

COMMITTEE REPORTS AND MINISTERIAL STATEMENTS - CONSIDERATION

Committee

The Chairman of Committees (Hon George Cash) in the Chair.

People's Republic of China, Visit by Hon Graham Giffard - Statement by Parliamentary Secretary

Resumed from 14 November on the following motion moved by Hon Alan Cadby -

That the statement be noted.

Hon BRUCE DONALDSON: I move -

That the debate be postponed.

The parliamentary secretary who wanted to speak on this statement is not available today. He is away on urgent parliamentary business.

Question put and passed.

Peel Region Scheme - Statement by Minister for Racing and Gaming

Resumed from 14 November on the following motion moved by Hon Barry House -

That the statement be noted.

Hon BILL STRETCH: I am obliged to Hon Bruce Donaldson for adjourning the debate when this matter was last dealt with so that I could make a few comments on the Peel region scheme. As was pointed out by my colleague Hon Barry House, this was a fairly controversial scheme that caused a fair bit of pain and agony during the consultation process. It was well received within the more urban parts of the Mandurah region, but, as usual, it caused a fair bit of grief in the more rural areas. Of particular concern was the resumption of land or the lack of compensation that could be paid for the lower areas. The argument was that a lot of the land was within the 100-year floodplain. It was pointed out in that debate, and it is certainly worth repeating, that we must bear in mind that the floodplains of the world are very important regions. Indeed, in other parts of the world, and particularly in Asia, they provide the major source of food. The river deltas and places like that are well within the 100-year floodplain. In fact, they rely on having a flood virtually every year for their food production. It seemed a little heavy-handed for this very valuable land to be placed out of the reach, use and tradability of the people who owned and selected the land very early on in the piece. That was resolved at some political cost to some parties, but certainly to our side of politics. A lot of those problems are still continuing.

I note that a lot of the debate earlier was about the Peel deviation, which is a peripheral but very important issue in the Peel region. All I can add to the comments of Hon Barry House is that it is absolutely essential for the Minister for Planning and Infrastructure to make a submission to the federal Government for special funding for the Peel deviation road to take the pressure off Mandurah. When the freeway was opened it was possible to drive from Mandurah to Joondalup without encountering any traffic lights. That is not the case now; the journey is continually interrupted by traffic lights and heavy traffic flow, particularly in the 20 kilometres north of Mandurah. That has happened because of the very rapid growth of the Mandurah region. Whenever a bypass is built, it is fine for a while, until growth demands another bypass. The time has now come to build the next main bypass called the Peel deviation. The Government must grasp the nettle and put in the application for the funding. The federal Government will not offer us funding, but it assures us that the proper application has never been made by the Minister for Planning and Infrastructure, and until that happens the federal Government's hands are tied. As was mentioned, Hon John Anderson has visited the area and agrees with the urgency of the new road. He has indicated that the funding source is topped up periodically, but the money cannot be handed out unless a formal application is made. I urge members opposite, particularly those who represent that area, to get hold of the Minister for Planning and Infrastructure and insist that somebody in the department find time to fill in the forms. God knows the Government puts out enough forms for everyone else to fill in, so it is about time it filled in a form of its own and got the application on the table. No-one can guarantee that that action will result in the funds being granted, but an essential step has not been taken, in the opinion of the federal Minister for Transport and Regional Services, and he should know. That is my major emphasis on the matter.

The other point that is not often put forward is the industrial importance of that deviation. It is often said that it is like the Perth to Mandurah railway, in that it will save 12 minutes of time - big deal. I still have questions, for which the secretary has indicated he is pursuing answers, about how many of the people who will save that 12 minutes will actually use those 12 minutes transferring to alternate forms of transport to get to their final destination, and how many of them will backtrack once they get to Perth. I am told the answer to that question is

Hon Bill Stretch; Hon Ken Travers; Hon Barry House; Hon Murray Criddle; Chairman; Hon Bill Stretch;; Hon Kim Chance; Hon Jim Scott

forthcoming, and I will welcome it. Similarly, a lot of the traffic using the bypass will be going to destinations further eastwards, and I am concerned about what will happen when the traffic finally crosses the Murray River at Ravenswood, and whether it can link quickly into the South West Highway, which seems to be the poor cousin in the scheme. I have been assured by Main Roads that it is planned, and the land has been set aside. However, it is not talked about at all. That is very important for the hinterland to the eastern side of the south west region, whether Collie, Worsley or Manjimup, as all that traffic must continue in that direction, so the linkage to the South West Highway is very important. That, of course, is the central and eastern edge of the region scheme area. They are what I call the industrial needs of the export and income producing side of that road, whereas the tourism and holiday functions in the southern areas, important as they are, should not overshadow the developmental and productive value of the road.

There is not a great deal more I can say about the Peel region scheme. Basically, it was one of those things that had to happen. It is unfortunate that compensation was not properly considered in the early planning stages. If that issue had been handled more delicately by both sides of Parliament, it would have been better accepted and it would not have created the political furore that it did at the time. It certainly caused a lot of economic loss, because many people have lost potential income and assets as a result of that decision. That is inevitable in a highly developed and quickly developing area. Be that as it may, we have noted the scheme and it is being processed. We now have to ensure that it is carried through and that the important developmental side of it is progressed so that we can see the real benefits of having a scheme. The growth of the Peel-Mandurah area cannot be questioned. It is one of the most rapidly growing areas in Australia, and for that reason it certainly needs this type of attention and planning. However, growth is always accompanied by side effects, and it must be up to the wit of Governments of either persuasion to cope with them and to take into account the discomfort, hurt and loss experienced by people in that area. It is still not totally clear to many of the residents in that area why the road is to cross the river west of the Ravenswood Hotel and Ravenswood Bridge, as is proposed in the plan. There seems to be scope for further consultation and movement, because it appears that although the planing is in process, it is not irrevocable. I have not seen too much earthmoving going on around the area, and I use that road frequently. There is always time for a rethink, but the Government needs to get on with it as quickly as possible. Given the options, we would settle on the current route and have it started rather than have it delayed for another couple of years while we go through the arguments. That does not detract from the arguments that were put for the more eastern route. The project is urgent, and I encourage the Government to get on with it as quickly as it can and, above all, to get the application in so that the combined weight of both Governments can bring the project to fruition.

Hon KEN TRAVERS: I will respond to some of the comments members made last week and to the comments Hon Bill Stretch made this afternoon.

The first issue members raised was the need to revisit the alignment for the Peel deviation and to have an independent review. It is worth the Committee noting that, as I am advised, an independent review was conducted in March 1998 by the then Minister for Transport, Hon Eric Charlton, who advised that option N1.5, which is what we are dealing with, was the preferred alignment. I understand that that conclusion was restated by the subsequent Minister for Transport, Hon Murray Criddle, in October 1998. In August 1998 the Murray shire supported option N1.5 in writing. I make that point because when we consider issues that relate to regional schemes, there is opportunity for all people to put their case. These matters have been reviewed independently. How many times should we continue to review something and have more and more independent reviews? Ultimately, a decision must be made. If we had another review and shifted the road, landowners would be affected and aggrieved because of the new route. I am sure that would be the case. That is my experience of these matters. Those people would complain then. If the situation were adverse to them, they would want the road to be shifted back.

