mr Ripper: Merit-based appointments were introduced by Labor.

Mr COURT: Labor did not do much with them.

Mr Kobelke: It is a pity that the standard of education has not been maintained.

Mr COURT: No, it has been improved significantly.

Mr McGOWAN: This clause seeks to avoid the operation of section 114 of the Commonwealth Constitution, which prevents tax being applied by one level of government on another level of government. What would stop someone affected by that, which is theoretically any taxpayer in Australia, seeking a declaratory judgment in the High Court to the effect that this provision is unconstitutional because it infringes section 114 of the Constitution?

Mr COURT: I am advised that if it were found to be contrary to section 114 of the Constitution, this Bill would apply. We are dealing with government agencies which would not take an action to the court.

Mr McGOWAN: These days anyone who is adversely impacted upon has the capacity and standing to bring an action to court. Customers of a government agency who have GST imposed on their bills can theoretically seek to bring an action before the High Court and they would have standing to do so. The High Court would say what was said in the 1949 bank nationalisation case, which dealt with section 92 of the Constitution, or a more recent case on excise, which is section 90 of the Constitution. The High Court ruled that the laws put in place by the States and the Commonwealth infringed certain provisions of the Commonwealth Constitution. There is no way around that. Obviously this Bill was drafted by eminent constitutional lawyers, but I see a certain resemblance between what took place in 1949 and the recent case about state taxes and charges in 1997 in which the High Court ruled invalid state excises on fuel and cigarettes. Why would this provision be allowed to stand?

Mr COURT: The member is a lawyer and I am not. The Crown Solicitor and the Solicitor General have advised that the legislation is necessary to ensure that the State is able to comply fully in all circumstances. I am assured that the legislation was written so that the people in the member's example would be caught.

Mr McGowan: Hypothetically, if this were found to be invalid, what would happen?

Mr COURT: Hypothetically, the Crown Solicitor and the Solicitor General have not done their jobs. That is a matter for lawyers to work out.

Mr KOBELKE: Another scenario that goes to the constitutionality of the arrangements but not the explicit provisions as they will be enacted relates to the concerns I expressed earlier that this whole mechanism is ripe for a disaster because of its voluntary nature. When the pressure goes on because of a disagreement, people will seek, because it is voluntary, to find ways either to opt out of certain aspects or to use non-compliance with certain aspects to put pressure on other parties. That will raise considerable potential for conflict between a State and the Commonwealth. We could get into a situation of that nature in which a State is not complying with one or more specific aspects. It is not abrogating the whole agreement, but it is seeking to not fully comply with one aspect of the GST as it should relate to a government instrumentality. If under the voluntary equivalent payments provisions States should be making payments according to the goods and services tax, and they are not doing that, the Treasurer's response when I raised this matter earlier was that the Commonwealth has the whip hand. I assume he meant that the Commonwealth could withhold certain payments as a form of penalty.

Mr Court: We would have broken the agreement, and so they would penalise us.

Mr KOBELKE: What are the mechanisms by which the Commonwealth Government can apply a penalty which avoids running into constitutional problems of being seen to, in effect, force a tax on the State, which is against section 114 of the Constitution, or alternatively being caught by treating States differently, which contravenes another section of the Constitution?

Mr Court: If the parties do not comply, there is no agreement. The reason I said that the Commonwealth has the whip hand is that it has the constitutional ability to raise the money.

Mr KOBELKE: I accept what the Treasurer says if the State abrogated the agreement or if the Commonwealth formed the view that it had. That would certainly be a situation of some brinkmanship. However, it is more likely that there would be niggling at the edges and that, therefore, various tussles would occur between the State and the Commonwealth to try to enforce the fulfilment of a particular provision which the State wished to use as a bargaining chip or for not paying because it felt that it was being disadvantaged in other ways. It would come down to the constitutional basis of the whole arrangement, which is that it is voluntary, and if the Commonwealth was seen to be trying to enforce it, I take the Treasurer's comment to be that it would simply be seen as enforcing the agreement. However, a State could mount the case that the Commonwealth was trying to enforce a tax, contrary to section 114 of the Constitution.

Mr COURT: The system works only if the Federal Government sticks by an agreement which says that it will hand all the moneys back to the States. If the States break the agreement, the Federal Government does not have to hand the money back to the States. Things would come to a head pretty quickly. Let us say that hypothetically an incoming federal Labor Government said that it would not give all of the GST revenue back to the States because the revenues were greater than expected; the agreement would fall over.

Mr Kobelke: An example closer to my suggestion is that an incoming new Federal Government might decide on a different costing regime to the disadvantage of the State.

Mr COURT: That issue would be thrashed out in the ministerial council.

Mr Kobelke: If you could not get agreement, and the State then found that it was disadvantaged by several million dollars -

Mr COURT: We get to that situation all the time in Premiers' meetings where we must thrash out the issues of native title, finance or whatever. As the member knows, the person who controls the purse strings controls the argument.

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

#### **Clause 4: Directions to implement Financial Relations Agreement -**

Mr RIPPER: This clause allows the Treasurer to direct a state entity to make voluntary GST payments. Is local government considered to be a state entity and is its participation in the GST system conducted under this clause?

Mr Court: Yes, it is considered a state entity.

Mr RIPPER: So the Treasurer will be issuing instructions to each local government authority in this State to make payments of GST.

Mr Court: Only if they do not pay.

Mr RIPPER: Each local government will be left to make its own decision, but if it does not make the right decision, will the Government be issuing an instruction to it to participate in the system?

Mr Court: Yes.

Mr RIPPER: Is there any analysis of how local government fares under the system, whether the GST is an advantage to it and of the net impact on local government?

Mr COURT: As I understand it, because local government will receive the tax credits on all of the goods that it buys, it will be a beneficiary.

Mr KOBELKE: By which means will the instructions the Treasurer may give under clause 4 be enforced? Will it be in the form of regulations, an entry in the *Government Gazette*, in writing in a letter or enacted under the provisions of the Financial Administration and Audit Act? What are the mechanisms for ensuring that the directions given are part of a proper administrative arrangement and that the level of accountability and transparency is that which one would expect?

Mr COURT: I do not quite see what the member is getting at. A written direction would be given.

Mr Kobelke: Will a file be maintained of all such directions? Can directions be given to one agency which are not published to other agencies? What mechanism will be employed for the good governance of this proposal?

Mr COURT: We are not expecting that many directions will need to be given. A record of all of them must be kept.

Mr Kobelke: Those issues are not laid down here. Are they laid down somewhere else?

Mr COURT: The Financial Administration and Audit Act would cover all the requirements of how we must maintain those records and their availability.

Mr KOBELKE: Is there any possibility of confusion here between a Treasury instruction given under possibly the FAAA and a Treasury instruction given on voluntary GST equivalent payments under this Bill?

Mr Court: One would have to make explicit under which legislation one was doing it.

Mr KOBELKE: Subclause (4) states, "A State entity is to comply with directions under this section despite any other written law", which gives considerable primacy to this Bill. I do not know whether that is likely to open up problems where other laws relate to the financial management of agencies. Clearly they would have to be subordinate to any instruction given under subclause (4).

Mr Court: Yes, that is correct.

Mr McGOWAN: This Bill was designed to enable local government to be made subject to GST for the commercial activities and services that it provides, with the notable exemption of a tax on rates and so forth. Will the Treasurer provide a list of which services provided by local governments will be subject to GST and which will not? Furthermore, what input has the Government had to the Commonwealth, by giving advice on the Western Australian Treasury and Government's position on those services and goods provided by local government?

Mr COURT: We have already provided a list of our suggestions of what will be GST-free. As I said earlier, the final decision is up to the Treasurer. We hope to have that information prior to Christmas.

Mr RIPPER: This clause allows the Treasurer to direct state entities to make GST payments. From the way the Treasurer talks it seems that everyone will benefit from the GST and no-one would not want to participate in the system.

Mr Court: If the system is in place, people will be mad not to be in it to get the tax credits.

Mr RIPPER: The argument the Treasurer has been putting forward is that everyone will want their input tax credits.

Mr Court: If a small business has not been paying tax and has been operating in the black economy, it will get caught out.

Mr RIPPER: Will there be any incentive for a state entity not to participate in the GST system; and if there will not be any incentive, what is the rationale behind directing a state entity to participate?

Mr Court: They will be required to participate.

Mr RIPPER: This legislation will allow the Treasurer to make directions, and he will direct that they must all participate in the system, but are there any state entities that would not want to participate in the system if it were not for that direction?

Mr Court: Not that I am aware of.

Mr RIPPER: Is the Treasurer arguing that most of them would be advantaged by participating in the system?

Mr Court: They could not claim tax credits otherwise, so they would be disadvantaged.

Mr Kobelke: Tax credits might not arise in every situation.

Mr Court: In most situations they would arise.

**Clause put and passed.**

**Title put and passed.***Third Reading*

**MR COURT** (Nedlands - Treasurer) [8.21 pm]: I move -

That the Bill be now read a third time.

**MR RIPPER** (Belmont - Deputy Leader of the Opposition) [8.22 pm]: For most of today, and for some considerable time last week, we have been debating a package of Bills to adjust state law to accommodate the introduction of the commonwealth goods and services tax. Labor has opposed the introduction of the goods and services tax at both federal and state level. It might have been expected, therefore, that we would oppose these pieces of legislation. However, to have opposed these Bills would have disadvantaged Western Australians. Unfortunately, the Commonwealth Parliament has decided to adopt the modified Howard-Lees coalition-Democrats GST deal. That decision will apply whatever decisions are made by the Western Australian Parliament. Therefore, the Western Australian Parliament and the State Opposition are left with deciding whether to oppose the legislation and disadvantage Western Australians, or let the legislation go through, because otherwise Western Australians would be penalised by both the GST and state taxes. We have chosen to take a position which does not penalise Western Australians, even though we are hostile to the idea of a GST.

The original GST package was supposed to abolish nine inefficient state taxes. The modified coalition-Democrats GST package retains seven of those nine inefficient state taxes. It is interesting that we have had some discussion about future changes to the GST. The legislation contains an elaborate mechanism for consultations between the Commonwealth and State Governments and ministerial council with regard to any changes in the base or the rate of the GST. A big change was made to the base of the GST when that deal was done between the federal coalition and the Democrats. There is no evidence of any extensive consultation with the States and Territories with regard to that major change to the base of the GST. That may be a symbol or sign of what will occur in the future with regard to this tax. In the final analysis, this tax is a commonwealth tax. It is levied under commonwealth legislation, it is administered by the Commonwealth, and is under commonwealth control. That does not necessarily bode well for the future of this State and its people. As a result of the arrangements which the State Government has entered into with the Commonwealth Government, a larger proportion of the State's revenues will now come from moneys collected by the Commonwealth pursuant to its own legislation.

I will return to that point later. I now want to deal with some of the impacts of the new tax arrangements on Western Australian taxpayers. One of the advantages of the new arrangements is the abolition of financial institutions duty. However, it became clear during consideration in detail that that will not necessarily mean that banking will be cheaper for Western Australian bank customers. In fact, the banks are saying that as a result of their GST exempt status, they will have \$500m-worth of extra costs which they cannot collect through claiming input tax credits and which they will, therefore, pass on to consumers. Therefore, as a result of this tax package and the abolition of financial institutions duty, banking costs may increase for Western Australian consumers and what at first sight is an advantage may in the final analysis prove to be a disadvantage to Western Australian banking consumers.

The original GST proposition involved the abolition of nine inefficient state government taxes, most of which are stamp duties. As I have pointed out, seven of those taxes will remain. The Government has said that stamp duty revenues as a whole will increase by \$15m. The Government has conceded that part of the revenue increase from stamp duties levied by the State will include increased stamp duty for housing conveyances. Therefore, people who buy houses will pay more tax to the State Government; and when they insure those houses, they will pay higher premiums, and they will also pay higher stamp duties on those premiums. The package will include a rebate for first home buyers, but many of the people who buy and insure houses are not first home buyers, and they will pay more tax to this Government.

We also learnt in the consideration in detail stage that there will be increased stamp duty revenue from workers compensation premiums. One would think we had not just had a long and acrimonious debate in this State and this Parliament about the cost of workers compensation premiums, with everyone saying that they wanted workers compensation premiums to come down, and with the Government urging the Parliament to take urgent action to reduce the cost of workers compensation insurance. However, a week after that debate, the Government has come into the Parliament with a piece of legislation that will result in an increase in the Government's tax take from workers compensation premiums. The Government is increasing the cost of workers compensation through its stamp duty arrangements as a result of the goods and services tax legislation. Why will tax increase? Tax will increase because stamp duty will be charged on GST-inclusive prices. In other words, there will be a tax on a tax. The Commonwealth will levy the GST, and the State will then apply stamp duty to the total price, including the Commonwealth-levied GST.

We have also confirmed that there will be so far undetermined increases in bus fares, and in gas and electricity tariffs. The Treasurer has indicated that an analysis is still proceeding on the total impact on Western Australian consumers of increases in those areas. The Treasurer said electricity price increases might be 6 or 8 per cent. That was the closest he came to giving the House a detailed answer. The Opposition will study the *Hansard* carefully, especially the Treasurer's statements about the analysis being undertaken on the impact of the goods and services tax on Western Australian people. The Opposition will seek to have the research being done by the Government on bus fares, gas and electricity prices tabled. One thing is clear; the GST will have a more profound impact on consumers than many realise. When consumers discover very few goods and services are exempt from the tentacles of this tax, they will be even less supportive of it.

Apart from problems for consumers, there are also problems for Western Australia. I have already referred to the fact that a larger proportion of this State's revenue will now be sourced from taxes collected by the Commonwealth. Western Australia loses autonomy, financial flexibility and some control of its financial destiny as a result of this tax reform package.

