



Parliamentary Debates

(HANSARD)

THIRTY-FIFTH PARLIAMENT
THIRD SESSION
1999

LEGISLATIVE COUNCIL

Wednesday, 20 October 1999

Legislative Council

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THE PRESIDENT (Hon George Cash) took the Chair at 4.00 pm, and read prayers.

CRIMINAL CODE AMENDMENT BILL 1999

Assent

Message from the Governor received and read notifying assent to the Bill.

GOVERNMENT PRIORITIES AND FUNDING COMMITMENTS

Motion

Resumed from 14 October on the following motion moved by Hon Tom Stephens (Leader of the Opposition) -

That this House -

- (a) condemns the Government for its misplaced priorities and funding commitments to projects such as the belltower and the convention centre at the expense of core areas of state government responsibility such as health, education, community safety and public transport; and
- (b) calls upon the Government to remedy its failure to deliver government services at affordable rates and give priority to hospitals, schools, police and public transport.

HON GREG SMITH (Mining and Pastoral) [4.06 pm]: I thank the Leader of the Opposition for moving this motion. If members want to talk about people having misplaced priorities, the Opposition presents a classic example. The people of the Mining and Pastoral Region of Western Australia are appalled by the Australian Labor Party's priority in respect of native title legislation.

Several members interjected.

The PRESIDENT: Order! Let us listen to one person.

Hon GREG SMITH: The ALP's approach to rectifying the native title problems in this State -

Hon Tom Stephens: Your approach is one of litigation and dispute.

Hon GREG SMITH: The Leader of the Opposition has made many claims about negotiating our way through the issue. I have asked him by interjection whether he has tried to negotiate through the future act process, and he has not indicated that he has. If he could show that he has some runs on the board, perhaps we would believe his rhetoric.

Hon Tom Stephens: Watch me sort it out when I am a minister.

Hon GREG SMITH: It is no wonder that members of the Opposition believe that the Government's priorities are misplaced. Before they were elected to this place they were political party officials, electorate officers, union organisers, social workers, research officers, clerks and a truckie. The only member opposite who has had a real job is Hon Kim Chance!

Hon Tom Stephens: That is bulldust! We have members who were bus drivers -

The PRESIDENT: The Leader of the Opposition will come to order!

Hon GREG SMITH: Obviously members opposite think that the Government's priorities are misplaced. We know what comes first, the chicken or the egg. Members of the Opposition have no idea. When they were in government they kept buying eggs and every one went rotten. Members on this side know we must have chickens to get eggs. That is why we have gone ahead with projects such as the convention centre, the belltower and so on. We are building what is required to create jobs and wealth in this State.

Several members interjected.

The PRESIDENT: There is too much audible conversation. I can see and hear about six meetings going on at the moment.

Hon GREG SMITH: When this Government came to office, the gross state product was \$39b. It is now in excess of \$48b.

Hon Tom Stephens: This is the highest taxing Government in the State's history.

Hon GREG SMITH: The net state debt when this Government came to office was 20.7 per cent of gross domestic product.

Hon Tom Stephens interjected.

The PRESIDENT: Order! My job is to keep some order in this place. If the Leader of the Opposition continues to interject, I will exercise the authority of the Chair. I will ask for the support of the House for the motion I will ask to be moved. If Hon Greg Smith were to direct his comments to the Chair and not to individuals in the Chamber, there would be fewer interjections.

Hon GREG SMITH: When the Government came to office in 1992, gross state debt was 20.7 per cent of gross state

product. That figure is now close to 12 per cent. Any member who has been in business - as have most members on this side of the House - knows that the relationship between debt and income is crucial in being able to pay accounts. If debt exceeds income, a business will go backwards.

The new coalition Government had some tough decisions to make and it had to cut expenditure. However, at the same time, it created a climate that would encourage the creation of wealth and allow debt to be controlled so that money could be spent in this State. The scenario that comes to mind with the way the State operates under an ALP Government is a bit like people who are on \$25 000 per year. They cannot afford to spend money on some of the better things in life. They have to spend every cent they produce on just getting by and staying alive. Under our good management people can live in a higher socioeconomic climate. We can afford to spend money on things like the belltower. People might say that \$5m for a belltower is a waste of money. We have a \$1.7b Health budget.

Hon Ljiljana Ravlich: There are people lying in the corridors in hospitals.

Hon GREG SMITH: There were people in the corridors when the Opposition was in Government. There are people in corridors in every State. There was a person on television last week, a medical doctor from the emergency services ward of a hospital in Queensland, who had just resigned. He said he was very disappointed in members of Parliament, particularly Opposition members, who used waiting lists as an example of hospital health care. He said that there has always been waiting lists and they are an easy club to pull out and hit people over the head with. He said that if waiting lists are used as a measuring stick, politicians, being what they are, divert money from things like intensive care wards, from which the doctor had just resigned. He said that money has been lost from the other core areas of hospitals so that as a political solution people can address waiting lists. We are operating our health care system in a very methodical way. We now have the Central Wait List Bureau, which is helping to decrease the number of people on the lists. The truth of the matter is that all across Australia the health systems are not standing up under the pressure of increased demand for services.

The Medicare system does not work. People do not like saying that. The Federal Government is doing what it can to try to get more people into the private system, but the truth of the matter is that the Medicare system cannot fund a free health system. I think we should look at this along bipartisan lines and say that anyone who visits a doctor should pay \$10. It would help to stop over-usage. During the AMA elections held a few months ago one doctor was critical of the Medicare system and the health care system and he gave the example of a single mother on a pension who visited the doctor to get a bandaid. He asked why she went to him to get a band-aid and she said that if she saw a doctor it would cost her nothing but if she went to a shop to buy a packet of bandaids it would cost her \$5. How can a health care system stand up when people abuse it. It is being abused and overused by certain sections of the community. If there is no fee for service it will continue to happen. Maybe elderly people and those on a pension could have five or six visits per annum for free and after that they could pay \$5 or \$10 every time they went to the doctor. If that were the case we would have perhaps a 20 per cent reduction in visits to local GPs.

The Opposition claims that the Government has misplaced expenditure priorities. I have said that native title is one of the classic examples of a misplaced priority of the Opposition. Let us look at education. In the 1992 budget, when the Opposition was in power, the Education budget was a shade over \$1b. We have now a \$1.4b Education budget - a 25 per cent increase in expenditure on education. We are spending an extra \$342m on education.

Hon Ljiljana Ravlich: Schools have been sold off to get it!

Hon GREG SMITH: Sold off schools! We have built schools. That is the great thing: The Opposition sits across there and says that we have sold off schools. When we came into power we had to rebuild half the schools. The Opposition had not spent a cent on maintenance. At Port Hedland two schools were falling to pieces - they were appalling. I went to Port Hedland and the teachers there said, "For God's sake you've got to do something." We asked what happened and they said, "They haven't spent any money up here in the past 10 years."

Hon Derrick Tomlinson: Gascoyne Junction had three pupils and six teachers.

Hon GREG SMITH: I have selected only three portfolios today as they are the areas that the Leader of the Opposition chose to focus on. He chose health, education and police - I suppose community safety and police are the one thing. I could not believe it when I started to look at what the Government has done. We have done a very good job in this State of putting money into essential services like health, education and police. When we came into Government the previous Police budget was \$169m. The Police budget is now \$240m - a 70 per cent increase. It is a wonder the police were functioning at all. The Leader of the Opposition has highlighted the Police budget and our neglect of community safety - which is just a scurrilous statement with no foundation whatsoever. During the estimates hearings I asked the police representatives about expenditure on capital works. I said -

I refer to page 1115 and the capital works program. I note the very comprehensive list of police stations that we have had to rebuild and refurbish, and I am aware of others which are not on that list that have been done previously. How many police stations had to be completely rebuilt or refurbished in the past six years, and what sort of condition were the police stations in when the Liberal Party came to government six years ago...

Mr Jones' answer epitomises the state of the State when we came to power-

It is fair to say that the police stations stock for the Western Australian Police Service was in a state that would not be occupied by other public sector standard employees. Over the past six years we have been able to complete in excess of 21 police stations. We have another six to complete which include major district complexes at Cannington and Mirrabooka.

That is a statement from the Police Service itself as to how they were being treated by the now Opposition. They said they were being asked to work in conditions that no-one else in the public sector would work in. Our Government has rebuilt those stations. It was the ALP Government that let them fall to bits while they kept buying up all the bad eggs - Connell, Rothwells, WA Inc. That is where all the money went and why the police stations were falling to bits.

In 1992, when we came into Government, there were 91 300 people unemployed in Western Australia. Today we have 68 000. Members opposite should tell me whether we have misplaced our priorities by creating employment. Is that a misplaced priority?

Hon Bob Thomas: The Federal Government had more to do with that than your lot!

Hon GREG SMITH: What a load of rubbish. What has created employment and economic growth in Western Australia is the Government's ability and desire to stimulate the economy. We created the environment so the gas pipeline could be built from the Pilbara down to the goldfields. That is job creation. If we were to build that now the Opposition would be jumping up and down saying we should not be building it. They would be carrying on like they are with the belltower. If we wanted to build the C.Y. O'Connor pipeline they would be doing the same thing. If we wanted to build the Dampier to Bunbury gas pipeline they would say we were looking after our mates.

In 1992, retail turnover in this State was \$9b. Today it is \$13b. We know that to create jobs, the private sector must spend money. Members of the Opposition would have the Government build and own everything. They would have us build public transport systems that currently cost us about \$200m every year to provide. When we came to government, the private sector investment in this State was \$4.7b. Last year it was \$8.185b. Projects such as the hot briquette iron plant in Port Hedland have been constructed, and all the nickel projects are coming on stream. Part of that has come about because of our industrial relations policy. Those projects have been able to compete on world markets. Industrial relations is probably a misplaced priority with the electorate officers, clerks, research officers and union organisers opposite. We can now compete on the world market. Our nickel projects have come on stream because of the gas pipeline. They have a cheap source of energy.

There were 3 300 job vacancies in 1992. There are now 6 000 job vacancies in this State. The Government has done an exceptional job of having the right priorities, and that is why the State is in the condition it is in.

Hon Ljiljana Ravlich: That is why we see the contracts coming in here day after day. They are just mounting.

The PRESIDENT: Order! Hon Ljiljana Ravlich has spoken on this motion. The rules are that members speak once. She should not interject, because if she interjects, everyone else is entitled to interject.

Hon GREG SMITH: I enjoy her interjections.

The PRESIDENT: Hon Greg Smith might enjoy them, but it causes disorder in the House. The standards in this place have changed dramatically in recent times.

Hon GREG SMITH: We started with misplaced priorities and that is where we will finish, but we have a long time to go yet. We have been through the Police budget. In 1992 the Health budget was \$1.2b. The latest Health budget is \$1.79b, a 47 per cent increase.

Hon Kim Chance: You do not have the figures for the waiting lists I suppose!

Hon GREG SMITH: Members of the Opposition can say that we should be spending the \$5m that we are using to build the belltower on health, education and police. They have spent it about 15 times every time they stand up. In the time we have been in government, there has been a 47 per cent increase in the Health budget, which is a considerable increase. A total of \$1.1b of the Health budget is spent on wages for doctors, nurses and everybody else. As soon as we tried to peg down wages or stop wage rises for some of the nurses, the Opposition was up in arms.

Hon E.R.J. Dermer: And rightfully so.

Hon GREG SMITH: Any increase in wages that we give to anybody in our education or health system equates to a reduction in the delivery of the service. There is only so much money to go around.

Hon John Halden: Can I have this on record? You are saying that nurses and teachers should not get pay rises.

Hon GREG SMITH: No, I am not saying that nurses and teachers should not get pay rises. I am saying that when the Minister for Health was negotiating with the nurses about their pay rise, he demonstrated that for every 1 per cent it was increased, an extra \$20m could not go into the health service for the delivery of services. He was not negotiating on pay rises because he would not like to pay them. We would all like the ability to pay employees as much as possible. The reality is that there are budgets to balance and services to deliver and they must be delivered within the parameters of a budget and within one's ability. That is what this Government is doing. It is not popular at times. We have all seen what happens when a Government tries to deliver more than it can.

Hon Murray Nixon interjected.

Hon GREG SMITH: They have, and teachers have had about a 20 per cent pay rise in the past three years. As far as misplaced priorities in the bush are concerned, members of the Opposition tell us to spend more on public transport. As I said earlier, \$200m per annum is needed to fund our current public transport system. That is all well and good. However, if the Government wants to build a road from Mt Magnet to Leinster to last for the next 50 or 100 years that costs \$100m, the members of the Opposition are up in arms. They cannot have it both ways; they cannot say that we are spending all our

money on building roads in the bush, yet we are neglecting the bush. We spend two-thirds of our road budget in regional areas, and the two-thirds of the revenue which is spent there is collected in the metropolitan area. We do not say that too loudly too often because no doubt someone will complain about it. Public transport in a State like Western Australia and a city like Perth is hard to justify. It is not Tokyo or London. Perth is a city of 1.2 million people spread out and sparsely populated -

Hon Bob Thomas: Are you saying get rid of public transport.

Hon GREG SMITH: No, I am not saying get rid of it.

Hon Bob Thomas: That is the agenda of the Liberal Party.

Hon GREG SMITH: No, it is not the agenda. The agenda is to provide a very good public transport system. However, to justify the expenditure and make it economically viable is very hard in a State like Western Australia, because of the number of people who use it, the distances it is required to cover, the services and the way that our city is spread out. We are lucky to live in an urbanised metropolitan city rather than in a city like New York or London, which have high density housing, small blocks and the other social problems associated with living like that.

Hon Murray Nixon interjected.

Hon GREG SMITH: Their public transport systems still do not pay, but it is far more cost effective for those cities to provide public transport than it is for this city.

As far as the provision of health and education in regional areas is concerned, it drives me to tears when I hear members of the Opposition suggesting doom and gloom in places like Kalgoorlie. All they talk about is how terrible the bush is. We are trying to recruit school teachers and nursing staff and doctors to work in the hospitals; yet every time those people pick up the newspaper or hear about a town like Kalgoorlie, they are told that it is a terrible place which does not have this or that. It is portrayed in a negative way. Every second day in the *Kalgoorlie Miner*, the member for Kalgoorlie complains about something and about how terrible Kalgoorlie is. We have gone about it the other way. We have given Kalgoorlie a world-class aquatic centre. I think it has the best aquatic centre in Australia outside a capital city. We are building a good hospital there. We are providing all of the things that give quality of life to the people who live there. We keep trying to portray it in a positive light. There is no trouble getting people to go to Broome. If a vacancy in a government department exists in Broome, hands shoot up everywhere, because the opinion and the perception of Broome is a town to which everyone is happy to go. If people know they are going to Broome, they think, "Great, let's pack." However, if someone goes home and tells his or her spouse that he or she has been transferred or there is a vacancy at Kalgoorlie, they say, "Oh my God, we don't want to go to Kalgoorlie." That is what happens when an Opposition or anyone within a town starts portraying an area in a negative light. I do not know how we will turn that around. The Government continually puts infrastructure into these towns and provides funding to improve the quality of life in places such as Kalgoorlie, Port Hedland and Karratha. However, the Opposition continually says that they are terrible places which do not have many facilities, and no-one wants to go there. Therefore, when people are transferred to those places, the perception is that they do not really want to go there. We must work in a bipartisan way to address the problem of staffing levels and the difficulty of attracting people, particularly health workers and those in the education field, to go to those towns.

The coalition Government has been working on a way to try to obtain a reduction in, for example, higher education contribution scheme fees, so that if a medical graduate is prepared to go to a regional area, the amount of HECS fees that person must pay will be reduced for the period he spends in the regional area. The same applies to the education system. Some lateral-thinking proposals and policies must be developed, in a bipartisan way, to get people into these areas. I think Steve Bracks will have the same problem in Victoria. If people in the country are not happy, the Government cannot really do anything about it. People in the bush have lost banks. Who sold the Commonwealth Bank of Australia? Port Hedland and a few of the towns in my area have lost Qantas flights. Who sold Qantas? The people in these areas had these services. They have now been privatised, and these areas do not have the critical mass to justify the retention of these services, so they are losing them. In the wool growing area and the wheatbelt, Governments are being held responsible for some of the things that markets are doing. Make no mistake about it: When we came into government, I, as a wool grower, absolutely detested the Australian Labor Party for what it had done to me. It had got rid of the floor price scheme, which just about sent me broke.

Hon Kim Chance: You actually blame the ALP for that?

Hon GREG SMITH: No, I blame it for the 24 per cent interest I had to pay so that we could have the depression that we had to have. When my income went to zero, my interest rate went to 24 per cent so that we could have the depression that we had to have. This is an example of the ALP's mentality when it has no experience in business management. It thinks that it will slow down the economy and stop inflation, but it will send all the businesses broke.

Hon Derrick Tomlinson: That is hardly fair. The recession we had to have was imposed upon us by the world's best Treasurer.

Hon GREG SMITH: That is right.

Hon Kim Chance: I am interested to know how he influenced the recessions in Britain, Europe and the United States and the high interest rates there.

Hon GREG SMITH: The reason that we had high interest rates in Australia and the reason that people in Australia can now

get a home loan at 5.6 per cent or 6.5 per cent interest is that they are not competing with a Federal Government which borrowed \$10b per annum to fund its debt. There is now a great deal of money in the economy and money is not being borrowed because of bad fiscal management by a Federal Government. The same flows through to the States.

Hon Kim Chance: How did the ALP drive up interest rates in the United States and Europe? I am still waiting to hear the answer to that.

Hon GREG SMITH: It was an internal decision by the Reserve Bank of Australia and Paul Keating to drive up interest rates to slow the economy.

Hon Kim Chance: In the United States and Europe?

Hon GREG SMITH: They never had interest rates similar to ours. When they had high interest rates, they got to 11 per cent.

Hon Kim Chance: No, they had very high interest rates. Interest rates for farmers in the United States went over 18 per cent.

Hon GREG SMITH: Interest rates for primary producers in Western Australia and Australia were up around 24 per cent so that we could have the recession we had to have. If one breaks all the businesses, the number of organisations that employ people is reduced. I return to the chicken and egg situation. We know what comes first. That is why we undertake projects in, and allocate money to, areas in which the economy will be stimulated and jobs will be created. One would think that the convention centre was a waste of money. The Opposition has said that we are paying \$100m for a convention centre. The payment of \$100m for a \$500m convention centre is a pretty good investment. In Queensland - and the same applies in any other State - the State Government has picked up the whole tab for a convention centre. It sounds like the Opposition probably does not know what a convention is. The convention industry is the fastest growing industry in the world. People throughout the world are looking for places in which to hold conventions. Last year, the LNG 12 convention was the biggest convention ever held in Perth. Limousines were transported from the eastern States because there were not enough limousines in Perth to ferry the delegates around. The centre at Burswood was about only half the size required, so marquees were erected. Conventions which bring millions and millions of dollars into the economy are going begging.

Major international companies attend these conventions. When these executives visit Perth and look around, they might decide to invest in or set up their head offices in Western Australia. Western Australia, and Perth in particular, is becoming a mecca for many mining companies to set up their head offices for the south east Asian region. They are moving out of Melbourne and Sydney and coming to Perth because Perth is a great city.

Hon Kim Chance: They are showing very good sense.

Hon GREG SMITH: Yes. What is the first thing that people see when they arrive in Perth? There is an old saying that we never get a second chance to make a first impression. These people get off an aeroplane at the Perth International Airport and travel to Perth. The route into Perth has now been enhanced. Instead of driving past an old tip and wrecks, people drive past beautiful gardens, and they see what could be described as shopping baskets hanging from poles, which are the swan symbols and so on. We will have the belltower and the river redevelopment, and when people see this place, they will say they like it.

We waste our river. In Brisbane, the whole convention centre, and to some extent the city centre around that site, is built down to the river. The Brisbane River is used as the hub of Brisbane's entertainment and night life. One can walk down from the convention centre onto a footpath along the side of the river. Brisbane has high-speed ferries, and we should promote them in Western Australia. That is a form of public transport which will be worthwhile if we can make it work, because one can board a ferry at Fremantle, and there is no peak-hour traffic or roads to contend with. High-speed ferries travel straight into the central business district. When I was in Brisbane, I was very impressed by the ferry system. It is unfortunate that Perth does not make more use of its river. When one is in Perth, one drives past the river and one knows it is there. However, when one is in the central business district, one could be 50 miles away from it.

Part of what we are trying to do is to incorporate the river in the city. That is why the plans for sinking Riverside Drive were raised, so that people would have an uninterrupted walk down to the river. Along the Brisbane River, there are little pubs, markets and all sorts of things. Tourists like that. When tourists come to a city, they like to walk around, browse, shop, sit in little pubs and look over the river while having a drink and a meal. We are trying to create a whole precinct that will become a tourist area. Tourists will be able to board a ferry and travel to the Swan Valley to try our wines and visit the other worthwhile attractions in Western Australia.

I will move away from the city and deal with expenditure. We have built a lot of schools and police stations. I will not list them all. The Leader of the House articulated that very well. If we wanted to be economic rationalists who put all the money into service delivery, we could build schools out of Atco units for about one-third of the price we have paid for them. We could install demountables or transportables in the bush, or place them all over Perth, and schools could be built for next to nothing. However, we have spent the extra money to get the architecture right to make them attractive-looking buildings. The belltower is just an attractive-looking building. We could sit a set of bells on a couple of big steel girders, but it would be just a set of bells. The same situation applies to police stations. We have spent millions building police stations in places such as Kununurra and Halls Creek.

We could have built police stations for half the cost if we were not worried about what they looked like. If we wanted to build a functional building that was square with four walls we could have done it for next to nothing. However, the Government has spent probably \$1m more to make them attractive buildings.

I must admit that I am not a great fan of the belltower. However, I accept that the Government can afford to build it. With a \$1.7b Health budget, \$5m is nothing. With a \$1.4b Education budget, \$5m is nothing.

Hon Derrick Tomlinson: It will pay for itself.

Hon GREG SMITH: Hon Derrick Tomlinson is right, it will pay for itself. However, the main point that comes to mind is that people have only to glimpse a photograph of the Sydney Opera House and straightaway they recognise Sydney. In another 10 or 15 years we will be able to hold up a picture of the belltower and people will recognise Perth. It will be a unique feature. At the moment, unless one is a resident of Perth and knows its skyline, when a person flies into Perth he could be flying into any city anywhere in the world. Perth has a few high rise buildings and a river. Just about every capital city in Australia has those features.

Hon N.D. Griffiths: You are not rubbishing Perth, are you?

Hon GREG SMITH: No, I am not. However, there is nothing unique about some high-rise buildings and a river. Adelaide, Brisbane and Melbourne have high-rise buildings and a river and Sydney has high-rise buildings, a river and a harbour.

Hon Derrick Tomlinson: Of all of those cities only Perth is clean.

Hon M.D. Nixon: And the Swan River is the best river.

Hon GREG SMITH: Yes, the members are right. It is the best river, but people do not realise that until they are on the foreshore and can have a decent look at it. When people are flying into Sydney and see the Harbour Bridge and the Opera House on the skyline they know exactly where they are. The belltower will do the same for Perth. The belltower will become an international symbol for Perth. If members opposite think we should spend less money and create an ugly, unattractive or cheap building which will make the Perth skyline internationally recognisable, so be it. In the 10 years members opposite were in government they did not build anything in Perth that was attractive, so they are not likely to want to do it now.

Hon Kim Chance: Most of the attractions in Perth were built in our time in government.

The PRESIDENT: Order! I understand why Hon Kim Chance is interjecting. He last spoke on 12 August, which is so long ago that he has forgotten.

Hon GREG SMITH: Has this Government spent money on anything in this State that could be described as a misplaced priority? It has increased the Health budget and it has increased the Police budget by 70 per cent and the Education budget by 25 per cent.

When we came to power hardly any sporting ovals in the Pilbara had lighting for night sport. Every town now has an oval with lighting, so the community can play sport at night. Some people say that is extravagant. However, in the Pilbara, where 40-degree days are normal, and in Newman, which has 12-hour shifts with a two-hour sport release, night lighting for sports ovals adds a fair bit to the quality of life. Instead of children playing T-ball, baseball, cricket and football in the heat of the day they can play twilight games after school. Instead of leaving work halfway through the day and playing a game of footy or rugby and going back to work as soon as it is over, workers who get sport leave can time the games so that they finish work two hours early or start two hours late and play rugby, football and cricket and socialise after their games. All of that adds to the quality of life in those towns.

The Government is delivering social dividends. The Australian Labor Party thinks that a social dividend should apply only to the poorest people in the State. The Government believes that the people who contribute to the economy deserve a social dividend as well. That is why in places like Kalgoorlie the Government has built enormous aquatic centres to Olympic standards. Our swimmers could train there for the Olympics. The Government has spent money on the country sport enrichment scheme so that children in places like Exmouth and Kalgoorlie can watch topflight athletes competing in their sports. I was in Kalgoorlie three weeks ago when the Western Australian Sheffield Shield team, the Western Warriors, played the Victorian Bushrangers. The children were ecstatic to watch cricket players like Brendan Julian and others - their stars and heroes - playing in their town. People in the bush miss out on those sorts of things.

The ALP says more money should be spent on public transport, and on this and that. People in the city can get on a subsidised public train or bus and go to Subiaco Oval to watch an Australian Football League game any weekend during the season. If one is from the country one must drive to Perth, stay in a motel, and pay for parking to watch a game of footy. These are the social dividends that the Government is delivering to people in regional areas. Westar Rules games were played at Moora and Exmouth. The Government will keep working on that. It is currently working on a derby to be played at Derby. The West Australian Football Commission reckons it will get 7 000 people there. People in the country will support these projects. The Government is prepared to put the money into these projects, and give country people a social dividend. Everyone deserves a social dividend, not just the poorest people.

A Government should not keep spending more and more propping up the people who have nothing and never will have anything, and not give anything to the people who are making a few dollars and contributing to the economy. I have always said that God is a Liberal, because we help those who want to help themselves. That is what the Government is doing here. If people want to criticise the Government for that, I am happy to accept that criticism.

In the bush at the moment things are tough, and the Government is being blamed for a lot of it. The Government is being blamed for the banks and air flights disappearing. Government policy has not caused that. That is the way things are. The Government is putting money into regional areas.

The classic misplaced priority occurred last Thursday when the Opposition brought the Rottnest Island disallowance motion into this place.

The PRESIDENT: Order! Members cannot reflect on a vote of the House. I anticipate that Hon Greg Smith may have been about to do that. I may be wrong, but I warn him that that is one of the standing orders.

Hon GREG SMITH: The Opposition wants to talk about misplaced priorities. Hon Tom Stephens would prefer people holidaying in places like Rottnest to be subsidised by the taxpayers of the State than to have a user-pays system.

Hon Tom Stephens: I did not say that.

Hon GREG SMITH: That is exactly what Hon Tom Stephens said. Only one party in this place has misplaced priorities, and its members are sitting on the opposition benches. Opposition members will remain on the benches opposite as long as they maintain their priorities. I refer to their priorities on native title: "We do not need to fix that to create a workable system. It does not matter that people cannot create wealth and get on with their business." I refer to Labor Party priorities with the timber industry, which it is happy to destroy. Tell me that that is the correct priority. People with priorities in the right place are found on this side of the Chamber. We will be on the government benches for a long time if members opposite keep their current priorities.

HON E.R.J. DERMER (North Metropolitan) [4.50 pm]: I refer to the most important priority in government expenditure to achieve fruitful results for the community of Western Australia today and into the future. One can look at investments in terms of social values where good is achieved which is not measured in dollars and cents. Investments are made by a Government with the right priorities which result in not only increased wealth for the community overall, but also increased revenue for the State. Far from being an economic rationalist, I take every opportunity to advocate economic reason and rational economics. I refer this afternoon to the Government's poor judgment in funding priorities in a number of fields. Money wisely spent today can generate a happier and more prosperous Western Australia in the future, with increased income generated for the State Government which compounds in future investment opportunities. This is normally referred to as the virtuous cycle. The Labor Party will adopt this approach in the near future when it resumes the Treasury benches.

The most important investment a State Government can make is in education. This Government has neglected this field on a number of fronts, the first of which I mention is investment in information technology education.

Hon Derrick Tomlinson: It was \$200m!