The question is: was a proper process followed? Has there been the opportunity to undertake independent reviews in the past? As I am advised, the answer to those questions is yes. There is a point at which members should move on. Based on the history of this matter, I believe that it should have received bipartisan support.

Hon Bill Stretch: When you get on with it and start construction, people won't argue about it.

Hon KEN TRAVERS: I say to Hon Bill Stretch that I will come to that point, and I look forward to it, in fact. However, I am holding myself back until the moment I get to it, because that will be the fun part of the debate. I am addressing the issues as they were raised by members last week, and I will come to the Peel deviation. Because the member has raised that today, I thought I would leave it till last.

An issue raised by Hon Chrissy Sharp last week was about extending Bush Forever into the Peel region. I have been advised by the minister's office that the minister wrote to Hon Christine Sharp back in September. I will certainly provide a copy of that letter, which outlines the progress that has been made and the process that the

Hon Bill Stretch; Hon Ken Travers; Hon Barry House; Hon Murray Criddle; Chairman; Hon Bill Stretch;; Hon Kim Chance; Hon Jim Scott

Government is undertaking in addressing the issues that Hon Christine Sharp raised and that the minister had agreed to take up when we were going through the Peel region scheme process. I will take the opportunity to provide a copy of that letter to Hon Christine Sharp - which goes through the process that the Government is undertaking - just in case it has been waylaid.

I will now deal with the Peel deviation. We have had debates about this issue on numerous occasions in the past. Certain members have suggested that the previous Government had somehow funded that. We all know that that is not the case; it was not previously funded. If members were not fortunate enough to read the minister's press release of a week or so ago, I am pleased to advise the House that this Government has allocated \$800 000 to do the geotechnical and design works for the Peel deviation. The minister has written to the appropriate federal ministers about this matter, seeking to have a collaborative approach to the future funding of the roadworks. Further, she has suggested a time line - that is, 2008-09 - for the construction of that road. The minister has also written to the federal Minister for Transport and Regional Services and his assistant, Senator Campbell, asking whether there is any truth in the claims that \$50 million will be available for this road in 2004. I understand those claims have been made by a number of Liberals from the area. Certainly, as at the date of the minister's press release, the Government had not received a response regarding those claims from any of the federal ministers who have responsibility in this area. However, the Government looks forward to receiving their advice.

In conclusion, I say that this Government is keen to work towards progressing the Peel deviation. The Government has put its money where its mouth is by putting money into the geotechnical and design works. We would certainly welcome the support of members opposite. Rather than running around and making claims about the federal Government, which have not been substantiated, they should be working with us to get funds from the federal Government to assist with the construction of this road. Members opposite will not assist the project or the communities of the south west by trying to turn this matter into a political bunfight by misrepresenting the situation about how far the previous Government had proceeded with this project. Members opposite should work with us to ensure that the federal Government provides funds for the future development of this road, which we would welcome. We look forward to receiving support from the federal Government to provide this infrastructure for the people of the Peel region and for the south west in general.

Hon BARRY HOUSE: I assure the parliamentary secretary that he has the solid support of members on this side of the House. We have always supported the project. The point we have made is that the Government's support for this project has gone cold for the past three years.

Hon Ken Travers: That is nonsense. We do not run around misleading people like you tried to do before the last election.

Hon Murray Criddle: You ought to tell us what you mean by that. Get on your feet and say that.

Hon BARRY HOUSE: This project was a top priority for the previous Minister for Transport, Hon Murray Criddle. He was doing the necessary things to put the processes in place to get it up and running and to start work on the ground. I did not see the minister's recent press release, but I would be delighted to read it. It is pleasing to hear that the minister has committed some up-front funding for the project and has made official approaches to the federal Government.

I was very pleased to be invited at late notice to join a delegation to meet the Deputy Prime Minister, Hon John Anderson, and to put the case to him that the project should proceed. The delegation did not comprise purely political figures; it included representatives from the Mandurah, Bunbury, Waroona and Pinjarra councils and representatives from the Chamber of Commerce and Industry of Western Australia and other bodies. Hon John Anderson was well and truly aware of the significance of the project, and he was looking for avenues of funding to put towards it. At that stage - the meeting was held about six weeks go - the State Government had not put in place a process to begin the project. Seemingly, that situation has been corrected. I am delighted to hear that the Government has finally moved on it.

It is a big project. Some \$370 million in funding is needed. It must be completed in one stage; it cannot be built in stages because it will be built around the back of the Harvey and Peel estuaries. The people in the immediate area and those who live further south and east of it regard this project as a very high priority. The parliamentary secretary said that the two reviews that were conducted were independent.

Hon Ken Travers: The review by Charlton was definitely independent.

Hon BARRY HOUSE: The perception is that they were not fully independent. One was conducted by Graham Burkett, the former member for Scarborough. All members know Graham Burkett. He has worked for Governments of both persuasions since he ceased to be the member for Scarborough. We all know that Graham Burkett is a credible and approachable person.

Hon Bill Stretch; Hon Ken Travers; Hon Barry House; Hon Murray Criddle; Chairman; Hon Bill Stretch;; Hon Kim Chance; Hon Jim Scott

He would have considered that he conducted that review in a purely objective way. However, the perception of people in the area when Mr Burkett conducted the review is that he had links to Main Roads Western Australia. Members opposite can argue whether that is right or wrong. I will not argue about it. I have no problems with the way Graham Burkett conducted the review. However, the perception of the people who live in that area is that the people who conducted the review had very close links to the government departments that were involved in making the decision; therefore, some vested interests might have suggested that something could not be done or that established boundaries could not be encroached. That point has been made.

The first sod of dirt for that project will not be turned for some time, so there is still time to resolve all the unanswered questions. That was the reason for my moving the disallowance.

Hon Ken Travers: If we decided to move it, we would have to go through that whole process again.

Hon BARRY HOUSE: Undoubtedly that would open up the opportunity for questions from other people. However, at the end of the day, it will be a major road project for this State for another 100 years. We must get it right. If it involves another objective look at it and taking on board safety, road costs and road alignment - issues that have been raised by people in that area at this stage - we should do it.

Hon MURRAY CRIDDLE: It is very interesting listening to the parliamentary secretary talk about funding and the involvement of other groups, particularly the federal Government, in this project. I reflect on the 2003-04 budget in which the allocation for Main Roads budget has been reduced by \$200 million. I wonder whether there is any prospect of future Labor Governments building a road like the Peel deviation at a cost of, I think, \$360 million.

Hon Simon O'Brien: Future Labor Governments! Don't be so pessimistic.

Hon Kim Chance: That is being realistic.

Hon MURRAY CRIDDLE: I am pointing out what outcome the community will have when people vote. I am aware of concerns in the country about road funding. Hon Kim Chance would know better than I do about a number of roads that were to be built by the coalition Government in our electorates. The Cervantes-Lancelin road was close to being built. An allocation was included in the budget for the lime sands road and the Hyden-Corrigin road, albeit I admit \$1 million has been spent on the Hyden-Corrigin road from a budget of \$22 million.