Some people would accept that outcome if Western Australia received more revenue to trade off against that loss of control. However, that loss of control and autonomy places Western Australia at a greater disadvantage. Both sides of the House agreed during the consideration in detail stage that horizontal fiscal equalisation principles have disadvantaged Western Australia through the allocation of commonwealth financial assistance grants. Those horizontal fiscal equalisation principles will apply to the allocation of the GST revenue pool, which is larger than the financial assistance grants pool. Part of the GST revenue pool replaces taxes that were once raised by the State under its own powers. Revenue that was once collected by the State under its own powers and not subjected to horizontal fiscal equalisation principles will be replaced by revenue collected by the Commonwealth, subject to principles which have disadvantaged Western Australia over the past six or seven years. The Premier is open in predicting that horizontal fiscal equalisation is expected to disadvantage Western Australia in the future. If that is the case, why is the Government making a greater proportion of the State's revenue hostage to the same horizontal fiscal equalisation principles? It is not in Western Australia's interests to have more of its revenue subject to the Commonwealth Grants Commission and commonwealth government decisions about the proportions of revenue that should flow to each State?

I conclude by making some general comments about Western Australia's budget position. This year the State Government is running a budget deficit of \$638m. Next year the Government forecasts that it will run a budget deficit of \$261m. No-one can pretend that the State's budgetary situation is sound. The deficit is the largest it has been in the State's history and is larger than the budget deficit of any other State. The Premier might dispute those figures. However, they are based on standard rules developed by the Australian Bureau of Statistics that enable comparisons of budget deficits across jurisdictions. When those rules are applied to Western Australia and the other States, Western Australia's budget deficit is worse than any other State in the general government sector on a cash basis. Therefore, Western Australia is particularly vulnerable as the goods and services tax is implemented. Even the Government's own calculations show that the Government will face a revenue shortfall in the first three years of implementation. The revenue shortfall in the first year will be \$213.6m, \$39.9m in the second year and \$78.1m in the third year. Those shortfalls are expected to be made up by commonwealth guaranteed payments.

The Western Australian Government says there is nothing to worry about because the Commonwealth has guaranteed that no State will be worse off. However, Western Australia is vulnerable because it is still dependent on commonwealth calculations of how it is fairing. If there is a disagreement between the State and the Commonwealth over the amount of revenue the State has missed out on, we may find that the Commonwealth will pay up on the basis of its calculations rather than Western Australia's calculations. The Opposition is sceptical of the accuracy of the calculations in this analysis. It fears there will be a greater shortfall in revenue than the Commonwealth admits in the financial years in question. In those circumstances the Commonwealth Government will pay only for the shortfall it admits to, leaving Western Australia out of pocket. The Opposition is concerned because items in the analysis are highly speculative. Two items are particularly concerning; that is, the so-called growth dividend and the amounts attributed to savings from indirect tax reform. I do not know how people will distinguish growth attributable to the GST from other economic growth. This analysis has a notional figure that is supposed to flow to the State as a result of the implementation of the goods and services tax. This figure may be right, wrong or pure propaganda. Nevertheless, if it is propaganda accepted by the Commonwealth, it will affect the Commonwealth Government's willingness to provide the State with any payments that might otherwise be regarded as revenue shortfalls. The analysis also deals with the savings from indirect tax reform. This is a highly speculative analysis which might be accepted by the Commonwealth. However, the analysis may not be acceptable when Western Australian government agencies try to cope with the implications of the goods and services tax.

I have made these comments about Western Australia's financial position and the analysis the Government presented to the House supporting the package of Bills because I am concerned about Western Australia's vulnerability. The Opposition is concerned that at a time of budget deficits, the Government is passing a larger proportion of the State's revenue to commonwealth control. The State has experienced commonwealth control through financial assistance grants.

We know that the horizontal fiscal equalisation principles have disadvantaged Western Australia over the past decade or more. We can predict what will happen when those principles are applied to the larger proportion of our revenue, which will now be controlled by the Commonwealth as a result of the implementation of the goods and services tax and associated measures. The Opposition does not oppose this legislation, but it will continue to point out to the people of Western Australia how this so-called "tax reform" will not advantage them.

Question put and passed

Bill read a third time and transmitted to the Council.

### **HORTICULTURAL PRODUCE COMMISSION AMENDMENT BILL 1999**

#### *Second Reading*

Resumed from 17 August.

**MR GRILL** (Eyre) [8.40 pm]: The Opposition approaches this Bill with some caution. We do not intend to oppose it, but we will express some concerns about some aspects of it. Having expressed those concerns, we will ask for some response from the minister and, depending on that response, we will make a final decision on how we will handle the Bill in the upper House. Our general view is that we should support the legislation. Certainly, we do not intend to oppose it at this time.

This Bill amends the Horticultural Produce Commission Act. That piece of legislation was put into place when I was the Minister for Agriculture, and I understand that it has worked reasonably well since then. The concept behind the legislation is one which the current Government wishes to extend to embrace nearly all aspects of agricultural production in Western

Australia. We have just a few doubts about the appropriateness of extending the legislation as broadly as the Government wants to, and as quickly as the Government wants to. We understand that there are some specific reasons that the legislation should be expanded at this stage. The most pertinent of those is in respect of campaigns in relation to the eradication of pests and, more specifically, campaigns in relation to the eradication of Mediterranean fruit fly. We have been informed by the Government and its advisers that a number of towns, if not regions, in Western Australia which grow fruit want to control Mediterranean fruit fly within those townships. They want to control that pest whether the growers of the fruit are commercial growers and whether they sell their fruit. We understand why the Government wants to extend the legislation in that respect, and we have no problem with that. However, we have a few doubts about the wide scale embracing of all of the other agricultural industries in Western Australia at this time. I suppose the minister will say, "If you pass the legislation now, we will slowly proceed down that road and we will consult with the various authorities, organisations, grower groups and producer groups." We would like to hear from the minister about some of the practical applications of the legislation as time goes on.

The original Act established the Horticultural Produce Commission, which was limited to horticultural producers. That horticultural commission encouraged the setting up of grower committees, through which services, including market services to grower members, could be set up. Currently, the functions of the producer committees include a whole range of issues like advertising produce, control and development of pests, research, education, instruction relating to production, development and expansion of markets, voluntary insurance schemes, market forecasting, developing inspection schemes for quality assurance or pest control, developing producer accreditation schemes, developing grading in inspection schemes, supporting promotion and sale of produce, providing other services as prescribed and establishing compensation schemes. Some of those issues are new developments that will come forward pursuant to the Bill before us. That list gives members some idea of the scope of the legislation as it is now and as it will be after this Bill passes through Parliament. It indicates a wide scope for those committees.

The Act contains the power for committees to levy members. Those levies can be compulsory; they can be applied to those growers; and they can be collected, I presume, by court action at the end of the day. They are compulsory levies in every sense of the word. That might work very well as long as we are dealing with a limited and confined group of people like horticultural producers. However, when the operation of the Bill is expanded to include broadacre farmers, graziers and so forth, other questions arise. For a long time those industries have had promotion groups and other associations which have broadly done the sorts of things that these producer committees are doing under this legislation and will do in the future. As far as the broadacre farmers, agriculturalists and the livestock people are concerned, we must go down this road in a reasonably cautious fashion.

As things stand, nine committees are in place, including an avocado producers committee, a carrot producers committee, a strawberry producers committee, a table grape growers committee, a Carnarvon banana producers committee and a fruit growers committee. It is hoped that almost immediately after the passing of this legislation, there will be a Kununurra pest control committee, which would deal with the fruit fly; a Katanning fruit fly committee, which would deal with Mediterranean fruit fly; and a similar committee in Bridgetown. I said that there are nine committees. However, there are six at the moment and another three could be set up immediately after the passing of this legislation.

I have already mentioned the fact that the major objective of this Bill is to expand the ambit of the Bill to extend it from horticulture to agriculture generally. That is exemplified by the fact that the committees which are currently called grower committees will, after the passing of this legislation, be called producer committees.

The commission set up under the original Bill as the Horticultural Produce Commission will be renamed the Agricultural Produce Commission. The Opposition is somewhat flattered that the Government believes this legislation, which was passed by the Opposition in 1988, is working so well it can be extended in this way. However, as I have said on two or three occasions, we should approach this matter with some caution.

Under the Bill, industry will be defined to include horticulture, broadacre cropping, pastoral, grazing, dairying, intensive agricultural production, land-based aquaculture industries and agroforestry. Agricultural produce will be defined to mean the produce of an agricultural industry and the definition of horticulture will be deleted. That is an indication of how widely this legislation will apply. It will be very wide indeed.

The Opposition believes the extension of the levy raising powers in these circumstances, especially to broadacre agriculture, will be a touchy subject. My counterpart in the upper House, Hon Kim Chance, who will be handling the Bill, has spoken to the Western Australian Farmers Federation and to the Pastoralists and Graziers Association about this legislation. I have not had that opportunity. Some of my remarks will be on the basis that they are secondhand information passed on to me by Hon Kim Chance and are not directly my own personal knowledge.

The Opposition was initially rather disappointed that the legislation was introduced into this House on 18 August this year and listed for debate on 7 September. By arrangement with the minister, debate was deferred until today. That gave Hon Kim Chance the opportunity of conversing with those organisations to which I referred. He tells me that when he spoke to those major grower organisations in Western Australia he found that they had not been consulted about the legislation. We found that disturbing. If that is not the case, the minister can correct me.

Although they said they were aware that legislation of this nature would be brought before Parliament, they were not aware that it would impact on the industries they represent as specifically as it clearly does. They have expressed to us concern about the levy raising powers and their compulsory nature. They confirmed to us that it will be a touchy subject with a number of their members.

The Opposition feels that the WAFF and the PGA should have been fully consulted on this legislation before it was introduced into this House. Since then they have had the opportunity, mainly as a result of discussions with Hon Kim Chance, of becoming acquainted with the legislation. They have expressed some concerns about it and suggested some modifications they believe should be made.

I said a while ago that the original impetus for this Bill - not the 1988 legislation - was due to the fruit fly problem in a number of towns in country Western Australia, particularly the south west and the very far north of the State around the Ord River. I believe the legislation had its genesis in country towns which put pressure on the Agriculture Department to extend the ambit of the legislation. I understand that a number of those towns, such as Bridgetown, had infestations of fruit fly within their orchards.

Members might recall - I certainly do - some years ago the fruit fly baiting committees that operated in Kalgoorlie-Boulder. I think they also operated in parts of the metropolitan area. They operated on a partly voluntary and partly funded basis. They travelled around baiting fruit trees at certain times of the year to prevent the spread of the Mediterranean fruit fly. For some reason or another, those committees fell by the wayside and have not operated for a few years now. It appears as though, within the borders of towns at least, no effective control has been implemented over the Mediterranean fruit fly for some time. Agitation from orchard owners and owners of trees within those towns has resulted in pressure on the Government to bring forward this legislation.

The Act does not allow for grower committees to encompass non-commercial operators. It embraces only commercial operators; therefore, most of the people who have orchards within townships are not covered by the Act. I understand that the Solicitor General gave an opinion to the effect that the Act extends only to commercial growers and not to non-commercial growers.

One of the major purposes of this Bill is to extend the ambit of the legislation to allow grower committees to embrace non-commercial growers. That will mean of course that compulsory levies will apply to non-commercial growers.

Mr House: Where a scheme is authorised by a local authority - Dumbleyung and Katanning are good examples - and it wants to implement that in its local authority area, it is the only way to bring those "backyard" operators into some sort of controlled scheme. Otherwise we will have, for example, commercial operators in Bridgetown affected by an individual who might have a fruit tree in his backyard.

Mr GRILL: In confirming that, the minister referred to local government authorities. I understand they will play a direct role in collecting levies. However, the legislation does not mention local government authorities.

Mr House: I see the local authority as the catalyst for bringing together people to make that occur.

Mr GRILL: Will the mechanism for doing that be the minister declaring certain areas or certain pests or both?

Mr House: Yes.

Mr GRILL: I gather that the minister would do that only in circumstances in which he is approached by the local government authority.

Mr House: Yes. Any minister would have to satisfy himself that there was broad community support in the area for such a scheme to proceed.

Mr GRILL: Having done that for a township such as Katanning or Bridgetown, the committee would apply to commercial and non-commercial growers?

Mr House: Yes.

Mr GRILL: And it would apply to growers no matter how small the volume of their produce?

Mr House: Yes.

Mr GRILL: It would appear that Mediterranean fruit fly will be the first cab off the rank with the establishment of new committees.

Mr House: There has been a lot of pressure from those few areas to get the scheme up and running to deal with those problems. It has been driven by those communities.

Mr GRILL: The Labor Party has absolutely no problem with that and it is happy for the process to take place as soon as possible. I will mention one or two other changes this legislation will bring about, before I get to the problems that need to be discussed.

Another relevant amendment is that, by necessity, the commission will be expanded from three members to five, and possibly six, members. In that sense, there will be one additional member with knowledge and understanding of broadacre cropping and one additional member with knowledge and understanding of the pastoral, grazing, dairy and intensive animal production industries. Neither of these members can be public servants. Possibly there could be a member who has knowledge and understanding of agricultural industries generally, in areas not covered by the other five members. That will give the minister some flexibility in terms of the range of expertise on the commission. The commission will then be made up of one public servant and four members who are not public servants, specified under the Act.

Mr House: Yes, and that is outlined in my second reading speech.

Mr GRILL: That is right. Concomitantly, the quorum of the commission will be increased from two to three, and I assume that will apply whether the commission has five or six members.

Mr House: That is right.

Mr GRILL: I am being particular about this because I understand the Government wants to complete the second reading debate and possibly not go into consideration in detail.

Mr House: I do not know about that. There are three amendments on the Notice Paper and those amendments were asked for by industry after the Bill had been printed and after consultation with your colleague in the upper House. There was some negotiation about those and that is the genesis of them.