Hon E.R.J. DERMER: This Government seriously neglected an area in desperate need, not only for the students of today, but also for the information technology and all other industries to grow in the future through the provision of IT understanding and skills for future labour market participants. A greater proportion of commerce is conducted electronically every day. Investment in appropriate IT education would be good for not only the students and business, but also state government revenue. A growing economy with success in electronic commerce will produce greater revenue for the State Government. Application of even the tightest, most narrow fiscal definition of "investment in IT education" will generate greater income for future Governments. This will enable the virtuous cycle to occur through rational investment in our people.

The Government pretended to make a commitment to IT education in last year's budget with talk of a \$100m commitment. This was further to the \$30m-odd invested previously. This was a long way from the \$200m that Hon Derrick Tomlinson imagined - which is a good word.

Hon Derrick Tomlinson: You're right. It was only \$100m.

Hon E.R.J. DERMER: The Government's approach has been to pretend that it has taken seriously, and invested in, this important area. It produced figures in one year's budget, dropped the expenditure in the next year's budget, and then denied it ever happened. I am reminded of reading *1984* by George Orwell which outlined a system of propaganda in which the controlling party was able to completely contradict what it said the previous day. In so doing, it applauded itself, and expected everyone to applaud as well. The difference is that Western Australia is a democracy, as our friends Victoria and Queensland are democracies. The difference is that people in a democracy understand the difference between real and substantial investment in the future of the State and our children and the nonsense the Government proposes in one budget and fails to deliver in the next budget.

Hon Simon O'Brien: Are you saying that computers are not being put into schools?

Hon E.R.J. DERMER: I say that the need is urgent and not enough money is being spent. For this Government to defer \$20m it committed in last year's budget papers for an extra year was a crime against the future growth of the State and the children who will be disadvantaged. Hon Simon O'Brien may deny that decision all he likes, but it is recorded in black and white in the *Budget Statements*. The people of Western Australia understand, and will remember the decision at the next state election when it will be revisited upon members opposite.

The Minister for Education said recently that every student who graduates from a high school from 2004 on will need to achieve IT competence. The minister set a sensible standard as future employment depends on such training; nevertheless, he denies the resources to make that possible. I illustrate the point: When the \$80m program was committed to state high schools, it was to be completed by the end of the 2000-2001 financial year - that is, by 1 July 2001. The Government reneged on that commitment. The Government's commitments are worth nothing. Hon Simon O'Brien may deny the facts, but the commitment stands in black and white. As the Government reneged, the appropriate ratio of students to computers in state high schools will not be achieved by July 2001. We must wait until December 2002, which is a neat trick. How

many school days follow December in 2002? Precious few. Therefore, students will have the technology in place at the beginning of the school year in 2003. Last year's commitment was to have computers in place by July 2001. This year's commitment is for the provision by the beginning of 2003. I hate to think what next year's commitment might be. If one extrapolates the Government's pattern of deceit, one can see further delay.

I return to the important point: Students are expected to graduate competent in IT technology by the end of 2004.

Hon Simon O'Brien: You're obsessed with that.

Hon E.R.J. DERMER: I am as obsessed with that point as I am with any other matter essential for the future of the State. The deadline set by the minister is students graduating in 2004. The Government's neglect and backsliding will mean students who graduate in 2004 will have had appropriate information technology resources for only two years, not three and a half years. That is far from sufficient. The technology to be provided may give basic skills, but not give the understanding required for success in competing for the e-commerce jobs in the future. These state high school students will be expected to compete with students from wealthy private schools with a computer to student ratio of 1:1. That is not some time in the future; it is 1:1 in 1999, and was the same in 1998 I understand.

Hon N.F. Moore: From where did you get these figures?

Hon E.R.J. DERMER: These matters are on the public record. These are the facts that members opposite wish to deny.

If the Government denies the facts, it can deny them here. It can deny its own commitments written in black and white in the *Budget Statements* but the people of Western Australia understand the difference between truth and denial; they will understand that at the next election. In considering the Government's other commitment to look after members of rural constituencies, we can look at the statewide telecommunications enhancement program.

Debate adjourned, pursuant to standing orders.

[Questions without notice taken.]

RAIL FREIGHT SYSTEM BILL 1999

Second Reading

Resumed from 13 October.

HON J.A. SCOTT (South Metropolitan) [5.32 pm]: It has been difficult for me to make a decision on the Westrail sale legislation. The Greens (WA) members have received a raft of information from a wide variety of stakeholders. Some of those people were experts; others were farmers, members of local government, people from Co-operative Bulk Handling Ltd, railway operators, the Grains Logistics Committee and so on. Although some of the information was factual, some of it was conjecture. Therefore, one had to separate the factual information from the conjecture. One thing that concerned me in making a decision was the Government's pessimism about the future of rail while it remains in government hands. The concern was often expressed that Westrail would be wound down if it were not sold, largely because of its debt structure and the lack of funding that the Government could find to put into the expansion of the rail system.

A lot of the information we received suggested that it would be a good idea to sell Westrail, whereas another point of view was that people were not in favour of the sale. A section of the community believes that perhaps Governments may be selling off too much. Early on, I found that I was being required to make a decision on a lineball situation. The Greens want more freight to be carried on rail rather than on road because of the obvious environmental benefits and because of the damage that is occurring to our roads, particularly in some rural areas which are being hammered by the heavy haulage road freight industry. Therefore, we needed to ascertain not only what was best for Westrail, but also what was in the long-term strategic interests of the State, because even an unprofitable railway line can be valuable if it is carrying out a strategic role which allows the rest of the State to develop. We also need to ensure that the State will be fairly paid for the assets which it will be selling or leasing to a private operator. That is a difficult problem, because we do not know, and cannot know, what the Government is likely to receive for the sale, and a wide range of conditions could be applied to any sale document. Therefore, as other speakers have already said, we are really making a stab in the dark in this regard. We must have complete trust that the Government will get a fair deal for Westrail.

Hon M.J. Criddle: We would be interested in hearing your conditions on the sale.

Hon J.A. SCOTT: I have worked out what I will say and I will stick to that. That is the best way for me to deal with those matters.

At this point I should thank both the minister and the task force, because they have been forthcoming with information in trying to assist us to come to a decision on this issue. The assistance we have received has been professional, for which I thank them.

Some of the information we have been considering and some of the claims and rebuttals that we have heard are, first, that a private operator will increase the ratio of rail freight because private rail operators are more innovative than public operators and will provide a better service and be able to expand the business. Many witnesses gave evidence to the inquiry which was at odds with this. They said that Westrail was the best run of all rail freight businesses in Australia. It was constantly referred to as the jewel in the crown by a number of witnesses, including prospective buyers and competitors of Westrail. The claim that a private operator will be more innovative is not substantiated, because although the British system is different from that in Australia, the privatisation in Britain has not been a success, and obviously more work needs to be

done to make that system work. As I said, it is a different structure with a different focus. Its passenger services are greater than its freight operations, and it is not a vertically-integrated ownership, as is proposed here. It was shown that private operators do not always operate better than public operators, and of the operations that have been privatised, both here and around the world, quite a few have not been as effective as the Governments of the day might have hoped.

Hon M.J. Criddle: In Australia that is hard to justify.

Hon J.A. SCOTT: I do not think that it is too hard to justify. If one looks at the local bus services, people are still complaining about the level of service in the outer metropolitan areas; those services are not working as well as they did in the past.

Hon M.J. Criddle: I will take that up afterwards.

Hon J.A. SCOTT: The minister can demonstrate that the Government has saved some money.

Hon M.J. Criddle: I am talking about services.

Hon J.A. SCOTT: Although some good additional services have been brought in, such as the ring route that is working successfully, a huge number of complaints are made from south of Perth, Rockingham, and areas where people travel under rough conditions. People are not at all satisfied with the service, as they tell me all the time. During the transition period a number of buses did not turn up at all some days.

Hon M.J. Criddle: That used to happen under the government service. A lot of services were completely missed.

The PRESIDENT: The minister will get his chance later to speak.

Hon J.A. SCOTT: Another reason why private operators were seen to be better was that they could more easily access capital funding to expand or improve the network. That is not necessarily true, because Westrail has had the ability to borrow in the past. Although it has more restrictions on it regarding borrowing or investment than a private company, it is certainly possible for the Government to remove some of the unnecessarily restrictive regulations and practices that are in place. The State currently has a AAA credit rating and that gives advantageous terms on borrowing compared with a private company. As the minister will point out, private companies can get extra money by issuing shares. In one sense that is similar to borrowing money because dividends have to be paid to shareholders.

The Government has stated that it has other core funding needs. For many years rail services in the State were seen as a core government responsibility in the State and in most of Australia. It is not as though it is not or has not been part of the central business of government. Traditionally it has been in this country. The future of rail will continue to be of great strategic interest and social importance. For instance, I point to the proposals by the Government which we have already dealt in the Oakajee agreements, in which the Government, through Westrail, is seeking to provide rail infrastructure in that area. The minister is shaking his head but we had a paper in this House recently indicating there has been some variation on that. The Government has agreed to provide that particular linkage for the Oakajee project. If it is not doing that now I would be very interested to hear that.

The main reason given for privatising Westrail's freight business is that Westrail has a huge and increasing debt to service. I am told that by the end of the year it will be approaching \$700m. Westrail is highly geared and in that regard is approaching a 90 per cent debt ratio. I acknowledge that this is correct and a major impediment to the growth of Westrail and its profitability. It prevents it from expending sufficient money to provide additional services to the community. It is one of those issues that depends on the priority the Government at the time gives it. The Government would not balk at spending that amount of money on road systems that would not bring a return for many years. People in the north of Western Australia have rung me about the road to nowhere - the major highway being built up near Marble Bar. People wonder why it is being built. It is a large road that heads nowhere. While the Government is able to spend money on such projects, we see the major works around the metropolitan area, including allowing access for larger trucks, the Midland bypass and the upgrading of the roads through Jarrahdale which will link up with the new private port south of Fremantle at Kwinana.

Hon M.J. Criddle: There is a rail system into that as well.

Hon J.A. SCOTT: The Government is not complaining about spending money on roads. It is heralding that as a great achievement, whereas when it comes to rail it says that it is a burden around its neck which it wants to lose. There are ways of looking at that issue and it could be that it is a matter of priority to the Government rather than one of the Westrail's debt being an insurmountable obstacle.

It has been said that the open rail access agreements which have been brought about by changes to legislation in all the States of Australia will see Westrail's freight business eroded and devalued by private competitors that might end up taking so much of Westrail's business that there would be nothing left to sell. It is certainly of concern and something that needs to be considered when making a decision on this issue. That is a pessimistic way of looking at it because I believe the Westrail management, which has managed to produce a profit in recent years, has enough nous not to suffer from those access agreements but improve Westrail's service and profitability by working with, rather than against, some of the other operators and some smaller subcontract operators. I think Westrail can improve its competitiveness against road freight, which is the important matter, by some imaginative agreements with some of the other operators who want to enter into the business in the State, whether with interstate or intrastate freight movements. They can help each other compete against road rather than eat each other's profitability.

Hon M.J. Criddle: Doesn't that fly in the face of commercial reality?

Hon J.A. SCOTT: The commercial reality is that businesses will do what is seen to be in the best interests of their shareholders. In Westrail's case it would be in the best interests of the people of Western Australia if it were to remain a public company. There are two ways in which Westrail can deal with this issue. It can either fear the access agreements or say they open up new opportunities. Westrail's management is clever enough to take the latter course, and make the industry more competitive with road.

Another point is that privatising Westrail will allow the mum and dad investors to be niche operators to work the small branch lines which might be unprofitable for larger locomotives and larger companies, and that overall this would put more business on rail. This is not peculiar to the private companies. Westrail can do that right now. It can work with those people in the same way as a private operator. Once again there is a clash between the reality and the statements that are made.

Hon Norm Kelly: Westrail does not need an access regime to do that.

Hon J.A. SCOTT: No. Another matter that was brought to my attention was that private operators in other States are depending on the sale of Westrail, because there are too many private owners in Australia with too little share of the freight load to continue to exist. There will be a shake out of those companies operating in the eastern States if Westrail is not sold and the smaller companies would be bought up by the larger companies, and we would get less competition. First of all, that is not a matter for this House and that situation will occur whether or not Westrail is sold. There will be a shake out between the different operators in Australia as there always is in any business anywhere in the world. The great example of that in Australia was the banking system whereby we were told we would get new radical banks, but all we have had is mergers of existing banks.

Another issue was that Westrail was restricted by a more regulated regime and public service obligations than a private owner would be. That is true. However, is the answer to sell Westrail or do with something about the regulatory regime? Much of the restrictive regulations on Westrail could be repealed and replaced with more friendly regulations. The other part to that is the drain on Westrail through its community service obligations. Those obligations will remain. If Westrail continues to exist, the Government will subsidise that service, and if it is sold it will subsidise a private operator, so we would not save a huge amount of money in that way, if any at all.

Hon M.J. Criddle: I do not understand.

Hon J.A. SCOTT: An argument put forward for Westrail not being as profitable as a private operator is that it must fulfil public obligations. Even if Westrail were privatised, the Government would have to subsidise those services if they are deemed to be in the community interest. They must be paid for in one way or another.

Hon M.J. Criddle: We probably disagree on that one.

Hon J.A. SCOTT: I would like the minister to clarify his interjection. Is the minister saying that Westrail's current public obligations would not be funded if the rail were privatised?

Hon M.J. Criddle: I am saying if there are efficiencies in the private sector, that will lead it to carry out that task without any need for an obligation from the Government.

Hon J.A. SCOTT: We have not seen that with the bus service in Perth which the Government subsidises. The Government is paying for that public service obligation, and that is worked out in the contracts with the bus operators.

I am not opposed to the Government's preferred sale structure, which is a vertically integrated structure. That is the correct structure. I have no doubt that under that structure the Government will get a better price for Westrail. However, it will have some problems in regulating the access even though we will now have an independent arbiter of that regime. It will still be difficult to ensure that it is totally fair. However, on balance, it is the best model. That model is not designed to increase competition in this State. It is a model designed to create a monopoly for the buyer.

Hon M.J. Criddle: I dispute that.

Hon J.A. SCOTT: The Government will hand over the whole Westrail system in such a way that it will benefit the owners and allow them to continue to conduct the business which Westrail has put together with the larger companies that are freighting materials on the Westrail system. The owners will pay more money for an integrated system, because they will be able to use the system in a way they want and they will give themselves priority. That is the benefit of the vertically-integrated structure put forward by the Government. It is my understanding of the argument put by the Government that if there were separate owners, they would not manage or maintain the system to the benefit of the operator, and they would not understand the forward needs of the line because their needs would be different from the train operator. Therefore, any new construction would not be in the interest of the train operator but would more likely be in the interest of the track operator, as has occurred in the United Kingdom.

Hon M.J. Criddle: That is a different system.

Hon J.A. SCOTT: Yes, and the reason the Government did not opt for that system is because the track operator does not properly manage the track in the best interests of the operators of the freight services but in their own interests. I agree with the minister that is the advantage. However, that advantage gives the owner an advantage over its competitors, and it is monopolistic rather than competitive.

Hon M.J. Criddle: We asked the National Competition Council to tick it off that it was not a monopoly. That is where the regulator is so necessary, as Hon Jim Scott pointed out.

Hon J.A. SCOTT: If there were no advantages in an integrated system, the purchasers would not pay more money for it and the minister's argument would go out the window.

Sitting suspended from 6.00 to 7.30 pm

Hon J.A. SCOTT: I agree with the vertically-integrated structure of Westrail. Although it is not a model that will increase competition, it is the best rail system for Western Australia for it to compete with trucks on low volume freight routes. Privatisation will hand strategic control of the rail to the owner which will have good and bad effects. In summary, the strongest reasons for selling Westrail are its large and growing debt, which prevents expansion, and the fact that its large debt decreases its competitiveness with road freight. It is believed that a private company will compete better with road freight. The money saved can go to government services that are seen by the Government as being core. Westrail is going broke and may lose its freight contracts as part of that process anyway.

Another factor influencing the sale proposal is the massive damage to roads in this State; the cost of maintenance for roads is out of control. Road freight is being subsidised by local and state governments in various ways. Additional trucks on the road are encouraging the Government to try to increase rail freight because they are causing more accidents. An embarrassing growth of greenhouse emissions has occurred in this State way beyond what we should be emitting. Road trains and large trucks also cause considerable disruption to urban environments. It is therefore worthwhile for the Government to attempt to get more freight onto rail. Another aspect is that as more freight goes on road there will be a great deal more building of infrastructure in urban areas to give access to ports and the like which will cause many problems with urban communities. The Government has a general philosophical commitment to private ownership and it is probably fair to say that this would be attractive to the Government as it is now facing budget shortfalls. The picture being painted by the government benches is a very gloomy view of Westrail while it remains in public ownership in that we are likely to see the eventual collapse of state-run services. I am concerned about that level of pessimism because, apart from anything else, the purchase price of Westrail may be pushed down if possible buyers read this information.

The combination of the minister's pessimism and the vast amount of information about Westrail was very confusing to me at first. I found that by returning to the green way of looking at things, I suddenly got a clearer picture that guided me on what I would like to see happen with Westrail and what I believe is the right decision. The truth is there are other solutions to the problems that I have outlined rather than selling the business; privatisation cannot solve the problems on its own. Although it will take many of the problems out of the Government's hands, if the structural problems are not addressed, rail will not be meaningfully competitive with road and will require subsidisation. The Greens (WA) believe, contrary to the Government's belief, that rail has a very exciting future.

Hon M.J. Criddle: So do I. I definitely agree with that.

Hon J.A. SCOTT: The minister keeps saying that it is going broke.

Hon M.J. Criddle: No, I am saying that rail has a very exciting future if we privatise it; it is a commercial decision.

Hon J.A. SCOTT: Privatisation will hand over the same structural imperfections that exist now and unless we deal with those structural problems, we will not receive a real answer to the road-rail ratio of freight. Exaggerations have also been made of the importance of rail and the steps that rail has made because a large increase in rail freight has occurred not only in this State but also in every State of Australia. It seems that trucks have a much bigger share of total tonnage; however, rail freight has increased its percentage of total tonnage per kilometre.

Hon M.J. Criddle: Grain takes about 67 per cent.

Hon J.A. SCOTT: The figure cited by various people that trucks are taking 75 per cent of the road tonnage is grossly untrue. In actual fact, if one looks at the tonnage per kilometre which is carried, there is an equal division between shipping, road and rail.

Furthermore, if we were to take away the inbuilt subsidies and free up the regulatory restriction, we believe Westrail could continue to be the best freight operator in Australia. It could greatly improve its profit and its services. This improvement can come about through the structural measures and changing conditions that I will outline. We believe that, for a long time, Westrail has unfairly paid an excise on fuel, which has gone back into the road system. That money should be directed back into Westrail to be used to pay off debt or expand the line. The open access arrangement will allow Westrail to expand its services rather than retract them and it will be able to work with the small specialist operators and boost its profitability and competitiveness with road. We also believe that a greenhouse tax will be inevitable because Governments, particularly the Government in Western Australia, are struggling to come to terms with the growth of greenhouse gases. A greenhouse tax will certainly favour rail over road. We also believe - it is already happening - that there will be increases in the cost of fuel. Once again this favours rail over road. We are already starting to see the erosion of the advantage for road and that erosion will be much greater in the future. Fuel prices will rise early in the next century, and in about 2005 there will be considerable fuel price rises which will advantage rail over road. The significant debt that the road freight business owes the community has been subsidised in Western Australia to the tune of \$238m a year in terms of unpaid road damage, greenhouse effects and pushing down prices of real estate because trucks are using urban areas. A whole range of factors are costing the community a total of \$238m a year. That money must be redirected.

Hon M.J. Criddle: Who gave you that figure?

Hon J.A. SCOTT: I have two lots of figures. One came from Felix Laube from Murdoch University, who has done considerable work in this area. I can give the minister a copy of that document. I also have a document which was put together by the Australasian Railway Association which states -

The road industry claims that the Federal Government collects \$7.4 billion in fuel excise from road users each year but that over the past four years they have only spent an average of \$1.7 billion on roads each year. That is, road users more than pay for the cost of the roads.

But which road users pay the most fuel excise? Not the heavy articulated vehicles. Their contribution to fuel excise is \$870 million or just 11.8% of the total and about half of the average yearly expenditure on roads by the Federal Government.

Most of the fuel excise is paid by motorists who contribute a massive \$5 billion each year - 68% of the total and nearly 3 times what the Federal Government spends on roads.

The claims by the road lobby, which were assisted by the previous minister who helped misrepresent the facts on these levies, have been very successful. Many politicians and people in the community have been fooled. We want the money from the Westrail sale, first, to be pumped into urban roads to get rid of the \$700m debt, because money has not been going into road repairs and huge damage has been caused to urban roads. I know the minister will say that would be difficult to do, but I do not believe it is impossible for the Government to do it. Indeed, it can do it.

Hon M.J. Criddle: You can do it, but you must fund the rest of government.

Hon J.A. SCOTT: An economic analysis which shows that one industry is unfairly getting a \$238m subsidy and another is not indicates that is not a level playing field on which the two industries can compete. Without that debt, and with the road industry paying its way, we will see a much more competitive Westrail and one which will be able to expand, particularly when fuel prices rise and greenhouse taxes start to be imposed in Australia.

The notion that private business is more successful than public business is a myth created partly by the unfair regulatory system and regimes which restrict public companies. Some, not all, of those restrictions can be taken away. It should be noted that about 80 per cent of private businesses go broke in the first two years. They are not always the panacea for all of our problems. This is not the right time to sell Westrail's freight business. It is time to update the regulations and allow Westrail to compete on a level playing field against both road freight and other railway companies. If we rely on privatisation alone to save the rail system, it will not work. We will not see the movement of freight from road to rail. We must look at an integrated travel system in which there is a level playing field, and we must do a lot of work on making sure that, first, any unfair subsidies are taken away and, second, these systems work together to produce the best results for Australia.

I will not shut the door at this point because I know the minister wants to keep it open. A public Westrail can still be the jewel in the crown of Australia's rail freight services and, in fact, will be able to compete with road if the minister is brave enough to take that politically difficult step of making the road freight industry pay its way. That is the only way in which the rail system can compete fairly with the road system. Until that happens, a private or public Westrail will struggle. We could not agree to its sale on the basis on which it is being sold at the moment. I wait with interest to hear what the minister says about this. However, I am highly sceptical that he can come up with the answers we require. I reiterate: There is a bright future for rail in this State and in Australia. The big growth rate we have seen in recent years, rather than the pessimistic downturn which the Government is talking about, will continue and even expand. Rural and urban communities are getting fed up with the huge amounts of money that are being pumped into the road systems around the State in a very wasteful manner and in a way which is unfair to the rail freight business. The minister must tackle that problem. There must be a reduction in the money that is pumped into subsidising the road freight business, otherwise the Greens will not be interested in the sale.

HON NORM KELLY (East Metropolitan) [7.50 pm]: I appreciate the opportunity to be at last able to speak on behalf of the Australian Democrats on the Rail Freight System Bill. The Democrats did not have a predetermined policy position on the proposed sale of Westrail prior to the introduction of the Bill. We have a broader policy outline on matters such as privatisation and public transport in general. With any privatisation proposal, we examine each case very much on its merits. We stated early in the piece that the Government should clearly illustrate that this sale is in the best interests of the Western Australian community and that it would provide a net and evident benefit to the public economically, socially and environmentally.

As we stated in our policy paper at the last election, the Democrats will always oppose privatisation of government services if that involves fewer accountability measures, higher costs to the public or lower standards. This becomes even more pertinent to a government-owned infrastructure that we regard as an essential service. We regard the transport system, particularly the infrastructure - in this case the below rail component - as an essential part of the public transport network.

Much has been said about the rail access regime in this debate. However, another access regime is critical to this issue. It relates to state elections and is exercised at every state election in Western Australia. At each election the people give the Government access to the State's infrastructure and to its assets. The Government's duty is to reciprocate by managing those assets in the best interests of the State.

In this case the Government may argue that a sale to what would be, at least initially and perhaps for a longer period, a private monopoly, is in the best interests of the State. However, the Democrats disagree with that argument. The Government Railways (Access) Act provides a framework to ensure competition in an intrastate freight service. The code which would provide the rules and regulations for the access regime has not been implemented or gazetted. Therefore, the ability to judge the effectiveness of this access regime is untested. We are being asked to rely on an untested, unproved access regime that should ensure fair competition against a privately-owned monopoly. I am sure that even the minister will agree that the Government's plan allows, initially, for a privately owned monopoly to purchase Westrail.

Hon M.J. Criddle: There will be one purchaser but anyone can have access, if somebody puts out a tender for an operation.

Hon NORM KELLY: I realise that, but I am stressing that if Westrail is to be sold in the way the Government is proposing, upon that sale, we will have a privately owned monopoly.

Hon M.J. Criddle: The east-west track has other operators on it now.

Hon NORM KELLY: I am referring to the intrastate network. It will be from that day that third parties can come in and dilute or remove that monopoly by taking away market share from the initial private monopoly.

Hon M.J. Criddle: The access regime will be in place regardless.

Hon NORM KELLY: The access regime will be in place, but it will not ensure that a private monopoly will not be in place. Potentially up to a 49-year monopoly could exist in this State for that rail network. In the view of the Democrats, that is too great a risk at this stage. We could almost say it is reckless. It is no surprise that a private operator would be willing to pay a premium to gain that monopoly share of the intrastate rail freight business.

The privilege of having that unique control of all existing contracts and the below-rail track business is a huge monopoly. As I said, it is an untested access regime on which we are depending to ensure fair competition for third parties to enter.

Hon M.J. Criddle: You must admit it has been passed by the National Competition Council and will have an independent regulator. Although Hon Jim Scott may not like it, competition exists from anyone on those intrastate networks.

Hon NORM KELLY: I appreciate that competition from road exists, but I will discuss in more detail comments made by Hon Jim Scott concerning competitive neutrality between road and rail. That is one of the reasons we have a problem with competition from road on these markets.

The advantages of being an integrated owner, such as strategic expenditure of capital on certain sections of the network, will produce an additional revenue stream that is not available to third parties and could place them at a disadvantage when trying to compete equally with that integrated owner for contracts.

Hon M.J. Criddle: That is a pessimistic outlook.

Hon NORM KELLY: I am possibly painting the worst case scenario, but I will also debate the real benefits of privatisation. It is one of my responsibilities to consider the worst case scenario to ensure we avoid that if at all possible. The integrated owner will also have the ability to organise artificial rates so that it can operate the below-rail component at a profit by charging artificially high access rates to itself and to others and by running the above-rail component at a loss. Overall, it would be maintaining a profit, but of course third party above-rail operators would be unable to compete against that pricing. It is these possibilities about which we are concerned because of the broad band of floor-to-ceiling access charges.

Based on the evidence received by the Standing Committee on Public Administration and on discussions I have had with various people within industry, I am not convinced that the access regime is strong enough in both a legal regulatory framework and in the more surreptitious ways of getting around such a regime to ensure those third party operators have an even playing field.

We believe that, after consultation with the National Competition Council, the Government improved the regulatory regime passed by this Parliament last year. Its move to an independent regulator is a positive step suggested by me and others in this place last year, but which the Government chose not to adopt at the time. We applaud the fact that the Government has announced those changes. If this Bill were defeated, those changes would not be implemented. However, I am sure the Government would consider reintroducing those changes in the regulatory access regime, as agreed with the National Competition Council.

As I say, the Government is proposing that Westrail be sold as a vertically integrated entity, it will provide the owner with a below rail component for up to 49 years and it will include the rolling stock, locomotives and the existing freight contracts. This would give the owner a virtual monopoly on the above-rail component. At the same time, a prospective third party competitor would have to negotiate with that same owner for access to the network and to the contracts the integrated owner already has. One of the arguments the Government puts forward for a vertically- integrated sale is that it would enable the owner to strategically invest in the network. The owner would have more security and certainty, and could put more capital investment into bringing the network up to standard. Everyone agrees that some sections of the network are substandard and need to be brought to a reasonable condition. This is a valid argument. It is one of the positive aspects of privatisation. Because of different taxing arrangements which the private sector can access and the Government cannot, there are ways to increase the capital investment which this Government and previous Governments have not been willing to do. Although the situation is improving, it is quite sad that no Government in the past decade or two has invested sufficiently to maintain the rail network.