Hon Kim Chance: Country road funding under the Gallop Government has been in excess of that under your Government.

Hon MURRAY CRIDDLE: Under the present budget, the capital user charge in the Main Roads budget for this year is about \$12 million. In the four-year period it is \$62 million. Not a cent of that will go on roads. That is a nominal figure. Given depreciation, the figure increases by \$30 million. We are susceptible to the effects of smoke and mirrors, but what counts is the money that is spent on building roads. This Government ripped \$23 million from local government contracts that were allocated last year, and it looks as though it will be another \$18 million this year, from what I can understand. It is obvious why people are upset. I would like reinstatement of the 8.1c a litre that the federal Government took from us, which was allocated as part of road funding arrangements under the coalition Government. According to the Main Roads Act, the registration charges go back to Main Roads, which is fine. However, I ask the minister to reflect on the money in the budget that is spent on roads. I invite him to look at the budget so that he can see what I am talking about.

Hon Kim Chance: When you nut out the situation, I will go back and see just how it pans out. However, it is clear from a straight reading of the budget that we are spending a lot more money on roads than the coalition Government spent.

Hon MURRAY CRIDDLE: The minister should look at what the Government is spending on roads and what the figures show.

Hon Kim Chance: Yes, the capital user charge could make a difference.

Hon MURRAY CRIDDLE: It makes a huge difference.

Hon Barry House: Don't follow your budget figures in the works-in-progress column because that is a sham.

Hon MURRAY CRIDDLE: About 50 projects in the country are not funded in the budget.

Hon Kim Chance: But that's always the case.

Hon MURRAY CRIDDLE: No, it is not always the case. If the minister reads our budgets, he will find that those projects were well and truly funded.

Hon Kim Chance: No, they weren't funded.

Hon Bill Stretch; Hon Ken Travers; Hon Barry House; Hon Murray Criddle; Chairman; Hon Bill Stretch;; Hon Kim Chance; Hon Jim Scott

Hon MURRAY CRIDDLE: We had a 10-year program in place.

Hon Ken Travers: Your Government's budgets had holes in them.

Hon MURRAY CRIDDLE: Has the parliamentary secretary ever read the Main Roads budget? Does he know what he is talking about?

The CHAIRMAN: Order!

Hon MURRAY CRIDDLE: I am talking about the Main Roads budget, and the parliamentary secretary said there were holes all through it. He should read our Main Roads budgets, because he will find -

Hon Ken Travers: I said your Government's budgets had holes in them, not specifically Main Roads.

Hon MURRAY CRIDDLE: Let us look at another promise. This Government promised to build a road in Hon Norman Moore's electorate valued at \$242 million, and it has hardly started the project. What is more, it goes alongside a railway.

Hon Ken Travers: That's a long way ahead of where you got to when you promised to build the road.

Hon MURRAY CRIDDLE: I never promised it.

Hon Norman Moore: I remember the Speaker said he would resign if it wasn't built.

The CHAIRMAN: Order!

Hon MURRAY CRIDDLE: The point I am making is that there has been talk about the opportunity for funding a road such as this, but the funding arrangements of this Labor Government for roads simply do not support that opportunity. I can assure the minister that major adjustments will have to be made for a project such as this to be put in place. I can well and truly understand why the minister wants to knock off the Fremantle eastern bypass.

Hon Ken Travers: We look forward to your help to get John Anderson to commit the funds for it.

Hon MURRAY CRIDDLE: We will reflect on that.

Hon Barry House: He has already provided it; he has already been over here to meet the people.

Hon MURRAY CRIDDLE: Hon Barry House reflected on the fact that we had started it. I established a committee prior to the last election to develop ways and means of putting funding in place.

Hon Ken Travers: I saw the press releases for that.

Hon MURRAY CRIDDLE: I have minister met the people concerned, went through the process of setting it all up and got it under way. It is all very well for the parliamentary secretary to make snide remarks like that, but he must do the job and see it done. He must get out and have a look at what is required and make sure that the effort has been put in. The problem is that the Government has not developed a process for putting roads in place; in fact, they dismantled what we had in place. I can show the Government the 10-year plan: hardly one road has been built.

Hon Ken Travers: That will be good because you never used to show it to us when we were in opposition. I used to always ask for it and could never get it out of you.

The CHAIRMAN: Order! If Hon Ken Travers wants to speak again, he will get the call. This is a committee system. Members can speak as many times as they like until quarter to four, but just one at a time.

Hon MURRAY CRIDDLE: Thank you, Mr Chairman. I also reflect on, and am very glad to see, what has happened in Geraldton. The minister has carried on with the program that we had in place for funding the deepening of the harbour and developing the southern transport corridor. That is well and truly in the Main Roads budget; I think there is \$8 million in this year's Main Roads budget. The project is a couple of years behind, but I congratulate the Government for making sure that it will be completed. I am glad to see that another project has been completed - namely, the road from Sandstone and Mt Magnet across to Leinster for which I called the tender.

Hon Norman Moore: It is not really completed; it needs another layer on top.

Hon MURRAY CRIDDLE: It needs a final seal - I understand that - but the intention to put on the prime seal was carried out.

Hon Norman Moore: I agree. It is a magnificent road in the parts that have been finished.

Hon MURRAY CRIDDLE: Yes, that road will be finished. A few other roads are being built around the place, such as the Tonkin Highway extension in the minister's electorate and a road up north in the Speaker's electorate. However, I think we should reflect on the whole of the wheatbelt. Enormous spending is required.

Hon Bill Stretch; Hon Ken Travers; Hon Barry House; Hon Murray Criddle; Chairman; Hon Bill Stretch;; Hon Kim Chance; Hon Jim Scott

From the perspective of the Peel region scheme debate, the minister will have to do a lot of work to ensure that funding for roads is in place. She makes no apology for the \$200 million that has come out of the budget. She has said clearly that it is going into health and other areas. That is a priority of this Government.

Hon Norman Moore: Like Moora and Dumbleyung hospitals!

Hon MURRAY CRIDDLE: That is something we could well and truly bring up here, but I would be transgressing; I would not be keeping my mind on the Peel deviation.

Hon Kim Chance: You want us to go on funding hospitals that you closed in 1998! There has been 31 staff at a hospital with no patients!

Hon MURRAY CRIDDLE: At least we left the service in the area. The Leader of the House should reflect on that. The services will not even be there; that is the problem.

The CHAIRMAN: Order! We are deviating from the topic of debate. Let us return to the ministerial statement.

Hon MURRAY CRIDDLE: The point I want to make is that promises can be made and indications can be given that a road will be built. We certainly need to get back in place a road funding mechanism so that some of these intended promises can be carried out. I am sure that when we return to government we will ensure that roads that are required in Western Australia will be built. Surely to God, they are necessary. Our challenge in the future is to deal with the growth of transport. Heavy transport is growing at seven per cent per annum. In the south west corridor from Perth, vehicle traffic is growing at six to seven per cent per annum. It is growing at three per cent per annum along the South Western Highway. The trend is for a growth in traffic along the coast; hence, the pressure is on Mandurah and other areas to have the Peel deviation built. It is a road that will be required in the not too distant future, if it is not required now. The entire issue of transport south of Perth will need to receive proper consideration. In addition, the funding mechanism will also have to come under scrutiny. Whether Governments will be able to fund some of these projects without involvement from private enterprise is very doubtful.