Mr GRILL: I asked Hon Kim Chance about that today and he seemed a bit vague.

Mr House: Is that unusual?

Mr GRILL: He thought there would be more amendments than those which appear on the Notice Paper. Another question which is addressed in this Bill is the discretion currently within the legislation for the commission to allow the committee members to be elected. Up to the present time the number of nominations received for appointment to growers committees has not been sufficient to warrant elections being held. This may change with the expanded coverage of the Act so that the commission will be authorised to hold an election for members of a committee where, for some reason, the commission is of the opinion that an election should be held; that is, because of the number of nominations received. The committee's resolution to hold a poll will specify the number of persons to be elected at the poll. Following election, members will be formally appointed by the commission to the committee. Regulations will prescribe the manner of elections. I believe one or two of the minister's amendments may impact on that situation.

Mr House: Yes, clause 14 deals with the issue you are talking about. We intended to insert some words so that after receiving the nominations the commission shall decide how many members there shall be on the producers committee, and if it is of the opinion that a poll of the producers concerned should be held to elect the members, shall conduct a poll.

Mr GRILL: The current process is that the commission calls for nominations and having received them, submits the names to the minister, who makes an appointment. In future it is likely that in appropriate circumstances there will be an election.

Mr House: Yes.

Mr GRILL: I understand the potato growers and apples and pears board have called for that, and the minister has acceded to that request. I also understand that the Bill will broaden the scope for producers to form committees relating to more than one type of agricultural product; that is, more than one product may be embraced in one committee and the minister wants to give these committees as much flexibility as possible. Is that the concept being put forward?

Mr House: Yes. You might get that in the fruit industry, for example.

Mr GRILL: I have a note which says that a committee may be established for any agricultural produce of a particular kind, class or variety or which possesses a particular characteristic. The committee could cover a number of different kinds of classes or varieties of agricultural produce, or be established to achieve specific objectives in relation to a number of different kinds of agricultural produce. There would be a very wide discretion and a lot of flexibility in the establishment of these committees in future.

Mr House: Yes. There would be regulations governing some of those aspects. If you have concerns, the way this Act is worded that could be dealt with by regulation.

Mr GRILL: I had intended to suggest that, and I believe there is some understanding about that. One of the real benefits of the Bill before the House is that it allows for the provision of compensation. There are within the agricultural arena a number of Bills which deal with compensation, such as the Cattle Industry Compensation Act.

Mr House: There are Bills dealing with compensation for the cattle industry, pig industry, poultry industry and potato growing industry. As outlined in my second reading speech, once this legislation is in place those Acts will be repealed.

Mr GRILL: There will be general provision in this legislation to set up compensation funds, where considered appropriate, and this will be the vehicle for such compensation.

Mr House: Correct.

Mr GRILL: There is a further amendment in the legislation to make provision for a specified person - more than likely a local authority - to collect the charges for services provided by a producers' committee. The amendment will clarify the power to make regulations prescribing the manner in which charges imposed under the Act will be paid and collected, the persons to whom charges will be paid and by whom charges may be collected. This will enable regulations for the collection of charges by local government. I envisage that will be the procedure in future; the Government will simply authorise local government to collect these levies as part of the normal rating process and we presume they will collect them once a year, probably at rating time.

Mr House: That is a good question. That could be left to the discretion of the committee. I would not like to lock it in. It might like to collect it on different occasions. I cannot think why, off the top of my head.

Mr GRILL: I suppose the majority would be collected with the normal rate bill which would go out once a year.

Mr House: It might be collected at the point of delivery of product over time.

Mr GRILL: We need some flexibility.

Mr House: Yes.

Mr GRILL: In the other place, Hon Kim Chance raised the question of some advertising for a levy prior to a poll for an election. When he responds, I would be grateful if the minister could let me know just what are his intentions in that respect.

Mr House: Does the member want to know how long before the election or the levy is introduced the advertising would take place, or in what form? I did not understand.

Mr GRILL: We are seeking a commitment that the regulations will prescribe that there be advertising, as such.

Mr House: That is no problem.

Mr GRILL: Will the minister give that undertaking?

Mr House: Yes.

Mr GRILL: Will that be at the time of the poll for a levy and at the election poll?

Mr House: My view is that that is essential. Just what form it takes and where it would be advertised would have to be figured out.

Mr GRILL: I do not want to pin the minister down on that. I imagine that would vary from occasion to occasion. We want an indication that advertising will take place.

Mr House: Yes.

Mr GRILL: A little while ago I mentioned that we saw other problems with the legislation. The first concern is that the Bill contains the same powers of coercion as section 13 of the Act to compel a producer to provide details relating to his or her business. The exercise of power of this nature is never popular. It may have been acceptable to producers in the small and tightly knit industries, such as the Carnarvon banana planters who can perceive a common purpose; however, it is likely to cause difficulties if it is applied in industries as diverse as the wool industry, for example. That is why we suggest that if the commission is given these powers, they should be exercised with some restraint, especially in the early years at least. Some fairly significant levies are already applied to the wool industry and we would not want to duplicate work in that arena.

A question also arises about the dissolution of a committee and what might happen to the funds and/or the monetary or physical assets in those circumstances. The money is vested in the commission, but in the event that a committee is wound up, it does not appear absolutely clear in the legislation that these producers would get back their money. We think that question probably should be tackled. With some big broadacre industries - some of the pastoral industries - substantial sums of money could be in place when a fund is wound up. We would like that to be looked at. The minister might consider the way that will be dealt with, either by further legislation or in the regulations. It is quite possible something like that could be dealt with in the legislation. We would like to see something equitable in the repatriation of money to the growers in the event that substantial moneys are left in the account, and of course where the people who paid in the moneys can be identified, which sometimes is difficult.

We also have some concerns about the limited nature of the appeal provisions in the legislation. There are some rights to appeal, but the only ones we can see specified are those to the Local Court in the event that a producer claims to have been omitted from a list compiled for the conduct of a poll. We think that is appropriate, but there appears to be no mechanism for a producer to appeal a decision of the commission or a producers' committee. That appears to be somewhat unacceptable if we are to extend the whole nature of this legislation to take in some big industries with which the minister deals on a day-to-day basis. In a small horticulture industry, it is probably not all that important to have an appeal mechanism; however, when dealing with the larger industries and possibly larger sums of money and, as time goes on, possibly larger groups of assets, and given the compulsory nature of the levy-raising power, some consideration should be given to the wider appeal provisions.

We also note that the legislation gives other coercive powers to the commission and the committee; for instance, a member can be compelled to reveal confidential information about his business. Monetary charges can be applied against any business without this right of appeal, which I mentioned a while ago. All in all, we feel there must be more accountability procedures for a further right of appeal or redress of one form or another, and we would like that to be given a bit more consideration, partly because at the end of the day this sort of legislation will work only where there is trust and cooperation by the producer groups. If there is no trust and cooperation, they will rebel against the operation and be reluctant to set up committees, and the legislation will not work in some areas.

The Financial Administration and Audit Act will apply to the financial conduct of the commission and its operations, but not those of the committees. The committees will control the bulk of the funds. We would like the minister to think about accountability procedures, not so much for the commission but for the committees. We think the accountability provisions for the commission are probably all right, but for committees they are a little lacking.

Mr House: Is the member saying that he thinks the same accountability procedures that apply to the commission should apply to the committees?

Mr GRILL: There should be something similar. The Bill specifies that the Financial Administration and Audit Act will

apply to the commission. I do not know whether the Financial Administration and Audit Act can be extended to the committees; however, we believe there should be some accountability procedures here. Maybe it does not need to go as far as the fairly bureaucratic nature of the Financial Administration and Audit Act, but some fairly strong accountability procedures must be in place.

Mr House: I take it that the member is alluding to his concern about finances being mismanaged. Is that the issue?

Mr GRILL: Yes, and transparency.

Mr House: The structure of this legislation puts the power in the hands of the growers. If the principles are adhered to, there will obviously have to be complete transparency in the way they handle their business, or, as you said earlier, there will be no confidence.

Mr GRILL: That is true, but I have seen some workers' clubs operating in the past and they are definitely run by the workers. Financial management runs off the rails because there is not much accountability. The same principle could apply in respect of these matters. The Labor Party would like the Government to consider that before the Bill is debated in the other place. Members on this side might have missed the accountability provisions in the Bill, but I could not see them. Perhaps these procedures will be in the regulations.

These are the Labor Party's major concerns. If the minister can address them, the Bill will probably have an easy ride through the other House. It will not be held up in this place, but we would like these concerns addressed prior to the debate in the other place.

**MR BROWN** (Bassendean) [9.21 pm]: I will make a brief contribution and pick up on one matter raised by the minister in his second reading speech, in which he stated -

The Government is embarking on a program to eradicate Mediterranean fruit fly from Western Australia and the ability to include all growers and trees in that program is required to ensure the program is effective.

The Bill enables the inclusion of non-commercial or backyard growers to be included in a poll of growers, to be appointed to a growers' committee and to be required to pay a fruit fly baiting charge for service. This change has been requested by the Horticultural Produce Commission and local governments.

The matters I will address were raised with me recently in Carnarvon by people who are particularly interested in the statewide fruit fly eradication program. One of the matters related to the difficulties associated with exports from the State. Questions were also raised about what would happen in the south of the State, which has abandoned orchards and major problems with fruit fly. What is intended in respect of those areas? People to whom I spoke think that is a major problem in the south and one that may well need some financial assistance from the Federal Government, apart from that provided by the State Government. Is it envisaged that, where councils impose a levy for fruit fly eradication, that levy will be paid by the owners of the abandoned orchards? Presumably the current landholders of those areas will be required to pay any levy imposed per tree or whatever. What is intended to occur in those areas?

What does the Government anticipate will be the total cost of a comprehensive fruit fly eradication program? Has an assessment been made of the total cost of such a program? What benefits would accrue for Western Australia if we were successful in eradicating fruit fly from the State? Has an analysis been done? If so, what did it indicate? Questions have been asked about the treatment of fruit going interstate. I understand there would be potential savings for growers if we could be confident that we had eradicated fruit fly. To what degree would those costs be minimised or eliminated if such a program were successful? Has that calculation been taken into account in any cost-benefit analysis of an eradication program?

What level of funding is proposed to be provided to this program by the State and where will that funding be allocated? As I understand it, and as the people who spoke to me understand it, some government funding will be allocated to Kununurra. However, questions were asked about where else government funding will be allocated and whether it will be available in Carnarvon or other areas of the State. If so, when will it be available and what amounts will be available?

Carnarvon runs a baiting scheme and about \$60 000 is collected each year in levies. That baiting scheme has had a measure of success in controlling the fruit fly problem in the greater Carnarvon region. However, people in the area are concerned that their budget does not allow for an education program or the development of educational material. That is quite important. It has been put to me that all of the people on the professional side of the industry may be doing the right thing, but some people who have one or two fruit trees may not be attending to those trees and to fallen fruit properly and may not be carrying out inspections, simply through lack of knowledge, and not because they are negligent in any way, and that the capacity to get some basic educational information to the broader community may have quite an impact in preventing outbreaks of fruit fly by making those people aware of the damaging effects of this problem. I am not sure what funds are available to make information available to regional communities through the minister's department, nor am I sure about the capacity of non-professional growers, if I can use that term, to obtain that information. It is essential that we get that message out, particularly in areas where there is a heavy reliance on the industry, because that will benefit the local people.

The other question that has been raised is the degree to which quarantine inspections are being beefed up to prevent contaminated fruit from being brought into Western Australia. I note that the airports have a bin with a notice requesting people to drop any fruit that they have into that bin. What sorts of quarantine checks are in place on the Western Australian-South Australian border, and to what degree is quarantine enforced? The point that has been made to me is that it is all very well to put in a large amount of resources, and people would like to see a large amount of resources, to eradicate fruit fly from Western Australia, but that means not only doing baiting and those sorts of things but also putting in place

arrangements to ensure that contaminated fruit is not imported into this State. I would be pleased if the minister would respond to those matters. They are not issues about which I have a great deal of knowledge, but because they were raised with me during one of my visits to Carnarvon, I thought I would take this opportunity of raising these matters and seeking some response from the minister.

**MR HOUSE** (Stirling - Minister for Primary Industry) [9.34 pm]: I thank the member for Eyre for his broad support of the legislation and the member for Bassendean for his contribution. I will reply to the issues raised by the member for Bassendean, and I have given an undertaking that I will provide both the member for Bassendean and Hon Kim Chance with some additional information prior to this legislation being debated in the Legislative Council. The member for Eyre rightly pointed out the broad principles and intentions of this Bill, which it is fair to say is modelled on previous legislation that was introduced by the Minister for Eyre some 10 years ago when he was the Minister for Agriculture. We have sought by this legislation to extend the principles of that Bill to other industries. In a broad sense, this Bill will put the control of those industries squarely with the producers of the product so that rather than have a heavily regulated system from a government perspective, decisions about the raising of levies and various pursuits will be made by the producers. I believe that is a step forward. It embraces the principles of modern agriculture, where people want to manage their own businesses and do not want Government to interfere with them, and that trend has been emerging for some time. The national competition policy reviews have had some influence on the way this legislation has been modelled, particularly with regard to the trust funds. I indicated in the second reading speech that the four trust fund Acts - the Pig Industry Compensation Act, the Potato Growing Industry Trust Fund Act, the Poultry Industry (Trust Fund) Act and the Cattle Industry Compensation Act - will be repealed at the appropriate time after this legislation is properly in place.

It is also important to point out that quite a lot of the detail about how this legislation will operate will be contained in the regulations that will be passed after this Act is in place. Those regulations will require the consent of members of both Houses of the Parliament, and in order for the legislation to work in the spirit in which it is intended to work, it will require the broad consent of producers in the various industries. The regulations will be able to be changed and amended at appropriate times to meet changing circumstances. In some instances, this legislation replaces some existing legislation and brings under its umbrella some of the other agricultural industries.