Hon M.J. Criddle: How come we have a \$700m debt?

Hon NORM KELLY: I will get to the debt. I do not know how much of that debt is related to rolling stock and how much is related to the below-rail component of the network. It would be interesting to see the split between the two components. I will talk about how debt has travelled in the past two years.

The Government also says that the below-rail component of the network would certainly require a government subsidy. If one extrapolates the implications of what the Government says is a fair access regime, the initial vertically-integrated owner could possibly become solely a below-rail operator. A good, fair access regime could mean the integrated owner would

steadily lose all its above-rail contracts to haul freight and be left with the below-rail aspects of the network. In that case, to be viable the owner must operate the below-rail component at a profit. The Government says it is not viable for a private owner to do that. However, under the current proposals, that is a possibility, although perhaps not a probability, and it must be considered.

It is important that the current rail network in regional Western Australia be maintained and strengthened. That is definitely the future of transport in this State, and the Government should be a central part of developing that network. The Australian Democrats feel that the Government has a duty to provide that, in the same way that it provides the road infrastructure for road operators. Equally, it should commit to rail if it is serious about improving the percentage share of the freight task being carried by rail instead of road.

Hon M.J. Criddle: It may go the other way; that is the problem.

Hon NORM KELLY: It could go either way and it is the responsibility of this and future Governments to do everything in their power to ensure that does not happen. The Government has great confidence in the ring-fencing provisions of this access regime. The Democrats do not share that confidence in the ring-fencing provisions, and it is interesting that many people in the industry, both operators and freight clients, also do not share the Government's confidence in ring-fencing. Looking at it realistically, it would be bizarre to think that an integrated owner would be willing, in a totally fair and unbiased way, to allow third parties to take business freight from it. It could be argued that directors of that integrated owner would be operating against the shareholders' interests if they followed that ring-fencing procedure to the letter of the law.

Hon Bob Thomas: It could be a breach of their fiduciary duty.

Hon NORM KELLY: It could be a breach of the Corporations Law if they do not do their duty. The evidence the committee received clearly outlined both legal ways to get around that and other more surreptitious ways of getting around the ring-fencing and access regimes. I compare it to the difficulties Compass Airlines had in getting access to domestic airports, when Qantas Airways Ltd and Ansett Australia were required by statute to allow Compass access to those terminals. Those companies were able to frustrate Compass to such a degree for such a long time, and through lengthy legal proceedings, that Compass could not maintain the argument and had to give it away. Even though we have progressed since those days, and this seems to be a stronger regime, the Democrats do not have total confidence that fair competition can be guaranteed.

Hon M.J. Criddle: That is what national competition is about.

Hon NORM KELLY: If we start talking about the national competition policy, I could be here for hours talking about the inadequacies of it. I know that some ministers have serious doubts about much of what is going through the council at the moment.

The Democrats have considered other models of how Westrail could be sold to see if any are acceptable. Apart from the privately owned, integrated model, the Government's second preference is to retain Westrail as a government owned, integrated model. There are different types of vertically-separated models, with either the Government or the private sector owning and managing the below-rail component. Technically, the private sector would lease the below-rail component, but a 49-year lease is as good as owning the below-rail component. These options were prioritised in a scoping study presented to Cabinet. The Democrats have not had access to the details of that study. If the Government truly wants support, we need more details on these options. I acknowledge the involvement I have had with the minister and the sale task force, and I appreciate their willingness to provide information. Their responses have always been speedy and they have shown a total willingness to explain any aspects of this proposal. I thank the task force staff for their work in that area. However, we need to go one step further and make sure that information is readily available to the public.

When I asked for more of an economic analysis of the various options, I was offered a briefing on the economic analysis of the sale which had been completed by the merchant bankers. However, I would have been required to abide by a strictly confidential restriction on the information provided. To my mind that would compromise my ability to represent the community, because I would not be able to discuss and further use the information to determine our position. This information should be more publicly available if the Government wants public support for this sale. The integrated model has very little support.

Industry supports privatisation. However, most organisations and people support at least some form of a vertically-separated model. The sale of Westrail's freight division has been variously estimated at between \$500m and \$1 200m. It is a huge amount. Initially, the Government wants to retire the debt which has accrued over the past few years. The Government has tended to put sale proceeds from such privatisations into capital ventures. The Australian Democrats do not believe it is a good idea to use that money to retire debt; it is a quick fix for a problem that the Government has allowed to accrue.

The lack of a bottom line or reserve price on the sale of Westrail is a concern. It is possible we will still have a Westrail freight debt after the sale. The Government has not stated what it would do if there were any debt remaining after the sale.

Hon M.J. Criddle: I can assure the member that we will not undersell Westrail.

Hon NORM KELLY: Westrail is regarded as the jewel in the crown of Australian railways and should attract a premium price.

The task force also supplied me with information on the various arguments for the other options. In a clear spreadsheet format the task force showed the positives and negatives of the various options. However, its arguments are sometimes tenuous with not a great deal of substantial backing.

Hon M.J. Criddle: That is what every business decision is about.

Hon NORM KELLY: It is difficult to state categorically how something will eventuate. The spreadsheet points to environmental and social effects and indicates that by retaining Westrail in government hands road transport may become more attractive, that social effects may be negative and various other arguments. However, those matters are within the Government's power to have some control over and say in what will occur. For example, the item on the staff perspective indicates that it is likely to improve under a privately-integrated option, yet the survey I will refer to in a couple of minutes indicates it will not improve under a private operator. The spreadsheet indicates that the staff perspective will not change under a government operator. Is that simply because the Government is not willing to be flexible or show any change on how it treats its employees? The spreadsheet indicates that there is no guarantee that freight rates will improve, so we do not know whether in a cost sense there will be a benefit to customers. I know that the Australian Rail Track Corporation proposal refers to a 20 per cent reduction in freight rates. That is airy-fairy sort of stuff, because when one looks at the detail there is a possibility of a 20 per cent reduction. There is no substance in that offer at all. However, there should be some substance in a sale arrangement to ensure some guarantee on what will happen to freight rates. I will not go into any more of the detail on that spreadsheet, and I agree with the minister that it is difficult to state categorically the effect of the sale. However, we must be as certain as possible. It needs to be a business decision, and the minister states that it is. However, it should not be too speculative.

I will refer to the "Tracking Australia" report from the House of Representatives Standing Committee on Communications, Transport and Microeconomic Reform into the rail industry in Australia. That report compares the differences between integration and separation and on page 148 states -

. . . it is difficult to draw definitive conclusions on the trade off between the potential increased competition provided by structural separation and the economies of scale, scope and traffic density provided by vertical integration. The report identifies positives in both systems, without categorically stating whether one system is better than the other.

Hon M.J. Criddle: The Productivity Commission report did state that.

Hon NORM KELLY: There have been a number of reports in the past couple of years on rail transport.

There are also other options such as horizontal separation in which we must consider whether the narrow-gauge, mainly grain network is separated from the standard-gauge network. The potential problem is a drift from the narrow gauge to the standard gauge which could severely impact on local shire roads which would have to take on that grain task. There is a good argument to say that integration would maximise the use of the narrow-gauge network and there is also a good argument to say that the narrow-gauge network should be sold as an integrated entity. The Democrats do not believe it should simply be part of an overall integrated network.

Lines such as Kalgoorlie-Esperance have specific issues. The Government has announced a re-sleeping program to bring that line up to an acceptable standard. I am not too sure whether the government announcement of the \$35m upgrading is definite or a possibility that depends on the contracts. Rather than specify that the network be maintained at a standard which is fit for purpose, the Government should stipulate that, particularly on certain parts of the network, the track must be maintained at a certain standard.

Hon M.J. Criddle: If we did that would it change your mind?

Hon NORM KELLY: It is one component in the matrix that we are not happy about. In itself, it would not change our minds.

Hon M.J. Criddle: Perhaps you will list your requirements for me?

Hon NORM KELLY: I will try to list them in my speech as well as I can. If I cannot do it by the end of this debate I will definitely provide the minister with a list.

It would be one component in the right direction to ensure a proper rail network in the future. The minister is part of the Australian Transport Council, because it takes in all State Governments and the Federal Government. The council is developing targets for the next two and five years on the standards for these lines. The Democrats believe those standards could easily be stipulated through either the Bill or in regulations. That would allow for the increased use of rail, and would prevent an integrated owner being able to maintain a line fit for purpose for its use while preventing other users with increased capacity to come onto those lines.

As part of my work on this Bill I attended a forum in Kalgoorlie put on by the Goldfields Esperance Development Commission, which has real concerns about the future of the Esperance line. The Esperance Port Authority has a vested interest in what happens to that line. We can see the possibility of an integrated owner looking at an operation like Portman Mining Ltd, which exports almost four million tonnes of iron ore per annum, and seeking to divert the freight from the Esperance port to Kwinana. That could occur if an integrated owner made that an attractive alternative for Portman Mining Ltd. I was interested to hear when I was in Kalgoorlie that when Koolyanobbing iron ore was first being mined it was a real possibility that ore would be shipped out of Whyalla, because it was seen as being economically beneficial to utilise the under-utilised back loading west to east and to ship it out of South Australia rather than Western Australia. Sometimes purely economic decision are not the best ones. We must make political decisions to ensure the regional areas grow.

Hon M.J. Criddle: I am not afraid to make any decisions on those areas. I have a vested interest in many of the areas in the Agricultural Region.

Hon NORM KELLY: I refer to what is guaranteed in the Bill. We do not want the Bill to pass in its current form because it gives the Government open slather to say that it can sell Westrail in any form it likes. It has stipulated the conditions that will apply to the sale, but that has been done through media releases and public announcement. There is no guarantee that those conditions cannot be changed in the future for whatever reasons the Government at the time may want. There are other arguments relating to the grain network about the drift from narrow gauge to standard gauge and the like.

One minor issue relates to the rating of the corridor land where local councils would like to see something similar to the Bunbury to Dampier gas pipeline, where they get a return which is equivalent to the rates because the land is being utilised by a private company, not the Government. We have a problem with that proposal because we believe any increase in the cost to the rail operator would impact on the viability of roads, as opposed to road transport, and that could result in a shift from rail to road. We would not support that, but an argument could be put that that could be part of the Government's subsidy to the local shires so that it does not impact directly on rail freight rates.

I refer to competitive neutrality between road and rail, the level playing field argument. Generally it is argued that rail is at a huge disadvantage compared with road. Once again, I refer to the "Tracking Australia" report, page 120 of which outlines that quite well, and states -

Achieving competitive neutrality means establishing a level playing field, in terms of the consistency of regulatory arrangements, taxation, and level of direct and indirect government support applied across industries . . . Macquarie Bank suggested . . . that:

- . charges for road and rail should be free of explicit or implicit subsidies, or at the very least, should be entitled to equivalent levels of subsidy,
- . charges for road and rail should include full recovery for all external costs such as air pollution and other environmental effects, noise, accidents and congestion;

That is part of the imbalance that occurs currently between road and rail. I was happy that the Australian Democrats and the Federal Government could come up with a slight change. By removing the rail diesel excise, the situation is starting to equalise. That change, which came about as a result of that agreement, means an additional \$12m a year will go back into the coffers of Westrail, and that should flow on to Western Australian customers.

Hon J.A. Scott: How long has that been going?

Hon NORM KELLY: I am not exactly sure. Hon Jim Scott mentioned the imbalance of road funding as against rail funding. Under some regulations, interstate registration is not required for trucks, but rail operators are required to negotiate separate access agreements and safety accreditation in each State. It has been shown that rail is about seven times safer than road in the transport of dangerous goods, yet for the transport of flammable materials, the metal tanks must be twice as thick on a rail wagon than on a road trailer. These different stipulations are also part of the imbalance. Another example of this imbalance relates to noise regulations. In New South Wales the noise emitted from trucks can be four times louder than that from trains. Those regulations give rise to the differences in these modes of transportation.

There is also an expectation that road costs are seen as a public good, therefore full cost recovery is deficient; whereas there is a belief that rail must get full cost recovery. The different way in which road projects, by comparison with rail projects, are funded is an example of that. The impact of taxation on road vehicles is different. One fully loaded B-double trailer does the equivalent damage to 20 000 cars going over the same strip of road. We can start to see how lightly road transport operators get off when we compare the impact these vehicles have on roads.

Competitive neutrality can be achieved in one of two ways: We can either make users of rail and road pay the true cost of using the infrastructure, or government can subsidise equally both forms of transport to maintain the level playing field for the two operators. By doing that, we will maintain the international reliability of other industries that are dependent on either road or rail transport. We cannot necessarily get a full rate of recovery. We must look at the public benefit of subsidising both rail and road infrastructure to maintain our international competitiveness for our export market.

We are also very concerned about the Government's behaviour towards Westrail employees, including the lack of consultation and willingness to be open with them about what is in line for their future. On 25 March the Minister for Transport put out a press release stating that all staff will know well before the sale what the terms and conditions of employment will be. From the answers to my questions to the minister in this place, it seems that is not quite true.

Hon M.J. Criddle: They will know where they stand before the sale goes through.

Hon NORM KELLY: Does that mean before the sale is implemented - before it is signed off?

Hon M.J. Criddle: Yes. They know what the situation is.

Hon NORM KELLY: Will they know that before the contract is signed?

Hon M.J. Criddle: I have always said that.

Hon NORM KELLY: That is different from the answers given by the minister in the Parliament. It is not contradictory; but he is now providing a little more detail, which I appreciate. I have asked a lot of questions about the survey conducted by a private company for Westrail last year. It makes it quite clear what the Government is looking at. I refer to some questions in it which state -

With the new employer, many things would stay the same:

- . *Job - Same tasks, same duties, same work hours as now.*
- . *Pay - Same pay, same availability of overtime as now.*

These conditions have been put to the employees as definites under a new operator; yet when we talk to employees, as I did in Kalgoorlie, that is not what they are being told at other times. The Government is saying that it will be a lot rosier for them to go across to another operator. This survey asked many questions about privatisation, and I will pursue others issues contained in it later in another debate. It asks about the feelings of employees on the privatisation of various industries. It asked employees to state their religion and even for whom they vote. This survey is incredible, but the Government is refusing to give us details of it.

Hon Kim Chance: It must have been a handy database for the National Party. Will you give it to the National Party?

Hon NORM KELLY: It depends whether we can get access to it, because the Government is unwilling to provide that information coming from the survey.

Several members interjected.

The DEPUTY PRESIDENT (Hon Derrick Tomlinson): I think the exchange of interjection across the floor of the House is interrupting the telephone conversation of Hon Bob Thomas! I remind him that the telephone is used for the purposes of the Whip

Hon NORM KELLY: One of the best series of questions in this survey concerns fair pay. The survey asked, for example -

For your job, if you were paid \$25,000 a year (working full-time) -- would that be unfairly low, just about fair, or unfairly high?

The survey then asked -

Would \$35,000 a year be fair? . . .

Would \$45 000 a year be fair? . . .

If you were paid \$80,000 a year? . . .

And \$200,000 a year?

It goes on. That will provide a good idea of exactly how much we can screw the workers for if we sell it off to a private owner.

Hon M.J. Criddle: That is beneath you. You do not normally carry on like that.

Hon NORM KELLY: I only carry on like this when I see something so outlandish, especially when I cannot get feedback on the results of the survey or what is being done with those results, irrespective of the fact that the survey should not have been let to a Victorian company when many companies in this State could have conducted the same survey.

We must also look at the social benefits of this rail network and the social implications of maintaining a viable rail network throughout regional Western Australia. That is the reason that I said to the minister that we should make a political decision about the benefits of maintaining connections to country towns on some sections of line which may not be economically viable. The minister would be aware of the line closures that are occurring in his area. Sometimes good arguments are put for keeping these lines open. Another requirement of the Australian Democrats is that any line closures, in addition to those that have already been made publicly known and agreed to - the three closures and the other three disused lines - should be subject to parliamentary approval. If there is a good reason for closing them, there should be no problem with the Parliament agreeing to those closures.

I will skip over a few other aspects of my argument because I realise I am running out of time. Many arguments were put to the committee, and to me, by supporters and opponents of the Government's proposal, comparing Western Australia with what has happened in other States of Australia, with Tranz Rail Holdings Limited in New Zealand and with the British and Canadian experiences. However, we have not placed great credence on any of those arguments, because these rail networks are all unique in the aspects of gauge, distance, volume and previous history of their regimes. Therefore, although it may be interesting to look at those other experiences, we cannot place too much weight on what has occurred in other areas. In this instance, we are also looking at selling an essential infrastructure, which is owned by all Western Australians, to what will most likely be a private American company. Therefore, if it is sold to such a company, perhaps it would be relevant to look at the history of that company in operating other railway lines. However, that will be further down the track when one is looking at a potential buyer.

Another issue relates to the Australian Rail Track Corporation's desire to have control of the Kwinana-Kalgoorlie line. I refer again to the "Tracking Australia" report, recommendation 11 of which reads -

The committee recommends that the Commonwealth ensures that the Australian Rail Track Corporation secures control and management of the national track, including those sections of the interstate network currently controlled by State authorities.

Although Westrail has negotiated an access agreement with ARTC for about 45 per cent of the capacity of that line, a

contradiction in terms arises with the intergovernmental agreement of 1997 signed by the previous Minister for Transport, which supported a one-stop shop for the national Kwinana to Brisbane line through Melbourne and Sydney.

Hon M.J. Criddle: We have nearly finalised that.

Hon NORM KELLY: I realise that.

[Leave granted for speech to be continued.]

Hon NORM KELLY: A contradiction in terms arises because two years ago Western Australia said in the intergovernmental agreement that it supported a one-stop shop, but it is now willing to allow another company to assume control of the Kalgoorlie-Kwinana section of the track. Even though the ARTC may have access to 45 per cent of the track's capacity, it will not have the ability to invest strategically in the Kwinana-Kalgoorlie line to support interstate operations. One will have two below-rail operators with often complementary, but sometimes conflicting, requirements deciding strategic capital investment. The Australian Democrats have a problem with that, although I am not sure how it can be best overcome.

Many benefits arise from supporting privatisation. First, it is likely that it will lead to increased capital investment. That is a benefit simply because of a lack of willingness by Governments to provide that capital investment. It might come down to a matter of priorities, but government has a responsibility to provide that capital investment, and to plan how the investment will eventuate while retaining the line in the State's hands.

Privatisation will lead to the retirement of existing debt, which has risen to approximately \$63m. It is a quick-fix for what has accrued over recent years. Increased commercial focus is an additional benefit. Westrail should be considered a government entity and consideration be given to improved commercial focus and competitiveness of Westrail management. The integrated capital investment can also become an effective mechanism to prevent third parties from being competitive with the integrated owner. That is because the capital investment could support the type of trains the integrated owner operates, and could be detrimental to a third party which may wish, for instance, to run high-speed and short trains to cart loads. Therefore, mechanisms can negate any positives from the capital investment.

There is a lot of industry support for privatisation. However, as I said, that support is not necessarily for the integrated model. Most groups, unless they have a direct vested interest, support the separated model, because they fear what an integrated owner may be able to get up to. There has not been a great deal of support for not privatising Westrail. That is mainly because people realise that changes need to be made to the running of our railways. The two main groups that do not support privatisation are the Western Australian Farmers Federation and the Public Transport Union, from which the committee heard evidence.

It is interesting that the debt level of Westrail is one of the main arguments for selling Westrail. We see from the question that I asked the minister yesterday that over the past seven years, the debt level has increased from \$427m to \$617m. When that is broken down a bit more, we see that between 1993 and 1997, that debt level increased by an average of only 2.5 per cent per annum. In the past two years, which coincides with when the Government started to look seriously at selling Westrail, the debt level has increased by 30 per cent per annum, so there has been a massive increase in debt level over the past few years. It will be interesting to see how much of that debt increase has been taken up by investment below rail in the track as opposed to investment in the rolling stock of the network.

Hon J.A. Scott: Does that debt include redundancies?

Hon NORM KELLY: No. In considering the alternatives to privatisation, I turn to a statement that I received from the Labor Transport spokesperson, the member for Armadale, which states that Labor is committed to retaining ownership and management of the tracks in public hands, that the track management entity would be commercialised under a Labor Government, in a similar manner to what has happened with the port authorities, that Labor would corporatise the freight division, and that Labor would be committed to ensuring that the standard-gauge east-west line was managed as a single entity. Those are good options that, if not pursued, should at least be looked at and evaluated more closely.

However, when we look at the performance of previous Labor Governments, we should not have too much confidence in their ability or willingness to invest in the regional rail network. The bottom line of this graph, which represents investment in the freight network, indicates that in the Labor years, there was a very low level of capital investment. There has been a far bigger increase in the coalition years since that time.

Hon Kim Chance: Is that the white line?

Hon NORM KELLY: The black line at the bottom of the graph for 1991-1998 is the investment in the northern suburbs rail line.

Hon M.J. Criddle: That is the only time you were in the black!

Hon Kim Chance: That would be right!

Hon NORM KELLY: That is past history. We are now a decade on. As I said, when we look at that capital investment, we need to look also at whether it is investment in the track or above rail, because if it is investment above rail, it does nothing for any third-party operators who want to access that rail. We need to have capital investment in the track to make it a viable industry.

Hon Kim Chance: It would be fair to recognise that it was a Labor Government that put the standard-gauge line right through to Melbourne.

Hon NORM KELLY: I appreciate that. I am not saying Labor is the bad guy. The Labor proposals are quite good and should be investigated more closely.

I conclude with one final quote from the "Tracking Australia" report, which sums up the political situation that we are looking at here. Page 55 of the "Tracking Australia" report states -

Privatisation may not be the appropriate remedy since a privatised enterprise after a public sector sale may continue to be inefficient. What is required is a complete restructuring to implement policies and management strategies designed to correct inefficiencies.

That is a whole-of-government, positive approach to all transport infrastructure. The final part of the quotation is from Ewen Malcolm Pty Ltd, and it is a good one. It states -

. . . the public could be forgiven for forming the view that our political leaders are quite happy to take their short-term political kudos and economic windfalls from early reform initiatives, without consideration of the long-term, socio-economic consequences, since by that time they will have gone from political position and, therefore, from any public accountability (except to history) for their former actions.

That goes for a lot more issues than merely rail privatisation.

As I have said, the Australian Democrats have not gone into this issue with blinkered vision. We have been open to all possibilities about what we should do. We believe there is very much a need to make a strategic change in direction to reinvigorate the rail network in this State to get more freight off road and on to rail. The benefits are not simply economic. This would have positive impacts on the environment and lifestyles of people, particularly in regional Western Australia.

If the Bill passes the second reading stage, we would be looking at making substantial changes to it by way of amendments. The conditions we would like to entrench in the Bill include a need for parliamentary approval for any line closures and full disclosure of the contract details. Bearing in mind that this is a monopoly we are handing over, and that once someone obtains the monopoly, commercial sensitivity is not such a major consideration, we would be seeking to have the Auditor General involved during the sale process so that we have an independent inspection of the process on behalf of the Parliament. We would be looking at moving to amend the possible form of sale under this Bill, so that a vertically-integrated sale of the network would not be possible. We would be looking at removing the prohibition on government-owned entities being able to bid for any components of the network. We would be looking at a requirement for the network to be maintained to specific standards, as I have said, rather than the Government's promised fit-for-purpose standard. The Government could equalise in many other ways the uneven playing field between road and rail. Many of those initiatives need to be done in conjunction with the Federal Government. It is a pity, as we happen to have a National Party national transport minister, that we cannot get a better deal.

Hon M.J. Criddle: I will not do a deal with you again!

Hon NORM KELLY: I promise that I will not use up all of my time!

In conclusion, the figures provided by the task force indicate only a \$35m subsidy may be needed for the Government to maintain the below-rail infrastructure in government hands. We believe that might be a reasonable price to pay to keep it in government hands. It represents access revenue against the capital investment which will be needed. We need to explore that aspect.

We will not be supporting this Bill at the second reading stage. We believe that the way in which any possible privatisation could be implemented should be further investigated. Rather than going through a lengthy committee stage of the Bill, it would be far better for this Bill to be defeated at the second reading, so that the Government can go away and look at other options to find something which is acceptable to the Parliament and perhaps introduce a Bill at a later stage with more agreement from non-government parties. At this stage, the Australian Democrats will not be able to support this Bill.

Debate adjourned, on motion by Hon Muriel Patterson.

WATER SERVICES COORDINATION AMENDMENT BILL 1999

Second Reading

Resumed from 23 June.

HON KEN TRAVERS (North Metropolitan) [8.50 pm]: I hope to be a bit shorter than Hon Norm Kelly.

Hon Simon O'Brien: You will have to lose a few inches!

Hon KEN TRAVERS: The Labor Party is keen to support this Bill, and has been since the minister gave his second reading speech in June. Any delays have not been the responsibility of the Labor Party. The Bill has been a long time coming - in its current format since 1995. Discussions about the need for a plumbers' licensing board have been ongoing for about 20 years.

This Bill is lean compared with the Bill introduced and then withdrawn in 1995, when the water industry was restructured. The need to establish a separate plumbers' licensing board was created when the Water Authority was corporatised. It was inappropriate for the Water Corporation to maintain the plumbers' registration functions that the authority had previously carried out.

Members opposite probably thought the issue had been addressed. I found it amusing when I looked at Minister Hames' web site in 1998 to read that one of his major achievements was the establishment of a new plumbers' licensing board because the Water Corporation could not undertake that role. It is interesting that it is a year since I looked at the site and we are only now dealing with the Bill.

Hon B.K. Donaldson: That was very visionary of him.

Hon KEN TRAVERS: I hope it is not an indication of how long it will take the Government to get all its other major achievements up and running.

This is a lean Bill and the flesh will be in the regulations. The Labor Party is happy with that, because the board will comprise industry representatives who will draft the regulations, and the Parliament will have an opportunity to examine those regulations in greater detail when they are presented in this place. The establishment of the board is the key issue.

There is no doubt about the need for a body like the proposed plumbers' licensing board. Water is a major health issue. At the time I was dealing with the proposal for a plumbers' licensing board as the Labor Party spokesperson on water resources, I was a member of the Select Committee on Immunisation and Vaccination Rates in Children. The opening line of the committee report's executive summary states -

The two public health interventions that have been attributed as having the greatest impact on world's health are clean water and vaccines.

I felt I was saving the world this time last year while dealing with the proposal for a plumbers' licensing board and serving on that select committee.

There is no doubt that the statement about clean water is correct. One of the most important issues in our modern society is ensuring that our water supply and sewerage systems are kept separate; we must ensure there is no back flow of contaminants into our clean and potable water supply. To achieve that, it will be essential to ensure that a body such as this licensing board will be created as a result of the legislation. We sometimes become complacent in our modern world and start to take for granted the protection provided by regulations that have been in force for some time. I spoke to members of the plumbing industry and I am grateful to the membership of the Communications, Electrical and Plumbing Union and the Master Plumbers and Mechanical Services Association of WA for the knowledge they imparted to me during that process. I was amazed at some of the recent examples they provided of significant errors made in the fitting of plumbing fixtures. I do not intend to mention all of those examples, as the member for Maylands did in the other place; members can read her speech if they are interested. I want to briefly touch on one example, which I thought summed up the situation. Last year in Kwinana a highly toxic chemical used in the laboratory of a heavy industrial plant back-syphoned into the water supply during an interruption to the water supply to install an evaporative air conditioner. Fortunately, it was identified quickly and contained on site.

Members will have heard of numerous examples of people who have had poorly fitted hot water systems installed in their homes which have resulted in major explosions. I was about to give an example that was given to me by members at an executive meeting of the plumbers union regarding the circumstances of a plumber having to deal with poorly installed plumbing fittings at Royal Perth Hospital, but it is too gross to talk about even in this place. I am sure members can get a fairly good idea why that plumber had to go home quickly and clean himself up after working on those poorly installed fittings at the hospital. There are probably many other examples but it is not my intention to go through those tonight.