Hon Ken Travers: What do you mean by that?

Hon MURRAY CRIDDLE: There are a number of ways that private enterprise can be included, such as builder-owner operating schemes or partnerships. Indeed, before I left the office of the Minister for Transport, we were looking at options to have private enterprise involved in the rail system. There are plenty of opportunities if corridors are built. Portland in the United States is a city that members might like to visit. It has corridors of high-density housing along major roads. There is a big advantage to be gained from involving private enterprise in building high-density residential areas and shopping centres along a rail line.

Hon Ken Travers interjected.

Hon MURRAY CRIDDLE: They would make a contribution as a result of being involved in the building of those residential areas, shopping centres and the like. In some areas those sorts of facilities have been built over railway lines so that people actually live and shop right on the railway line.

Hon Ken Travers: I understand that with the railway line; it is so that they can contribute to the capital cost of the railway line in return for an increased zoning. However, how would that work with something like the Peel deviation?

Hon MURRAY CRIDDLE: Quite simply; the people who travel on it could pay for their contribution or there could be what is called a shadow toll, so that it is paid for over a period. Various means could be used to pay for it. I am not saying that that will happen immediately, but we need to start to think outside the square if we want some of these projects built.

Hon Ken Travers: It strikes me that you are talking about tolls.

Hon MURRAY CRIDDLE: A shadow toll is slightly different. Perhaps the parliamentary secretary should get a briefing on the various mechanisms that are available for funding some of these major projects. In my meetings with various financial institutions, they have indicated that they are interested in funding projects, and that they have funded quite a few road projects in the eastern States. Some have been successful and some have not, but that is related to the engineering aspects of the project rather than the financial arrangements in place.

Hon Ken Travers: Unless you find another source of revenue to pay for it, it still must come out of the Main Roads budget.

Hon MURRAY CRIDDLE: Not necessarily. Mechanisms are available to overcome that. The concept of build, own and operate is a clear indication of others contributing money up front. We will have to expand our minds on some of these major projects. The biggest problem in Western Australia is the lack of population to fund the

Hon Bill Stretch; Hon Ken Travers; Hon Barry House; Hon Murray Criddle; Chairman; Hon Bill Stretch;; Hon Kim Chance; Hon Jim Scott

projects. WA has an enormous road network - 170 000 kilometres of roads - and it puts enormous pressure on the budget. I have been involved in building roads in partnership. I can recall a couple of roads I have been involved in building in the north, including the road that runs east of Marble Bar and the one near Agnew, which was built in partnership with the mining industry. In fact, I am often criticised for the roads that were built around my home area. I do not own farms all over the State, as some people have indicated. The local people were involved in building those roads. They are magnificent achievements and those people are very proud of them. We gave them a bit of money and they went 50-50 in the project. That is one of the ways in which we need to expand our minds in the future.

Hon BARRY HOUSE: Hon Murray Criddle's last few comments were very interesting. The Mayor of Mandurah, Keith Holmes, earlier this year had a proposal to investigate some of the combinations with the private sector for funding the Peel deviation. I am pretty sure he did it on behalf of the Mandurah City Council simply out of frustration with the inactivity on the Peel deviation. However, he could not get through the front door to see the current State Labor Government. He has previously been a candidate in state elections so he certainly has the connections to get through the front door, but even he could not get the Government to discuss the matter. The Opposition immediately dismissed the idea of simply toll roads. However, as Hon Murray Criddle has said, there are other models that can be considered. If there is a way of doing it, the Government should do it. It would get bipartisan support.

Hon Ken Travers: I am intrigued with the things you are suggesting we would get bipartisan support for. You made the point that you would not support simply toll roads.

Hon BARRY HOUSE: I mean straight-out toll roads like the one across the Sydney Harbour Bridge and sections of the Melbourne freeway.

Hon Ken Travers: I am intrigued as to what other toll roads there are.

Hon BARRY HOUSE: There are other models. I do not know the full details either, but obviously Hon Murray Criddle, as a former transport minister, knows a lot more about that area than the parliamentary secretary and I do.

There are possibly other ways to fund this important infrastructure and to involve other parts of our community in getting it built. That is what we are on about. I am interested in the parliamentary secretary's response. For instance, does he rule out toll roads or is he entertaining that idea or other options?

Hon KEN TRAVERS: I want to make some final comments about where this debate has moved to. I offer a summation of Hon Murray Criddle's final comments, which is always dangerous to do with someone else's words. He said that lots of roads in Western Australia need funding, but that it is not feasible to fund all of them and that we do not have the capacity to fund all roads. That is absolutely right. I remember a comment about another portfolio area - I should be careful about reflecting on it - that the more funding that is put into that area, the more funding that is required. Funding creates demand. Although I am not sure that exactly the same applies here, there is no doubt that there is a corresponding effect of a greater funding of roads. An increased demand is created in that people want connecting roads etc.

Hon Barry House: It sounds like the philosophy in health: do not put any money into it so that no-one uses it.

Hon KEN TRAVERS: I touch on another point that I found interesting. I may have misinterpreted it, but I got the sense that members opposite were suggesting that there be some form of toll road but that they did not want to particularly mention toll roads.

I remember what happened prior to the last election. I do not know whether it was the intention of Hon Barry House, but the impression was given in the local media - I remember reading the articles - that the Peel deviation was on its way when there was no commitment to fund it.

Hon Barry House: It was certainly a commitment for the process, which you abandoned.

Hon KEN TRAVERS: An expectation was generated, but there was no funding sources for it. The same thing occurred in the northern suburbs. The former member for Joondalup suggested that the freeway would be completed to Yanchep or Two Rocks during this term of government. I never understood exactly why he bothered to do that as it had nothing to do with his electorate, but he released that in a last, desperate effort to get re-elected one or two days before the election, when no-one could respond. That is the sort of issue we are facing with the Peel deviation. People raised expectations and suggested that it was just around the corner. Anyone who did not understand the situation and who read those articles would have thought that the road was to be funded during this term of government; yet, there was nothing in the budget for it. This did not happen only in the roads portfolio, which is why I made the comment to Hon Murray Criddle about the holes in the budget. This occurred in a range of areas. The former Minister for Education signed an agreement with the

Hon Bill Stretch; Hon Ken Travers; Hon Barry House; Hon Murray Criddle; Chairman; Hon Bill Stretch;; Hon Kim Chance; Hon Jim Scott

teachers that contained a number of commitments, but there was nothing in the budget to fund them. That is the difference between the way this Government operates and the former Government operated. We will not raise expectations and beliefs without having the necessary funding in place. We will work towards getting that funding. That is what the Minister for Planning and Infrastructure is doing for the Peel deviation, which I reported on earlier. If we need to put our own money in place to continue that process, we will do so. We have already done that to an extent.