The member for Eyre expressed some concern that the grower organisations had indicated a lack of consultation about this Bill. That was certainly not the case. I assure him there was broad consultation. The Pastoralists and Graziers Association and the Western Australian Farmers Federation were supplied with information and were consulted about this Bill in July by the Chief Executive Officer of Agriculture Western Australia, and there has been some extensive discussion since that time. This Bill has now been on the Notice Paper for some six weeks, so there has been ample opportunity for that discussion to take place. If anything, we have been pushed pretty hard by local government authorities who want to set up some of these schemes, so plenty of people have been urging us to get on with it.

The member for Eyre also expressed some concern about the need for advertising prior to a poll or levy being introduced. I assure him that that advertising will take place, and the details will be outlined in the regulations; and if he and his colleague have any suggestions about how that may be framed, I will be happy to talk to them about that. The member for Eyre then raised a couple of potential problems, one of which was the power in the legislation to require the detail of produce that is produced. In other words, people administering the legislation will know whether all that information is revealed. It might be avoided in different ways, and some method by which information can be obtained is needed. It must be thought through carefully. I will provide more information to the member in that important part of the Act. We do not want litigation to be the means of having the detail provided. A fair mechanism is needed and people must have confidence in the system, so the powers are important.

The member raised the distribution of leftover funding if the scheme were wound up. My experience is that generally when a scheme is wound up, surplus funds are applied across the industry for the benefit of all producers. For example, I had some discussions with members of the pig industry about the Pig Industry Compensation Act, and with members of the cattle industry about the Cattle Industry Compensation Act. I do not intend in my comments to bind people to what they told me in the past; however, they said that the funds should be used across the industry for the benefit of all. To distribute the funds on a one-to-one contributory basis could be difficult. The member for Eyre raised the example of the wider wool industry, which is a very good example. If we raised a lot of money, and a scheme were wound up, we might need some mechanism by which a redistribution could occur. That would not be that difficult. It would be a matter of deciding on a time frame and applying the funds on a contributory basis.

The member for Eyre raised the issue of the accountability procedure of the committees. I am advised that the commission provides umbrella accountability for the committees. Again, he raised an issue about which I would be concerned. It needs to be explained to him and his colleagues in more detail. I will provide that information to Hon Kim Chance prior to the legislation being debated in the Legislative Council.

The member for Bassendean raised a number of issues specifically regarding the horticultural industries, and particularly concerning the eradication of Mediterranean fruit fly from the State. We have had an abandoned orchard scheme for three years at least - maybe longer. The Government provides money to individuals to have orchards bulldozed and cleaned up so they do not provide a continuing hazard. We try as the first step to have abandoned orchards cleaned up by the landowner. When that is not possible, funding has been provided through the Agriculture Protection Board. Cooperation has been forthcoming from people involved in the fruit growing regions. The scheme is already in place. No specific levy has been raised for that, as it has come from general revenue for the ongoing scheme. I cannot give a specific answer on how much more we must do, but it is happening. I cannot give the member a quantified figure regarding the cost of fruit fly eradication. The Agriculture Protection Board is funded largely by the consolidated fund. It has some other specific

funding like the skeleton weed eradication levy raised against grain growers by legislation of Parliament at a rate of 15¢ a tonne this year, if I remember correctly. That is the exception to the rule.

Any savings which can be applied across the board will benefit all primary producers in Western Australia if we can eradicate fruit fly. As a State, we are conscious of the responsibilities of disease and pest eradication in primary industry. A number of education programs have run for a long period, and have been reasonably successful. We not only run education programs involving school children at the airport, but also members may have noticed that we have increased the number of beagle dogs at the airport. The dogs are trained to sniff fruit. They are well worth watching. They are user friendly, perform a good function and are very efficient. It is an embarrassing moment when they discover somebody with undeclared fruit. The dogs picked up a guy who used his bag to take his lunch to work each day, and the smell of fruit had permeated the fabric of his bag. He had no fruit in the bag when caught by the dogs.

The member for Bassendean made a very important point regarding education. We will never stop educating so that people understand the importance of the problem of disease to the State. Since I have been minister, we have had almost one outbreak a year of something unusual. It was apple scab in orchards last year, when drastic action was needed. We have a quick response operation. We bring people in from all over the State to hit those problem areas. We have had terrific cooperation from the industry in the past, and we have managed to deal with those problems by negotiating with industry.

The more people travel, and the greater the number of people entering the State, the greater the problem. In the last couple of years we shifted the border checkpoint from Norseman to the Western Australian-South Australian border, and we established a new checkpoint on the Kununurra entry from the Northern Territory. Many light aircraft enter the State, and we simply cannot cover every landing point where aircraft cross into the State from South Australia and the Territory. The education program is very much part of what we do.

Mr Brown: What about the money for the fruit fly program?

Mr HOUSE: It is applied to areas of the State where a problem exists.

Mr Brown: Is that where there is an outbreak?

Mr HOUSE: Yes. I can provide the member with specific figures in the next week or so, as I cannot give them off the top of my head.

That answers the main issues raised. I have given undertakings to the members for Bassendean and Eyre to provide the additional information I do not have at my fingertips or in my head.

Question put and passed.

Bill read a second time.

#### *Consideration in Detail*

**Clauses 1 to 9 put and passed.**

**Clause 10: Section 6 amended -**

Mr HOUSE: I move -

Page 5, line 25 - To delete "subsection is" and substitute "subsections are".

Page 6, after line 5 - To insert the following -

- (3) In performing its functions in relation to a producers' committee the Commission shall have regard to advice to it from the committee.

These amendments, and those that I will move to the other two clauses, are at the request of either Hon Kim Chance or industry members, in accordance with the way in which this Bill has been debated by them, and they just tidy up some of the functions.

Mr BROWN: I indicate two things: First, I apologise to the minister because a personal matter has arisen which has caused the member for Eyre to be absent from the Chamber. Secondly, I am therefore a weak, second-best stand-in for the member for Eyre.

Mr House: We would never say that.

Mr BROWN: I would. On that basis, I inform the House that my instructions are to agree to the amendments. However, the Labor Party primary industry spokesperson, who is in the other place, will take a closer look at these matters when they get to the other place. Therefore, the mere fact that these amendments will go through this place on the nod should not be interpreted by the minister as automatic acceptance of them by the Opposition, because they may well be scrutinised in more detail in the other place.

**Amendments put and passed.**

**Clause, as amended, put and passed.**

**Clauses 11 and 12 put and passed.**

**Clause 13: Section 10 amended -**

Mr HOUSE: I move -

Page 7, after line 1 - To insert the following -

(3) After section 10(2) the following subsection is inserted -

(2a) In performing its functions under this section and section 11, the Commission shall have regard to any submissions made to it under subsection (2)(f).

Page 7, after line 2 - To insert the following -

(a) by deleting "after considering the submissions made under subsection (2)(f)";

These amendments tidy up a couple of the functions and are self-explanatory.

**Amendments put and passed.****Clause, as amended, put and passed.****Clause 14: Section 11 amended -**

Mr HOUSE: I move -

Page 7, line 17 - To delete the line.

Page 7, lines 20 to 25 - To delete the lines.

Page 7, line 28 to page 8, line 4 - To delete the lines and substitute the following -

(1a) After receiving the nominations the Commission -

(a) shall decide how many members there shall be on the producers' committee; and

(b) if it is of the opinion that a poll of the producers concerned should be held to elect the members, shall conduct a poll.

**Amendments put and passed.****Clause, as amended, put and passed.****Clauses 15 to 34 put and passed.****Title put and passed.**

*House adjourned at 9.56 pm*

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**QUESTIONS ON NOTICE**

Questions and answers are as supplied to Hansard.
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**TOURIST MAPS, COORDINATION OF PRODUCTION**

179. Mr BROWN to the Parliamentary Secretary to the Minister for Tourism:

- (1) Has the Government given any consideration to consolidating and co-ordinating arrangements under which various departments produce tourist maps?
- (2) Will the Government give consideration to such an initiative?
- (3) If so, when?
- (4) If not, why not?

Mr BRADSHAW replied:

- (1)-(4) Refer to response given for question on notice 178.

**SPEEDWAY CONSTRUCTION, COSTS**

521. Mr McGOWAN to the Parliamentary Secretary to the Minister for Sport and Recreation:

- (1) Is it true that the initial commitment by Government to sports of drag and/or speedway was to find those sports a new location?
- (2) If the answer to (1) above is yes, when and why was that commitment extended to include meeting the capital costs of construction of those facilities?
- (3) What amount has been budgeted for the capital costs of construction?
- (4) Is it true that no provision has been made for land costs?
- (5) Have any cost estimates been completed for the speedway complex?
- (6) If the answer to (5) above is yes, are they on or over budget?

Mr MARSHALL replied:

- (1) Yes.
- (2) Government's commitment to meet the capital costs of construction was endorsed in the 1999/2000 budget. The Government recognises speedway and drag racing as legitimate sports and accepts that the costs of providing the necessary infrastructure are not able to be met by the relevant sporting bodies. On that basis, Government agreed to fund the construction of the facilities for use by motor sports.
- (3) \$16 million.
- (4)-(5) Yes.
- (6) A range of development options have been prepared which have been costed at \$16 million and above.

**GOVERNMENT CONTRACTS, CONEY STEVENS PROJECT MANAGEMENT PTY LTD**

667. Ms McHALE to the Minister representing the Minister for Racing and Gaming:

- (1) How many contracts were awarded to Coney Stevens Project Management by agencies and departments under the Minister's control in -
  - (a) 1996-97;
  - (b) 1997-98; and
  - (c) 1998-99?
- (2) For each contract, will the Minister state -
  - (a) the project that the contract was awarded for;
  - (b) the date that the contract was awarded;
  - (c) the expiry date of the contract;
  - (d) the value of the contract;
  - (e) did the contract go to tender; and
  - (f) how many companies or individuals submitted tenders?

Mr COWAN replied:

The Minister for Racing and Gaming has provided the following response:

- (1)-(2) There were no contracts awarded to Coney Stevens Project Management by any agencies or departments under the control of the Minister for Racing and Gaming in the years 1996/97, 1997/98 and 1998/99.

GOVERNMENT CONTRACTS, CONEY STEVENS PROJECT MANAGEMENT PTY LTD

674. Ms McHALE to the Parliamentary Secretary to the Minister for Sport and Recreation:

- (1) How many contracts were awarded to Coney Stevens Project Management by agencies and departments under the Minister's control in -
- (a) 1996-97;
  - (b) 1997-98; and
  - (c) 1998-99?
- (2) For each contract, will the Minister state -
- (a) the project that the contract was awarded for;
  - (b) the date that the contract was awarded;
  - (c) the expiry date of the contract;
  - (d) the value of the contract;
  - (e) did the contract go to tender; and
  - (f) how many companies or individuals submitted tenders?

Mr MARSHALL replied:

- (1) (a)-(c) Nil.
- (2) (a)-(f) Not applicable.

ONSLow, INFILL SEWERAGE CONTRACT

690. Mr BROWN to the Minister for Water Resources:

- (1) Did the Water Corporation contract Triad Contractors, or a company with a similar name, to provide infill sewerage in Onslow?
- (2) What is the full name of the company so engaged?
- (3) What was the nature of the contract in terms of the work to be performed?
- (4) Did Triad Contractors under its contract with the Water Corporation run pipes through the sea wall in Onslow?
- (5) Did the Water Corporation give Triad contractors any instruction about maintaining the integrity/structural soundness of the sea wall when the pipes were laid through it?
- (6) What was the nature of the instructions?
- (7) It is true that the sea wall gave way during the cyclone earlier this year and gave way in the exact area where the pipes had been laid through it by Triad Contractors?
- (8) What checks were made by the Water Corporation on the work carried out by Triad Contractors on the sea wall?
- (9) When were the checks made?
- (10) Where any checks made between the date that the work being carried out by Triad Contractors commenced and the date of the cyclone earlier this year that inflicted major damage on Onslow?

Dr HAMES replied:

- (1) Yes.
- (2) Achron Pty Ltd trading as Triad Contractors, ACN 009 014 895.
- (3) The contract was to construct Onslow 1B sewage infill area, a wastewater treatment plant, a pumping station and 2288 metres of pressure main from the pump station to the wastewater treatment plant. The contract served 221 lots by the laying of 4790m of 150mm pvc pipe, 1695 m of 225mm pvc pipe and 23m of 300mm pvc pipe.
- (4) No.
- (5)-(9) Not applicable.

ONSLow, WATER DAMAGE TO PROPERTIES

691. Mr BROWN to the Minister for Water Resources:

- (1) Has the Water Corporation commissioned or had prepared one or more reports on the water damage to Onslow properties as a result of the cyclone earlier this year?
- (2) What reports has the Water Corporation commissioned, had prepared or obtained?
- (3) Who wrote/prepared each report?

- (4) What were the key findings of each report?
- (5) Has the Onslow community been provided with a copy of each report?
- (6) If not, why not?
- (7) Will the Government/Minister make a copy of the report(s) available to the Onslow community?
- (8) If not, why not?

Dr HAMES replied:

- (1) No.
- (2) The Water Corporation commissioned an independent report on the infill sewerage work undertaken in the vicinity of the drainage sump bund wall, which is located some 30 metres inland from the seawall. The report was to assist the Corporation's insurers determine any liability on the Corporation's part for the sea water inundation of parts of Onslow.
- (3) Port and Harbour Consultants.
- (4)-(8) The report is protected by legal professional privilege and forms part of the Water Corporation's brief to its insurers. As such, no information from the report is available. The Corporation's insurers do not accept that there is any claim against it.