We on this side of the House are pleased to place on the record our support for the membership of the board. The minister has indicated that he intends to incorporate into the regulations, and by way of the structure of the board, the appointments to include sectorial representation, which was initially outlined in the discussion paper and included in the second reading speech. I am still unsure why all of the other sectorial parts of the plumbing industry have two representatives, one for metropolitan members and one for country members, but the plumbers union has only one. I realise that it is a very democratic organisation and I am sure its representative will be able to accurately represent the whole of the plumbing industry, but I am surprised that the other sectorial areas have two representatives and the union membership has one. However, that can be sorted out at a future date if the need arises.

Obviously, the licensing board will not be performing some of the training functions of regulation boards. I would appreciate if the minister in this place could confirm that the terms of the general training will remain under the building and construction industry training arrangements that currently exist; certainly the board will look at the issue of qualifications required by plumbers.

The next thing I want to mention briefly is the issue of fees. There is obviously some concern about that, particularly from registered plumbers who are currently not required to pay a fee but will be required to pay the proposed \$75 fee. Again, that will be dealt with by regulation. I am sure that the members in the plumbing industry who have those concerns will be able to take them up with the board and thrash it out. I think that is appropriate. We, on this side of politics, have some reservations about that sort of quantum leap in the fee structure for that category of plumbers. I hope that the board looks at some way of phasing that in or of lessening the impact.

While it will not have the ability to enter into contractual disputes, it will undertake and provide some peace of mind for the consumer by acting as a point of call for complaints regarding the industry. I note that the original discussion paper referred to a user-pays basis for complaints from consumers in regard to any problems. I have some concerns about that. If people have had dodgy work done, it is incumbent on the registration board to follow that up, investigate it properly and take the necessary action against a plumber who has carried out poor quality work. I understand the reason for not getting into

contractual complaints, but I would be concerned if a user-pays system creeps in if someone has a legitimate complaint against the quality of a plumber's work, which is followed up and investigated. I have been advised that the board will have the ability to order rectification work. In many cases, people want work rectified, so that role is important. If a plumber continues to do poor quality work, there is an ability to eventually withdraw his licence.

Another issue I will raise briefly is inspectorial services. The minister has made it quite clear that he intends to leave it up to the board to argue with the Water Corporation about who will have the inspectorial roles which are currently performed by the Water Corporation. I accept that it will continue to carry out some roles in which it currently engages. However, there is also a role for the proposed plumbers' licensing board to take over some of those inspectorial roles. I suspect it is probably better that the board has that argument with the Water Corporation, because in some cases I have seen in the past, the board of the Water Corporation seems to be more powerful in getting its way in respect of regulations than the minister or other arms of government. It sometimes acts as a law unto itself. I am sure that the people in the plumbing industry whom I have met are the sort of people who will be able to take up the argument with the Water Corporation and, hopefully, we will see some of those roles transferred.

When this issue was raised in the other place and in discussions with the minister, there was an indication that if there were a transferring of the inspectorial role from the Water Corporation to the proposed plumbers' licensing board, the staff who are currently employed in those roles within the Water Corporation will be dealt with in a fair manner and will be given the opportunity of either going over to the board or remaining and being deployed within the Water Corporation to fulfil other functions of a similar nature. Again, that commitment was given in the other place, so I am not sure that the minister must reiterate it here tonight.

Hon Max Evans: He is the minister.

Hon KEN TRAVERS: Yes. The Opposition considers it is important to ensure that the staff who are in those roles feel their employment remains secure.

I pass on my thanks to the minister and the staff of the minister's office, who have been more than helpful with respect to this legislation. Paul Kelly from the Office of Water Regulation has also been more than cooperative. Stuart Henry, to whom I referred earlier, from the Master Plumbers and Mechanical Services Association of WA has provided much advice and assistance on this matter.

Finally, I thank the person who has given me a great deal of assistance, together with the membership of his union, Seamus Doherty from the Communications, Electrical and Plumbing Union. He is in the public gallery tonight to see this Bill through. That is a sign of the support the union believes is necessary to ensure proper regulation in this industry, which is essential. My experience of meeting people in the industry is that that support stretches right across it.

It is not surprising that Seamus is so interested in the plumbing industry. His family has a long history in that area. I understand plumbers have been in his family since around 1650 or the middle of the seventeenth century. Every generation has been a plumber, which is a pretty good record. If I were to follow in my father's footsteps, I would have taken on the same job as the Minister for Finance. I am glad I did not do that. I understand that prior to being plumbers, his ancestors were coppersmiths. That probably explains why he supports the plumbing industry with passion.

To all of those people who have provided assistance to me and other members of the Opposition, I place on the record our thanks.

HON NORM KELLY (East Metropolitan) [9.07 pm]: The Democrats will support the Bill. I am sure the House will be happy that I do not intend to seek an extension to speak on this Bill, unless I am spurred on by interjections!

This is commonsense legislation for another sector of the building trade. Like the registration boards for builders and painters, it will involve the industry in some level of self regulation. Each year about 10 000 new plumbing services are installed. The Water Corporation receives about 300 complaints a year about inadequate and illegal plumbing resulting in defective, unsafe or unserviceable facilities. It is one of those areas in which a certain number of complaints is commonplace.

With my own house undergoing major renovations in the past 12 months, I am aware that inevitably there will always be something that is not done properly. I have no reason to believe the plumbing trade is any better or worse than any other building trade. It is important we establish a plumber licensing board.

Following the restructuring of the Water Authority in 1995, its three functions were split into the Water and Rivers Commission, the Water Corporation, and the Office of Water Regulation. Plumbing licences were no longer administered by the Water Corporation. In the absence of a plumber licensing body, the minister requested that the Office of Water Regulation take responsibility for the establishment of such a body.

A discussion paper was released in November 1997 outlining the proposed body, which was formulated on the democratic principle of consultation with all the major and relevant stakeholders. We commend the Government for the process it has undertaken in developing this legislation. It has received broad industry support from the various bodies involved. Quite often when the Democrats consider the establishment of these boards, we look closely at the make-up of the boards and how the members are chosen or appointed. In this case, there is no prescription within the Bill for the membership of the board; that will be contained in the regulations. It is proposed that there be a board membership of nine which includes two licensed plumbers nominated by the Master Plumbers and Mechanical Services Association, to represent their country and metropolitan members. Two licensed plumbers will be nominated by the Minister for Water Resources to represent independent country and metropolitan plumbers. One of these will be a country plumber, and neither will be members of

the MPMSA or the union. There will be one licensed or registered plumber nominated by the Communications, Electrical and Plumbing Union, Plumbing Division. One member will be nominated by the Minister for Training to represent training interests. Training, of course, is integral to the successful development of the plumbing industry. One member will be nominated by the Minister for Fair Trading to represent consumer interests. As a good deal of the work may involve consumer complaints, it is natural to include a member of the public on the board. One member will be a licensed drainer nominated by the WA Drainers Association, and one member will be a representative of the Office of Water Regulation, nominated by the Coordinator of Water Services. It is a broad-ranging membership but the majority of board members will have plumbing qualifications. The Democrats believe it will provide a good mix for consultation and it has cross-interest support.

There is no need to stipulate the requirements in the Bill itself; they are well placed within the regulations. As situations evolve, quite often the representative nature of industry bodies increases or decreases. It is important that any changes in the representative authority of these bodies be easily dealt with by changes to the board membership through the regulations. Those aspects of the composition of the board are quite good. The board has far-reaching powers and that is why it is important to consider how those powers are administered and controlled.

The board will have the power, under the proposed schedule, to issue licences, suspend or cancel licences, and impose conditions or restrictions on the licences. The board has the power to impose disciplinary penalties and require payment of costs and expenses. The ramifications of the board's decisions can be far-reaching and impact directly on a tradesman's livelihood. The cancellation of a licence, for example, must be for the benefit of the public but, given these powers, it is also important that adequate mechanisms be in place to enable people to appeal against board decisions. As the Bill stands these regulations "may" be implemented. The Australian Democrats want a guarantee from the Government on the record that schedule 3, clause 8(1) provides that appeals against decisions of the board or any committee established by the board that regulations "will" be prescribed, so that once the board is up and running there will be access to an appeal mechanism. Other trade-based Acts contain that appeal process. Section 14 of the Builders Registration Act provides that a person whose licence has been cancelled or suspended can appeal to the District Court against that decision. I am sure that many members will be familiar with the lengthy appeal process in the Painters Registration Act. In some people's eyes that has still not resolved satisfactorily. It is those singular instances which highlight the need for a proper appeal process. Even though it is easy to say that there may be only one or two instances, people's lives can be severely affected by these decisions. Section 18 of the Painters Registration Act allows for an appeal process through the Local Court. We would like the minister to guarantee not only that regulations will be prescribed but also what those regulations will be.

Hon Max Evans: The only thing I can guarantee is that the regulation will get through this House; it is beyond my control.

Hon NORM KELLY: I realise that. However, we would like a guarantee that the Government will gazette those regulations, and a guarantee about the level at which the appeal process will take place. I will talk during committee about the tabling of ministerial directions, which is consistent with the Australian Democrats' track record and its policy of ensuring that such things are tabled in Parliament for proper scrutiny.

The Democrats fully support the Bill. The industry is screaming that this Bill should have gone through the Parliament a while ago because it had not only cross-industry but also cross-party support and the Government has known of that support for many months now. Hopefully with the passage of this Bill tonight, and once it has passed through the other place, the board will be established. We have much confidence that the people charged with the management of this will get the board up and running and working correctly. Like Hon Ken Travers, I thank people such as Stuart Henry, Seamus Doherty and Paul Kelly for their work and also the Minister for Water Resources for developing that consultation process and putting out a discussion paper which ensured that all bases had been covered before we got to this stage. The Australian Democrats thoroughly support the Bill.

HON MAX EVANS (North Metropolitan - Minister for Finance) [9.20 pm]: I thank members of all parties for their strong support for this Bill, which has been around for a while. It is the first of the smaller Bills that have been brought on for debate tonight. This Bill has been through many processes along the line, and it is important to many people.

Many questions raised by Hon Ken Travers have been confirmed by the minister and his advisers in the debate in the other place. Existing training arrangements will remain. The board will be interested in training outcomes and competency and, as the member said, we can argue about the wording later. The Bill allows for regulations to be developed to allow the board to take over the inspection of works. It is fairly open so that the powers can be expanded, if need be. I prefer it this way, rather than putting all those provisions in the Bill. Often the provisions are very extensive and do not cover what is needed, and may require a change later. Fees can be looked at later, as can the composition of the board.

The Bill provides that the board will comprise nine members and its make-up will be pursuant to regulation, and the minister has already commented on that. Although the membership may change from time to time, at least the working arrangement is in place.

Interestingly the member talked about a union representative. He probably has a lot of support from the Premier, whose grandfather came to Australia as a master plumber who could neither read nor write. He had to pass a special examination for people in that category.

Hon Ken Travers: Had his family been involved in that business since 1650?

Hon MAX EVANS: That may be right. The first lottery in England in 1550 was held to raise money to put reticulated water into the City of London. The installation of plumbing in buildings has been a very important factor for a very long time.

Hon Ken Travers: Let's not tell Peter Jones that because he might want another one.

Hon MAX EVANS: Schedule 3 is very clear and these provisions are better than those in other legislation, and I commend the parliamentary draftsmen for that. This schedule covers the purpose for which or matters about which regulations may be made. It contains a long list, and once again I commend them for their drafting of this provision. I am happy to guarantee that the regulations will be passed. There may be problems with the fees, but they can be decided at another time.

Hon Norm Kelly half-answered his questions regarding the provisions for appeal against a decision of the board or any committee established by the board. Schedule 3 refers also to the purpose for which regulations may be made. It is left open to the board, whose members will be far more experienced than the parliamentary draftsmen, to put these in place; therefore, it is fairly open. If a mistake is made, the regulations can be changed.

There are many differences in the way plumbing is installed in flats and buildings, including open drainage. I recall in about 1950 a large block of flats was built in south Scarborough without the installation of internal plumbing, which subsequently had to be located on the outside of that building. I could not believe that happened, but it did.

Hon Ken Travers: That became a trendy look.

Hon MAX EVANS: The member probably knows the block I am talking about which resembles some of the buildings found overseas. The installation of plumbing is very important, especially when we consider the health issues involved if it is not done correctly. Members have given reasons for wanting more regulations. All members of this House have agreed that this is a good Bill. It is simple and brings in provisions to address changes which have occurred. The Bill allows for regulations to be developed to allow the board to take over the inspection of works currently carried out by the Water Corporation. The type of inspection and the cost is left open. The membership of the board will be fairly open and I am sure it will comprise people with a lot of relevant experience. The minister, Paul Kelly and other people have been cooperative in providing advice on this Bill. All people who have been involved want to see the legislation work, and I am certain it will. Hon Norm Kelly has a couple of amendments with which the minister agrees. The wording relating to the tabling of papers is the same as for that for most other statutory corporations. I commend the Bill to the House.

Question put and passed.

Bill read a second time.

Committee

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

Clauses 1 to 6 put and passed.

Clause 7: Part 5A inserted -

Hon MAX EVANS: I move -

Page 5, line 21 - To insert the following new subclauses -

- (3) The Minister must, within 14 days after a direction is given under subsection (1), cause a copy of it to be laid before each House of Parliament or dealt with in accordance with subsection (4).
- (4) If -
 - (a) at the commencement of the period referred to in subsection (3) a House of Parliament is not sitting; and
 - (b) the Minister is of the opinion that that House will not sit during that period, the Minister is to transmit a copy of the direction to the Clerk of that House.
- (5) A copy of a direction transmitted to the Clerk of a House is to be -
 - (a) taken to have been laid before that House; and
 - (b) taken to be a document published by order or under the authority of that House.
- (6) The laying of a copy of a direction that is taken to have occurred under subsection (5)(a) is to be recorded in the Minutes, or Votes and Proceedings, of the House on the first sitting day of the House after the receipt of the copy by the Clerk.

Hon NORM KELLY: I originally put a similar amendment on the Supplementary Notice Paper. As I said during the second reading debate, this is consistent with the approach that the Australian Democrats take on the tabling of ministerial directions. Sometimes these are agreed to easily; on other occasions it is more difficult. It seems to depend upon the minister with whom we are dealing. The reason I have not moved the amendment standing in my name is that the amendment the minister has now moved is a stronger amendment. Previously, our complaints have been that the usual requirement for ministerial directions to be made public through the annual report has meant that sometimes there can be a delay of something like 15 to 18 months between a ministerial direction being given and it becoming publicly known through the presentation of the annual report. If the direction is given in early July, it may not be until October the following year when the annual report for that period is tabled or published that the direction is publicly known. That can be far too long. Many directions may be innocuous; nevertheless, it is important that we see them.

My original amendment concerning the three sitting days was to tighten up the time frame. However, this can become awkward, particularly when there are lengthy recess periods of two or three months; it can complicate matters. That is why we support and thank the minister for moving his amendment, which stipulates 14 days, without any reference to sitting days, so that it is a standard time, irrespective of what time of year the direction is made. As the amendment contains this 14-day stipulation without reference to sitting days, it will bring this Bill into line with existing Acts, such as the Electricity Corporation Act, the Gas Corporation Act, the Port Authorities Act, the Water Corporation Act and the Western Australian Land Authority Act. Each of those Acts stipulates a 14-day period for the tabling of ministerial directions.

Research on the different Acts indicates slightly different wording. My concern about the minister's amendment is that it does not need to be so detailed to have the direction tabled. However, the Australian Democrats accept parliamentary counsel's advice. A strong amendment should be made regarding ministerial directions, and we support the amendment.

Amendment put and passed.

Hon MAX EVANS: I move -

Page 5, lines 22 to 24 - To delete the lines and substitute the following -

be -

- (a) laid before each House of Parliament within 14 sitting days of that House after the direction is given; and
- (b) included in the annual report submitted by the accountable officer of the department under section 62 of the *Financial Administration and Audit Act 1985*.

Hon NORM KELLY: I am not sure that I support the second amendment. The Democrats want the direction tabled in 14 days. It should not be unduly delayed during a parliamentary recess by the requirement being 14 sittings days.

Hon MAX EVANS: I remember Bills many years ago not containing such requirements. The directions tabled in Parliament during the period must be included in the annual report at the end of the year. The amendment will tie the two together. In the past ministers would table something which did not show up in the annual report, and vice versa. This amendment will bring the two requirements together. What is laid before the House must be included in the annual report.

Hon NORM KELLY: The minister's amendment to proposed section 59E just passed contained the following proposed subsection (3) -

The Minister must, within 14 days after a direction is given under subsection (1), cause a copy of it to be laid before each House of Parliament . . .

Paragraph (a) of the amendment before us refers to the direction being laid before each House of Parliament within 14 sitting days. Do those provisions not contradict each other?

Hon MAX EVANS: Proposed section 59E(3) of the Bill states -

The text of a direction given under subsection (1) is to be included in the annual report submitted by the accountable officer of the department . . .

This amendment states that the text of a direction is to be laid before the House and to be included in the annual report. It is repeating that the document must be laid before the House, and it makes it clear that it must also be included in the annual report.

Hon NORM KELLY: I do not have a problem with requiring it to be included in the annual report, but the first paragraph of this new subclause may be contradictory. We have just passed an amendment saying that the minister must, within 14 days after a direction is given under subsection (1), cause a copy of it to be laid before each House of Parliament or dealt with in accordance with subsection (4), which refers to when the House is not sitting. However, paragraph (a) of this amendment states that that same direction must be laid before each House of Parliament within 14 sitting days. That appears to be contradictory. It proposes that we do the same thing in two different time periods. The reason for my confusion is that when I was sent the amendment that we have just passed, I understood that it was the only amendment that would be moved. I do not have a problem with the intent; it is just a matter of whether we are doing the right thing by passing both these amendments.

Hon MAX EVANS: I move -

That paragraph (a) be deleted.

Amendment put and passed.

The CHAIRMAN: The question is that at page 5, lines 22 to 24, the words proposed to be deleted be deleted. We will give effect to the minister's intention shortly, but the first motion is that the existing lines be deleted.

Amendment (deletion of words) put and passed.

The CHAIRMAN: The question now is that the words proposed to be substituted be substituted; that is -

be included in the annual report submitted by the accountable officer of the department under section 62 of the *Financial Administration and Audit Act 1985*.

Amendment (substitution of words) put and passed.

Clause, as amended, put and passed.

Clauses 8 to 11 put and passed.

Title put and passed.

Bill reported, with amendments.

[Resolved, that the House continue to sit beyond 10.00 pm.]

NATIONAL RAIL CORPORATION AGREEMENT REPEAL BILL 1999

Second Reading

Resumed from 12 August.

HON KIM CHANCE (Agricultural) [9.40 pm]: The Australian Labor Party will not oppose this Bill. The Bill repeals the 1992 agreement Act which was initially put in place to ratify a shareholders' agreement between Western Australia, the Commonwealth and other Australian States for the establishment of the National Rail Corporation. It is the nature of agreement Acts to permit the doing of things which would have been otherwise beyond the power of or in breach of existing statutes. This agreement Act was no different. It provided for a range of benefits and obligations which formed part of the State's commitment to the operation and the establishment of the National Rail Corporation. These benefits are not applicable any longer, given the Commonwealth's notice of intention to sell the National Rail Corporation. There is a need to remove these benefits in order that the principles of competitive neutrality should apply.

The shareholder agreement will be terminated on the date of the sale and will no longer be needed. Proclamation of this Bill will also occur on the date of the sale, which is expected to be early next year. Labor has no wish to interfere with this action. The Commonwealth's decision to sell the National Rail Corporation is not inconsistent with our belief that competition in the above rail interstate rail freight business is desirable and in fact has already delivered tangible economic benefits to the State and to the nation.

For those who have been following the progress of the Westrail sale legislation, particularly if they have not followed it in great detail, they might believe that our position on this Bill is inconsistent with our position on the Westrail sale Bill. The essential difference between the two propositions is that the National Rail Corporation sale does no more than facilitate the present level of competition in this part of the rail freight system. On the other hand, the proposed sale of Westrail, in our view, is anti-competitive, and its sale in the proposed form has not been supported by interstate rail operators.

I have only one question on the implementation of government policy following this Bill's passage; that is, will Western Australia insist that the buyer of the National Rail Corporation be a corporation in which there is no government involvement, or will it insist that its policy determined for the sale of Westrail that excluded most of the world's potential bidders to the effect that no bids from Government or partly government-owned corporations be also followed by the Commonwealth in respect of the National Rail Corporation disposal?

Given the position of the New South Wales Government, it seems unlikely that such a policy will be adopted. Since the election of a Labor Government in Victoria, it is possible that Victoria may well follow the same path as New South Wales. It would of course be absurd to exclude bidders on the basis of whole or partial government ownership, just as I believe it is absurd for the Western Australian Government to adopt this policy in respect of the Westrail sale. However, I am still interested to know whether the Western Australian Government will seek assurances from the Commonwealth as to the corporate nature of the intending bidders. Other than our interest in that question, the Opposition is keen to facilitate the passage of the Bill.

HON J.A. SCOTT (South Metropolitan) [9.44 pm]: The Greens (WA) do not intend to gnash and rail against the Bill; we will support it.

HON NORM KELLY (East Metropolitan) [9.45 pm]: The Australian Democrats also support the Bill. We have seen the benefits of interstate competition in Western Australia - commonly quoted as a 30 per cent reduction in rail freight rates. This competition is much needed.

HON M.J. CRIDDLE (Agricultural - Minister for Transport) [9.46 pm]: I am very pleased with the support that this Bill has received.

Hon Kim Chance: If only it were always so easy.

Hon M.J. CRIDDLE: No doubt the Rail Freight System Bill will receive the same support.

Benefits are no longer applicable due to the sale of National Rail. The State agrees to terminate the shareholders' agreement on the date that National Rail is sold. I am not aware of any requirements that we have put on the sale of National Rail. I thank members for their support.

Question put and passed.

Bill read a second time, proceeded through remaining stages without debate and transmitted to the Assembly.

FINANCIAL RELATIONS AGREEMENT (CONSEQUENTIAL PROVISIONS) BILL 1999*Receipt and First Reading*

Bill received from the Assembly; and, on motion by Hon M.J. Criddle (Minister for Transport), read a first time.

Second Reading

HON M.J. CRIDDLE (Agricultural - Minister for Transport) [9.47 pm]: I move -

That the Bill be now read a second time.

The purpose of the Bill is to put in place a number of measures to reform commonwealth-state financial relations, as agreed by the Commonwealth and all States and Territories in June this year. The full agreement, known as the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations, is set out in schedule 1 of the Bill.

National tax reform and the intergovernmental agreement: The intergovernmental agreement is part of the Commonwealth's national tax reform package, the centrepiece of which is the introduction of a goods and services tax, or GST, at a 10 per cent rate from 1 July 2000. The GST will replace the Commonwealth's existing wholesale sales tax and some state taxes. The tax reform package also includes substantial income tax cuts, compensation for those adversely affected by the GST, simplification of the tax payment and reporting system, and a reduction in fuel costs for business, including farmers. In addition, business tax reforms are now being considered.

The intergovernmental agreement sets out those aspects of the commonwealth tax reform package which directly impact on the States. Under the agreement, States and Territories will receive all the revenue from the GST commencing 1 July 2000. The GST will replace the existing commonwealth financial assistance grants and replacement revenues for the States' previous franchise fees on tobacco, fuel and alcohol.

The GST will also compensate for reductions in state taxes -

gambling taxes will be reduced, or reimbursements provided, from 1 July 2000 to ensure that the net tax impost on gambling does not increase;

financial institutions duty and stamp duty on quoted marketable securities will cease to apply from 1 July 2001;

debits tax could cease to apply by 1 July 2005 on current projections; and

further business stamp duties could cease to apply at a later date.

States' expenditure responsibilities will also be affected by the GST -

States will set up an assistance scheme for first home owners to help offset the effect of the GST on house prices; and

States will pay the Australian Taxation Office for the cost of administering the GST.

However, States will also receive expenditure savings from the abolition of their fuel subsidies and the elimination of indirect taxes currently embedded in goods purchased by the State. The Commonwealth has guaranteed that state budgets will be no worse off, and will top up the GST in the initial years to meet that commitment.

Other major provisions of the agreement include -

a commitment by all parties to fully implement the GST in the public sector;

the States facilitating the monitoring by the Commonwealth of price exploitation in areas outside the Commonwealth's constitutional jurisdiction;

a commonwealth commitment not to cut specific purpose payments to the States as part of the reforms;

the requirement that changes to the GST will require unanimous agreement of the Commonwealth and States; and

establishment of a Ministerial Council of Commonwealth and State Treasurers to oversee the operation of the GST and the intergovernmental agreement.

Benefits of Tax Reform to Western Australia: Western Australia stands to benefit significantly from the GST in a number of ways. Business costs will fall due to the abolition of sales tax and some state taxes and the effective reduction in fuel costs, which are a major burden in Western Australia due to the large distances over which goods must be transported.

The GST will be of particular benefit to exporters, as exports will be GST-free. As members are aware, Western Australia is a heavily export-oriented State, contributing 25 per cent of the nation's exports despite having only 10 per cent of the population.

I mentioned earlier that in the first few years the new arrangements are financially neutral for the State Government. However, in the longer term, the GST should grow more rapidly than the commonwealth grants and state taxes that it will replace, reflecting that the GST is a broadly based tax that will grow in line with the economy. The benefits of the reforms to the Western Australian budget have been estimated at between \$700m and \$1.5b over the first 10 years, depending on the extent to which the State abolishes business stamp duties in the future. The additional revenues will help the State to meet rapidly growing demands for social services such as health, education and law and order.

Scope of the Bill: As I have said, this Bill gives effect to a number of measures contained in the intergovernmental agreement. Other measures that are being dealt with separately are price monitoring legislation; legislation for the State to voluntarily comply with the GST, which is being brought before the House concurrently with this Bill; legislation for first home owners assistance, which will be introduced shortly; and regulations for changed liquor and gambling arrangements, which are intended to be laid before the House later in this session.

I will now address the provisions contained in the Bill in detail. Part 1 of the Bill outlines when the provisions will commence and outlines the Bill's objectives. In addition, this part provides for the inclusion of the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations in schedule 1 of the Bill.

Part 2 - FID: Part 2 of the Bill deals with proposed amendments to the Financial Institutions Duty Act 1983. Financial institutions duty is levied on receipts of financial institutions and on liabilities and investments of short-term money market dealers. This part provides for financial institutions duty to cease to apply from 1 July 2001, in accordance with the intergovernmental agreement. Western Australian taxpayers will save approximately \$130m in 2001-2002, when there will be an 11-month cash flow impact, and \$142m in a full year.

To facilitate the abolition of financial institutions duty, this Bill seeks to amend the Act to ensure that no liability will arise in respect of receipts or dealings after midnight on 30 June 2001. In addition, amendments are proposed to ensure that no returns will be required to be lodged in respect of receipts or dealings arising in any month after June 2001. Furthermore, to facilitate the future removal of record-keeping requirements, it is proposed to provide an ability to make a regulation to remove the record keeping obligations after all audits by the State Revenue Department are complete. This will benefit financial institutions that bear a compliance cost as a result of having to maintain certain records for duty purposes. All other provisions of the Act will be retained, pending finalisation of audits of the pre-1 July 2001 liability of all financial institutions.

Part 3 - Fuel: Part 3 of the Bill seeks to amend the Fuel Suppliers Licensing Act 1997 to provide for the cessation of diesel fuel subsidies with effect from 1 July 2000. Members will recall that this Act was part of the safety net arrangements put in place in response to an adverse High Court decision in August 1997, which cast doubt on the constitutionality of the business franchise fees which operated up to that time. These cumbersome arrangements were always intended to be temporary. The complete abolition of the fuel subsidies is also supported by the petroleum industry.

Under the intergovernmental agreement, GST revenues are to replace all the section 90 safety net payments from 1 July 2000. The Commonwealth will effectively take over most of the off-road subsidies by expanding its current industry specific off-road diesel fuel rebate scheme to rail and marine diesel, and increasing the amount of the rebate to 100 per cent of the excise for all eligible users. Accordingly, it is proposed that Western Australia's off-road subsidies will cease in respect of diesel fuel supplied from 1 July 2000. These subsidies currently amount to around \$147m per year. The cessation of off-road subsidies is fully consistent with the intergovernmental agreement, which includes these savings in the calculation of the Commonwealth's guarantee that state budgets will be no worse off. The farming and fishing sectors will continue to pay no effective tax on diesel fuel, as they will qualify for a full rebate of the diesel excise and an input credit for the GST component. The mining sector will be better off, as the current 93 per cent rebate under the Commonwealth's rebate scheme will increase to 100 per cent.