Hon Barry House: She has only just got the process back to where it was four years ago.

Hon KEN TRAVERS: It was not at that point, and Hon Barry House knows it. He tried to run it up as a kite during the election campaign and hoped that no-one would pick him up on it.

Hon John Fischer: What about the minister's written promise for the Meekatharra-Wiluna road?

Hon KEN TRAVERS: That has nothing to do with the Peel region scheme.

Hon Kim Chance: It is the northern deviation!

Hon KEN TRAVERS: That will be route N1-17 following the fifteenth independent review.

Hon Norman Moore: Why do you not construct the Karratha-Tom Price road that you promised?

Hon KEN TRAVERS: That is interesting. I am happy to be corrected, but my recollection is that one of the reasons that was an issue during the last election campaign is that Hon Norman Moore's Government had promised to build it.

Hon Norman Moore: That is not what happened at all. Your memory is very select.

The CHAIRMAN: Order! Hon Ken Travers, we are talking about the Peel region scheme, not something in the north west. If you want to talk about the north west, that is fine, but can we all do the same? We have another hour in which to do it, so it is entirely up to the member; he can make the choice.

Hon KEN TRAVERS: The Peel region grows.

The CHAIRMAN: It will grow in a minute; the member is dead right.

Hon KEN TRAVERS: I take your wise counsel as always, Mr Chairman. I will move on and will not continue my remarks about the northern roads. Hopefully, we will have the opportunity to debate those issues at a later stage.

In conclusion, this Government will work through the processes and it will do it properly. We will not start raising people's expectation about roads -

Hon Norman Moore: That is why I mentioned Tom Price and Karratha -

Hon KEN TRAVERS: He is doing it to me again.

Hon Kim Chance: Just be strong.

Hon KEN TRAVERS: I should not be tempted.

Hon Murray Criddle: I am sitting here with everything tied because I can think of promises made by the Minister for Agriculture and a few other promises about school buses. What about the Muchea saleyards -

Hon KEN TRAVERS: I can think of many more promises that have been made in recent times and have been broken, but I will not go there. In recent times people have shaken hands on promises -

Several members interjected.

The CHAIRMAN: Order, members! Let us move on with the Peel region scheme so that we can worry about drought-affected farm businesses in a moment, which are also pretty important.

Hon KEN TRAVERS: This Government wants the situation to progress. Members opposite can talk about other roads if they wish at a future time. I am glad that the Leader of the Opposition wants to talk about roads that this Government is funding to build.

The Government has put money aside for the geotechnical design work and it will seek to work with the Commonwealth Government to get the funds needed to progress the Peel deviation. Our time line to finish, as the minister has suggested, is 2008-09. Members opposite can carry on all they like but that date is as early as they would have had the deviation completed if they had remained in Government, regardless of the smoke and mirrors tricks that they may have tried in the past. The money was not available in the past.

Hon Barry House interjected.

Hon Bill Stretch; Hon Ken Travers; Hon Barry House; Hon Murray Criddle; Chairman; Hon Bill Stretch;; Hon Kim Chance; Hon Jim Scott

Hon KEN TRAVERS: Is Hon Barry House one of the Liberal members who has been running -

The CHAIRMAN: Order, members! In a minute I will give Hon Barry House the call and anyone else following him. If the member wants to stay on this subject for the next hour, it is up to him. Hon Ken Travers should not accept interjections because we will deal with this issue until the end.

Hon KEN TRAVERS: In light of your comments, Mr Chairman, I will pose the question.

The CHAIRMAN: The member might have six more opportunities this afternoon to do that because I am now going to invite any other member who wants to talk on this matter to speak.

Hon KEN TRAVERS: I will sit down after I have posed the question to Hon Barry House, who will then have the opportunity to respond. Is he one of the Liberal members who has been promoting the idea that \$50 million is available for the Peel deviation in 2004; and, if he is, can he advise the House why he made that statement? As I said, the minister has written to federal ministers about that issue to see whether there is any truth in it. At the time of her press release, which was some time after she had written the letter, she had received no response. The Government is trying to clarify the source of those rumours and the substance of them. Perhaps Hon Barry House can answer that question. However, regardless of those rumours, the Government is getting on with putting in place the construction, subject to constructive dialogue and funding from the federal Government and it looks forward to getting the support of members opposite for that. I also look forward to Hon Barry House or any other member from that district shedding some light on where those rumours are coming from and their basis.

Hon BARRY HOUSE: I do not know about any \$50 million being floated around; I have not even heard of the figure. However, I know that at a political level, which is our job, I have joined forces with other members and with local government in that area - local bodies and local community organisations - to pursue the State and Commonwealth Governments to get this project on the map and put in place the process to get it moving. That is the point I have been trying to make. I mentioned by way of interjection - and I apologise for having done it that way - that the announcement from the state minister in the past week or so has put the process back to where it was about four years ago under Hon Murray Criddle and the coalition Government. The process has been hung out to dry and gone nowhere during that four-year period, which has been very frustrating for the people in the Peel region and others with an interest in that major road infrastructure. There was no certainty about the process, let alone the building of the road. If the State Government has made moves to bring it back on track, I applaud it for that, and I will be there side by side seeking funding from the federal Government. All I know is that I have been involved in a meeting with the federal minister most closely involved with funding for these projects and he has been receptive to the idea. He said he will certainly have a look at it when asked, but he has not been asked. I hope the state Minister for Planning and Infrastructure has got the process back on track - she seems to like tracks - and the process can start to bear fruit. I do not care whether this road is built by this Government or our side of politics when in government, but I suspect that when we are in government after the next election, we will not have the opportunity to open too many roads around the State that were started by this Government, which simply does not build capital infrastructure. This Minister for Planning and Infrastructure received a great deal of pleasure from opening the southern freeway extension to Safety Bay just after this Government came into office. Most of our members did not get invited to that event, but we are getting used to that sort of protocol.

Hon BILL STRETCH: This debate boils down to a couple of very simple questions. The minister in another place offered to table the letters she had sent to Minister Anderson and Don Randall, MHR.

Hon Kim Chance: Senator Campbell.

Hon BILL STRETCH: Yes.

Hon Ken Travers: I think she has written to both John Anderson and the junior minister who deals with roads.

Hon BILL STRETCH: It would be useful if the parliamentary secretary could table copies of those letters, otherwise we could get them from the other place. If that commitment has been made, it is great, but it does not quite answer the question about whether she has made the formal application for funding under the roads of national importance program.

Hon Murray Criddle: There are no roads of national importance any more. It will go into an AusLink program, which is a shared funding arrangement.

Hon BILL STRETCH: I thank Hon Murray Criddle for that update. There appears to be a formal application process for that funding. If the parliamentary secretary could table a copy of that application, it would knock the whole argument on the head.