#### ONSLOW, SEAWATER DAMAGE

692. Mr BROWN to the Minister for Water Resources:

- (1) Has the Water Corporation given any consideration to compensating residents in Second and Third Streets Onslow for the seawater damage caused to properties and gardens?
- (2) Has the Water Corporation accepted liability for the damage caused by the seawater?
- (3) If not why not?
- (4) Does the Water Corporation accept that sea water ran onto these streets and properties as a result of the sea wall being breached in the precise area where Triad Contractors installed pipes for the Water Corporation?
- (5) Does the Water Corporation intend to compensate residents for the damage caused to properties and gardens?
- (6) If not why not?
- (7) If so, when?
- (8) Has the Minister/Water Corporation received an -
  - (a) instruction; and
  - (b) request,that the wall be properly repaired?
- (9) On what date, was that instruction/request received?

Dr HAMES replied:

- (1) Yes.
- (2) No.
- (3) This matter is with the Water Corporation's insurers.
- (4)-(5) No.
- (6) The Water Corporation is not liable.
- (7) Not applicable.
- (8) No.
- (9) Not applicable.

#### GOVERNMENT CONTRACTS, WESTERN PACIFIC CONSULTING

729. Mr RIPPER to the Parliamentary Secretary to the Minister for Tourism:

- (1) Has the company 'Western Pacific Consulting' provided any form of service for departments under the Minister's control?
- (2) If yes -

- (a) what was the nature of the service;
- (b) when was the service provided; and
- (c) what was the cost of the service?

Mr BRADSHAW replied:

WESTERN AUSTRALIAN TOURISM COMMISSION (WATC)

- (1) Yes.
- (2) (a) Staff Purchasing Training.
- (b) February 1999.
- (c) \$267 (CAMS panel contract).

ROTTNEST ISLAND AUTHORITY (RIA)

- (1) Yes.
- (2) (a) Purchasing Environment Training Course.
- (b) 6 September 1999.
- (c) \$125

GOVERNMENT DEPARTMENTS AND AGENCIES, GRANTS, LOANS AND FINANCIAL ASSISTANCE

734. Mr RIEBELING to the Minister representing the Attorney General:

Will the Attorney General provide the following details of all grants, loans and any other form of financial assistance, offered within the Attorney General's portfolio -

- (a) the name of the financial assistance;
- (b) the purpose of the assistance;
- (c) the eligibility criteria for assistance;
- (d) the actual expenditure in -
  - (i) 1997-98;
  - (ii) 1998-99; and
- (e) the budgeted allocation in 1999-2000?

Mr PRINCE replied:

Court Services' grants comprise:

1.
  - (a) Legal Practice Board.
  - (b) The contribution to the Legal Practice Board is for the running of the Law Library. Previously this grant was paid from Treasury, however it was determined that the funds would be part of the Ministry of Justice budget.
  - (c) Not applicable.
  - (d) (i) \$250,000
  - (ii) \$250,000
  - (e) \$250,000
2.
  - (a) Citizens' Advice Bureau.
  - (b) Assists with the mediation services offered by the centre.
  - (c) Incorporated non profit organisation, well regarded, and ability to provide mediation services.
  - (d) (i) \$48,750
  - (ii) \$16,250
  - (e) \$32,500
3.
  - (a) Bunbury Community Legal Centre.
  - (b) Assists with the mediation services offered by the centre.
  - (c) Incorporated non profit organisation, well regarded, and ability to provide mediation services.
  - (d) (i) \$48,750
  - (ii) \$16,250
  - (e) \$32,500
4.
  - (a) Gosnells District Information Service.
  - (b) Assists with the mediation services offered by the centre.
  - (c) Incorporated non profit organisation, well regarded, and ability to provide mediation services.
  - (d) (i) \$48,750
  - (ii) \$16,250
  - (e) \$32,500
5.
  - (a) Legal Practice Board.
  - (b) To meet the cost of office accommodation, transcripts, telephones, electricity, office equipment and member fees.
  - (c) Not applicable.
  - (d) (i) \$78,786
  - (ii) \$49,585
  - (e) \$68,000

- 6.
- (a) Australian Institute of Judicial Administration.
  - (b) Annual contribution towards the cost of activities associated with achieving excellence in judicial administration.
  - (c) Not applicable.
  - (d) (i) \$15,645  
(ii) \$15,721
  - (e) \$15,000
- 7.
- (a) Legal Costs Committee.
  - (b) To meet the cost of members' fees.
  - (c) Not applicable.
  - (d) (i) \$57,000  
(ii) \$57,000
  - (e) \$57,000
- 8.
- (a) Royal Association of Justices.
  - (b) To meet the cost of office accommodation and the production of the monthly Justices of the Peace journal.
  - (c) Not applicable.
  - (d) (i) \$44,394  
(ii) \$51,007
  - (e) \$50,000
- 9.
- (a) Francis Burt Law Education Centre.
  - (b) Sponsorship of an interschool mock trial competition.
  - (c) Not applicable.
  - (d) (i) Nil.  
(ii) \$15,000
  - (e) \$15,000
- 10.
- (a) Law Society of Western Australia.
  - (b) Sponsorship of an advocacy training course for legal practitioners.
  - (c) Not applicable.
  - (d) (i) Nil.  
(ii) \$6,000
  - (e) \$6,000
- 11.
- (a) Defendants' Costs
  - (b) Provides for the payment of costs to successful defendants in official prosecution
  - (c) *Official Prosecutions (Defendants Costs) Act 1973.*
  - (d) (i) \$814,662  
(ii) \$861,800
  - (e) \$1,000,000
- 12.
- (a) Criminal Injuries.
  - (b) Compensation for criminal injuries.
  - (c) Awards are made in accordance with Criminal Injuries Compensation Acts (1982 and 1985).
  - (d) (i) \$11,145,000  
(ii) \$13,589,327
  - (e) \$11,300,000

## Offender Management grants comprise:

- 1.
- (a) Juvenile Justice Community Funding Program.
  - (b) To purchase services within local communities to address youth crime.
  - (c) Incorporated non profit organisations who are able to provide programs that meet local needs identified by the Ministry of Justice.
  - (d) (i) \$1,680,000  
(ii) \$1,680,000
  - (e) \$1,768,543 (approximately). This figure includes the cost of administration of the program. It is expected some \$1,680,000 will be available for the purchase of services.

## Grants to the Legal Aid Commission:

- 1.
- (a) Grants to the Legal Aid Commission.
  - (b) States' contribution towards the running of the Legal Aid Commission which is governed by a Funding Agreement.
  - (c) *Legal Aid Commission Act 1976.*
  - (d) (i) \$10,145,000  
(ii) \$11,539,750
  - (e) \$11,838,000

## Grants administered for Safer WA

- 1.
- (a) Safer WA Fund.

- (b) For Crime Prevention projects valued between \$10,000 and \$50,000 for up to three years. This is administered by the Ministry of Justice on behalf of the Safer WA Committee.
- (c) Funding is available for applications from not for profit legally constituted groups to reduce the incidence of offending, addressing factors contributing to criminal activity or reducing the level of fear of crime.
- (d) (i)-(ii) Nil.
- (e) \$500,000

GOVERNMENT DEPARTMENTS AND AGENCIES, GRANTS, LOANS AND FINANCIAL ASSISTANCE

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

Will the Minister provide the following details of all grants, loans and any other form of financial assistance, offered within the Minister's portfolio -

- (a) the name of the financial assistance;
- (b) the purpose of the assistance;
- (c) the eligibility criteria for assistance;
- (d) the actual expenditure in -
  - (i) 1997-98;
  - (ii) 1998-99; and
- (e) the budgeted allocation in 1999-2000?

Mrs van de KLASHORST replied:

Court Services' grants comprise:

1.
  - (a) Legal Practice Board.
  - (b) The contribution to the Legal Practice Board is for the running of the Law Library. Previously this grant was paid from Treasury, however it was determined that the funds would be part of the Ministry of Justice budget.
  - (c) Not applicable.
  - (d) (i) \$250,000  
(ii) \$250,000
  - (e) \$250,000
2.
  - (a) Citizens' Advice Bureau.
  - (b) Assists with the mediation services offered by the centre.
  - (c) Incorporated non profit organisation, well regarded, and ability to provide mediation services.
  - (d) (i) \$48,750  
(ii) \$16,250
  - (e) \$32,500
3.
  - (a) Bunbury Community Legal Centre.
  - (b) Assists with the mediation services offered by the centre.
  - (c) Incorporated non profit organisation, well regarded, and ability to provide mediation services.
  - (d) (i) \$48,750  
(ii) \$16,250
  - (e) \$32,500
4.
  - (a) Gosnells District Information Service.
  - (b) Assists with the mediation services offered by the centre.
  - (c) Incorporated non profit organisation, well regarded, and ability to provide mediation services.
  - (d) (i) \$48,750  
(ii) \$16,250
  - (e) \$32,500
5.
  - (a) Legal Practice Board.
  - (b) To meet the cost of office accommodation, transcripts, telephones, electricity, office equipment and member fees.
  - (c) Not applicable.
  - (d) (i) \$78,786  
(ii) \$49,585
  - (e) \$68,000
6.
  - (a) Australian Institute of Judicial Administration.
  - (b) Annual contribution towards the cost of activities associated with achieving excellence in judicial administration.
  - (c) Not applicable.
  - (d) (i) \$15,645  
(ii) \$15,721
  - (e) \$15,000
7.
  - (a) Legal Costs Committee.
  - (b) To meet the cost of members' fees.
  - (c) Not applicable.

- (d) (i) \$57,000  
(ii) \$57,000  
(e) \$57,000
8. (a) Royal Association of Justices.  
(b) To meet the cost of office accommodation and the production of the monthly Justices of the Peace journal.  
(c) Not applicable.  
(d) (i) \$44,394  
(ii) \$51,007  
(e) \$50,000
9. (a) Francis Burt Law Education Centre.  
(b) Sponsorship of an interschool mock trial competition.  
(c) Not applicable.  
(d) (i) Nil.  
(ii) \$15,000  
(e) \$15,000
10. (a) Law Society of Western Australia.  
(b) Sponsorship of an advocacy training course for legal practitioners.  
(c) Not applicable.  
(d) (i) Nil.  
(ii) \$6,000  
(e) \$6,000
11. (a) Defendants' Costs  
(b) Provides for the payment of costs to successful defendants in official prosecution  
(c) *Official Prosecutions (Defendants Costs) Act 1973.*  
(d) (i) \$814,662  
(ii) \$861,800  
(e) \$1,000,000
12. (a) Criminal Injuries.  
(b) Compensation for criminal injuries.  
(c) Awards are made in accordance with Criminal Injuries Compensation Acts (1982 and 1985).  
(d) (i) \$11,145,000  
(ii) \$13,589,327  
(e) \$11,300,000

## Offender Management grants comprise:

1. (a) Juvenile Justice Community Funding Program.  
(b) To purchase services within local communities to address youth crime.  
(c) Incorporated non profit organisations who are able to provide programs that meet local needs identified by the Ministry of Justice.  
(d) (i) \$1,680,000  
(ii) \$1,680,000  
(e) \$1,768,543 (approximately). This figure includes the cost of administration of the program. It is expected some \$1,680,000 will be available for the purchase of services.

## Grants to the Legal Aid Commission:

1. (a) Grants to the Legal Aid Commission.  
(b) States' contribution towards the running of the Legal Aid Commission which is governed by a Funding Agreement.  
(c) *Legal Aid Commission Act 1976.*  
(d) (i) \$10,145,000  
(ii) \$11,539,750  
(e) \$11,838,000

## Grants administered for Safer WA

1. (a) Safer WA Fund.  
(b) For Crime Prevention projects valued between \$10,000 and \$50,000 for up to three years. This is administered by the Ministry of Justice on behalf of the Safer WA Committee.  
(c) Funding is available for applications from not for profit legally constituted groups to reduce the incidence of offending, addressing factors contributing to criminal activity or reducing the level of fear of crime.  
(d) (i)-(ii) Nil.  
(e) \$500,000

## GOVERNMENT CONTRACTS, IN EXCESS OF \$50 000

782. Mr BROWN to the Minister representing the Attorney General:

- (1) How many contracts of \$50 000 or more (excluding employment contracts) has each department and agency under the Attorney General's control entered into between 1 June 1999 and 31 July 1999?

- (2) What was the amount of each contract?  
 (3) What is the name of each person/entity with whom the contract has been entered into?  
 (4) What is the nature of the work or service required by the contract?  
 (5) What is the completion date of each contract?

Mr PRINCE replied:

- (1) 23.  
 (2)-(5)  
 1. (2) \$79,000  
 (3) People in Computers.  
 (4) Information Services support for Offender Management.  
 (5) 20 October 1999.  
 2. (2) \$80,000  
 (3) Relationships Australia.  
 (4) Parenting Course for Adults Caring for Difficult Young People.  
 (5) 30 June 2001.  
 3. (2) \$85,000  
 (3) Augira Solutions.  
 (4) Remediate and test the Court Services Division computer applications.  
 (5) 2 December 1999.  
 4. (2) \$93,000  
 (3) Mission Australia.  
 (4) Counselling and support services to drug abusing or addicted young people and their parents.  
 (5) 31 December 2000.  
 5. (2) \$100,000  
 (3) Burdiya Aboriginal Corporation.  
 (4) Life skills training, outreach and informal counselling.  
 (5) 30 September 2001.  
 6. (2) \$111,720  
 (3) Platinum Technology.  
 (4) Project Manager for Court Services Year 2000 Projects.  
 (5) 21 January 2000.  
 7. (2) \$114,000  
 (3) Avon Youth Services.  
 (4) Youth Development Program based on a Casework Model.  
 (5) 30 September 2001.  
 8. (2) \$130,000  
 (3) Archer Program.  
 (4) Holistic Case Work Model designed to offer positive alternatives to young people.  
 (5) 30 June 2001.  
 9. (2) \$140,000  
 (3) City of Cockburn.  
 (4) Broad based service of youth support, counselling and programs.  
 (5) 30 September 2001.  
 10. (2) \$140,000  
 (3) Koombah-Jenn Kadadying Self Experiment Program.  
 (4) Range of positive alternatives to enhance self-esteem.  
 (5) 30 June 2001.  
 11. (2) \$150,000  
 (3) Kaye Cook.  
 (4) Offender Remedial Treatment Programmes - Northam.  
 (5) 26 July 2000.  
 12. (2) \$176,000  
 (3) Youth Involvement Council.  
 (4) Drop in Centre Plus and Outreach Service.  
 (5) 30 June 2001.