Some diesel fuel users who presently receive the state off-road subsidy will be worse off under the proposed arrangements because the expanded commonwealth rebate scheme will still be less than comprehensive. In particular, diesel fuel used in power generation other than as part of an eligible mining operation or construction, manufacturing, and recreational activities will not get the commonwealth rebate. However, for business users, including Western Power, this will be largely offset by the reduction in diesel excise to make room for the GST, and the fact that they will be able to claim back an input credit of around 7¢ per litre for the GST component. Unlike business users, recreational users of diesel fuel will not be able to claim an input credit for the GST component, and will therefore face higher fuel costs. To put this in perspective, a recreational off-road four-wheel driver filling his tank for, say, \$60, will pay about \$7 extra.

The Bill also proposes the abolition of the much smaller on-road diesel subsidies in Western Australia. These apply at a rate of only 0.66¢ per litre, reflecting the difference between the previous franchise fee rate and the commonwealth surcharge that replaced it. The saving to the State from abolishing these subsidies is estimated to be about \$8m per year. The main consumers of on-road diesel are transport firms, which will get a much larger benefit from the general reduction in fuel excise and GST input credits. They may also receive an additional grant from the Commonwealth which will reduce the effective excise rate from the current rate of around 43¢ per litre to 20¢ per litre for transport vehicles over 4.5 tonnes in rural areas; and all other vehicles over 20 tonnes.

Although the diesel fuel payments will cease in respect of fuel supplied from 1 July 2000, the provisions of the Act will continue to operate in respect of fuel supplied before that date. This will ensure not only that compensation can be paid for fuel supplied at the subsidised price prior to 1 July 2000, but also that legislative support remains in place to enable audit activity to continue in respect of such subsidies. Moreover, persons purchasing fuel for off-road purposes will remain subject to the conditions which apply to such purchases. In particular, if such fuel is ultimately not used off-road, the certificate holder will continue to be required to make to the Commissioner of State Revenue a compensatory payment equivalent to the unjustified benefit received.

Parts 4 and 5 of the Bill contain proposed amendments to state tax legislation to clarify how specific state tax bases are to interact with the goods and services tax. Part 4 of the Bill seeks to amend the Pay-roll Tax Assessment Act 1971 to clarify the payroll tax treatment of certain payments considered "wages" for the purposes of that Act, which may also be subject to the GST. Examples include payments made by an employment agent to a person who was engaged to perform services

for a client of the employment agent, and payments under prescribed classes of contract. To ensure consistency in all cases with the general rule that wages are not subject to the GST, this Bill proposes that payroll tax is not to be charged on the increase in such payments directly attributable to the GST. This will ensure the same payroll tax treatment of differing types of wages and will maintain the status quo.

Part 5 of the Bill seeks to amend the Stamp Act 1921 to clarify the interaction of the existing stamp duty bases with the GST, and give effect to the requirement under the intergovernmental agreement that stamp duty cease to apply from 1 July 2001, to transfers of quoted marketable securities. Unlike payroll tax, the various heads of stamp duty generally apply to values that directly or indirectly include wholesale sales tax. For example, sales tax is directly included in the market value of new motor vehicles for stamp duty purposes. In other cases, sales tax is an embedded cost that increases the price of property such as a home, which is subject to stamp duty when sold.

As the GST is to replace the current wholesale sales tax regime, it is appropriate that stamp duty be based on the GST inclusive price, value or consideration. This was also the approach taken in the United Kingdom and New Zealand, and recognises the impracticality of applying stamp duty to a GST-exclusive value when the GST is an embedded cost. Furthermore, it is understood that this is the approach that all other States and Territories are proposing to adopt.

While it is arguable that the Stamp Act as currently drafted may already achieve this result, the experience in both the United Kingdom and New Zealand was that disputes could and did arise, which in the case of New Zealand required clarifying legislation. To avoid such confusion, this Bill proposes a number of amendments which seek to put this question beyond doubt. Under this approach, some revenue bases are still likely to go down because the 10 per cent GST is replacing a much higher wholesale sales tax. This is likely to occur in the case of motor vehicle stamp duty, rental business duty and car and home contents insurance policies. However, there will be increases in other stamp duty bases, particularly property conveyances and insurance premiums paid by business, which are likely to more than offset the decreases.

Although not addressed in this Bill, I note that a problem arises in relation to stamp duty on insurance and rental business in a GST environment. This relates to the fact that the business, rather than the customer, is liable for the stamp duty. The result is that stamp duty recovered from the customer, as part of the premium or hiring charge, would also be subject to GST, while the GST would also be subject to stamp duty. This would lead to a multiple compounding of the GST and stamp duty and is clearly an undesirable outcome. Work is under way with other jurisdictions and industry representatives to develop a solution to this problem, which may require a legislative response. If this is necessary, it is proposed that such legislation would have retrospective application, to recognise the fact that insurance companies are already issuing policies spanning 1 July 2000 that have a pro rata GST component.

The amendments in part 5 of the Bill also seek to abolish the stamp duty liability arising on the transfer of shares which are quoted on a recognised stock exchange. In accordance with the intergovernmental agreement, the abolition is intended to occur in respect of transfers which occur on or after 1 July 2001. It is estimated that revenue of around \$18.5m per annum will be forgone by abolishing the duty on quoted marketable securities. As in the case of financial institutions duty, this revenue will be replaced by revenue to the State from the goods and services tax. The specific amendments included as part of this measure seek to ensure the removal of the charging provision for securities quoted on a recognised stock exchange; the removal of the broker return arrangements which allow brokers to pay duty by return in respect of their on-market trades; the removal of the CHESSE provisions, which allow participants to pay duty by return for off-market trades of quoted marketable securities; the removal of the United Kingdom Stock Exchange provisions which allow approved persons to pay duty by return in respect of any changes in beneficial ownership of Western Australian company shares that are quoted on the UK exchange; and the removal of the concessional rate of duty for transfers of short-dated shares.

Even though the liability to duty for these share trades is to be removed from 1 July 2001, audit activity will continue after that date in respect of liabilities that arose prior to 1 July 2001. Saving provisions are contained in the Bill to ensure the investigation powers, record-keeping requirements, assessment authority, objection and appeal provisions and other supporting powers still operate past 1 July 2001. A mechanism has also been included to remove the record-keeping obligations by prescription, once all audits are completed. As a result of the proposed changes, the marketable securities duty base will be limited to the conveyance or transfer of marketable securities or rights in respect of shares in entities which are not quoted on a recognised stock exchange.

Part 6 of the Bill seeks to repeal the Tobacco Sellers Licensing Act 1975. As already noted, the intergovernmental agreement provides that "the temporary arrangements for the taxation of petrol, liquor and tobacco under the safety net arrangements announced by the Commonwealth on 6 August 1997 will cease on 1 July 2000". The State Revenue Department currently administers a tobacco sellers licensing scheme which exists primarily to provide information to monitor safety net payments. No ad valorem licence fee is levied. However, a nominal annual licence fee of \$1 200 for wholesalers and \$600 for retailers is levied. Twelve wholesalers are currently licensed. No retailers hold licences. As the safety net arrangements are now to cease, it is considered that there is no longer a need to maintain this licensing scheme. On these grounds, it is considered that the total abolition of the licensing scheme with effect from 1 July 2000 is desirable. This will involve repealing the Tobacco Sellers Licensing Act with effect from that date. Abolition of the licensing arrangements from 1 July 2000 is expected to result in \$14 000 being forgone each year.

Part 7 of the Bill deals with related amendments. Arising from the repeal, certain references in the Taxation (Reciprocal Powers) Act 1989 to the tobacco legislation will no longer be required. Part 7 of the Bill proposes consequential amendments to the reciprocal powers legislation to remove those references. In addition, this part also makes consequential amendments to the Marketable Securities Transfer Act 1970 as a result of changes to the marketable securities duty provisions of the Stamp Act contained in part 5 of the Bill.

In summary, members will appreciate that the scope of the changes proposed in this Bill will significantly alter the fiscal landscape of this State and, in conjunction with the intergovernmental agreement, will fundamentally redefine the financial relationship between this State and the Commonwealth. I commend the Bill to the House and for the information of members, I seek leave to table the associated explanatory memorandum.

Leave granted. [See paper No 276.]

Debate adjourned, on motion by Hon Bob Thomas.

STATE ENTITIES (PAYMENTS) BILL 1999

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon Max Evans (Minister for Finance), read a first time.

Second Reading

HON MAX EVANS (North Metropolitan - Minister for Finance) [10.08 pm]: I move -

That the Bill be now be read a second time.

The purpose of this Bill is to provide for goods and services tax equivalent payments to be made by state entities to the Australian Taxation Office. Under the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations, commonwealth, state and local governments, and their agencies, will comply voluntarily with commonwealth GST legislation as if they were subject to the GST legislation. Section 114 of the Constitution and section 5 of the GST Imposition Acts preclude the Commonwealth from imposing a tax on the property of a State.

The Bill provides the legal authority for state entities to comply voluntarily with the provisions of the GST legislation in these circumstances. This will see the public and private sectors being treated alike for tax purposes. Like private businesses, state entities will be able to claim GST input credits. For many state entities, GST input credits are likely to exceed any GST and voluntary GST payments they make, resulting in a refund to the entities. Under the Bill, state entities are authorised to make GST equivalent payments. In addition, the Treasurer is given the power to issue written directions to state entities in this regard. I commend the Bill to the House and for the information of members, I table the associated explanatory memorandum.

[See paper No 277.]

Debate adjourned, on motion by Hon Bob Thomas.

HORTICULTURAL PRODUCE COMMISSION AMENDMENT BILL 1999

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon M.J. Criddle (Minister for Transport), read a first time.

Second Reading

HON M.J. CRIDDLE (Agricultural - Minister for Transport) [10.10 pm]: I move -

That the Bill be now read a second time.

The Horticultural Produce Commission Act provides for the establishment of a commission to encourage initiatives among horticultural produce growers to form growers' committees through which services can be provided to grower members. The Act provides a statutory process through which individual horticultural producer groups can self manage and raise funds for services. These services can include quality control, research, disease or pest control and product promotion. The commission's role is to direct, coordinate and supervise the functions and financial management of growers' committees. The commission also authorises the determination and fixing of charges for the services carried out by the growers' committees. The Horticultural Produce Commission model has proved to be very successful with the formation and operation of eight growers' committees under the commission.

The Bill now before the House extends the opportunities provided by the Horticultural Produce Commission Act to all agricultural producers. The "Horticultural Produce Commission" will become the "Agricultural Produce Commission" and in line with its expanded role, "growers' committees" will become "producers' committees". "Agricultural produce" has been broadly defined to mean the produce of an agricultural industry. "Agricultural industry" is defined to include broadacre cropping, horticultural, pastoral, grazing, dairying, intensive animal production, land-based aquacultural, apicultural industries and agroforestry. The implementation of these amendments will enable the commission to foster and support initiatives for the benefit of all agricultural producers.

The expansion of the commission to cover all agricultural produce calls for additional commissioners. The Bill allows for the appointment of two extra commissioners, one who has knowledge and understanding of animal industries and one with knowledge and understanding of cropping industries. There is an added option for the minister to appoint a third commissioner who has knowledge and experience of an area other than horticulture, animal or cropping industries.

The Act currently provides for the appointment of grower committee members by the commission. The Bill enables the option of holding an election for members of a committee. An election might be held if a large number of nominations was received or the producers group planning to form a committee requested that an election be held. The Bill provides for dissolution of a growers' committee to be carried out in a manner consistent across all polling provisions.

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.

An amendment clarifies the power to make regulations which prescribe 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 amendment was requested by local governments who have an interest in fruit fly control schemes for their towns.

The scope for producers to form committees is expanded. A committee may be established for any agricultural produce of a particular kind, class or variety, or which possesses a particular characteristic. Additionally a committee could cover a number of different kinds of agricultural produce or be established to achieve specific objects in relation to different kinds of agricultural produce. A committee may be formed for the whole or a specified part of the State.

The Bill has a redraft of the provisions for the imposition of charges for services provided by a producers' committee. The Horticultural Produce Commission Act was reviewed for compliance with the competition principles agreement and the review concluded that the imposition of a compulsory levy would be in conflict with the competition principles agreement.

There was also a danger of infringement of section 90 of the Constitution which prohibits the imposition of excise duties except by the Commonwealth. The section for setting and imposing charges requires the commission, in setting a charge, to link the charge for the service provided with the cost, or estimated cost of providing the service. The minister must approve the charge which is payable in accordance with regulations.

An additional service a producers' committee may provide will be the establishment of a compensation scheme for the benefit of producers whose agricultural produce is destroyed as a result of action taken to control a pest or disease. Actions for control of pests and diseases can occur under other legislation and this amendment provides an option for the management of a compensation scheme by the commission.

The Horticultural Produce Commission Amendment Bill provides the opportunity for the agricultural industry to be independent in the funding and management of services and activities. The amendments will allow industry trust funds currently operating under differing legislation to be rationalised under a consistent model.

When this Bill is passed it is the Government's intention to introduce legislation which will repeal four trust fund Acts: The Pig Industry Compensation Act 1942; the Potato Growing Industry Trust Fund Act 1947; the Poultry Industry (Trust Fund) Act 1948; and the Cattle Industry Compensation Act 1965. These Acts have undergone a national competition policy review and bringing the relevant producer groups under the agricultural produce commission legislation will satisfy requirements arising from the review. I commend the Bill to the House.

Debate adjourned, on motion by Hon Bob Thomas.

TITLES (VALIDATION) AND NATIVE TITLE (EFFECT OF PAST ACTS) AMENDMENT BILL 1999

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon M.J. Criddle (Minister for Transport), read a first time.

Second Reading

HON M.J. CRIDDLE (Agricultural - Minister for Transport) [10.17 pm]: I move -

That the Bill be now read a second time.

In October last year, the Government introduced to Parliament a legislative package to create a state native title regime compliant with the amended federal Native Title Act. Part of this package was the Titles Validation Amendment Bill which provided for the validation of the so-called intermediate periods acts; that is, those done between the proclamation of the Native Title Act and the Wik decision, and confirmation of the extinguishment and partial extinguishment of native title in accordance with the Native Title Act.

The Opposition, combined with the minor parties, amended the Bill to constrain significantly the confirmation provisions, leaving about 1 300 leaseholders exposed to native title claims and potential litigation to defend their interests. The Bill, as amended by the upper House, was accepted reluctantly by the Government on 20 April this year to provide the maximum certainty allowed by the Native Title Act for the majority, even if not for all, of those title holders affected. However, at the time, the Government made a commitment to protect those lease holders whose titles were left out by the Labor Party amendments. The purpose of this Bill is to do just that.

Clause 4 of the Bill amends section 121 of the Act. The Government's original Bill provided for confirmation of extinguishment of native title by the grants of freehold estate, commercial, exclusive agricultural, exclusive pastoral, residential, community purpose and other leases - with the exception of mining leases - and scheduled interests. The extinguishment was taken to have happened when the grant was issued. The Labor provisions, reflected in section 121 of the Act we are amending, exclude all community releases and replace the list of the scheduled interests by conditional purchase leases, which required the lessee to reside on the land, and perpetual leases. These provisions also limit the confirmation provisions to the leases in force as at 23 December 1996. The amendment now proposed by the Government reinstates the original government clause to provide for confirmation of extinguishment of native title by all exclusive

possession leases, including commercial, exclusive agricultural, exclusive pastoral, residential and community purposes, and scheduled interests.

Clause 5 of this Bill amends section 12J of the Act. This clause provides for confirmation of extinguishment of native title over land on which public work was or is situated in accordance with section 23B(7) of the Native Title Act. This reinstates the provision from the Government's original Bill which was amended by the Legislative Council to exclude public works which cease to be in existence on 23 December 1996 and limited the area to the footprint of the work.

The Bill is essential to provide security to the hundreds of leaseholders abandoned by the Labor Party without any justification. It is also important for the future dealings with, and development of, land where native title has been extinguished. I commend the Bill to the House.

Debate adjourned, on motion by Hon Bob Thomas.

ADJOURNMENT OF THE HOUSE

HON M.J. CRIDDLE (Agricultural - Minister for Transport) [10.20 pm]: I move -

That the House do now adjourn.

Salinity - Adjournment Debate

HON MARK NEVILL (Mining and Pastoral) [10.21 pm]: Tonight I circulated to members a copy of a report entitled "Salinity Crisis Needs Bold Action". On the cover of this report is a photograph of Lake Dumbleyung. The area of Lake Dumbleyung is bigger than the area of the Swan River. That will give members an idea of the destruction that salt is causing to our rural lands. Every State and Federal Government of all persuasions has constantly repeated that salinity is the biggest single environmental problem in Australia. In this State, we have approximately two million hectares of salt-affected land, and that is predicted to rise to some six million hectares in the foreseeable future.

To reinforce what many members of this House already know, I refer to a speech made in February this year by Dr Tom Hatton from the Commonwealth Scientific and Industrial Research Organisation. I will put on the record three comments in that paper. First, he states that the volumes of salt beneath the soils of the Western Australian wheatbelt are so immense and drainage so slow that trees will make little headway in the short run. He also said that revegetation on up to 80 per cent of some catchments will be required, and response times of salinity control will be long. Further, he said that salinisation of rivers draining the Western Australian wheatbelt is already causing massive loss of biodiversity, farm production and asset values. At present 10 per cent of the landscape is affected, but this is forecast to grow rapidly, to engulf 30 to 40 per cent of land over the coming half century.

Even members in this House have commented on the problem of salinity. In March of last year, Hon Muriel Patterson made some comments about this immense problem that are worth repeating. She said -

Any restoration of land to solve the salinity problem is not a three month program; it is a long term program. I have a real concern that more people are involved in the bureaucratic process than have the problem. Often we have people expounding on the subject who receive a salary regardless of the result, whereas farmers with the problem must make their land pay.

The report that I have circulated tonight offers an engineering solution to the salinity problem. We have two choices; that is, to plant trees or adopt an engineering solution. We now know that planting trees is not all that effective. The experts told us 20 years ago that if we planted trees on 10 per cent of our properties, the problems would be solved. Ten years ago that figure had been amended to 20 per cent. More recently, it has been re-amended to 70 to 80 per cent. When one considers that most people have already lost 10 to 20 per cent of their land, it does not leave much land left to farm if the remaining land is revegetated.

An engineering solution should get the support of all members of this House, and funds should be put into a feasibility study of this proposal. It involves some 200 kilometres of canals, and it will drain saline water into the sea. That will remove some 400 million cubic metres of saline water a year containing about 20 million tonnes of salt. That water would be drained by canal from Lake Dumbleyung through the upper Blackwood catchment. In the early part of the season during the first month of the rains, the upper Blackwood River would be diverted into the canal because the water is highly saline from the pools that occur. The canal would also be directed via the east and south arms of the Collie River, which is highly saline. The saline water can be diverted before it becomes fresh from the heavy rains to the canal. The Collie Power Station uses water from the sea for cooling, and this could be pumped back into the canal. Studies were conducted by Dr Sergio Giudici from the Tasmania Hydro-Electric Commission. About 15 to 20 megawatts of hydro-electricity a year can be generated at Rollands Hill, which could power some 4 500 to 6 000 homes. The water would go out to the sea in a canal about seven metres wide and four metres deep. This would be a continuing process year in, year out. The natural precipitation and rising salt levels could get rid of the salt. The problem with planting trees in the northern Stirling Range area, as Hon Muriel Patterson said to me the other day, is that it does not get rid of the salt. It does not recover the area if the ground is saline.

This engineering solution will lower the ground water table and remove the salt. It has the potential to recover about 100 000 hectares a year. A great deal of land can be protected in the early years. Tree planting and revegetation on that recovered land is an important part of restoring its production and fertility. This project will require only a small amount of government funding, and has the capacity to attract federal government funding as a salinity program. The Avon and Murray River systems have some potential for this type of project. It will not solve the program for the entire wheatbelt, but it has potential in some areas.

Literally dozens of consultants worked on the report, including Dr Giudici; Dr Williamson, a former CSIRO scientist; and many others. At the front of the report is a letter from Professor Peter Newman from Murdoch University supporting the project.

We have been fiddling around for 10 years, and I do not know how many salinity action plans have been devised. Many people are driving around in cars and talking, yet the salt levels are building up. We have lost ground over the last 10 years. Our river systems which pass through the south west forests are all saline and we need to take some bold action to get this land back into production. If the early flows from the east and south branches of the Collie River are drained, it will address many of the salinity problems in the Wellington Dam. That has benefits for people using that water for irrigation. Every year water is released from the Waroona and Harvey Dams for kayakers, but people will be able to kayak on the canal as it flows from Rollands to the coast without wasting that released water every year.

The Federal Government has asked the States to contribute funding to this project. The States should be looking at it favourably. I will consider either moving a notice of motion on the project, or a notice of motion to refer this engineering solution to the Standing Committee on Ecologically Sustainable Development. I will decide next week.

Planting trees is clearly not making any real impression on the salinity problem, as we are going backwards. We are forced now to look at an engineering solution. This will not be a government-subsidised solution. Recovering 100 000 hectares to fertility, even in the first couple of years, will certainly recover the \$2m probably needed for the feasibility study. I feel confident that the Federal Government will be happier putting money into an engineering solution which works, rather than continue with the endless committees and meetings to form salinity plan mark 10, which seem to be taking us nowhere. I ask all members of the House to read the document. They may feel it to be a convincing argument, as I do. I am familiar with the area between the Beaufort and Collie Rivers as my in-laws farm that area. I do not know the upper Blackwood and Dumbleyung areas, which many members of the Chamber are familiar with. I am convinced that it is a potentially viable solution, and it certainly warrants a feasibility study. I ask all members of this Parliament to support a bold solution to this crippling salinity program, which will claim many of our country towns unless we take dramatic action to attack it.

Fisheries WA - Adjournment Debate

HON KIM CHANCE (Agricultural) [10.30 pm]: I do not want to delay the House for long, but I need to raise one issue in this forum. The recent Auditor General's report entitled "Fish for the Future" has highlighted the operations of Fisheries WA and how this department needs to stay ahead of the game in the management and administration of both commercial and recreational fisheries. For example, although the western rock lobster fishery has been well managed for a long time in order to ensure the sustainability of this valuable resource, I believe the Auditor General's report has identified a number of areas in which Fisheries WA can improve the level and standard of service that it offers to its clients in this and other important commercial fisheries.

In order to illustrate my point, I raise the matter of Mr Jon Olden, a rock lobster fisherman who operates out of Geraldton and who was found guilty recently of two charges brought against him by Fisheries WA. In raising this issue, I am not seeking to criticise Fisheries WA for carrying out its charter, but the manner in which Mr Olden's case was handled suggests that there is room for the department to improve the manner in which it carries out its responsibilities. At the end of June this year, Mr Olden was found guilty of two charges: The taking of western rock lobster which were undersize, and the failure to return undersize lobster to the sea within a specified time - namely, five minutes - in contravention of the Fish Resources Management Act and the Fish Resources Management Regulations 1995.

Mr Olden has had some difficulty in accepting how these charges came to be brought against him, and also the manner in which they were presented and the nature of the evidence which led to his convictions. On or around 29 January 1998, Mr Olden, in the course of retrieving his pots, retained rock lobsters that he found to be just under the legal size limit of 77 millimetres. He then placed them in a tub of circulating water and shifted those animals to the last two pots of each line of 11 pots. It is in taking that action that Mr Olden is said to have breached both the Fish Resources Management Act and the regulations, although I have heard from some sources that this practice of returning lobsters to the sea in pots was not considered illegal and was widespread, provided that the animals were returned to the sea within the specified time.

It is important to note at this point that these animals can actually exit the pots and are not physically prevented from doing so. Indeed, the usual method of returning rock lobsters to the sea is to throw them over the side, where frequently they are promptly snaffled by a shark at shallow depth, or possibly by a jewfish or snapper at deeper depth. I understand that one reason for this apparently common practice is the belief that the presence of lobsters in a pot, even though undersize, serves to attract other lobsters. What Mr Olden did not know was that on that day, 29 January, officers from Fisheries WA Geraldton had apparently observed him, from the beach at a distance of 1.6 miles and by means of a telescope, replacing rock lobsters in his pots. According to an account that was later given to Mr Olden by fisheries officers when they interviewed him on the afternoon of 30 January, on 29 January fisheries officers had arranged for their patrol boat, the *Bertrand*, to pull a number of Mr Olden's pots.

Officers on that boat noted that there were undersize animals in those pots - not in itself an offence. Those animals were then apparently tagged, although "tagged" is a liberal use of the word because, in fact, what they did was to drill a tiny hole in the tail feather of each animal's tail. At this point, Mr Olden claims the Fisheries WA officers maintained that they had tagged 207 lobsters. The officers then restricted the exit of those pots that they had raised, effectively preventing the escape of the undersize animals. They then returned the pots to the water. I wonder if the fisheries officers did not think that action committed an offence against the Act.

On 30 January Mr Olden returned to the line of pots which the fisheries officers had examined on the previous day, quite

unknown to him, and he noticed that there were a lot more lobsters in each pot than he would have expected; in other words, he had expected them to go out of the escape hatch. He also noticed that the animals were sluggish and in poor condition, consistent with their being caught in the pot overnight, and that his pots had been interfered with in that they were no longer in the order in which he had placed them. They had similarly been interfered with in a manner to prevent the undersize animals escaping.

On returning to the wharf that morning Mr Olden and his crew member were met by a fisheries officer. The officer asked some questions. He noted that Mr Olden's crew did not have the requisite valid licence or that it was out of date. He said that Mr Olden and his crew would probably be fined as a result, which was quite reasonable. Later that afternoon Mr Olden received a phone call at home from Fisheries asking that he and his crew member go to the Fisheries office together, as officers wished to see him regarding his crew's expired licence.

On arriving at the Fisheries office, Mr Olden found that his crew's licence was not the reason that they were asked to attend at all. Mr Olden was in fact presented with some of his own cray pots, and it was explained to him that fisheries officers had observed him the previous day replacing live lobsters in his pots. According to Mr Olden, it was at this point that fisheries officers explained what had occurred on the previous day, the 29th, and on the early part of the 30th. From Mr Olden's account, the remainder of the story told to him when he was being interviewed was that officers had raised a line of eight pots some two hours after he had set them on the morning of the 30th. At this point the officers said 140 undersize lobsters were found in the pots. Remember that on the 29th officers had pulled some of his gear, noted the presence of undersize animals and tagged 207 of these by means of drilling a hole in their tails. The officers had then put some of those pots back into the water, once they had restricted the exit point of those pots, effectively trapping the undersize lobsters.

When Mr Olden pulled and set his pots on the 30th, however, he both spread the lobsters evenly between his pots and freed up the blocked exits, so that the animals could escape. Hence in the two hours between Mr Olden setting his pots and the fisheries officers retrieving them, it appears that 67 animals - the difference between 207 and 140 - had escaped, once the escape channels had been freed. As Mr Olden has put to me, there would have been many fewer lobsters had these pots been left overnight, as all of the animals would have been able to escape, or possibly even escape and return to the pot, even though the holes were used as evidence of their retention.

According to Mr Olden, at the time of his being interviewed by fisheries officers on the afternoon of the 30th, the officers could not show Mr Olden any animal that had actually been tagged. So they produced the evidence saying that they knew he had taken the undersize crays because they had drilled holes in their tails, but they were not able to show him a single rock lobster with a hole drilled in its tail. They said the holes were there but they could not show him one. They could not find a hole. From Mr Olden's point of view, the officers seemed to have acted in such a way as to, not so much entrap him for his breach of the law, but rather pursue the matter in a way which caused maximum possible damage to him financially and otherwise.

I will be speaking again tomorrow afternoon, but in the few seconds remaining I add that the penalty levied upon Mr Olden as a result of what appears to be chicanery was a penalty - over and above his fine - of \$18 000 on the basis of evidence that fisheries officers never presented to court. I hope that when I complete this story the minister representing the Minister for Fisheries may take this matter up with the minister.

Question put and passed.