Hon Ken Travers: I am fairly confident that there has not been a formal application -

Hon Bill Stretch; Hon Ken Travers; Hon Barry House; Hon Murray Criddle; Chairman; Hon Bill Stretch;; Hon Kim Chance; Hon Jim Scott

Hon BILL STRETCH: We will work by the Chairman's ruling and I will not take any further interjections. I will pose my question and the parliamentary secretary can respond. The question is: has a proper, formal application been made? The debate in the other place seemed to be only a bit of a shouting match, with not too many definitive answers. The rumour or feeling in the area is that because the Government is not prepared to commit any funding until 2008, it does not want to go down the path of making a formal application because of the danger that the federal Government will say, "Yes. Here is our money. Now where is your matching money?" If that is the case, it is very unfair and unreasonable, and almost untruthful, for the minister to say, "The federal Government will not put up the money until 2008, so do not bother asking us."

Hon Ken Travers: That is not right.

Hon BILL STRETCH: Hang on; I have nearly finished. If we could get an answer to that question, it would clarify the whole of this debate. If there is no will on the part of the State Government to build the road until 2008, regardless of whether federal funding is available, the minister should tell us, and the people of Mandurah, Peel and beyond, that that is the situation. To veil it behind a cloud by saying it is no good asking the federal Government because it does not have the money is not strictly -

Hon Barry House: Kosher.

Hon BILL STRETCH: Kosher, truthful - whatever. We need to know whether a formal application has been made and the federal Government has refused to provide the money, or whether there is a reluctance on the part of the State Government to ask. If the answer from the federal Government is yes, it is prepared to provide funding, the State Government may have to come up with its own cash; it may even have to cut out some of its plans for the railway. If the parliamentary secretary could give us the answer, or at least a commitment to find out the answer, we could advance this question and perhaps even put it to bed.

Hon KEN TRAVERS: I think Hon Barry House himself - I was just checking the uncorrected version of *Hansard* to see whether I am correct - pointed out last week that when the federal minister was in the area he indicated that there was no roads of national importance funding at the moment, but he felt there might be future -

Hon Barry House: Top ups.

Hon KEN TRAVERS: Yes. Obviously the approach that the minister has taken is to formally enter into a dialogue. As Hon Bill Stretch has mentioned, letters have been sent to the federal minister. No-one is hiding behind the date of 2008. We are proposing that that be the date by which we aim to complete the project. When members think about where we are at the moment, and the size of the project, it is not unreasonable to ask the federal Government whether we can work around 2008 as the date. We have also put forward funding for some of the geotechnical and design work that must be done as part of the application process. This is a bit of a catch-22 situation. We do not want to spend too much money on that work if there is absolutely no chance at the end of the process that we will get the funding for the project, for two reasons: first, we would be better off spending that money on other roads and actually do something with the money; and, second, if we were to spend the money now but there was too long a lead time, we would run the risk that by the time we got to that point we would have to go back and spend that money again to do the work again because things would have changed. The approach that we are taking is to try to get some indication from the federal Government about what is a reasonable time frame for this project. We are proposing what we believe is a reasonable time frame so that we can discuss with the federal Government whether that fits within its expectations and is reasonable from its perspective, and we can then move through that process. I think the member is indicating that he would agree that that is not an unreasonable approach.

Hon Bill Stretch: I accept your line of argument.

Hon KEN TRAVERS: So far as I am aware, there has not been a formal application. However, we are entering into a dialogue as part of that process. I have no doubt that if we start to get these sorts of indications, we can then move to the next stage of the process. However, we need to get an indication, at least in general terms. As members of Parliament, we regularly do that with ministers in our own State. We regularly ask whether there is any chance that we can get things started, or whether it will not get up the priority list until 2000-and-whatever. I hope that answers the member's question.

Question put and passed.

State Government Assistance Package for Drought-Affected Farm Businesses - Statement by Minister for Agriculture, Forestry and Fisheries

Resumed from 14 November on the following motion moved by Hon Bruce Donaldson -

That the statement be noted.

Hon Bill Stretch; Hon Ken Travers; Hon Barry House; Hon Murray Criddle; Chairman; Hon Bill Stretch;; Hon Kim Chance; Hon Jim Scott

Hon KIM CHANCE: Towards the end of my unfinished speech on 14 November, I had just got to the point of dealing with the split-up of the state dry season's support package funds. Because I was running out of time, I had to curtail giving the detail of the split-up that I sought to give. It is important that we quickly analyse the way in which those funds were split up. I had not given the early global numbers of applications, approvals and the dollars relating to those approvals, so I will do that now. In agricultural shires there were 371 applications, of which 330 were approved, 37 were declined and four were withdrawn. The average approval sum was \$5 588 and the total was almost \$1.844 million. In pastoral shires the approvals rate was even higher. There were 74 applications, of which 73 were approved and one was declined. The average approval sum was \$5 487 and the total was \$400 532. That gave a total of 445 applications, of which 403 were approved, 38 were declined and four were approved. That gave the total sum of \$2 244 501.

The reason I outlined the way in which the funds were split up was partially to indicate the very high proportion of approvals to application ratio: in agricultural shires it was around 90 per cent and in pastoral shires it was virtually 100 per cent. That reflected the fairly simple process that was put in place. It was always acknowledged that they were not large sums of money and that they were intended to get help onto the ground quickly and without too much messing around. I think those figures indicate that we achieved our aims.

I move now to the classification of expenditure. I indicated on 14 November that by far the largest component of that \$2 244 501 expenditure was almost \$1.187 million on 255 applicants for water supply enhancement. The next largest was freight on stockfeed at \$311 465. Water purchase and water transport was \$248 000. Feedlot infrastructure was \$225 000. Professional advice was almost \$59 000. On pastoral properties only, destocking stock transport was \$244 000 and pastoral rent was \$48 000. The point of mentioning all those figures is to give some indication that we achieved what we set out to achieve, which was to ensure that for the money that went out under the scheme there was some provision for the future conservation of water supplies and the reduction of pressure on rangelands and sensitive farmlands as a result of the drought. That message got through fairly well.

Contact with farmers since that time - post-drought surveys have been conducted - has indicated that the scheme was very well received. The number of farms and stations that applied for the funding was a little below expectation. There were 445 applications. One reason the number of applications was somewhat lower than it might have been was that for the first time that I am aware of an equity limit was applied in a drought relief scheme. The equity limit was \$2 million net equity for one or two-operator businesses, and \$3 million net for businesses in which there were three or more active partners. I was keen to introduce that equity cap, but, at the same time, I was apprehensive about it. The logic for introducing it was that if the partners of farm businesses had a net after debt worth of \$1 million each, it was a bit rich for the Government to ask the hairdresser in Dianella and the truck driver in Kewdale to shell out a bit of money to help those farmers along. If a farmer has a net worth of \$1 million, he ought to be able to look after himself. There was some initial resistance to that but it died away very quickly. The Government actually received quite a number of letters expressing support for the action, which, I must say, was not expected. People who got back to us, including some who were denied assistance as a result of the equity cap, said that a lot of the tension that drought assistance had caused in rural communities had been because people who were clearly not in a position to need public funding to assist them got public funding. I do not know how much further we will go with that. I asked for its introduction in this scheme to really sniff the wind to see whether it would be generally accepted by farmers. Although I have not formed any firm views on that, I am encouraged that people were mature enough to understand why it was done and what the equity cap meant.