13. (2) \$180,000  
(3) Holyoake.  
(4) Targeting young people and their parents who are at risk of or involved in addictive behaviours.  
(5) 31 December 2000.
14. (2) \$180,000  
(3) Koondoola & Girrawheen Youth Inc.  
(4) Automotive workshop skills training program.  
(5) 30 September 2001.
15. (2) \$180,000  
(3) Rockingham/Kwinana Youth Skills.  
(4) Automotive workshop skills training program.  
(5) 30 June 2001.
16. (2) \$180,000  
(3) Town of Bassendean.  
(4) Counselling to youth and their parents together with a drop in centre and outreach service.  
(5) 30 September 2001.
17. (2) \$210,000  
(3) Rotary Club of Carnarvon.  
(4) Automotive and Skills Training Program.  
(5) 30 June 2001.
18. (2) \$230,000  
(3) Youth Legal Services.  
(4) Statewide specialist juvenile justice legal advice and information service.  
(5) 30 June 2001.
19. (2) \$240,000  
(3) Armadale, Gosnells District Youth Resources.  
(4) Services targeting young people at risk or involved in offender behaviour in the Armadale Gosnells area.  
(5) 30 June 2001.
20. (2) \$252,000  
(3) Geraldton Streetwork Aboriginal Corporation.  
(4) Youth Support Program - Geraldton.  
(5) 30 June 2001.
21. (2) \$279,195  
(3) Ernst & Young.  
(4) Development of detailed requirement specifications for the proposed Fines 2000 System.  
(5) 9 January 2000.
22. (2) \$375,000  
(3) Centrecare.  
(4) Support services to offenders, newly released offenders and families.  
(5) 31 May 2000.
23. (2) \$1,000,000  
(3) Sedgwick.  
(4) Insurance Brokerage Services.  
(5) 31 May 2000.

GOVERNMENT CONTRACTS, IN EXCESS OF \$50 000

788. Mr BROWN to the Minister for Lands; Fair Trading; Parliamentary and Electoral Affairs:
- (1) How many contracts of \$50 000 or more (excluding employment contracts) has each department and agency under the Minister's control entered into between 1 June 1999 and 31 July 1999?
- (2) What was the amount of each contract?
- (3) What is the name of each person/entity with whom the contract has been entered into?
- (4) What is the nature of the work or service required by the contract?
- (5) What is the completion date of each contract?

Mr SHAVE replied:

I am advised:

Department of Land Administration  
(1) One (14 June 1999).

(2)	(\$144,000)	1999	\$29,000
		2000	\$50,000
		2001	\$30,000
		2002	\$20,000
		2003	\$10,000
		2004	\$5,000

(3) Epic Energy (WA Transmission) Pty Ltd.

(4) Software licence agreement.

(5) 31 December 2004.

Western Australian Electoral Commission

(1) None.

(2)-(5) Not applicable.

Ministry of Fair Trading

(1) 9.

(2)	(a)	\$50,000
	(b)	\$50,000
	(c)	\$50,000
	(d)	\$50,000
	(e)	\$65,000
	(f)	\$65,000
	(g)	\$65,000
	(h)	\$230,000
	(i)	\$118,628 and \$8,806 maintenance per year.

(3) (a) Goldfields Community Legal Centre.

(b) Geraldton Resource Centre.

(c) Agencies for South West Accommodation.

(d) Pilbara Community Legal Centre.

(e) Gosnells Community Legal Centre and Sussex Street Community Law Service (in consortium).

(f) Community Legal and Advocacy Centre and Southern Communities Advocacy and Legal Education Services (in consortium).

(g) Northern Suburbs Community Legal Centre.

(h) Tenants Advice Service.

(i) Nortel Networks Australia.

(4) (a)-(h) The contracts form part of a network model for the provision of tenancy and education services across the State. The Goldfields Community Legal Centre, the Geraldton Resource Centre, Agencies for South West Accommodation, and the Pilbara Community Legal Centre were the local service providers which were awarded contracts for the provision of tenancy advice and education services in regional areas.

The Gosnells Community Legal Centre and Sussex Street Community Law Service (in consortium), the Community Legal and Advocacy Centre and Southern Communities Advocacy and Legal Education Services (in consortium), and the Northern Suburbs Community Legal Centre were the local service providers which were awarded contracts for the provision of tenancy advice and education services in the metropolitan area.

The Tenants Advice Service was awarded a contract for the provision of a Resource Unit, to provide support to the local service providers in the delivery of tenancy advice and education services.

(i) Refers to Nortel Networks Australia who were awarded a contract to provide the Ministry of Fair Trading's telephone system.

(5) The completion date of each contract (a)-(h) is 31 July 2000. The supply and installation completion date for the telephone system is September 24, 1999 with a maintenance contract of seven years.

LandCorp

(1) 25 contracts.

(2)-(5) See below.

(2)	(3)	(4) Nature of the work or service		(5)
Amt of Contracts \$	Name of each person/entity with whom the contract has been entered into	Project	Description	Completion Date
141 496	Water Corporation	Currambine - The Crest	Water Sewerage Headworks	30 June 1999
216 596	Western Power Corporation	Wangara-Enterprise Park	Western Power Fees	1 Sep 1999
123 340	Water Corporation	Joondalup Lakefront	Stage 1B Headworks	2 Aug 1999
2 699 408	Works Infrastructure	Salter Point (Mt Henry)	Stage 1 Civil Works	30 Oct 1999
735 763	RJ Vincent & Co	Joondalup CBD	Kendrew Crescent/Subdivision Works	31 Oct 1999
295 550	Russell Landscaping (WA) Pty Ltd	Currambine - The Crest	Landscaping Stages 3 & 4	31 Aug 1999
465 012	Works Infrastructure	Currambine - The Crest	Civil Works Stage 5	30 Sep 1999
50 211	DME Contractors	Hamilton Hill	Upgrade Landscaping - Robb Jetty	21 July 1999
108 000	Gutteridge Haskins & Davey Pty Ltd	Bunbury-Marlston Hill	Civil Engineering-Base Free	31 Dec 2000
54 262	Gateway 2000 Pty Ltd	Corporate Management	13 Notebook Computers	11 May 1999
840 084	Ertech Pty Ltd	North Fremantle Cypress Hill	Civil Works Package	31 Dec 1999
164 265	D M Civil	Atwell-Beeliar Parklands	Civil Works	10 July 1999
945 374	Malavoca Pty Ltd	Carnarvon-Northwater	Stage 1A Subdivision Contract (34 Lots)	10 Aug 1999
80 000	Gutteridge Haskins & Davey Pty Ltd	Joondalup CBD	Police Academy/Kendrew Works	31 Dec 1999
217 289	Western Power Corporation	Geraldton-Batavia Marina	Western Power Headworks Fees	30 July 1999
1 050 653	Bocol Constructions	Joondalup CBD	Construction Lawley Court Bridge	31 Dec 1999
205 163	Western Power Corporation	Joondalup Lakefront	Underground Distribution Services Stage 2A	1 Nov 1999
83 441	Landscape Australia	Churchlands-Tuscany	Landscaping Maintenance	7 Aug 1999
287 009	Landscape Australia	Churchlands-Tuscany	Landscaping of POS & Drain	12 Sep 1999
314 467	City of Stirling	Churchlands-Tuscany	Cash in Lieu of POS (condition of subdivision)	30 July 1999
80 000	Simto Australia	Mosman Park-Minim Cove	Contaminated Waste Off Site Haulage	16 July 1999
200 000	Dept of Land Administration	Karratha Burrup Peninsula	Pilbara Land Assembly Process	30 June 2002
568 937	Georgiou Corporation	Canning Vale Industrial Park	Civil Works to Provide 13 Lots in Stage 2 of Baile Road Subdivision	31 Dec 1999
647 188	RJ Vincent & Co	Currambine - The Crest	Civil Works Stage 6	1 Nov 1999
56 849	Water Corporation	Wangara-Enterprise Park	Headworks for Stage 4	14 Aug 1999

**GOVERNMENT CONTRACTS, IN EXCESS OF \$50 000**

800. Mr BROWN to the Parliamentary Secretary to the Minister for Justice:

- (1) How many contracts of \$50 000 or more (excluding employment contracts) has each department and agency under the Minister's control entered into between 1 June 1999 and 31 July 1999?
- (2) What was the amount of each contract?

- (3) What is the name of each person/entity with whom the contract has been entered into?  
 (4) What is the nature of the work or service required by the contract?  
 (5) What is the completion date of each contract?

Mrs van de KLASHORST replied:

- (1) 23.
- (2)-(5)
1.
    - (2) \$79,000
    - (3) People in Computers.
    - (4) Information Services support for Offender Management.
    - (5) 20 October 1999.
  2.
    - (1) \$80,000
    - (2) Relationships Australia.
    - (3) Parenting Course for Adults Caring for Difficult Young People.
    - (4) 30 June 2001.
  3.
    - (2) \$85,000
    - (3) Augira Solutions.
    - (4) Remediate and test the Court Services Division computer applications.
    - (5) 2 December 1999.
  4.
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    - (2) \$111,720
    - (3) Platinum Technology.
    - (4) Project Manager for Court Services Year 2000 Projects.
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    - (3) Kaye Cook.
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    - (5) 26 July 2000.
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    - (2) \$176,000
    - (3) Youth Involvement Council.
    - (4) Drop in Centre Plus and Outreach Service.
    - (5) 30 June 2001.

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(4) Targeting young people and their parents who are at risk of or involved in addictive behaviours.  
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22. (2) \$375,000  
(3) Centrecare.  
(4) Support services to offenders, newly released offenders and families.  
(5) 31 May 2000.
23. (2) \$1,000,000  
(3) Sedgwick.  
(4) Insurance Brokerage Services.  
(5) 31 May 2000.

GOVERNMENT CONTRACTS, IN EXCESS OF \$50 000

801. Mr BROWN to the Parliamentary Secretary to the Minister for Sport and Recreation:
- (1) How many contracts of \$50 000 or more (excluding employment contracts) has each department and agency under the Minister's control entered into between 1 June 1999 and 31 July 1999?
- (2) What was the amount of each contract?
- (3) What is the name of each person/entity with whom the contract has been entered into?
- (4) What is the nature of the work or service required by the contract?
- (5) What is the completion date of each contract?

Mr MARSHALL replied:

- (1) The WA Sports Centre Trust has entered into one contract of \$50,000 or more between 1 June 1999 and 31 July 1999.

- (2) \$224 270 per annum.
- (3) Turfmaster Pty Ltd - trading as Kim Gorey Turf Maintenance Contractors.
- (4) Grounds maintenance contract at Challenge Stadium and Arena Joondalup.
- (5) 17 June 2003 with two, two year extension options.

CONVENTION AND EXHIBITION CENTRE, NORTHBRIDGE SITE

810. Mr McGOWAN to the Parliamentary Secretary to the Minister for Tourism:

- (1) What facilities are constructed on the Northbridge proposed site of the Perth Convention Centre?
- (2) What will happen to these facilities if the Convention Centre is constructed on this site?
- (3) Where will they be moved to?
- (4) What is the estimated cost of this?
- (5) Who will meet this cost?

Mr BRADSHAW replied:

- (1) The Wellington Street Bus Station and the Entertainment Centre car park.
- (2) The existing operational uses will be retained or replicated in any redevelopment.
- (3) Not applicable.
- (4) As the proposed development is still the subject of a confidential and highly competitive selection process, it is both improper to speculate, and impossible to estimate the costs.
- (5) The preferred provider.

CONVENTION AND EXHIBITION CENTRE, RIVERSIDE DRIVE SITE

811. Mr McGOWAN to the Parliamentary Secretary to the Minister for Tourism:

- (1) What facilities are constructed on the Riverside Drive/Perth Busport proposed site of the Perth Convention Centre?
- (2) What will happen to these facilities if the Convention Centre is constructed on this site?
- (3) Where will they be moved to?
- (4) What is the estimated cost of this?
- (5) Who will meet this cost?

Mr BRADSHAW replied:

- (1) The City Busport and the Mill Street car park.
- (2) The existing operational uses will be retained or replicated in any redevelopment.
- (3) Not applicable.
- (4) As the proposed development is still the subject of a confidential and highly competitive selection process, it is both improper to speculate, and impossible to estimate the costs.
- (5) The preferred provider.

MINING, SAFETY AND JOB SECURITY

819. Mr BROWN to the Minister representing the Minister for Mines:

- (1) Is the Minister aware of an article that appeared in *The West Australian* on Monday, 12 July 1999 concerning a survey released by the Mineral Council of Australia showing there were high levels of risk taking in the mining industry as workers cut corners to maintain jobs they saw as insecure?
- (2) Does the Minister/Government accept the findings of the survey?
- (3) If not why not?
- (4) What measures does the Government plan to take to improve job security in the mining industry?
- (5) When will those steps be taken?

Mr BARNETT replied:

- (1) I am aware of the article, which provides superficial and selective comment on a broadly based national survey of a representative group of mines. The article is inaccurate in some elements.