House adjourned at 10.40 pm

QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

TRADES AND LABOR COUNCIL OF WA, MINISTER'S COMMENTS

68. Hon TOM HELM to the Minister for Mines:

I refer to a letter dated June 30, 1999 signed by Hon Norman Moore, reference 93276 -

- (1) Can the Minister state what "motives and agendas" do "certain elements in the TLC" have?
- (2) If not, why not?
- (3) Can the Minister state specifically what person or persons he is referring to when he used the words "certain elements in the TLC"?
- (4) If not, why not?
- (5) Can the Minister state what "motives and agendas" "Mr Steve Kean" has?
- (6) If not, why not?
- (7) Can the Minister state what the "motives and agendas" are for Mr Ross Atkins whom I understand was expressing severe concerns in a *West Australian* news article dated May 15, 1999 titled "Mine Chief blames Moore for Mid-West shutdowns"?
- (8) If not, why not?

Hon N.F. MOORE replied:

- (1)-(8) I do not consider it necessary or appropriate to elaborate on the contents of my letter of 30 June 1999 which was sent to a Kalgoorlie resident in response to his earlier letter to me.

MINING, WILLIAMSTOWN

69. Hon TOM HELM to the Minister for Mines:

I refer to question on notice 902 of December 17, 1998 -

- (1) Can the Minister check his answers provided in parts (1), (2) and (3) and advise whether he still stands by all of the answers provided in those parts?
- (2) If not, why not?

Hon N.F. MOORE replied:

- (1) Yes. The answers provided to question on notice No 902 on 20 April 1999 were correct on that day.
I am informed that KCGM has offered to meet with the Williamstown residents on many occasions. However, the invitations have mostly been declined. KCGM has held public open days and conducted pamphlet drops in order to keep the public fully informed of current events, as well as holding meetings with specific complainants.
- (2) Not applicable.

GOVERNMENT VEHICLES, NUMBER LEASED AND OWNED

88. Hon NORM KELLY to the Attorney General representing the Minister for Labour Relations:

As of June 30, 1999, for all agencies under the control of the Minister for Labour Relations -

- (1) How many vehicles are leased or owned by those agencies?
- (2) Of these, how many are -
 - (a) passenger vehicles; and
 - (b) commercial vehicles?
- (3) Of the total number of vehicles, how many are -
 - (a) petrol or diesel powered;
 - (b) LPG powered; or
 - (c) powered by other means?

Hon PETER FOSS replied:

Department of the Registrar, WA Industrial Relations Commission:

- (1) 7

- (2) (a) 6
(b) 1
- (3) (a) 7
(b)-(c) Nil.

WorkCover WA:

- (1) 15
- (2) (a) 15
(b) Nil
- (3) (a) 15
(b)-(c) Nil

Department of Productivity and Labour Relations:

- (1) 22
- (2) (a) 22
(b) Nil
- (3) (a) 22
(b)-(c) Nil

Commissioner of Workplace Agreements:

- (1) 10
- (2) (a) 10
(b) Nil
- (3) (a) 10
(b)-(c) Nil

WorkSafe Western Australia:

- (1) 88
- (2) (a) 88
(b) Not applicable.
- (3) (a) 88
(b)-(c) Not applicable.

GOVERNMENT VEHICLES, NUMBER LEASED AND OWNED

119. Hon NORM KELLY to the Minister for Sport and Recreation:

As of June 30, 1999, for all agencies under the control of the Minister for Sport and Recreation -

- (1) How many vehicles are leased or owned by those agencies?
- (2) Of these, how many are -
 - (a) passenger vehicles; and
 - (b) commercial vehicles?
- (3) Of the total number of vehicles, how many are -
 - (a) petrol or diesel powered;
 - (b) LPG powered; or
 - (c) powered by other means?

Hon N.F. MOORE replied:

Ministry of Sport and Recreation

	Ministry of Sport and recreation	Recreation Camps and Reserves Board	North West Academy of Sport
(1)	28	6	1
(2) (a)	26	0	0
(b)	2	6	1
(3) (a)	26	6	1
(b)	0	0	0
(c)	2	0	0

Western Australian Institute of Sport

- (1) 4

- (2) (a) 4
(b) Nil
- (3) (a) 4
(b)-(c) Nil

Western Australian Sports Centre Trust

- (1) 11
- (2) (a) 8
(b) 3
- (3) (a) 11
(b)-(c) Nil

GOVERNMENT VEHICLES, NUMBER LEASED AND OWNED

120. Hon NORM KELLY to the Minister for Mines:

As of June 30, 1999, for all agencies under the control of the Minister for Mines -

- (1) How many vehicles are leased or owned by those agencies?
- (2) Of these, how many are -
(a) passenger vehicles; and
(b) commercial vehicles?
- (3) Of the total number of vehicles, how many are -
(a) petrol or diesel powered;
(b) LPG powered; or
(c) powered by other means?

Hon N.F. MOORE replied:

Department of Minerals and Energy

Figures from lease plan applying on 23 August 1999

- (1) 150
- (2) (a) 78
(b) 72
- (3) (a) 150
(b)-(c) Nil

Coal Industry Superannuation Fund

- (1) 1
- (2) (a) 1
(b) nil
- (3) (a) 1
(b)-(c) Nil

GOVERNMENT DEPARTMENTS AND AGENCIES, YEAR 2000 COMPLIANT

150. Hon LJILJANNA RAVLICH to the Minister for Justice:

I refer to the Year 2000 Industry Awareness Campaign coordinated by the Department of Commerce and Trade. For each department or agency in the Minister for Justice's portfolio can the Minister provide the following information -

- (1) How many of their business systems are at risk to the Millennium Bug?
- (2) How many of their business systems have been recently converted, upgraded or replaced?
- (3) How many of their business systems have been certified and tested as Year 2000 compliant?
- (4) Is each department or agency in the Minister's portfolio treating the Year 2000 problem as an issue critical to their survival?
- (5) How many of their customers and suppliers are Year 2000 compliant?
- (6) How many of the companies awarded contracts by each department or agency in the Minister's portfolio are Year 2000 compliant?
- (7) Does each department or agency in the Minister's portfolio have a plan to manage their Year 2000 effort?
- (8) How much has been budgeted for the work to be done?

Hon PETER FOSS replied:

Western Australian government agencies have been required to report quarterly until August 1999, but are now required to report monthly to the Department of Commerce and Trade as to their year 2000 readiness. These reports are web-based and provide direct advice from the agencies and report the responses to specific questions. No modelling or derivation or weightings are applied to the results. Thus the Government is not altering in any fashion the responses of the agencies. Accountability for this issue lies between the minister and the CEO through legal requirements and performance contracts.

- (1)-(3) Each agency is singularly responsible for its own year 2000 remediation program. Agencies are not required to report at this level of detail.
- (4) The Premier has instructed all agencies to treat this as a priority and this aspect of agency activity is included in each chief executive officer's performance agreement.
- (5)-(6) See (1)-(3) above.
- (7) In accordance with the Premier's direction, all agencies are developing year 2000 remediation plans and reporting accordingly.
- (8) As of 30 June 1999 the across-government budget for year 2000 remediation totalled \$173.5m.

The Minister for Commerce and Trade would be pleased to arrange a briefing from officers of the Department of Commerce and Trade who can explain the Government's approach to this issue in more detail.

GOVERNMENT DEPARTMENTS AND AGENCIES, YEAR 2000 COMPLIANT

151. Hon LJILJANNA RAVLICH to the Minister for the Arts:

I refer to the Year 2000 Industry Awareness Campaign coordinated by the Department of Commerce and Trade. For each department or agency in the Minister for the Arts' portfolio can the Minister provide the following information -

- (1) How many of their business systems are at risk to the Millennium Bug?
- (2) How many of their business systems have been recently converted, upgraded or replaced?
- (3) How many of their business systems have been certified and tested as Year 2000 compliant?
- (4) Is each department or agency in the Minister's portfolio treating the Year 2000 problem as an issue critical to their survival?
- (5) How many of their customers and suppliers are Year 2000 compliant?
- (6) How many of the companies awarded contracts by each department or agency in the Minister's portfolio are Year 2000 compliant?
- (7) Does each department or agency in the Minister's portfolio have a plan to manage their Year 2000 effort?
- (8) How much has been budgeted for the work to be done?

Hon PETER FOSS replied:

Western Australian government agencies have been required to report quarterly until August 1999, but are now required to report monthly to the Department of Commerce and Trade as to their year 2000 readiness. These reports are web-based and provide direct advice from the agencies and report the responses to specific questions. No modelling or derivation or weightings are applied to the results. Thus the Government is not altering in any fashion the responses of the agencies. Accountability for this issue lies between the minister and the CEO through legal requirements and performance contracts.

- (1)-(3) Each agency is singularly responsible for its own year 2000 remediation program. Agencies are not required to report at this level of detail.
- (4) The Premier has instructed all agencies to treat this as a priority and this aspect of agency activity is included in each chief executive officer's performance agreement.
- (5)-(6) See (1)-(3) above.
- (7) In accordance with the Premier's direction, all agencies are developing year 2000 remediation plans and reporting accordingly.
- (8) As of 30 June 1999 the across-government budget for year 2000 remediation totalled \$173.5m.

The Minister for Commerce and Trade would be pleased to arrange a briefing from officers of the Department of Commerce and Trade who can explain the Government's approach to this issue in more detail.

GOVERNMENT DEPARTMENTS AND AGENCIES, YEAR 2000 COMPLIANT

153. Hon LJILJANNA RAVLICH to the Attorney General representing the Minister for Labour Relations:

I refer to the Year 2000 Industry Awareness Campaign coordinated by the Department of Commerce and Trade. For each department or agency in the Minister for Labour Relations' portfolio can the Minister provide the following information -

- (1) How many of their business systems are at risk to the Millennium Bug?

- (2) How many of their business systems have been recently converted, upgraded or replaced?
- (3) How many of their business systems have been certified and tested as Year 2000 compliant?
- (4) Is each department or agency in the Minister's portfolio treating the Year 2000 problem as an issue critical to their survival?
- (5) How many of their customers and suppliers are Year 2000 compliant?
- (6) How many of the companies awarded contracts by each department or agency in the Minister's portfolio are Year 2000 compliant?
- (7) Does each department or agency in the Minister's portfolio have a plan to manage their Year 2000 effort?
- (8) How much has been budgeted for the work to be done?

Hon PETER FOSS replied:

Western Australian government agencies have been required to report quarterly until August 1999, but are now required to report monthly to the Department of Commerce and Trade as to their year 2000 readiness. These reports are web-based and provide direct advice from the agencies and report the responses to specific questions. No modelling or derivation or weightings are applied to the results. Thus the Government is not altering in any fashion the responses of the agencies. Accountability for this issue lies between the minister and the CEO through legal requirements and performance contracts.

- (1)-(3) Each agency is singularly responsible for its own year 2000 remediation program. Agencies are not required to report at this level of detail.
- (4) The Premier has instructed all agencies to treat this as a priority and this aspect of agency activity is included in each chief executive officer's performance agreement.
- (5)-(6) See (1)-(3) above.
- (7) In accordance with the Premier's direction, all agencies are developing year 2000 remediation plans and reporting accordingly.
- (8) As of 30 June 1999 the across-government budget for year 2000 remediation totalled \$173.5m.

The Minister for Commerce and Trade would be pleased to arrange a briefing from officers of the Department of Commerce and Trade who can explain the Government's approach to this issue in more detail.

GOVERNMENT DEPARTMENTS AND AGENCIES, EXEMPTIONS FROM PURCHASING PROVISIONS OF THE ACT

193. Hon LJILJANNA RAVLICH to the Attorney General:

- (1) Which departments or agencies in the Auditor General's portfolio have been granted partial exemptions in -
 - (a) Class 1 - Autonomous purchasing up to \$50 000 per total contract value. Higher value purchasing to be arranged by a third party designated by the State Supply Commission;
 - (b) Class 2 - Autonomous purchasing up to \$250 000 per total contract value. Higher value purchasing to be arranged by a third party designated by the State Supply Commission;
 - (c) Class 3 - Autonomous purchasing up to \$1m per total contract (or to a value as agreed by the Commission). Higher value purchasing to be arranged by a third party designated by the State Supply Commission; and
 - (d) Class 4 - Autonomous purchasing with no upper limit?
- (2) For each department and agency in the Auditor General's portfolio which have been granted partial exemptions from the operation of section 19(1) of the *State Supply Commission Act 1991*, which departments or agencies have reviewed their supply activities and assessed its risk in accordance with the commission's accreditation process each 12 months or at intervals determined by the commission?

Hon PETER FOSS replied:

- (1)-(2) The accreditation assessment process commenced in 1997 and due to the review of the State Supply Commission Act, the process was put on hold in August 1998. In accordance with the commission's ongoing compliance program, 48 agencies - as denoted in the attached table - were reviewed in 1999. This compliance review examined changes in procurement capability and improvements in systems, procedures and skills. The results showed a marked improvement in procurement practices and purchasing culture within agencies. [See paper No 169.]

GOVERNMENT DEPARTMENTS AND AGENCIES, EXEMPTIONS FROM PURCHASING PROVISIONS OF THE ACT

194. Hon LJILJANNA RAVLICH to the Minister for Justice:

- (1) Which departments or agencies in the Minister for Justice's portfolio have been granted partial exemptions in -

- (a) Class 1 - Autonomous purchasing up to \$50 000 per total contract value. Higher value purchasing to be arranged by a third party designated by the State Supply Commission;
 - (b) Class 2 - Autonomous purchasing up to \$250 000 per total contract value. Higher value purchasing to be arranged by a third party designated by the State Supply Commission;
 - (c) Class 3 - Autonomous purchasing up to \$1m per total contract (or to a value as agreed by the Commission). Higher value purchasing to be arranged by a third party designated by the State Supply Commission; and
 - (d) Class 4 - Autonomous purchasing with no upper limit?
- (2) For each department and agency in the Minister's portfolio which have been granted partial exemptions from the operation of section 19(1) of the *State Supply Commission Act 1991*, which departments or agencies have reviewed their supply activities and assessed its risk in accordance with the commission's accreditation process each 12 months or at intervals determined by the commission?

Hon PETER FOSS replied:

- (1)-(2) The accreditation assessment process commenced in 1997 and due to the review of the State Supply Commission Act, the process was put on hold in August 1998. In accordance with the commission's ongoing compliance program, 48 agencies - as denoted in the attached table - were reviewed in 1999. This compliance review examined changes in procurement capability and improvements in systems, procedures and skills. The results showed a marked improvement in procurement practices and purchasing culture within agencies. [See paper No 169.]

GOVERNMENT DEPARTMENTS AND AGENCIES, EXEMPTIONS FROM PURCHASING PROVISIONS OF THE ACT

195. Hon LJILJANNA RAVLICH to the Minister for the Arts:

- (1) Which departments or agencies in the Minister for the Arts' portfolio have been granted partial exemptions in -
 - (a) Class 1 - Autonomous purchasing up to \$50 000 per total contract value. Higher value purchasing to be arranged by a third party designated by the State Supply Commission;
 - (b) Class 2 - Autonomous purchasing up to \$250 000 per total contract value. Higher value purchasing to be arranged by a third party designated by the State Supply Commission;
 - (c) Class 3 - Autonomous purchasing up to \$1m per total contract (or to a value as agreed by the Commission). Higher value purchasing to be arranged by a third party designated by the State Supply Commission; and
 - (d) Class 4 - Autonomous purchasing with no upper limit?
- (2) For each department and agency in the Minister's portfolio which have been granted partial exemptions from the operation of section 19(1) of the *State Supply Commission Act 1991*, which departments or agencies have reviewed their supply activities and assessed its risk in accordance with the commission's accreditation process each 12 months or at intervals determined by the commission?

Hon PETER FOSS replied:

- (1)-(2) Please refer to the answer given in response to question on notice 196 of 18 August 1999.

GOVERNMENT DEPARTMENTS AND AGENCIES, EXEMPTIONS FROM PURCHASING PROVISIONS OF THE ACT

197. Hon LJILJANNA RAVLICH to the Attorney General representing the Minister for Labour Relations:

- (1) Which departments or agencies in the Minister for Labour Relations' portfolio have been granted partial exemptions in -
 - (a) Class 1 - Autonomous purchasing up to \$50 000 per total contract value. Higher value purchasing to be arranged by a third party designated by the State Supply Commission;
 - (b) Class 2 - Autonomous purchasing up to \$250 000 per total contract value. Higher value purchasing to be arranged by a third party designated by the State Supply Commission;
 - (c) Class 3 - Autonomous purchasing up to \$1m per total contract (or to a value as agreed by the Commission). Higher value purchasing to be arranged by a third party designated by the State Supply Commission; and
 - (d) Class 4 - Autonomous purchasing with no upper limit?
- (2) For each department and agency in the Minister's portfolio which have been granted partial exemptions from the operation of section 19(1) of the *State Supply Commission Act 1991*, which departments or agencies have reviewed their supply activities and assessed its risk in accordance with the commission's accreditation process each 12 months or at intervals determined by the commission?

Hon PETER FOSS replied:

- (1)-(2) The accreditation assessment process commenced in 1997 and due to the review of the State Supply Commission Act, the process was put on hold in August 1998. In accordance with the commission's ongoing compliance program, 48 agencies - as denoted in the attached table - were reviewed in 1999. This compliance review examined changes in procurement capability and improvements in systems, procedures and skills. The results showed a marked improvement in procurement practices and purchasing culture within agencies. [See paper No 169.]

GOVERNMENT DEPARTMENTS AND AGENCIES, EXEMPTIONS FROM PURCHASING PROVISIONS OF THE ACT

210. Hon LJILJANNA RAVLICH to the Leader of the House representing the Minister for Parliamentary and Electoral Affairs:

- (1) Which departments or agencies in the Minister for Parliamentary and Electoral Affairs' portfolio have been granted partial exemptions in -
- (a) Class 1 - Autonomous purchasing up to \$50 000 per total contract value. Higher value purchasing to be arranged by a third party designated by the State Supply Commission;
 - (b) Class 2 - Autonomous purchasing up to \$250 000 per total contract value. Higher value purchasing to be arranged by a third party designated by the State Supply Commission;
 - (c) Class 3 - Autonomous purchasing up to \$1m per total contract (or to a value as agreed by the Commission). Higher value purchasing to be arranged by a third party designated by the State Supply Commission; and
 - (d) Class 4 - Autonomous purchasing with no upper limit?
- (2) For each department and agency in the Minister's portfolio which have been granted partial exemptions from the operation of section 19(1) of the *State Supply Commission Act 1991*, which departments or agencies have reviewed their supply activities and assessed its risk in accordance with the commission's accreditation process each 12 months or at intervals determined by the commission?

Hon N.F. MOORE replied:

- (1)-(2) The accreditation assessment process commenced in 1997 and due to the review of the State Supply Commission Act, the process was put on hold in August 1998. In accordance with the commission's ongoing compliance program, 48 agencies - as denoted in the attached table - were reviewed in 1999. This compliance review examined changes in procurement capability and improvements in systems, procedures and skills. The results showed a marked improvement in procurement practices and purchasing culture within agencies. [See paper No 169.]

GOVERNMENT DEPARTMENTS AND AGENCIES, EXEMPTIONS FROM PURCHASING PROVISIONS OF THE ACT

215. Hon LJILJANNA RAVLICH to the Minister for Finance representing the Minister for Lands:

- (1) Which departments or agencies in the Minister for Lands' portfolio have been granted partial exemptions in -
- (a) Class 1 - Autonomous purchasing up to \$50 000 per total contract value. Higher value purchasing to be arranged by a third party designated by the State Supply Commission;
 - (b) Class 2 - Autonomous purchasing up to \$250 000 per total contract value. Higher value purchasing to be arranged by a third party designated by the State Supply Commission;
 - (c) Class 3 - Autonomous purchasing up to \$1m per total contract (or to a value as agreed by the Commission). Higher value purchasing to be arranged by a third party designated by the State Supply Commission; and
 - (d) Class 4 - Autonomous purchasing with no upper limit?
- (2) For each department and agency in the Minister's portfolio which have been granted partial exemptions from the operation of section 19(1) of the *State Supply Commission Act 1991*, which departments or agencies have reviewed their supply activities and assessed its risk in accordance with the commission's accreditation process each 12 months or at intervals determined by the commission?

Hon MAX EVANS replied:

- (1)-(2) The accreditation assessment process commenced in 1997 and due to the review of the State Supply Commission Act, the process was put on hold in August 1998. In accordance with the commission's ongoing compliance program, 48 agencies - as denoted in the attached table - were reviewed in 1999. This compliance review examined changes in procurement capability and improvements in systems, procedures and skills. The results showed a marked improvement in procurement practices and purchasing culture within agencies. [See paper No 169.]

GOVERNMENT DEPARTMENTS AND AGENCIES, EXEMPTIONS FROM PURCHASING PROVISIONS OF
THE ACT

216. Hon LJILJANNA RAVLICH to the Minister for Finance representing the Minister for Fair Trading:
- (1) Which departments or agencies in the Minister for Fair Trading's portfolio have been granted partial exemptions in -
 - (a) Class 1 - Autonomous purchasing up to \$50 000 per total contract value. Higher value purchasing to be arranged by a third party designated by the State Supply Commission;
 - (b) Class 2 - Autonomous purchasing up to \$250 000 per total contract value. Higher value purchasing to be arranged by a third party designated by the State Supply Commission;
 - (c) Class 3 - Autonomous purchasing up to \$1m per total contract (or to a value as agreed by the Commission). Higher value purchasing to be arranged by a third party designated by the State Supply Commission; and
 - (d) Class 4 - Autonomous purchasing with no upper limit?
 - (2) For each department and agency in the Minister's portfolio which have been granted partial exemptions from the operation of section 19(1) of the *State Supply Commission Act 1991*, which departments or agencies have reviewed their supply activities and assessed its risk in accordance with the commission's accreditation process each 12 months or at intervals determined by the commission?

Hon MAX EVANS replied:

- (1)-(2) The accreditation assessment process commenced in 1997 and due to the review of the State Supply Commission Act, the process was put on hold in August 1998. In accordance with the commission's ongoing compliance program, 48 agencies - as denoted in the attached table - were reviewed in 1999. This compliance review examined changes in procurement capability and improvements in systems, procedures and skills. The results showed a marked improvement in procurement practices and purchasing culture within agencies. [See paper No 169.]

AIR TOXICS REPORT

349. Hon J.A. SCOTT to the Minister for Finance representing the Minister for the Environment:
- (1) Further to question 1517 of April 21, 1999, can the Minister for the Environment confirm when the Department of Environmental Protection intends to release its Technical Report on air toxics in Perth?
 - (2) What were the maximum levels of benzene, toluene and xylenes found in the air in the 1997/1998 study of air toxics?
 - (3) What are the effects of benzene, toluene and xylenes on human health?
 - (4) How do these maximum levels compare with the draft Australian standards and those currently in force in Europe?
 - (5) As a result of these studies is the Minister planning to take any specific action to address this problem?
 - (6) In view of the readings obtained for air toxics will the Government consider an ongoing monitoring program for those substances which are likely to be present at elevated levels?
 - (7) If not, why not?

Hon MAX EVANS replied:

- (1) The Department of Environmental Protection will release the technical report on air toxics after peer review comments by the Health Department of WA (HDWA) have been considered and appropriate changes have been incorporated into the report.
- (2) The results of the baseline measurement program indicate that the maximum 24-hour average concentrations for benzene, toluene, and the xylenes were 17.6, 30.0 and 22.6 ppb respectively.
- (3)-(4) These questions should be referred to the Minister for Health.
- (5) A joint HDWA/DEP strategy is being developed to address any health issues which may arise from the measured air toxics concentrations. Further measurements to verify the baseline monitoring data are being conducted. In addition, the levels of benzene in petrol will be reduced, as promised by the Premier in his announcement on "Clean Fuels" on 1 August 1999. Vehicle emissions are a major source of benzene in Perth's air.
- (6)-(7) Air toxics monitoring is proceeding to verify the results obtained during 1997-98 and to provide the basis of any possible future management program.

OPTIMUM RESOURCES

361. Hon TOM HELM to the Minister for Finance representing the Minister for the Environment:

I refer to question on notice 1530 of April 22, 1999 and the Minister for the Environment's answers provided in parts (1) to (5) -

- (1) Can the Minister state why it is considered a "reasonable time" in that the company KCGM has over 8 months from March 18, 1999 to December 31, 1999 to reduce groundwater levels across the floodway area ("which includes the Optimum Resources Tenements") in which Optimum Resources has been seriously affected in not being able to effectively carry out exploration/mining planned or otherwise because of the high groundwater levels along with stressed and dying trees which on my understanding is "pollution" and a breach of licence conditions and an offence under the *Environmental Protection Act 1986*?

- (2) If not, why not?

Hon MAX EVANS replied:

- (1) Because of the physical nature of groundwater systems, there is often a considerable time delay between additional groundwater measures being installed and a reduction in groundwater levels being achieved. Given these slow changes, it is necessary to review groundwater monitoring results over a period of some months to identify the groundwater level trends and to accurately assess the effectiveness of these additional measures.
- (2) Not applicable.

MINING LEASE 27/164, BREACH OF REGULATION

362. Hon GIZ WATSON to the Minister for Mines:

- (1) Did the Registered Manager or employees/contractors or holder of mining lease 27/164 breach regulation 8.26(2) of the *Mines Safety and Inspection Regulations 1995*, on June 1 or 2, 1999?
- (2) If not, why not?
- (3) If yes, will the Minister ensure that prosecution proceedings are commenced immediately to serve as a serious deterrent and to indicate that safety issues must be taken extremely seriously?
- (4) Can the Minister state what are the maximum penalties that can be imposed for persons and the company for breaching Regulation 8.26(2) of the *Mines Safety and Inspection Regulations 1995*?

Hon N.F. MOORE replied:

- (1) Mining lease 27/164 is the site of an open cut mining operation. No charges for a breach of regulation 8.26(2) of the Mines Safety and Inspection Act on June 1 or 2 1999 could be sustained against the registered manager of the mine or against any employee or contractor at the mine.
- (2) Legal advice obtained by the Department of Minerals and Energy indicated that public notice boards indicating blast times displayed at the mine and the subject of charges preferred by the District Inspector of Mines do not constitute the "firing warning notices" erected to prevent entry to a place where blasting is taking place and referred to in regulation 8.26(1)(d) and 8.26(2) of the Mines Safety and Inspection Regulations.
- (3) Not applicable.
- (4) The penalty specified for a contravention of regulation 8.26(2) is -
- (a) in the case of an individual, \$5 000; and
 - (b) in the case of a corporation, \$25 000.

WA SYMPHONY ORCHESTRA, FUNDING FOR COUNTRY TOURING

412. Hon BOB THOMAS to the Minister for the Arts:

- (1) What funding, and from which sources, did the West Australian Symphony Orchestra (WASO) receive for touring in country Western Australia for the years -
- (a) 1996/97;
 - (b) 1997/98; and
 - (c) 1998/99?
- (2) In each of those years how much of that funding was expended and which country centres did WASO visit?
- (3) Do any of the funders offer additional funds in certain circumstances?
- (4) If yes -
- (a) which funders offer additional funds;
 - (b) what are the criteria for those funds;
 - (c) how much was received in each of the above years; and
 - (d) if it was not accessed, why not?
- (5) Is it possible for WASO to access any additional funds in order to meet the full cost of its recent visit to Albany?

Hon PETER FOSS replied:

- (1) The West Australian Symphony Orchestra received specific touring funds through Country Arts WA. Each triennium, \$50 000 is made available to the West Australian Symphony Orchestra to assist with costs associated

with regional touring. The funds can be expended at any time over the triennium. As such, \$50 000 was made available over the period 1996-98. In addition, from 1996, the West Australian Symphony Orchestra has received an increase in its annual funds of \$250 000 from ArtsWA and \$250 000 from the ABC. This funding was allocated to enable the orchestra to engage sufficient players to be "split" and on condition that the orchestra should tour the country. The *Echo* arm of the orchestra was formed to undertake additional touring and introduce educational programs.

(2) Through Country Arts WA

1996-97 \$25 000 Karratha, Port Hedland
 1997-98 Nil
 1998-99 \$25 000 Karratha, Port Hedland

Through ArtsWA General Purpose Funding

1996-97 The orchestra spent \$329 935 on costs directly associated with touring to regional centres; that is, travel, accommodation, meals. When orchestral salaries and administrative costs are factored into this figure, the total expense for the regional program for 1996-97 is \$657 776.