Some farmers indicated in the survey that they would not apply for the scheme because they were opposed to government handout schemes per se as they were counter to the principle of self-reliance for the agricultural industry.

The enhancement of farm and station water supplies was clearly the most popular measure for which support was requested. I remind members - I said this on 14 November - that an additional \$1.5 million went on top of this funding to top up the farm water supply grant scheme. That was applied for and distributed within two weeks of the announcement. Works under this scheme mainly involved the cleaning out of dams, improvements to catchments and the provision and laying of piping, tanks, troughs etc for the improved distribution of existing water resources. Obviously, dam cleaning and catchment enhancement works do not provide water for a drought situation, but they do cater for future water harvesting. When this work is carried out during or just before the onset of drought, unseasonal rainfall frequently occurs. I have certainly known occasions when this work has been done and a thunderstorm has come through and dumped a heap of water on the catchment and in the dams and has helped alleviate the most pressing problem facing a farmer; that of carting water.

Hon Bruce Donaldson: That happened around Mt Walker when the tank was very low. The rain went through and saved the day for quite some time. People cleaned their dams out.

Hon Bill Stretch; Hon Ken Travers; Hon Barry House; Hon Murray Criddle; Chairman; Hon Bill Stretch;; Hon Kim Chance; Hon Jim Scott

Hon KIM CHANCE: There is no doubt that the most expensive and heartbreaking job in a drought is that endless task of water carting. The drought situation generally provides an opportunity for dam cleaning and this is a worthwhile incentive to offer at a time when funds may be in short supply. In making a longer-term commitment to the State's direct role in drought assistance, whatever changes happen, this is one form of assistance I would like to continue, even though it involves some quite sweeping changes in the exceptional circumstances program nationwide. Support for the feedlot infrastructure is also a measure with long-term benefits. Once the structure is in place it can be used annually for deferred grazing at the peak of a normal season, as well as for future drought. Professional advice also has longer-term benefits.

Transport of fodder and water actually has very little long-term benefit and can be seen as counterproductive in giving support for those who have not taken the decision to destock soon enough. The price of livestock at the beginning of the past dry period - and throughout the period for that matter - makes it difficult for me to justify any action other than selling the stock early; getting them mustered and off the property as soon as possible. This form of assistance was included reluctantly, against departmental advice, and I do not think that form of assistance should be used again. The department recommends that any future direct subsidy scheme be limited to untied cash grants or, if tied, measures that provide long-term benefits, such as water enhancement, feedlot infrastructure and professional advice only. In future, I will be likely to adopt the advice of the department in that regard. In other words, it is suggested that in future support not be offered for measures such as water carting and stock and fodder transport, although obviously from time to time there will be circumstances that are so unusual that we would consider that on a case-by-case basis.

Earlier today I announced a new half-million-dollar package for the development of weather prediction science and technology. I mentioned in that announcement that this is probably the biggest and most important thing a Government can do for farmers. In the context of any comment on drought support, this needs to be reiterated. Although I do not wholly agree with it, an interesting view has been put to me that the science of farming these days is less about agronomy than it is about risk management. Many of the issues around farming today that determine success or failure on an individual or regional level are to do with risk management. Risk management is a very wide field, because it covers areas such as commodity futures, weather prediction and risks on interest rates - when to borrow and when to be cashed up. A very wide field of risks needs to be covered, but the fundamental agronomic risk is whether investment in our annual operations will be justified by the climatic pattern of that year. It is not overstating the fact to say that it is probably the single most important thing that the Government can do for farmers. It necessarily involves government because it involves a massive drawing together of science and technology. If we could, within reasonable bounds of accuracy, tell farmers that they can expect a certain amount of rainfall in certain months of the following year, the science of farming would be extraordinarily simplified. I do not think anyone would disagree with me on that.

I believe that with some of the data that is available to us now - some farmers already access a retail service for weather prediction - we are within an ace of being able to deliver a forecasting service to farmers over the long term that is accurate enough for them to have sufficient confidence to base their investment decisions on what we have, give or take a margin of about 15 per cent.

Hon Jim Scott: Could you indicate whether the department would be liable if people relied on the data, and certainly if they made a long-term investment based on it?

Hon KIM CHANCE: Is that not a valid comment on our society today? It is also one of the first questions that occurred to me, so I am not being critical of the member. It is simply an accurate observation of today's society that when we think of something brave and enterprising, the first question that arises in our mind is, "What's the liability?" It depends a great deal on the way in which the information is made available. The way in which the department operates these days - I believe this will be the trend in the future - is that it is essentially a wholesaler of information, and we now look to the private sector, which, by and large, retails that information.

There is already a retailer of information - Mr Mal Lamond, a former Bureau of Meteorology scientist - who provides a retail service to farmers, and, I might say, has done so in recent years with uncanny accuracy. In fact, it was Mr Lamond's work, coupled with Mr David Stephens' work in the Department of Agriculture, that gave me the confidence to say that we would make this investment and try to bring co-investors with us. We will consider the issue of liability. However, I imagine that the department would turn out a wholesale product and make that available to people with the usual disclaimers. Mr Lamond or any other people who might want to access that data could further refine it with their own science, and make available, at their risk, a forecasting service to their clients. However, the question of liability would then rest in the relationship between the client and provider. There are ways through that. Clearly, it is a relevant question. If we say that we are providing this information with an 85 per cent degree of accuracy, clearly there is a warning to farmers that, if they take it,

Hon Bill Stretch; Hon Ken Travers; Hon Barry House; Hon Murray Criddle; Chairman; Hon Bill Stretch;; Hon Kim Chance; Hon Jim Scott

they will be wrong 15 per cent of the time. I hope that we will get beyond 85 per cent. To me, 85 per cent is simply a threshold figure. Once we go beyond that, we will have a serious product.

Certain technological aids are becoming available now, not the least of which are super-computers. We need to know which data to feed in, and we are learning that quite rapidly. If we have the oceanic and terrestrial data to feed into a super-computer, plus historical weather-recording data from all around the globe, not simply the southern hemisphere, I believe that we will be able to begin to refine these issues with a much greater degree of accuracy - something that could not have even been contemplated before we had super-computers. A whole range of technologies are becoming available to us. Our understanding of the interactions of the Indian Ocean currents and the Pacific Ocean currents is now quite mature, although we are all aware of the complexities of applying that to the western side of the continent, particularly the south western corner, as it happens. We are beginning to understand these issues better, and I am greatly encouraged by that. I sincerely hope that the government expenditure of \$500 000, which will be coupled with considerable investment from outside, will start a new era for farmers in Western Australia in which they can look forward to their next year's production systems with a great deal of confidence. Although my remarks were slightly off the mark, I am grateful for the opportunity to provide that additional information.

Question put and passed.

City of South Perth Inquiry, Findings and Process - Statement by Minister for Local Government and Regional Development

Resumed from 7 November 2002.

Motion

Hon JIM SCOTT: I move -

That the statement be noted.

Members will note that a ministerial statement was made in response to a document I tabled on behalf of the then Mayor of South Perth. It is interesting to note that the Government has completely denied that there were any flaws in the document when, in fact, there were some serious factual flaws in it. Initially, I was not going to speak on this issue, but it is important to juxtapose what has happened to the City of South Perth with what has happened to the City of Belmont.