- (2) Yes, insofar as it presents a generalised report on mining across Australia, without giving details for each State. The Survey report is generally more positive in relation to Western Australia.
- (3) Not applicable.
- (4) The Government's policy is to maintain and continuously improve the legislative and economic framework within which the industry operates in Western Australia. It should not and cannot intervene directly in employment levels within enterprises.
- (5) In addition to improving the framework within which the industry operates, I recently released a package of initiatives designed to assist mining operations to remain viable during a market downturn.

#### HOUSING, PROPERTY SALES IN HUNT STREET, SOUTH HEDLAND

838. Mr GRAHAM to the Minister for Housing:

- (1) How many properties in Hunt Street, South Hedland have been sold since 4 February 1993?
- (2) On what date was each property settled?
- (3) What was the selling price of each property?
- (4) Was each property advertised for sale?
- (5) If the answer to question (4) is no -
  - (a) why not;
  - (b) which properties were not advertised;
  - (c) who was the purchaser of each property; and
  - (d) how was the selling price determined for each property?
- (6) If the answer to question (4) above is yes -
  - (a) on what date was each property advertised;
  - (b) where was each property advertised; and
  - (c) how was the selling price for each property determined?

Dr HAMES replied:

- (1) 15.
- (2)-(3)
 

Lot 3	13/05/1994	\$21,000.00
Lot 4	16/01/1996	\$20,000.00
Lot 5	16/01/1996	\$20,000.00
Lot 6	16/11/1996	\$20,000.00
Lot 9	17/12/1993	\$20,000.00
Lot 10	16/01/1996	\$20,000.00
Lot 11	16/01/1996	\$20,000.00
Lot 12	28/04/1998	\$120,000.00
Lot 13	28/07/1997	\$84,816.00
Lot 5258	18/03/1997	\$85,000.00
Lot 5259	18/03/1997	\$114,000.00
Lot 5260	18/03/1997	\$85,000.00
Lot 5261	15/08/1997	\$40,000.00
Lot 5262	15/08/1997	\$60,000.00
Lot 5263	15/08/1997	\$55,000.00

- (4) Yes.
- (5) Not applicable.
- (6)
  - (a)-(b) On initial release, in the Northwest Telegraph on 1 September and 27 October 1993, also on August 22 and 29 and September 5 and 12, 1996. The Northwest Telegraph paper is distributed to Port Hedland, Broome, Derby and Karratha. In the West Australian Real Estate Country section and Property Section on August 17, 21, 24, 28 and 31 and September 4, 7, 11 and 14, 1996. Brochures were distributed by the real estate agent to interested parties. Signage was strategically placed for maximum exposure.
  - (c) Prices were determined based on appraisals from local agents and valuations from independent licensed valuers.

#### ST JOHN'S WOOD, CLAREMONT, GROUND WATER CONTAMINATION

916. Dr EDWARDS to the Minister for Water Resources:

- (1) Is groundwater beneath or adjacent to St John's Wood, Claremont contaminated?
- (2) If yes, what is the extent of this contamination?
- (3) What is the cause or what has contributed to this contamination?

- (4) How is this monitored?
- (5) What notification is given to landowners?

Dr HAMES replied:

- (1) Yes, there is contaminated groundwater within the St John's Wood area.
- (2) Previous investigations have indicated that contamination extends 2.5km southwest from the vicinity of the former Brockway Road landfill and the Subiaco Wastewater Treatment Plant. The contamination plume is approximately 700 metres long.
- (3) The composition of the plume is consistent with the former sludge beds at the Subiaco Wastewater Treatment Plant and the former Brockway Road landfill being the sources of contamination.
- (4) The City of Nedlands is monitoring private bores in the area. The City of Nedlands, Water and Rivers Commission, Water Corporation, Department of Environmental Protection and LandCorp have recently formed a working group to more fully investigate groundwater contamination in the area and to determine management strategies for the contamination problem.
- (5) Landowners were informed about the contamination problem in 1994 by media release and letter drop. The City of Nedlands has continued to liaise with affected residents in the area about the contamination problem.

#### MIDLAND REDEVELOPMENT AUTHORITY, WETLANDS CONSERVATION POLICY

950. Mrs ROBERTS to the Minister for Planning:

- (1) Will the Midland Redevelopment Authority be bound by the Government's Wetlands Conservation Policy?
- (2) If not, why not?

Mr KIERATH replied:

- (1) Yes.
- (2) Not applicable.

### QUESTIONS WITHOUT NOTICE

#### BELLTOWER

**319. Dr GALLOP to the Premier:**

- (1) Is the Government still committed to the belltower project despite recent polls showing that the majority of Western Australians do not want their taxes wasted on this monument?
- (2) If so, has a successful tenderer for the construction of the belltower been chosen, and who is it?
- (3) Did the bid come in at or under the \$5.5m which has been budgeted for the belltower?
- (4) If not, what is the revised estimated construction cost?

**Mr COURT replied:**

- (1)-(4) I do not have a pet belltower project. If the Leader of the Opposition had given some notice of that question I could have given him specific answers, because the tender has been let and it has come in under the estimated amount. That was reported in the media, and if the Leader of the Opposition would like that information I can get it for him this afternoon.

The bells were gifted to Western Australia when a former leader of the Labor Party, Mr Ron Davies, was the Agent General in London. He worked hard, along with Leith Reynolds, to negotiate the arrangements for that gift. Part of those negotiations were that the Labor Government of the day would assist to properly house the bells when they came to Western Australia. It was a generous bicentenary gift. When the coalition came to government the issue was raised by a number of people, including the University of Western Australia, who were keen for the bells to be properly housed. The matter was causing some embarrassment, because the bells were stored in an open yard at Welshpool. Initially the bells were stored on university property at McGillivray oval, initially under cover, and then at a factory unit where they have been properly looked after. A committee that was working on a suitable location for the bells considered a number of different options, and recommended Barrack Square. I appreciate that the Leader of the Opposition may want to call it my "pet project", but he should be honest and accept that a Labor Government -

Mr Graham: Are you dissociating yourselves from the project?

Mr COURT: No. I do not have any difficulty saying it is a magnificent project. However, I make the point that the bells were a gift and commitments were given. Before the Leader of the Opposition tries to make political capital he should accept that the bells were a gift and certain obligations were associated with our acceptance of the gift.

Ms MacTiernan: Was one of those obligations to put the name "Richard Court" on the bells?

Mr COURT: Additional bells were cast.

Mr Graham: Do they have Ron Davies' name on them?

Mr COURT: Yes.

The mining industry donated the materials to cast those additional bells. There has been a lot of involvement by a great many people in this project. By all means the Leader of the Opposition can run his campaign, but he must not forget that these bells were generously gifted to Western Australia. It is a historic set of bells.

Ms MacTiernan: They were before you tampered with them.

Mr COURT: No.

Ms MacTiernan: You put your name on them.

Mr COURT: No. That assertion is outrageous. It is very much a heritage set of bells. Far from being -

Ms MacTiernan: Did you put your name on them, or not?

Mr COURT: We spoke about some new bells which the Agent General had cast. If the member wants the full history of it -

Ms MacTiernan: Your name is on the new bells.

Mr COURT: Obviously those opposite treat that gift as a joke. We do not.

#### AHERNS, PURCHASE BY DAVID JONES LTD

#### **320. Mr BLOFFWITCH to the Premier:**

This morning there was a significant announcement about retailing in Western Australia. What effect will the purchase of Aherns by David Jones Ltd have on the local retail sector?

#### **Mr COURT replied:**

This announcement today is interesting and it will be very good for the State. I believe this is the last family-owned department store chain in Australia which is to be taken over by David Jones. Robyn Ahern and her directors have negotiated a deal with David Jones which will be very beneficial to the State. I see it very much as a vote of confidence in the future of Perth and Western Australia. David Jones has given a commitment that it will spend \$100m in rebuilding a new, larger site in the central business district on the existing site and the buildings adjacent to it. The new store will be completed by 2002, and will employ an additional 350 people in the retailing industry. Along with the development of the convention-exhibition centre, that will be a major catalyst for the expansion and development of Perth. At the same time, David Jones has said that it will retain the other stores and is even looking at expansion plans in that area. As I say, I see the major injection of new money and new investment into this sector by David Jones as a strong vote of confidence in this State. It is no secret that I have been talking with Peter Wilkinson for some years, since he took over the position of chief executive officer of David Jones, to encourage him to enter the retail market in this State. This company used to be a player here. The way it has chosen to come back will be very good for the State.

Ms MacTiernan: What will happen to local suppliers? Will we have centralised buying in the eastern States? That is what happened when Boans was bought out.

Mr COURT: In this day and age, centralised buying, as the member puts it, works both ways: If a group is able to supply retail chains because it is a competitive supplier of a quality product the market wants, it will do well.

Ms MacTiernan: They just don't have the same access to the buyers.

Mr COURT: That is what the member says.

Ms MacTiernan: That is the history.

Mr COURT: With David Jones being based in Western Australia, surely we will have more chance of breaking into suppliers with stores in the eastern States. We are proving that we can break into supplying department stores in the United Kingdom. I am sure local suppliers can break into the Australian market.

#### GILLEECE, MR JACK, LETTERS OF INTRODUCTION

#### **321. Mr RIPPER to the Premier:**

(1) Why has the Premier rejected a freedom of information application from *The West Australian* for documents relating to any letters of introduction that might have been provided to Jack Gilleece prior to his trip to Mongolia in 1997?

- (2) What are the seven documents coming under the ambit of the application of *The West Australian*?
- (3) When did the Premier first become aware that *The West Australian* had sought this information under freedom of information legislation?

**Mr COURT replied:**

- (1) There are no letters of introduction.

Mr Ripper: There are seven documents for which it has been refused access.

Mr COURT: As I say, there were no letters of introduction; therefore -

Mr Ripper: What about references.

Mr COURT: There were no references. Something cannot be withheld if it was not written in the first place. The decisions about freedom of information are made by the Ministry of the Premier and Cabinet in accordance with the requirements of the Freedom of Information Act, not by my office.

- (2) Correspondence from the Crown Solicitor's Office and personal documents from Mr Gilleece's personal file concerning his leave. The member has given some notice of this part in another question.
- (3) Does the member wish me to answer the question of leave? When my office was asked whether we had any documents covered by the application in advance, prospectively Mr Gilleece submitted a signed application for leave form for the period 30 January to 14 February 1997. The application was approved on 28 January 1997. No formal acting arrangements were in place while Mr Gilleece was on leave.

Mr Ripper: Will you table that document so that we can see the dates without having to go through *Hansard*?

Mr COURT: Yes.

[See paper No 237.]

Mr COURT: *The West Australian* implied today that there was some sort of secrecy. Under freedom of information legislation there are circumstances where personal information is not tabled. Members opposite cannot have it both ways. We operate under freedom of information legislation which gives members opposite access to information that we could only have dreamed of when we were in opposition. For good reasons, the legislation contains requirements that personal information be not tabled. If members opposite want to change the freedom of information legislation so that people's personal information is to be provided, they should come into this Parliament and make that change. They should not run around saying that there is secrecy when they know that the person has every right for that sort of personal information not to be tabled.

#### GILLEECE, MR JACK, LETTERS OF INTRODUCTION

**322. Mr RIPPER to the Premier:**

As a supplementary, why is the Premier now justifying the decision to hide these documents when he claimed on 29 July, "I don't want there to be anything that is not known publicly in relation to this particular issue"?

**Mr COURT replied:**

The member did not listen. I am not hiding any documents. I do not have any say under the freedom of information legislation. If a person says those are personal details and the person does not want them made public, under the legislation they would not be made public. Members opposite want information about leave; I have provided it.

#### LANDCORP, INDUSTRIAL LAND SALES

**323. Mr BAKER to the Minister for Lands:**

Can the minister advise the House of the level of industrial land sales achieved by LandCorp during the 1998-99 financial year?

**Mr SHAVE replied:**

I thank the member for some notice of this question. It is correct that this Government has placed considerable emphasis on creating employment opportunities in Western Australia. It has also encouraged economic growth and created business opportunities, laying the foundations of prosperity for future generations of Western Australians. LandCorp has a long history of providing industrial estates, dating back to Welshpool in the 1940s. All estates are well planned, with integrated services to ensure that the needs of industries are satisfied and the outcomes that I have just outlined are achieved. Typically LandCorp's industrial estates are characterised by long lead times with site investigations, due diligence and planning activities occurring well before the first industrial lot of the new estate is released into the marketplace. Due to the risk aspects, the private sector would not normally undertake this function to meet the needs of diverse industrial land users.

Price is not the only determinant in the selection of a location for an industrial activity; other factors motivate business people and entrepreneurs when making strategic investment decisions. LandCorp has again recorded a successful year from an industrial land perspective with total industrial land sales topping \$25m, up 19 per cent on the previous year's result.

These results comprised general industrial land sales from LandCorp's industrial estates at Canning Vale, Robb Jetty, Wangara Enterprise Park and East Rockingham, and special industrial land sales in areas such as the Robb Jetty Industrial Park, Henderson ship building area and the East Rockingham Industrial Estate wool precinct. LandCorp will continue to pursue its functions relating to industrial land supply, providing well-planned industrial estates with integrated services and released regularly to ensure that the needs of industries are satisfied. I compliment LandCorp for its activities.

SOFTCOPY DIGITAL MAPPING PTY LTD

**324. Mr RIPPER to the Premier:**

Some notice of this question has been given. I refer to the recently tabled report into the activities of the Premier's disgraced former right-hand man Jack Gilleece and, in particular, to paragraph 74, which states that SoftCopy Digital Mapping Pty Ltd was intimately involved in attempts to export the tengraph system to Mongolia on a "for-profit basis". I ask -

- (1) What arrangements exist or existed for SoftCopy Digital Mapping Pty Ltd to be paid any fee or commission should the tengraph system be exported to Mongolia?
- (2) Who negotiated these arrangements?
- (3) Do any arrangements exist for Mr Gilleece to be paid a fee or commission by the State or any other party should tengraph be exported to Mongolia? If so, what are those arrangements?