The orchestra performed in the following regional centres -

Full Orchestra:
 Bunbury (twice)
 Kalgoorlie
 Broome
 Esperance
 Margaret River
 Bunbury
 Mandurah

Educational Chamber Ensemble:
 Manjimup
 Collie
 Harvey

1997-98 The orchestra spent \$92 060 on costs directly associated with touring to regional centres; that is, travel, accommodation, meals. When orchestral salaries and administrative costs are factored into this figure, the total expense for the regional program for 1997-98 is \$235 115.

The orchestra performed in the following regional centres:

Full Orchestra:
 Geraldton
 Kalgoorlie
 Bunbury

Educational Chamber Ensemble:
 Dumbleyung
 Narrogin
 Northam
 Quairading
 Merredin

1998-99 The orchestra spent \$243 698 on costs directly associated with touring to regional centres; that is, travel, accommodation, meals. When orchestral salaries and administrative costs are factored into this figure, the total expense for the regional program for 1998-99 is \$486 100.

The orchestra performed in the following regional centres:

Full Orchestra:
 Broome
 Kalgoorlie

Educational Chamber Ensemble:
 Broome
 Port Hedland
 Karratha

(3) No. The funders do not provide additional funds in certain circumstances.

(4) Not applicable.

(5) It is not possible for WASO to access any further funds to meet the shortfall from the recent visit to Albany. The total cost of the orchestra's recent visit to Albany was \$115 757. The local presenter contributed to these costs via a performance fee of \$20 000. Therefore, the net cost to the orchestra was \$95 757.

When the orchestra performs for a regional presenter, the group is charged a fee of approximately \$20 000 as a contribution towards the cost of the tour. The presenter is responsible for local venue and marketing costs and is entitled to retain the box office income.

The Gordon Reid Foundation offers funds to regional centres to assist with a performing arts program. This funding is presently tied to the major performing arts centres that are members of the Circuit West group. The Albany Town Hall Theatre is a member of Circuit West. In previous years the Gordon Reid Foundation has also made available specific 'high-cost' touring funds to assist regional groups in presenting large-scale performances such as ballet or orchestral presentations.

OPTIMUM RESOURCES, TAILINGS DAM

418. Hon TOM HELM to the Minister for Mines:

I refer to a letter dated June 21, 1999 signed by Hon Norman Moore, Minister for Mines, reference 92916 and 92017 addressed to Mr R Kean -

- (1) Can the Minister state specifically the names of what he claims to be his "several sources of information regarding this issue"?
- (2) If not, why not?

Hon N.F. MOORE replied:

- (1)-(2) It is not considered appropriate to do so at this time.

OPTIMUM RESOURCES, TAILINGS DAM

419. Hon TOM HELM to the Minister for Mines:

I refer to my adjournment debate on Thursday, November 19, 1998 and comments from Hon Norman Moore, Minister for Mines -

- (1) Can the Minister provide "the numbers" as to the amount of money the Minister has stated and claimed "they wanted for this to be resolved"?
- (2) If not, why not?
- (3) Can the Minister explain "what they put to some of his colleagues about how much money they wanted for this to be resolved"?
- (4) If not, why not?
- (5) Can the Minister state how many times Mr Ray Kean has written to him from November 1998 until July 1999 requesting the following information -
 - (a) can you please advise me and explain what you mean when you have stated "will not pay the sort of money that they asked for in the first place";
 - (b) can you please advise "the sort of money" that according to your understanding "they asked for in the first place";
 - (c) can you please provide me with what you refer to as "the number";
 - (d) can you please advise me according to you "what they put to some of his colleagues about how much (money) they wanted for this to be resolved"; and
 - (e) can you please provide me with the names of who you refer to as "some of his colleagues"?
- (6) If not, why not?

Hon N.F. MOORE replied:

- (1)-(4) It is not considered appropriate to do so at this time.
- (5)-(6) Seven times by way of letters dated 30 December 1988, 8 February 1999, 22 February 1999, 19 March 1999, 6 April 1999, 27 April 1999 and 21 May 1999. My letters of 16 February 1999, 12 April 1999 and 21 June 1999 were sent to Mr Ray Kean in reply to his correspondence.

OPTIMUM RESOURCES, TAILINGS DAM

420. Hon TOM HELM to the Minister for Mines:

I refer to a letter dated February 16, 1999 signed by Hon Norman Moore, Minister for Mines, reference 91395 and 91830 addressed to Mr R Kean -

- (1) Does the Minister stand by the statement "These statements were general in nature and were made in context of and in response to matters being raised during that debate by the Hon Tom Helm MLC"?
- (2) If not, why not?
- (3) Can the Minister state "the number of sources" and the names of the sources that he based his "information" on?
- (4) If not, why not?

Hon N.F. MOORE replied:

- (1) Yes.
- (2) Not applicable.
- (3)-(4) It is not considered appropriate to do so at this time.

MINING, SPECIAL PROSPECTING LICENCES

421. Hon TOM HELM to the Minister for Mines:

- (1) Can the Minister provide the numbers for each year commencing in 1982 until the present year of how many Special Prospecting Licences over Prospecting Licences have been -
 - (a) lodged with the department;
 - (b) granted; and
 - (c) granted after objection?
- (2) If not, why not?
- (3) Can the Minister provide the numbers for each year commencing in 1982 until the present year of how many Special Prospecting Licences over Exploration Licences have been -
 - (a) lodged with the department;
 - (b) granted; and
 - (c) granted after objection?
- (4) If not, why not?
- (5) Can the Minister provide the numbers in each year first commencing in 1982 when the legislation was changed to provide for a Special Prospecting Licence on a Mining Lease of how many have been granted?
- (6) If not, why not?

Hon N.F. MOORE replied:

- (1)-(6) Providing information to the level of detail sought by the Hon Member would require the searching of each of several hundred individual files for Special Prospecting Licence applications received since 1982. This would require the diversion of significant staff resources from their duties, which I am not prepared to do. However, the electronic database of the Department of Minerals and Energy identifies Special Prospecting Licences with the use of the prefix "S" and the following information has been compiled from the database and an examination of the tenement registers.

SPECIAL PROSPECTING LICENCE APPLICATIONS

Year	Number lodged during year	Number granted during year	Number objected to and granted
1982	0	0	0
1983	5	0	0
1984	39	4	0
1985	46	23	10
1986	65	20	4
1987	78	20	7
1988	35	18	6
1989	15	11	4
1990	5	8	4
1991	9	1	0
1992	11	2	0
1993	19	8	2
1994	18	8	1
1995	10	5	0
1996	18	12	1
1997	40	21	7
1998	11	12	6
1999 to date	13	2	1
TOTAL	437	175	53

Neither the database nor the tenement register contain information as to the nature of the "primary tenement" and therefore the statistics do not show whether the Special Prospecting Licences were over Prospecting Licences, Explorations Licences or Mining Leases.

CALM, SALE OF LOT 132 WANNEROO ROAD, WANNEROO

429. Hon KEN TRAVERS to the Minister for Finance representing the Minister for the Environment:

I refer to the Department of Conservation and Land Management's (CALM) sale of Lot 132 Wanneroo Road, Wanneroo on May 29, 1998, and ask -

- (1) Was a valuation conducted of this land?

- (2) If yes -
- (a) who conducted the valuation; and
 - (b) what was the land valued at?
- (3) Why was it decided to sell this land by private treaty rather than auction or tender?

Hon MAX EVANS replied:

- (1) Yes.
- (2) (a) Valuer General's Office.
(b) \$685 000.
- (3) The property was first offered for sale at an auction held on 12 February 1997, but was passed in. In accordance with usual practice, the property was then placed on the open market for sale by private treaty.

GOVERNMENT CONTRACTS, AUSTRALIAN PROPERTY CONSULTANTS AND ROSS HUGHES & CO

472. Hon TOM STEPHENS to the Minister for Tourism:

- (1) Have any departments or agencies under the Minister for Tourism's portfolio awarded any contracts to -
- (a) Australian Property Consultants; and
 - (b) Ross Hughes and Company,
- since January 1, 1999?
- (2) If yes, can the Minister state -
- (a) the name of the contractor;
 - (b) the project the contract was awarded for;
 - (c) the date the contract was awarded;
 - (d) the value of the contract;
 - (e) whether the contract went to tender; and
 - (f) if the contract did not go to tender, why not?

Hon N.F. MOORE replied:

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

GOVERNMENT CONTRACTS, AUSTRALIAN PROPERTY CONSULTANTS AND ROSS HUGHES & CO

473. Hon TOM STEPHENS to the Minister for Sport and Recreation:

- (1) Have any departments or agencies under the Minister for Sport and Recreation's portfolio awarded any contracts to -
- (a) Australian Property Consultants; and
 - (b) Ross Hughes and Company,
- since January 1, 1999?
- (2) If yes, can the Minister state -
- (a) the name of the contractor;
 - (b) the project the contract was awarded for;
 - (c) the date the contract was awarded;
 - (d) the value of the contract;
 - (e) whether the contract went to tender; and
 - (f) if the contract did not go to tender, why not?

Hon N.F. MOORE replied:

- (1) (a)-(b) No.
- (2) (a)-(f) Not applicable.

GOVERNMENT CONTRACTS, AUSTRALIAN PROPERTY CONSULTANTS AND ROSS HUGHES & CO

481. Hon TOM STEPHENS to the Attorney General representing the Minister for Labour Relations:

- (1) Have any departments or agencies under the Minister for Labour Relations' portfolio awarded any contracts to -
- (a) Australian Property Consultants; and
 - (b) Ross Hughes and Company,
- since January 1, 1999?
- (2) If yes, can the Minister state -
- (a) the name of the contractor;

- (b) the project the contract was awarded for;
- (c) the date the contract was awarded;
- (d) the value of the contract;
- (e) whether the contract went to tender; and
- (f) if the contract did not go to tender, why not?

Hon PETER FOSS replied:

Department of Productivity and Labour Relations:

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

WorkCover WA:

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

Department of the Registrar, Western Australian Industrial Relations Commission:

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

Commissioner of Workplace Agreements:

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

WorkSafe Western Australia:

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

GOVERNMENT CONTRACTS, AUSTRALIAN PROPERTY CONSULTANTS AND ROSS HUGHES & CO

505. Hon TOM STEPHENS to the Minister for Finance representing the Minister for Works:

- (1) Have any departments or agencies under the Minister for Works' portfolio awarded any contracts to -
 - (a) Australian Property Consultants; and
 - (b) Ross Hughes and Company,since January 1, 1999?
- (2) If yes, can the Minister state -
 - (a) the name of the contractor;
 - (b) the project the contract was awarded for;
 - (c) the date the contract was awarded;
 - (d) the value of the contract;
 - (e) whether the contract went to tender; and
 - (f) if the contract did not go to tender, why not?

Hon MAX EVANS replied:

- (1) Since January 1, 1999 Contract and Management Services (CAMS) has awarded the following contracts to Australian Property Consultants and Ross Hughes and Company.
 - (a) One contract has been awarded to Australian Property Consultants; and
 - (b) No contracts have been awarded to Ross Hughes and Company.
- (2) The requested details on the contract awarded are set out below:
 - (a) The name of the contractor is "Australian Property Consultants".
 - (b) The contract was awarded for "GEHA Asset Disposal Review".
 - (c) The contract was awarded on 26 February 1999.
 - (d) The value of the contract awarded was \$31,500.00.
 - (e) A "Request for Proposal" was invited from 5 (five) appropriately qualified commercial agents. Three Proposals were received.
 - (f) Written quotations were obtained with the issuing of "Request for Proposal" documents that included appropriate specifications and selection criteria in accord with policies and guidelines of the State Supply Commission, for contract values between \$5,000 - \$50,000.

GOVERNMENT DEPARTMENTS AND AGENCIES, LAND SALES IN EXCESS OF \$500 000

516. Hon TOM STEPHENS to the Minister for Tourism:

Can the Minister for Tourism provide the following details of land sales in -

- (a) rural and metropolitan; and
- (b) commercial and residential,

undertaken by departments and agencies in the Minister's portfolio areas, since September 1, 1998, which had a sale value of \$500 000 or more -

- (i) name and location of the land sold;
- (ii) date sold;
- (iii) nature of sale and name of buyer;
- (iv) the names of any non-Government agents involved in the sale;
- (v) proceeds received from the sale;
- (vi) associated revenue from the sale, such as stamp duty; and
- (vii) any associated costs incurred in the sale process?

Hon N.F. MOORE replied:

(a)-(b) Nil.

(i)-(vii) Not applicable.

GOVERNMENT DEPARTMENTS AND AGENCIES, LAND SALES IN EXCESS OF \$500 000

538. Hon TOM STEPHENS to the Leader of the House representing the Minister for Parliamentary and Electoral Affairs:

Can the Minister for Parliamentary and Electoral Affairs provide the following details of land sales in -

- (a) rural and metropolitan; and
- (b) commercial and residential,

undertaken by departments and agencies in the Minister's portfolio areas, since September 1, 1998, which had a sale value of \$500 000 or more -

- (i) name and location of the land sold;
- (ii) date sold;
- (iii) nature of sale and name of buyer;
- (iv) the names of any non-Government agents involved in the sale;
- (v) proceeds received from the sale;
- (vi) associated revenue from the sale, such as stamp duty; and
- (vii) any associated costs incurred in the sale process?

The answer was tabled. [See paper No 273.]

MINING, PROSPECTING LICENCE 26/2458

559. Hon TOM HELM to the Minister for Mines:

I refer to a letter dated August 30, 1999 signed by Hon Norman Moore reference 93878 and 94256 -

- (1) Can the Minister advise me of the officers name and position, or was it the Minister's own personal handwriting on the attachments with the letter who wrote the words "Could have been for any one or all of these applications. This answer does not state which is the case in this instance"?
- (2) If not, why not?
- (3) Can the Minister please state why it "could have been for any one or all of these applications" when a question without notice 440 was asked "Did Mr Keith Dyer give evidence at The Wardens' Court hearing for Prospecting Licence 26/2458"?
- (4) If not, why has the Minister repeatedly stated that Mr Keith Dyer did give evidence to which the Minister has answered "not applicable"?
- (5) If not, why not?

Hon N.F. MOORE replied:

(1)-(2) These words were written by a member of my office staff in what appears to have been a futile attempt to assist the recipient of the letter, Mr Ray Kean, to understand the meaning of my answer to a previous question without notice from the honourable member. I see no need to disclose that officer's name or position.

(3) Part of my answer to question without notice 473 (initially numbered 440) on 11 November 1998 was:

Mr Keith Dyer gave evidence at the Warden's Court hearing on 20 September 1994 of applications for Prospecting Licences 26/2458, 24/2471, 26/2483 and 26/2510.

Quite clearly I did not state that Mr Dyer gave evidence exclusively for Prospecting Licence 26/2458 as previously alleged by Mr Kean. My answer simply stated that this evidence was given at a Warden's Court hearing of four applications for prospecting licences. The evidence could have related to any one or all of these applications; my answer did not state which was the case.

(4)-(5) Not applicable.

MINING, REWARD AND NORTHERN OREBODY OPEN PITS AND FLOOR PILLARS

561. Hon TOM HELM to the Minister for Mines:

I refer to Homestake Gold of Australia and Normandy Mining Ltd with KCGM as the Manager of the proposed Reward and Northern orebody open pits and floor pillars in Williamstown -

- (1) Has a Project Management plan been submitted under Regulation 3.13 of the *Mines Safety and Inspection Regulations 1995*?
- (2) If not, why not?
- (3) Has the large risk for potential open pit wall failure within the open pits to the bottom of the floor pillars taking into consideration the large tonnage blasting of the floor pillars leaving very deep holes within 120 metres of housing and other community infrastructure been considered?
- (4) If not, will the Minister or his department ensure that this is considered?
- (5) If yes, can the Minister state what the risk for open pit wall failure is extending back to housing and other community infrastructure?
- (6) Has the risk of a dump truck catching fire and having to evacuate the area, including residential properties for an explosion from the dump trucks, been considered?
- (7) If not, why not?
- (8) If yes, can the Minister advise what risk there is of this happening and how do the managers propose to deal with it?

Hon N.F. MOORE replied:

- (1) Yes.
- (2) Not applicable.
- (3) Yes.
- (4) Not applicable.
- (5) For the NOB Pit: It is estimated that there is a low probability of failure in the pit-wall exceeding 10m height, or extending more than 10m into the pit's periphery during the operating life of the pit. There is a very low probability that periphery cracking (opening tens of mm) will extend more than 30m from the crest of the pit. When the floor pillar is extracted there is a very low probability that adjacent houses may be affected by peripheral cracking. There is a very low probability that peripheral cracking will extend more than 50m beyond the crest of the pit in the vicinity of the floor pillar.

For the ROB Pit: It is estimated that there is generally a low probability of failure in the pit-wall greater than 10m height, or more than 10m into the pit's periphery. There is a very low probability that peripheral cracking will extend more than 20m from the crest of the pit. When the floor pillar is extracted there is a very low probability that cracking may affect ROB exhaust fans. These fans are situated between the pit and adjacent houses.
- (6) Yes.
- (7) Not applicable.
- (8) The risk of a dump truck fire has been considered as a remote possibility. All trucks are equipped with AFFF (aqueous film forming foam) extinguishing systems, backed up by hand held chemical extinguishers. In the case of an emergency, KCGM will implement the Emergency Plan. In the case of an evacuation of the public this would be handled by the WA Police Service.

HOMESWEST, WAITING LIST

567. Hon KEN TRAVERS to the Minister for Finance representing the Minister for Housing:

- (1) How many people were on the public housing waiting list in WA in -
 - (a) June 1999;
 - (b) June 1995;
 - (c) June 1990; and
 - (d) June 1985?
- (2) Of the people on the public housing waiting list in WA in -

- (a) June 1999;
- (b) June 1995;
- (c) June 1990; and
- (d) June 1985,

how many were -

- (i) single;
- (ii) part of a couple;
- (iii) part of a couple with dependent children; and
- (iv) single parents with dependent children?

(3) Of the people on the waiting list in WA in -

- (a) June 1999;
- (b) June 1995;
- (c) June 1990; and
- (d) June 1985,

how many lived in each of the Homeswest regions?

(4) How many public housing dwellings were there in -

- (a) June 1999;
- (b) June 1995;
- (c) June 1990; and
- (d) June 1985?

(5) How many -

- (a) bedsitters;
- (b) one bedroom;
- (c) two bedroom;
- (d) three bedroom; and
- (e) four or more bedroom,

public housing dwellings were there in WA in -

- (i) June 1999;
- (ii) June 1995;
- (iii) June 1990; and
- (iv) June 1985?

(6) As at June 1999, what proportion of people on the public housing waiting list were receiving rent assistance from Centrelink?

(7) What was the average waiting period for people on the public housing waiting list in -

- (a) June 1999;
- (b) June 1995;
- (c) June 1990; and
- (d) June 1985?

(8) What is the current income requirement for people to be eligible to apply for public housing?

(9) How much CSHA funding was granted to WA in the years -

- (a) 1985/86;
- (b) 1990/91;
- (c) 1995/96;
- (d) 1996/97;
- (e) 1997/98;
- (f) 1998/99; and
- (g) 1999/2000 (projected)?

(10) How much State funding was granted to public/community housing as a condition of the CSHA in -

- (a) 1985/86;
- (b) 1990/91;
- (c) 1995/96;
- (d) 1996/97;
- (e) 1997/98;
- (f) 1998/99; and
- (g) 1999/2000 (projected)?

(11) Would the Minister for Housing provide specific details of the breakdown of CSHA funding in -

- (a) 1985/86;
- (b) 1990/91;
- (c) 1995/96;
- (d) 1996/97;
- (e) 1997/98;
- (f) 1998/99; and
- (g) 1999/2000 (projected)?

- (12) Was any extra funding granted to public housing by the State Government in -
- (a) 1985/86;
 - (b) 1990/91;
 - (c) 1995/96;
 - (d) 1996/97;
 - (e) 1997/98;
 - (f) 1998/99; and
 - (g) 1999/2000 (projected)?

- (13) If so, how much was granted and how was the funding used?

The answer was tabled. [See paper No 274.]

BANKSIA FARM, MT CLAREMONT

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

In respect of public open space in Mt Claremont known as Banksia Farm -

- (1) Has the Minister for Lands received any valuations on the three parcels of land involved in the funding of Bold Park and Cambridge Town Council?
- (2) Will the Minister table the exact details of all valuations received, including but not limited to -
 - (a) lot locations;
 - (b) price per lot;
 - (c) specific details of the nature and amount of costs or deductions of any sort;
 - (d) how these costs were estimated;
 - (e) what were the estimates for each lot;
 - (f) who provided the valuations on each occasion; and
 - (g) whether the valuations have changed at any time?
- (3) Were the valuations amended following the May 6, 1999, auction of adjacent land which achieved prices of up to \$270 000 for R30 block sizes?

Hon MAX EVANS replied:

- (1) Yes.
- (2) (a) Lot locations are:
Swan Location 13409
Swan Location 13410
Swan Location 12896
- (b) Prices as per the valuation report:
Swan Locations 13409 & 13410 have an estimated value of \$10 400 000. This figure will be reviewed as soon as complete engineering, planning and marketing advice is received. Swan Location 12896 is valued at \$3.7m.
- (c) None.
- (d) Not applicable.
- (e) Lot sales estimates range from \$345 000 to \$360 000 on Swan Location 12896 and \$250 000 for Swan Locations 13409 and 13410.
- (f) The valuation reports are provided by the Valuer General.
- (g) Swan Location 12896 has been reviewed three times based on planning changes. The estimate for Swan Locations 13409 & 13410 is a preliminary advice pending detailed costings.
- (3) The valuation for Swan Location 12896 was presented on 26 May 1999. The estimate for Swan Location 13409 & 13410 was presented on 17 June 1999.

WESFARMERS, BASSENDEAN, CHEMICAL SPILL

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

I refer the Minister for the Environment to the chemical spill that occurred at the Wesfarmers depot in Bassendean on or around June 8, 1999 -

- (1) Was this area properly bunded and what was the cause of the accident which resulted in pesticides spilling into the local environment?
- (2) What was the total amount and type of pesticide which was spilt and how much entered the local environment?
- (3) What action was taken to contain the pesticide spill and who paid for this action?
- (4) How much of this pesticide entered the Swan River and what impact did it have on the ecology of the river?
- (5) What monitoring is taking place in the Swan River to identify any possible future ecological damage?

Hon MAX EVANS replied:

- (1) The Department of Environmental Protection advises me that area of the spill was inadequately bunded. The accident was apparently caused by a forklift knocking over a drum of herbicide which fell some distance and burst.

- (2) The herbicide involved was Trifluralin. The amount spilt was approximately 110 litres. Of this, it was estimated that approximately 30 litres entered Wesfarmers' internal drainage system. A proportion of this, diluted with rainwater, entered the road drainage system.
- (3) Wesfarmers staff provided temporary bunding around the initial spill. When this was breached, Wesfarmers staff attempted to seal the on-site drains. They also provided absorbent material on the roadway. The Town of Bassendean and private contractors provided sand and labour to contain the liquid on the roadway. The herbicide suppliers assisted with the containment and recovery of the material. I am not aware of the payment arrangements for these actions.
- (4)-(5) These questions should be referred to the Minister for Water Resources, as the Water and Rivers Commission has investigated these components.

WESFARMERS, BASSENDEAN, CHEMICAL SPILL

572. Hon J.A. SCOTT to the Attorney General representing the Minister for Labour Relations:

I refer the Minister for Labour Relations to the chemical spill that occurred at the Wesfarmers depot in Bassendean on or around June 8, 1999 -

- (1) Were health and safety regulations or rules breached due to this pesticide spill, and if so, which ones?
- (2) Did workers at the site have proper protective equipment and training to handle these pesticides?
- (3) What action has been taken to ensure that such a spill does not occur again and that public and workers' safety is maintained?

Hon PETER FOSS replied:

- (1)-(3) WorkSafe Western Australia did not attend, but is aware of the incident through its membership of the HAZMAT Emergency Advisory Team. From the briefing received it is not obvious that any safety and health regulations were breached.

BANKSIA FARM, MT CLAREMONT

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

In respect of public open space in Mt Claremont known as Banksia Farm -

- (1) Will the Minister for Lands table the financial agreement, including any amendments, between the Department of Land Management and the Town of Cambridge and the Kings Park Board on the sale of land, including Lot 87, Mt Claremont and the other two sections of land?
- (2) Will the Minister provide any information the Department of Land Management has regarding the flora and fauna of Lot 87, Mt Claremont and adjacent bushland?

Hon MAX EVANS replied:

- (1) The financial agreement with the Town of Cambridge and the Kings Park Board was prepared by Treasury, not the Department of Land Administration.
- (2) DOLA will provide the member with what information it has on the flora and fauna of lot 87 and adjoining bushland. However, EPA System 6 recommendation 1947 covers Bold Park and the member may wish to seek further information from the Minister for the Environment.

GOVERNMENT CONTRACTS, CHAMBER OF COMMERCE AND INDUSTRY

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

- (1) Have any of the Government agencies for which the Minister for Lands is responsible had contracts with, or made payments to, the Chamber of Commerce and Industry in each of the following years -
 - (a) 1996/97;
 - (b) 1997/98; and
 - (c) 1998/99?
- (2) If yes, what was the nature of each of the contracts and what was/were the payments made?

Hon MAX EVANS replied:

LandCorp

- (1)
 - (a) No.
 - (b)-(c) Yes.
- (2)
 - (a) Not applicable..
 - (b) Subscription to Western Australian Economic Review \$120
 - (c) Industry Breakfast \$140

Department of Land Administration

- (1) No.
- (2) Not applicable.

STEEP POINT, SHARK BAY, HOUSE CONSTRUCTION

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

With reference to a house being built at Steep Point, Shark Bay -

- (1) Is a house being built at Steep Point?
- (2) Is it the Government's intention to acquire the pastoral lease which includes Steep Point for the purpose of including it into a conservation reserve?
- (3) If yes, is the construction of a house at Steep Point appropriate in a future conservation reserve?

Hon MAX EVANS replied:

- (1) Yes.
- (2)-(3) These questions do not fall in my area of responsibility and should be directed to the Minister for the Environment.

HOMESWEST, ASBESTOS ROOF AT 29 BARKER STREET, BROOME

615. Hon TOM STEPHENS to the Minister for Finance representing the Minister for Housing:

- (1) Is the Minister for Housing aware of residents concerns that the asbestos roof at the Homeswest property at 29 Barker Street, Broome is in need of replacement?
- (2) Is the Minister aware that despite the constant repairs carried out on the roof at this property, the roof continues to leak during the wet season causing additional damage to walls and electrical works?
- (3) Is this 30 year old asbestos roof safe for residents?
- (4) Is the Minister aware that shire officers inspected this property in December 1997 and determined "the roofs are old and deteriorated and that a number leak, which indicates that they are damaged"?
- (5) Is the Minister aware that the Shire of Broome requested that, under the *Health (Asbestos) Regulations 1992*, Homeswest, the owner of this property containing asbestos is required to remove any damaged asbestos and sought Homeswest's urgent attention to the matter?
- (6) Despite council's request, why has the roof not been replaced?

Hon MAX EVANS replied:

- (1) Evidence to date indicates that the roof is sound and not in need of replacement.
- (2) Ongoing roof leaks to unit 7 have been attended to on several occasions. A roof leak is by nature difficult to detect and several visits may be required before the entry point is identified and the leak is fixed. A check of all roof leaks reported shows that they have occurred mainly when rain is excessively heavy.
- (3) The Ministry of Housing has obtained a comprehensive inspection and evaluation report on the roof from specialist consultants MPL Occupational and Environmental Solutions in 1998 confirming that the roof is safe.
- (4) Following the shire health inspector's report the roofs were inspected. As overhanging shrubs and creepers caused many of the leaks, these were immediately trimmed back away from the roofs.
- (5) My understanding is that the shire is satisfied with the work carried out by the ministry.
- (6) The roofing has not been replaced because it was found to be in good condition for its age. However, I have requested the ministry to monitor the situation on a six monthly basis and should it be considered necessary to replace the roof in the future it will be done in conjunction with the strata company and private owner.