Members might be aware that I recently tabled a document by Greg McIntyre, which made a comparison between those two councils. Mr McIntyre headed the inquiry. In the advice he gave, and which I tabled, he found that more serious matters had arisen in the City of Belmont than had arisen in the City of South Perth. If the same rules that he had applied to the City of South Perth were applied to the City of Belmont, there would have been no course of action available other than for the City of Belmont to suffer the same consequences as the City of South Perth. It is interesting that the Minister for Local Government and Regional Development has defended Mr McIntyre and Mr Gary Martin against the statements made by former mayor, Ms Pierce. At the same time, Mr McIntyre and Mr Gary Martin had clearly indicated in their reports that the City of Belmont was a far worse case than was the City of South Perth. One council was sacked and the other council was not. I wonder what is the difference.

Hon Paddy Embry: One is in a Labor-held electorate.

Hon JIM SCOTT: The other is in a seat held by an Independent, so it does not quite follow. It is true that there are some political linkages, but that occurs in every council. In one case, the councillors of South Perth were being targeted. Many of the criticisms were directed at the decisions the councillors made, whereas the main problems that arose in the City of Belmont were due to the chief executive officer. I have noted since I became a member of Parliament that there is a tendency by the Department of Local Government, which I think largely comprises people who have been officers of local government, to be far more harsh on councillors than it is on local government executives.

In the case of the City of South Perth, the comment in the ministerial statement reads -

As required by the Local Government Act 1995, the suspension of the council led to the establishment of a three-member panel by my predecessor . . .

In that case, the initial inquiry was undertaken to find evidence to decide whether a "part 2" inquiry should follow. In the case of the City of Belmont, it seemed that the minister or whoever was responsible had changed tack in his approach to the situation. That person was going to decide whether there was a reason to dismiss the council rather than wait until sufficient evidence could be gathered to warrant a part 2 inquiry. As Mr McIntyre

Hon Bill Stretch; Hon Ken Travers; Hon Barry House; Hon Murray Criddle; Chairman; Hon Bill Stretch;; Hon Kim Chance; Hon Jim Scott

said, the people who conducted the inquiry to justify a part 2 would need to be legally trained people to gather that evidence and no-one was qualified.

The report in the Belmont case, compiled largely by Mr Martin, was significantly watered down. Complaints were made against the Mayor of South Perth for erecting a podium and arranging a band to play on the Perth foreshore without seeking the approval of the executive. However, the mayor provided me with proof that a podium was not erected so she could not have been guilty of that. In addition, the band had not been arranged by her. They were trivial matters. However, very serious issues arose in the report on the City of Belmont such as the misuse of Bikewest funds to build a road for a development that was owned by the wife of the City of Belmont's chief executive officer.

Hon Simon O'Brien: Which CEO?

Hon JIM SCOTT: I am having a mental block on remembering his name.

Hon Simon O'Brien: Was it Mr Medcalf?

Hon JIM SCOTT: No; I am referring to Belmont City Council. When I discussed it with the minister - I think he might have even mentioned it in the House; I do not recall - he replied that it could be considered under part 2. The catch 22 is that if there is no part 2, it will not be examined at all. Some very serious issues such as that were not even properly examined.

The CEO has now left the City of Belmont with a very large payment in his pocket of more than \$300 000; whereas in the case of the City of South Perth a person was sacked, justifiably, as far as Mr McIntyre and other people were concerned. I would say there are far more serious issues in the City of Belmont. There is huge dissatisfaction there about a group scheme for land development. That dissatisfaction was drawn to the notice of the Belmont City Council, but it was mostly kept between the mayor and the chief executive officer. In the early stages they did not hold an official meeting on the issue and very little action was taken by them. The people who designed, managed and financed the group scheme were given massive contracts without going through a tendering process. Very clearly there were real problems with that scheme, yet no action was taken. The people who are concerned about the City of South Perth, including the former mayor, would have been very satisfied with the outcome there when the former mayor expressed his wish to get rid of the South Perth City Council. However, the people in the City of Belmont had huge concerns because a lot of property was involved in the group scheme, and they got no satisfaction at all. The City of Belmont allowed a group scheme to go ahead in such a way that information was misused and a company called Urban Focus was granted a contract for the design, management and finance of the scheme without having proper terms set for the finance. Also, the wife of one of the principals of the scheme bought land affected by the scheme under her maiden name. What response did the City of Belmont make to that? It said that it showed only that the principal had confidence in the scheme. How can that scheme be fairly and properly managed and designed when people who are employed by the council to carry it out have secret investments in it? If the principal was showing confidence in the scheme by investing in it, why did he sneak off and do it in his wife's maiden name? It will be obvious to any member of this place that he did that because he knew it was wrong. However, not one comment about that was made in the minister's report. I know the minister did not write the report, but ultimately he is responsible for its contents. He has recently wiped the slate at the City of Belmont. Although he has said that it has done everything it needed to do, I understand it is continuing to have problems at its meetings.

Hon Ray Halligan: As are a few others.

Hon JIM SCOTT: Yes, as are a few others. If the minister will not carry out a proper investigation into this issue, perhaps this Parliament should look into it and make its own judgment. I want to know, for instance, whether the CEO benefited from Bikewest funds going into roads in his wife's development. The Parliament should also determine whether it was proper for him to have council officers redesign his development. Members who did not read the report may not be aware of a development with which the CEO was involved. It was land next to an industrial area. The council decided not to approve the land for urban development. Somehow there was a change of mind. From memory, when the plan was submitted it showed six different lots. As time went on it was upgraded. The number of lots was doubled. Does the minister recall?

Hon Tom Stephens: I do not recall.

Hon JIM SCOTT: Because the development was not one that the council had as part of its program, there was a requirement to provide funding for a road to the development. When the council officers redesigned the development for the CEO so that he could develop more lots - 13 instead of the original six - it was decided that the amount he would have to pay for the road would be reduced. If this is not ringing any alarm bells in the minister's head that there is a problem, it ought to. I cannot imagine, given the information I have been provided with, that the minister could possibly have come to the decision he did. Neither can Mr McIntyre, who presided

Hon Bill Stretch; Hon Ken Travers; Hon Barry House; Hon Murray Criddle; Chairman; Hon Bill Stretch;; Hon Kim Chance; Hon Jim Scott

over the City of South Perth inquiry. That council was sacked. He said that good governance was not being provided. He also does not think that good governance has been provided at the City of Belmont. I made criticisms about the penultimate report, which went to the City of Belmont but was not tabled in this place until I tabled it later. The report clearly pointed the minister towards sacking the council. It is true that the council had to respond, but the minister pointed out to me that the author of the report signed off on it.

Hon Tom Stephens: Yes, the first report.

Hon JIM SCOTT: Indeed, he did. Did he not also ask for a disclaimer to be included? The minister might be able to tell us about that. I can tell him about it.

Hon Tom Stephens: I do not know anything about a disclaimer.

Progress reported and leave granted to sit again.

Sitting suspended from 3.45 to 4.00 pm