**Mr COURT replied:**

I again thank the member for some notice of this question.

- (1) There have never been any arrangements for the State Government to pay any fee or commission to SoftCopy Digital Mapping Pty Ltd should the tengraph system be exported to Mongolia.
- (2) Not applicable.
- (3) No arrangements exist for Mr Gilleece to be paid a fee or commission by the State Government should the tengraph scheme be exported to Mongolia.

POLICE SHOPFRONT, BALLAJURA

**325. Mrs HODSON-THOMAS to the Minister for Police:**

In light of yesterday's opening of a police shopfront in Ballajura, will the minister provide details of this inclusion in the Police capital works program?

**Mr PRINCE replied:**

I thank the member for some notice of this question. The Ballajura police post, which I opened yesterday with my colleague the Minister for Family and Children's Services - the member for Midland was also at the ceremony - is the third shopfront police post the Government has provided. Posts of this type, particularly those in shopping centres - which is the case with the facility opened yesterday - provide much greater access to police officers and are placed in areas in which many people congregate. They bring police officers closer to the community and provide better and more immediate access. The post represents a very effective use of funds, costing \$11 795. The building owners and managers also spent money on alterations.

I am pleased to say that, during the 15 months I have been Minister for Police, I have been able to open various complexes, stations and posts built at a total cost of \$15m. That construction program comprises two complexes - one at Cannington and one at Mirrabooka - police stations at Nullagine and Bayswater and the Ballajura police post. That program augments what the Government has done since it came to office. During that time, 23 different facilities have been opened at a cost of more than \$41m, and a further seven projects are currently under construction. During the last six years that the Labor Party was in government, it had a total Police capital works budget of \$60m. During the past six years that the coalition has been in government, it has spent \$162m; that is, an increase of over \$100m and an average annual increase of \$17m. Even allowing for inflation, that is a huge increase in expenditure to help the police of this State make it a much safer place for ordinary people.

I refer members to the purchase of art. Only 1 per cent of the capital expenditure relates to the purchase of artworks. I am sorry the member for Kalgoorlie is not in the Chamber at the moment. However, a significant amount was spent on art for the Kununurra police station, and that is true in respect of other police stations. That represents real support for the artists of this State.

*Point of Order*

Mr BROWN: For the sake of the record, will the Minister for Police correct the misinformation he provided to the House by alluding to the fact that the member for Kalgoorlie is not in the Chamber when she is?

The SPEAKER: There is no point of order.

Mr PRINCE: I apologise; I meant the member for Kimberley.

*Questions without Notice Resumed*

## GILLEECE, MR JACK, PRESENCE AT MEETINGS

**326. Mr RIPPER to the Premier:**

I refer to the recently tabled report into the secret business dealings of the Premier's disgraced former right-hand man Jack Gilleece and, in particular, to paragraphs 90 and 111, which state that Mr Gilleece had been involved in the government side of discussions with Bowtell Clarke and Yole and several government departments, and that his presence at these meetings amounted to a conflict of interest. I ask -

- (1) Was the Premier present at these meetings?
- (2) Can the Premier explain why Mr Gilleece was present, given his statement that his former adviser "was never involved in any of the normal negotiations we had in government"?
- (3) Which government departments were involved?
- (4) Did the discussions result in any financial benefit to Bowtell Clarke and Yole?

**Mr COURT replied:**

I thank the member for some notice of this question.

- (1)-(3) Mr Gilleece no doubt sat in on some of the advertising meetings that Bowtell Clarke and Yole were involved in that also had involvement with media and the like. That was his job.

Mr Ripper: The report found there was a conflict of interest in doing that, which is contrary to what you told the Parliament.

Mr COURT: Over seven years, I am sure that I would have been present at some of those meetings. The Leader of the Opposition failed to read out paragraph 91 of the report, which states -

Mr Gilleece's role within the Ministry does not indicate the likelihood of him having had any sway in decisions that might have been made in favour of or against Bowtell Clarke and Yole.

## CITIES OF WANNEROO AND JOONDALUP, SERVICE AGREEMENT ARRANGEMENTS

**327. Mr JOHNSON to the Minister for Local Government:**

I understand that the minister has received the latest report of the Commissioners of the Cities of Wanneroo and Joondalup to be tabled. Can the Minister advise of progress in finalising service agreement arrangements, adjustment and transfer of property, and arrangements for the Wanneroo Town Centre redevelopment?

**Mr OMODEI replied:**

I thank the member for some notice of the question and for his continuing interest in these issues. The third quarterly report of the commissioners confirms progress in implementing a range of decisions highlighted by the member for Hillarys. With regard to the service agreements, the commissioners advise that cleaning and building maintenance services were less suited to partnership than first thought, so separate arrangements will be made by each council. Service level agreements for the five remaining services will be finalised in the near future. The commissioners have determined distribution of the former City of Wanneroo's unspent loan moneys, town planning scheme moneys, surplus municipal funds and some reserve funds. I understand that last week, the commissioners let the tender for the construction of the proposed City of Wanneroo administration centre and council chamber. I was also pleased to read in the report that about 50 people attended the briefing session for prospective candidates for the Wanneroo elections. This is a good sign, which was also reflected in a similar forum in Joondalup last night, which 25 people attended, with a further seminar to be held later this week. I table the report.

[See paper No 238.]

## HENSMAN ROAD CLINIC REFURBISHMENT

**328. Ms McHALE to the Minister for Health:**

I refer to the refurbishment of the Hensman Road Clinic at King Edward Memorial Hospital for Women and ask -

- (1) What is the estimated cost of the refurbishment?
- (2) Is it true that no funds to pay for the refurbishment have been allocated within the current financial year's capital works budget?
- (3) Is it also true that the hospital is being forced to sell two houses and use trust fund money to pay for essential capital works?
- (4) What is the estimated income from the sale of these assets?

**Mr DAY replied:**

I thank the member for some notice of the question.

- (1)-(4) As I advised previously, it is intended to relocate the outpatient clinic from the existing Hensman Road location to the main body of the hospital, which will provide far better conditions for both the staff and the patients who are

required to use the facility. The cost of the refurbishment is approximately \$1.1m. It is not correct that there are no funds to pay for the refurbishment. It is also not the case that the sale of the houses is being forced. The reality is that the houses are not in use at present and are superfluous to the needs of the hospital. It is estimated that revenue of about \$600 000 will be raised from the sale of the houses, which will go towards the refurbishment of the clinic.

#### HENSMAN ROAD CLINIC REFURBISHMENT

**329. Ms McHALE to the Minister for Health:**

I have a supplementary question. From where will the balance of the funding come?

**Mr DAY replied:**

That is a matter for the Metropolitan Health Service Board to determine in detail. However, my expectation is that it will come from its capital works allocation.

#### WATER SAVING PROGRAM

**330. Mrs van de KLASHORST to the Minister for Water Resources:**

I understand the minister launched a new water saving program at Kalamunda Primary School today. Can the minister advise whether areas such as Swan Hills, and other areas of the State, will be able to benefit from this program?

**Dr HAMES replied:**

As part of National Water Week I had the pleasure today of visiting two schools in the Minister for Health's electorate. Lesmurdie Primary School, which became the twenty-fifth school in this State to become a Waterwise school, put on a tremendous performance. I also visited the Kalamunda Primary School where the Water Corporation has joined with the Education Department, the Master Plumbers and Mechanical Services Association of WA, the Irrigation Association of Australia (WA) Region and Bunnings Building Supplies Pty Ltd in installing some fittings to the Kalamunda Primary School to promote water efficiency. These fittings include dual-flush cisterns, flow-reducing tap aerators, mixer taps, low-flow shower heads and tap timers for garden hoses. It is estimated that those installations, which will be monitored very carefully by the school students in the next few months, will reduce water consumption at that school by about 10 per cent - 1 200 kilolitres - saving for the school between \$1 000 and \$2 000 a year which can then be put back into the school. The program, if successful, will spread to all schools throughout the State to assist in water savings, which is very important considering the low levels of water storage that I announced during my ministerial statement. It will also go well with the work being done by the Education Department at 150 primary schools to put automatic timers on the reticulation of their sports ovals. This will go a long way towards addressing issues raised by the community about state government agencies and local government not being sufficiently responsible for the time that its bores are switched on. We must spread this program to other state government departments and to local government.

#### METROPOLITAN HEALTH SERVICE BOARD, CEO'S REMUNERATION PACKAGE

**331. Ms McHALE to the Minister for Health:**

- (1) Will the minister confirm that the \$293 000 remuneration package paid to the chief executive officer of the Metropolitan Health Service Board includes a fringe benefits tax exempt salary package component?
- (2) Does the contract with the CEO include a provision that the State will make up any salary loss occasioned by changes to the exemption of public benevolent institutions from fringe benefits tax?
- (3) Will the minister table the contract; and, if not, why not?

**Mr DAY replied:**

I thank the member for some notice of this question.

- (1) I am advised that, as with many other employees of the Metropolitan Health Service Board and consistent with government policy and relevant legislative requirements, the remuneration package which is paid to the chief executive officer of the MHSB includes a fringe benefits tax exempt salary package component that can be accessed through a workplace agreement.
- (2) I am also advised that the offer of employment made to the CEO of the MHSB included some protection for any salary loss occasioned by changes to the exemption of public benevolent institutions from FBT.
- (3) It is not intended that the contract be tabled. The Public Sector Management Office of the Ministry of the Premier and Cabinet has advised that it is not appropriate to table contracts of employment of CEOs without due process and reasonable consultation with the affected parties. If the member seeks to obtain a copy of the contract by lodging an application under the Freedom of Information Act so as to allow fair and reasonable consultation with the parties to the contract, that request will be considered.

#### PERTH-BUNBURY RAIL LINE WORK

**332. Mr BARRON-SULLIVAN to the minister representing the Minister for Transport:**

I refer to the new work being carried out on the rail line between Bunbury and Perth. Can the minister give details of the work, including which sections of track are being upgraded, the total cost of works, the schedule for these works, and the

estimated reduction in time for the journey between Bunbury and Perth on the *Australind* train following completion of the works?

**Mr OMODEI replied:**

The Minister for Transport has provided the following response: Approximately 60 kilometres of defective rail between Mundijong and Waroona is being replaced with new rail, and this work is expected to be completed by September 2000. Also, re-sleeping and replacement of turnouts is scheduled to be carried out between Mundijong and Picton over 12 months commencing in July 2000, the total cost of which is estimated to be \$23.3m. The work to be undertaken on the railway will progressively restore the track to its original standard and allow the train to operate more efficiently.

OFFICE OF MINISTER FOR HEALTH, REFURBISHMENT

**333. Mr GRAHAM to the Minister for Health:**

- (1) At a time when our hospitals are strapped for cash and patients are waiting in corridors for treatment, how does the minister justify spending more than \$47 000 on furniture for his office, including purchasing the painting *Brave New World* for more than \$4 000?
- (2) Can the minister explain how the expenditure will help the sick and injured in our society?

**Mr DAY replied:**

- (1)-(2) No Government has provided more for health services in this State than this Government, as demonstrated by the fact that \$153m more than was the case previously has gone into our health budget over the past two years. The reality is that we spend \$600m more per annum on health services than was the case when we came to government. We now have a Health budget of about \$1.8b, compared with \$1.2b when we took over from the previous Labor Government. I will check the figure on refurbishments in my office, as I am not sure that the figure cited by the member for Pilbara is correct. Some refurbishment was carried out in the past 12 months. It is my understanding that the refurbishment of my office was relatively modest. My office was one of the last, if not the last, ministerial office to have such work done, and the furniture provided was relatively modest. If the member would like to visit my personal office, he will see on the wall two paintings which are my own property.

SOUTH WEST HEALTH CAMPUS

**334. Mr BARRON-SULLIVAN to the Minister for Health:**

Some notice of this question has been given. I refer to the extremely successful \$70m South West Health Campus. How many patients have been assisted through the provision of comprehensive mental health services at the campus since its opening, and how many of those patients would have been required to be admitted to institutions in the metropolitan area, such as Graylands Hospital, if the health campus had not been opened?

**Mr DAY replied:**

As the member for Mitchell indicated, the establishment of the South West Health Campus has allowed a number of new and expanded services and facilities to be established for the people of the south west region. An important addition to the south west area was the establishment of the first in-patient mental health facility to serve the people of the area. From the opening of the psychiatric residential unit on 15 March through to 2 September of this year, 126 admissions were recorded. All those patients would previously have been required to be admitted to a hospital in the metropolitan area, such as Graylands. In addition, I am advised that two patients were transferred to Graylands Hospital as a result of the nature of their conditions. They were initially admitted to the South West Health Campus for 72 hours, in which time their conditions were stabilised, prior to transfer to Graylands Hospital. Information clearly indicates that nearly all patients who have required in-patient psychiatric treatment in the south west received care closer to home than was ever possible previously.

MINISTER FOR FAMILY AND CHILDREN'S SERVICES, CHINA TEA SET

**335. Mr CARPENTER to the Minister for Family and Children's Services:**

How many of the 15 000 people registered as homeless in Western Australia last year have been able to drink out of the minister's \$3 000 Wedgwood china tea set?

**Mrs PARKER replied:**

Like the Minister for Health, this Government has not only continually improved the programs and services that are available through the agencies for which I am responsible, but also increased the budgetary allocation. When I was appointed to Cabinet in January 1997, I walked into an office that had been vacated and unoccupied for the previous seven months. At that time I set about establishing a functional office. We could have a debate about what is and what is not an appropriate standard of quality in a ministerial office. However, the interesting comment made by the Opposition was that the tea and coffee service in my office would be appropriate if I had a different ministerial portfolio and serviced the top end of town. I found that comment offensive. The people with whom I deal as part of my portfolio deserve the same regard as anybody else in town.