MINING, OROYA TAILINGS FACILITY

625. Hon TOM HELM to the Minister for Finance representing the Minister for the Environment:

I refer to question on notice number 686, November 26, 1998 and a letter dated December 13, 1998 departmental reference L 14/67 (71004) signed by Andrew Baker.

- (1) Can the Minister for the Environment state why "This surface water could not be construed to be an outbreak of groundwater or seepage"?
- (2) If not, why not?

Hon MAX EVANS replied:

- (1) There was no direct evidence to suggest that the Oroya tailings dam walls were leaking. Further, there had been

two days of reasonably heavy rainfall prior to the on site inspection, resulting in surface water ponding in many areas. This was the likely source of the surface water.

- (2) Not applicable.

SCUBA DIVING ACCIDENTS

631. Hon J.A. SCOTT to the Attorney General representing the Minister for Labour Relations:

I refer the Minister for Labour Relations to three recent scuba diving accidents-

- (a) On November 29, 1998 a 16 year old Japanese exchange student almost drowned while scuba diving at Rottneest.
 - (b) On December 1, 1998 a 23 year old Japanese woman died at Exmouth while participating in a night drift dive.
 - (c) On December 27, 1998 a 25 year old Japanese woman was involved in a diving accident at Rottneest. She died in hospital on New Year's Eve.
- (1) Was a Significant Incident Report on the accident involving the 16 year old exchange student completed?
 - (2) If not, why not?
 - (3) Where did these people do their scuba training and with which training agency?
 - (4) Did their training meet the requirements of the Australian Standards 4005.1 which describes the minimum requirements for the training and certification of recreational divers?

Hon PETER FOSS replied:

- (1) No.
- (2) Significant Incident Summaries were issued covering the events stated in (B), night dive and (C) guided dive. (A) was an event covered by (C) and therefore did not require a further Significant Incident Summary.
- (3)
 - (A) Western Australia - DVSC Pty Ltd.
 - (B) Queensland - H2O Sportz Pty Ltd
 - (C) Saipan - Seashore Inc.
- (4)
 - (A)-(B) Yes.
 - (C) Unknown.

WESTERN METALS, LEAD ORE EXPORT

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

- (1) How many tonnes of lead ore is Western Metals licensed to export through the port of Derby?
- (2) What measures are in place to ensure that lead ore does not enter the natural environment during loading operations?
- (3) Is the Minister for the Environment aware that Western Metals is currently carrying out sampling for lead contamination in King Sound and Cone Bay at Derby?
- (4) What input has the Department of Environmental Protection had to the sampling procedure that is being carried out by Western Metals?
- (5) When will the results of the sampling be made available to the public?

Hon MAX EVANS replied:

- (1) Western Metals holds a licence, issued by the DEP, for the loading of an average of 500 tonnes per hour of lead and zinc concentrates from the barge to the ship.
- (2) Licence conditions have been set to control dust from, and spillages of lead and zinc concentrate during, barge loading and shiploading. These relate to:
 - cleaning up of spillages;
 - spraying concentrate with water to minimise the generation of concentrate dust;
 - fully enclosing the conveyor system from the exit point of the concentrate storage shed to the barge loader discharge chute;
 - maintaining belt scrapers at all conveyor transfer points to minimise belt carryover of concentrate;
 - maintaining the articulated discharge chute on the discharge boom of the barge loader and the barge mounted ship-loader below the upper level of the barge concentrate bin and the ship's hold, respectively during loading;
 - covering concentrate bins on barge to minimise dust; and
 - monitoring airborne particulates at the barge loading point for lead and zinc.

- (3) Yes. The DEP licence requires six-monthly sampling of sediment samples in King Sound and six-monthly sampling of mud crabs in Cone Bay for lead and zinc. This sampling, in compliance with the licence, was carried out on Thursday 23 September and Friday 24 September 1999.
- (4) The sampling procedure carried out by Western Metals was determined by the DEP and is set out in the current licence for the Derby Export Facility.
- (5) The results of the sampling are submitted to the DEP annually. They may be made available to the public on request.

CABLE SANDS, GROUND WATER INVESTIGATIONS IN YARLOOP-COOKERNUP

638. Hon BOB THOMAS to the Minister for Finance representing the Minister for Water Resources:

In relation to the groundwater investigations that Cable Sands has conducted under guidance from the Water and Rivers Commission (WRC) in the Yarloop/Cookernup area -

- (1) Has Cable Sands supplied the WRC with the results of its monitoring and investigations?
- (2) If not, why not?
- (3) If yes, will the Minister for Water Resources table the results?
- (4) Will the Minister table the advice the WRC supplied to Cable Sands about the conduct of this investigation?

Hon MAX EVANS replied:

- (1) Yes.
- (2) Not applicable.
- (3) Cable Sands monitoring results that were submitted to the Water and Rivers Commission as part of an annual borefield performance review for 1998 are now tabled. [See paper No 275.] A further assessment of ground water monitoring data was used to set a maximum volume and rate of abstraction.
- (4) The Water and Rivers Commission has advised Cable Sands on requirements for further assessment of ground water resources and has outlined steps to be taken for the licensing of ground water abstraction. A copy of correspondence between the commission and Cable Sands that contains this advice is now tabled. [See paper No 275.]

QUESTIONS WITHOUT NOTICE

FERRY OPERATORS, DISRUPTION TO SERVICES

382. Hon TOM STEPHENS to the Minister for Transport:

- (1) What level of disruption can ferry operators based at the Barrack Street jetty expect from the eight-month construction of stage 1 of the Barrack Square redevelopment?
- (2) Has any compensation yet been requested by the ferry operators because of this disruption?
- (3) If so, how much and in what form?
- (4) What does the minister anticipate will be the cost to taxpayers of any compensation needed to be paid to ferry operators as a result of the work on the Barrack Street jetty complex?

Hon M.J. CRIDDLE replied:

- (1)-(4) Obviously the Barrack Street complex will be a good investment in the future. I have not been approached by any ferry operator about any compensation for the work at the site. I have also not received any indication that that is about to happen.

KIMBERLEY REGION TERM NETWORK CONTRACTS

383. Hon TOM STEPHENS to the Minister for Transport:

I refer to the implementation of the Kimberley region term network contracts due to begin in June 2000 and a letter which was sent to the minister by the group representatives of the affected Main Roads employees.

- (1) Has the minister read that letter yet?
- (2) Can the minister confirm that the Commissioner of Main Roads previously guaranteed that redundancy packages would be available until the start of the term network contracts but recently changed the deadline to 31 December, six months prior to the implementation of the contracts?

- (3) Will the minister undertake to give those workers access to redundancy packages until June 2000 and thus give them the opportunity to seek work with a contractor or find alternative employment?
- (4) What will be the impact of redundancies taken before 31 December on the Christmas stand-down period of maintenance of north west roads?

Hon M.J. CRIDDLE replied:

- (1)-(4) I have not seen that letter but I am concerned about what the Leader of the Opposition said were the conditions set out in it and their impact. I will investigate the matter and I will be very interested in the outcome. Obviously I am keen to have the roads in the Kimberley kept in a good condition, and if we have to maintain a situation up there, I will ensure that happens.

BETTING CONTROL AND TOTALISATOR AGENCY BOARD BETTING ACTS, NATIONAL COMPETITION
POLICY REVIEW RECOMMENDATIONS

384. Hon N.D. GRIFFITHS to the Minister for Racing and Gaming:

- (1) Can the minister confirm that in May 1999 the Government had agreed that those recommendations of the national competition policy review of the Betting Control Act 1954 and the Totalisator Agency Board Betting Act 1960 which could be implemented by regulation would be put into effect as soon as possible after the racing ministers' conference of August 1999?
- (2) When it is anticipated that the regulations will come into effect and why have they been delayed to date?
- (3) Can the minister confirm that, among other things, the regulations will enable a bookmakers licence to be granted to a body corporate, repeal the restriction on bookmaking on Anzac Day, and do away with the restriction on the minimum levels of telephone bets with bookmakers?

Hon MAX EVANS replied:

- (1)-(3) The member will need to put several parts of the question on notice. The racing ministers' conference did not agree to change the minimum \$200 bet with bookmakers, although it was changed to \$50 in Tasmania a few years ago. More work is being done on the regulations to allow a bookmakers licence to be granted to a body corporate, considering Ladbrokes and the like which are public companies in England. I do not know what the regulations will be on the other points and I would not like to give an answer. The member should put the question on notice. That is how we stand with the bookmakers and the betting.

PEEL INLET AND HARVEY ESTUARY MANAGEMENT STRATEGY, TIDAL LEVELS

385. Hon CHRISTINE SHARP to the minister for representing the Minister for Water Resources:

Further to question without notice 313 of 12 October 1999, I ask -

- (1) Will the minister table the monitoring results of baseline data on tidal levels prior to the construction of the Dawesville Channel, together with the most recent monitoring data on tidal levels so one is able to compare the two?
- (2) Which government department is responsible for managing the impact of changes to tidal levels?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

- (1) I will seek leave to table the Peel Inlet-Harvey Estuary tidal information when I complete the answer. Detailed analysis of the impacts of the Dawesville Channel on tide levels within the Peel Inlet and Harvey Estuary is available in the following reports -

"Water Levels in Peel Inlet and Harvey Estuary Before and After the Dawesville Channel," Department of Marine and Harbours, Western Australia, Report DMH D10/92, September 1993.

"A Comparison of Modelled and Recorded Water Levels in the Peel Harvey System" prepared by Tremarfon Pty Ltd for the Department of Transport, Western Australia June 1997.

"Numerical Modelling of Long Term Water Levels in the Peel Harvey System" prepared by Tremarfon Pty Ltd for the Department of Transport, Western Australia, August 1997.

Monitoring and analysis of water levels within the Peel Inlet and Harvey Estuary is ongoing and additional information is available from the maritime division of the Department of Transport.

- (2) The proponents of the Peel Inlet and Harvey Estuary management strategy are the Minister for Transport, the Minister for Primary Industry and the Minister for Water Resources. The proponents are equally responsible for the whole management strategy and for the monitoring and management of proposals and their impact.

I seek leave to table the documents.

Leave granted. [See paper No 271.]

WESTRAIL FREIGHT EMPLOYEES PACKAGE, RECOMMENDATION

386. Hon NORM KELLY to the Minister for Transport:

In regard to Westrail freight employees, the minister stated in answer to question without notice 208 on 15 September that an employee package had been recommended to the Government by the sale task force and that this would be the basis for a final, negotiated package.

- (1) Will the minister table that recommendation?
- (2) If not, why not?
- (3) If the minister is not willing to table the recommendation, when will the public be informed of the task force's recommendation?
- (4) Have employees or their representatives been made aware of the recommended package?
- (5) Have negotiations on this package been conducted with employee representatives; and if so, when?
- (6) Will employees know the terms and conditions of employment before a sale contract is signed or before a sale is implemented?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

- (1) No.
- (2) Unless Parliament approves legislation which would enable a sale to proceed it would be inappropriate to discuss the proposed employee package. To do so would create expectations which could not be realised in the event of the enabling legislation not being passed.
- (3) As soon as legislation is approved, discussions and negotiations with the employees and their representatives will commence based on a package approved by Cabinet.
- (4)-(5) No.
- (6) Employees will know the terms and conditions well before a sale contract is signed and will have a choice as to whether they transfer to the purchaser in the event of the sale contract being signed.

GOVERNMENT VEHICLE FLEET, CONTRACT 333A

387. Hon JOHN HALDEN to the minister representing the Minister for Services:

I refer to contract No 333A of 1996 in relation to the disposal of the government vehicle fleet.

- (1) What provisions are in place to ensure that WA Auto Auctions sells the vehicles to maximise the net sale proceeds to the vehicle owners within 10 days of receiving the vehicles?
- (2) What penalties or costs are imposed if vehicles are not sold within 10 days?
- (3) Who bears the cost of this?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1) The original term in the contract required the disposal contractor to sell the vehicles within 10 days. This was found to be impractical and was subsequently varied to 20 days by agreement between the Department of Contract and Management Services and the disposal contractor. Although vehicles are sold by public auction, they are prepared to a standard which is comparable to retail sale to maximise the return to government.
- (2) The majority of vehicles are sold within the agreed 20 days. Occasionally, vehicles which do not achieve the reserve prices at the initial public auction because of poor market response are withdrawn and put up at the next week's public auction. No penalties or costs are imposed on the disposal contractor.
- (3) Agencies continue to pay the rentals until the vehicles are sold and the proceeds returned to Matrix.

HOME AND COMMUNITY CARE, SAFEGUARDS POLICY EVALUATION

388. Hon CHERYL DAVENPORT to the minister representing the Minister for Health:

I refer to advice given to home and community care service providers during information sessions held in April this year that an independent evaluation of the HACC safeguards policy and its impact on agencies and consumers would be undertaken in parallel with the process of implementation.

- (1) What steps have been taken to commence the independent evaluation of the HACC safeguards policy given that the implementation of the policy is well under way?
- (2) Has the Health Department advertised for applicants to conduct the evaluation?

- (3) Has a decision been made as to who will conduct the independent evaluation of the policy?
- (4) What are the terms of reference for the evaluation as agreed by the working group in July?
- (5) What reasons are given for the delay in the commencement of the evaluation?
- (6) When will the evaluation begin?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1) Draft terms of reference for the review as per recommendation 17 of the HACC fees working report endorsed by Cabinet have been prepared and discussed at HACC fees working group meetings.
- (2)-(3) No.
- (4) The final terms of reference are to be presented at the next working group meeting, tentatively scheduled for November 1999, for recommendation to the Minister for Health.
- (5) At the request of industry, a six-month period from 1 July 1999 to 1 January 2000 has been provided for agencies to move all clients onto the new arrangements, with the expectation that all clients will be covered by the policy from 1 January 2000.
- (6) The review will formally commence in January 2000.

JANDAKOT WOOL SCOURING CO PTY LTD, RELOCATION

389. Hon KIM CHANCE to the Leader of the House representing the Minister for Commerce and Trade:

- (1) Can the minister confirm that Jandakot Wool Scouring Co Pty Ltd will be relocating back to Jandakot from the East Rockingham wool precinct this month because the \$15m government-funded water treatment plant is not functioning adequately?
- (2) How many times has Jandakot Wool Scouring Co Pty Ltd been forced to relocate from the East Rockingham precinct?
- (3) Is the Government compensating Jandakot Wool Scouring Co Pty Ltd for the relocation; and, if so, what is the cost of this compensation?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

- (1) Jandakot Wool Scouring Co Pty Ltd will not be relocating from the East Rockingham site. The company has not yet installed the third scouring line at its new site and will be utilising the Jandakot facility to meet additional orders until the line is installed.
- (2) None.
- (3) No.

PILCHARD DEATHS, WEST COAST PURSE SEINE FISHERY

390. Hon GIZ WATSON to the minister representing the Minister for Fisheries:

With regard to the two major mortality events involving pilchards in Western Australian coastal waters -

- (1) How many marine species are dependent on pilchards as a food source?
- (2) What has been the impact of the pilchard mortality on these species?
- (3) What would be the impact on these species of a further collapse of the pilchard stocks in the west coast purse seine fishery?
- (4) Does the minister consider that the current level of catch in the west coast purse seine fishery is environmentally sustainable given the impact of two major mortality events?
- (5) If yes, what evidence can he provide of sustainability?
- (6) If no, will he close the fishery?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

- (1) An exact number is not known.
- (2)-(3) The impact of the pilchard mortality on predatory species is unknown but can be assumed to be detrimental. Further severe loss of pilchards may also allow the population size of other small pelagic fish which compete with pilchards for food to increase, resulting in a fundamental, short to long-term change in the pelagic ecosystem.

- (4) The minister will be making a decision on the status of this fishery as soon as possible. Fisheries WA will be working with industry and the management advisory committee to develop the future management arrangements for this fishery.

EDUCATION DEPARTMENT, PEOPLESOFT PAYROLL SYSTEM

391. Hon HELEN HODGSON to the Leader of the House representing the Minister for Education:

I refer to the PeopleSoft payroll system that the Education Department has been using.

- (1) Is the department still receiving complaints that teachers are not receiving the correct rate of pay?
- (2) How many such complaints were received relating to the third school term?
- (3) What is the longest period of time that an employee had to wait for errors in his or her pay to be corrected?
- (4) What arrangements does the department make to assist teachers who are or have been in financial difficulties because of errors in their pay?

Hon N.F. MOORE replied:

The Minister for Education is overseas at the moment. As a consequence, I cannot give an answer to the question. To be helpful, I indicate to other members who may have questions of the Minister for Education not to waste their time by asking them today.

NEERIGEN BROOK, ROADWORKS

392. Hon TOM STEPHENS to the Minister for Transport:

I refer to the minister's claim on 23 September 1999 that Main Roads WA was not aware of any major contamination of Neerigen Brook as a result of roadworks on Albany Highway.

- (1) Is the minister aware that residents by Neerigen Brook have had at least four site meetings with Main Roads WA and its contractors to deal with the problem and that Main Roads has advised the residents to take action against the contractor, Henry Walker Eltin Contracting Pty Ltd?
- (2) Can the minister now advise whether the removal of this contamination is the responsibility of Main Roads WA, as alleged by the construction contractor, or the responsibility of Henry Walker, as alleged by Main Roads WA?

Hon M.J. CRIDDLE replied:

- (1)-(2) I am advised by Main Roads that there is no major contamination of Neerigen Brook as a result of roadworks on Albany Highway. However, Main Roads and its representatives have had a number of meetings with a resident concerning a pond on his property which became silted. The pond comprises a dam across Neerigen Brook that has no mechanism to clear the natural build-up of silt that occurs. Investigations by Main Roads also revealed that most of the silt appeared to have washed downstream from a neighbouring property where a considerable amount of material from roadworks was placed by Henry Walker Eltin Contracting at the property owner's request. The owner of the pond arranged for the silt to be pumped out of the pond and demanded that Main Roads reimburse him for the cost. Main Roads has denied any liability in this matter and has suggested that he may wish to approach his neighbour and Henry Walker Eltin Contracting for consideration of his claim.

HEALTH DEPARTMENT, WAGES BUDGET

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

- (1) Has the Health Department taken steps to reduce its wages budget by not renewing some employees' contracts as they expire and by asking other staff whether they would like to reduce their hours of work?
- (2) If yes, what is the reason for this move?
- (3) What is the predicted size of the 1999-2000 budget overrun for the lower great southern health region if current trends continue?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1) No. However, there may be vacant positions within health services which remain unfilled for a variety of reasons, such as allocation of resources in accordance with service delivery priorities.
- (2) Not applicable.
- (3) It is only three months into the financial year and it is normal practice that the Health Department works with health services on its budget management strategies to ensure the budget is balanced. The indication at this stage is that the lower great southern region will achieve a balanced budget for 1999-2000.

HEALTH SECTOR, YEAR 2000 UPGRADES

394. Hon E.R.J. DERMER to the minister representing the Minister for Health:

I refer to the Auditor General's report of April 1999 on the Western Australia public health sector which stated that

approximately 40 year 2000 upgrades are required in metropolitan hospitals as well as approximately 30 for human resource payroll systems throughout the public health sector, with these upgrades to be completed and fully tested by early September 1999.

- (1) Has each of these upgrades been completed and fully tested?
- (2) If not, why not?
- (3) By what date will each of these upgrades be completed and fully tested?
- (4) Has any allowance been made in hospital budgets for this year to undertake any upgrade not completed and what is the amount provided for?

Hon MAX EVANS replied:

- (1) No.
- (2) Remediation of the human resource payroll system is complete. The upgrades required for metropolitan hospital information technology systems have been proved in a Y2K test environment. The installation of these upgrades in metropolitan hospitals is in progress.
- (3) 30 October 1999.
- (4) Sufficient funds have been provided in the allocations for the Metropolitan Health Service and the Health Department of Western Australia to undertake the necessary testing and upgrades.

GOVERNMENT CAR FLEET, LEASING ARRANGEMENT

395. Hon LJILJANNA RAVLICH to the Leader of the House representing the Premier:

I refer to the government fleet leasing deal with Matrix Group Limited.

- (1) What is the present and ongoing financial position of the leasing arrangement as outlined in the actuary's advice?
- (2) When was the decision made by the Government to renegotiate the vehicle fleet leasing deal with Matrix?
- (3) Was this decision made as a result of advice obtained from the actuary or information contained in the actuary's report?
- (4) What has triggered the termination clause in the contract with Matrix?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

- (1) The present and ongoing financial position of the leasing arrangement is outlined in the letter from the actuary tabled by the Premier last week.
- (2)-(4) The actuary's advice has indicated that, if the current market circumstances were to continue, the economic benefit from the transaction over its remaining life would fall below the threshold point at which the terms of the arrangement can be renegotiated.

LEIGHTON PENINSULA, TRANSPORT REQUIREMENTS STUDY

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

The review of the major road proposals in the western suburbs carried out for the coastal highway review group and released on Tuesday has recommended that a multi-modal design study of the transport requirements in the Leighton peninsula be commissioned as soon as possible. Will the Minister for Transport undertake to carry out such a study before constructing a new four-lane road through the Leighton peninsula?

Hon M.J. CRIDDLE replied:

The whole issue is under consideration. I am very interested in making sure that the right decision is made about that area, and so I will be conducting further inquiries.

MINISTER FOR THE ARTS, MINISTERIAL OFFICE

397. Hon KEN TRAVERS to the Leader of the House representing the Premier:

I refer to the claim by the Minister for the Arts that his ministerial office has cruddy old walls, is pure 1950s, is one of the crummiest offices around with peeling laminex and that he sends back \$100 000 of his ministerial office expenditure each year.

- (1) Given the importance of appropriately furnished ministerial offices being the justification relied on by the Minister for Family and Children's Services for her \$3 100 tea set, why has at least the peeling laminex not been replaced in the office of the Minister for the Arts?
- (2) Can the minister table the actual allocations and expenditure for the ministerial offices for each year that Hon Peter Foss and Hon Rhonda Parker have been ministers?

Hon N.F. MOORE replied:

I thank the member for some notice of this question. In relation to the first question, perhaps we need a standing order in respect of puerile questions. It would be an excellent idea to consider that, Mr President, as it might save us a bit of time.

(1)-(2) Budget allocations and expenditures for Ministers Foss and Parker for 1997-98 and 1998-99 are as follows -

		Allocation	Expenditure
Hon P G Foss	1997-98	\$1 130 000	\$905 536
	1998-99	\$1 130 000	\$978 014
Hon R K Parker	1997-98	\$ 958 000	\$839 204
	1998-99	\$ 958 000	\$888 007

REGIONAL FOREST AGREEMENT, PROJECTS FUNDING

398. Hon J.A. COWDELL to the minister representing the Minister for the Environment:

- (1) How much of the \$58.5m allocated under the Regional Forest Agreement has so far been spent?
- (2) What projects have received funding, and what funding was received by each project?

Hon MAX EVANS replied:

I thank the member for some notice of this question. Providing the information in the time required is not possible and I request that the member place the question on notice.

DEPARTMENT OF CONSERVATION AND LAND MANAGEMENT, AMENDMENT REGULATIONS 1999

399. Hon NORM KELLY to the minister representing the Minister for the Environment:

- (1) On what date were the Department of Conservation and Land Management amendment regulations 1999 approved by Executive Council?
- (2) What were the reasons for any delays between Executive Council approval and gazettal of the regulations?
- (3) Has the minister written to the Executive Director of CALM about developing policy for the implementation of these regulations?
- (4) If so, will the minister table a copy of that letter?
- (5) Will the minister give an assurance that these regulations will not be put into use by CALM officers prior to the determination of a policy for their use?
- (6) Can the minister ensure that there will be proper consultation with relevant parties in developing a policy for these regulations?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1) 21 September 1999.
- (2) There was no significant delay in the gazettal of the regulations. However, the sensitivity of the issue was recognised and efforts were made to brief relevant parties prior to gazettal.
- (3) Yes.
- (4) I seek leave to table the document.

Leave granted. [See paper No 272.]

- (5) The application of the regulations is a matter for the executive director. However, the minister has received advice from the executive director that a procedural guideline for application of the regulations is being developed, and that CALM will consult with stakeholder groups in the near future when the draft guidelines have been further developed.

JANDAKOT WOOL SCOURING CO PTY LTD

400. Hon KIM CHANCE to the Leader of the House representing the Minister for Commerce and Trade:

I refer to the comment made by the minister on 27 May 1999 regarding Jandakot Wool Scouring Co Pty Ltd when he stated that the cost to the State is quite considerably higher than he first thought it would be, and that he could not give the precise figure but it was thought to be close to \$17m, of which \$13m would be for the recirculating waste water treatment facility.

- (1) What was the original cost estimate of the Government's support package?
- (2) What is the estimated final cost?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

- (1) The original in-principle assistance for the wool washing waste water treatment facility was approved by Cabinet on 4 October 1994 at \$8.5m for biological treatment, which would treat the effluent for disposal through the Cape Peron ocean outfall, and \$2.5m for land. Detailed costing studies based on pilot testing in December 1995 showed the cost for the treatment facility to be closer to \$12m and that this was likely to be higher when the Water Corporation went to secondary treatment at Woodman Point. At this time, total recirculation also became a cost-effective option without the required land area and without discharge to the ocean outfall. The final assistance package was based on this technology as it provided the industry with greater long-term environmental security.
- (2) The estimated final cost for the wool washing waste water treatment facility and assistance to the wool washing industry is \$17.162m. This comprises \$13.657m for the recirculation at the waste water treatment facility; \$1m for remediation of existing sites; \$2m for assistance with new buildings; and \$505 000 for land for the treatment plant.

MAIN ROADS WA, TERM NETWORK CONTRACTS

401. Hon TOM STEPHENS to the Minister for Transport:

- (1) Was legal advice obtained by Main Roads WA that book 1 of the request for proposals in the term network contracts would form part of the contract on contract No 7/99?
- (2) When was that legal advice obtained and from whom was it obtained?
- (3) Can the minister confirm that a variation has been sought in respect of the scope of works for contract No 7/99?
- (4) If so, when was this variation received and what will be the cost to Main Roads of this variation?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

- (1) No.
- (2) Not applicable.
- (3) No variation has been sought.
- (4) Not applicable.

WA AUTO AUCTIONS, DISPOSAL CONTRACT NO 333A 1966

402. Hon LJILJANNA RAVLICH to the minister representing the Minister for Works:

I refer to vehicle disposal contract No 333A 1996 awarded to WA Auto Auctions in July 1996.

- (1) Can the minister advise which company submitted tenders for this contract?
- (2) Who were the members of the assessing panel that awarded this contract?
- (3) On what basis was WA Auto Auctions awarded the contract?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1) Yes. The companies that submitted tenders for contract No 333A 1996 were -

A1 Motor and Auctions
Broughton, Broughton and Co
Easifleet
Pickles
Ross's Auctioneers
SGIO
WA Auto Auctions

- (2) The members of the assessing panel for contract No 333A 1996 were -

Mr Steve Price, Department of State Services
Mr Peter Wimsett, Department of State Services
Mr David Hunt, Department of State Services
Mr Stefan Trec, Department of State Services
Ms Dianne Forde, Department of Commerce and Trade
Mr Ron Jarvis, Department of State Services
Mr Richard Simons, Arthur Andersen
Mr Peter Reis, Matrix Fleet Services
Mr Brian Graham, Matrix Group Ltd

- (3) WA Auto Auctions was awarded the contract because it had the required infrastructure, was the lowest conforming bid and represented best value for money.

HENRY WALKER ELTIN CONTRACTING PTY LTD, BEDFORDALE HILL CONTRACT

403. Hon TOM STEPHENS to the Minister for Transport:

I refer to contract 64/96 awarded to Henry Walker Eltin Contracting Pty Ltd for Albany Highway at Bedfordale Hill and ask -

- (1) What expenditure has been incurred or approved to date on this contract?
- (2) Who has undertaken the corrective works required since the opening of the road on 23 June 1999?
- (3) What has been the cost of these corrective works?
- (4) Who has paid for these corrective works?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

- (1) \$20 238 998.
 - (2) Henry Walker Eltin Contracting Pty Ltd.
 - (3) \$234 815.
 - (4) Liability for these works is the subject of discussions with the contractor.
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